



GOVERNMENT OF KERALA

THE KERALA FINANCIAL CODE

VOLUME I

EIGHTH EDITION

2016

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FINANCE DEPARTMENT

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GOVERNMENT OF KERALA
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PREFACE

After the formation of Kerala, the rules contained in the Travancore Financial and Account Code and the Travancore Treasury Code and those contained in the Madras Financial Code, the Madras Account Code and the Madras Treasury Code were being followed in the respective areas of this State in which they were in force immediately prior to the formation of the Kerala State. The question of unifying these rules with a view to bringing in uniformity of procedure in regard to financial and account transactions in the several offices and the treasuries in the State, has been under the consideration of the Government. The unified rules have accordingly been compiled into three Codes, viz., the Kerala Treasury Code.

2. The Kerala Financial Code is issued in two volumes. The first volume of the code contains the text of the Code and the second, the appendices and the forms. This Code lays down the general financial principles and the rules of procedure in respect of all financial matters, which are common to all Departments under the Government. The officer of the Public Works Department, Forest Department, etc., have also to follow these rules supplemented by the special instructions in their respective Departmental Manuals.

3. The Travancore Financial Code and Account code, Volume II and the Madras Financial Code, Volume II contain certain appendices which embody rules and contain certain appendices which embody rules and instructions pertaining to subjects which are special to particular departments. These rules have correctly to be incorporated in the Departmental Manuals and therefore, they are not included in the new Kerala Financial Code. For instance, the rules relating to the supply and custody of printed forms and the rules for printing and binding should correctly forms part of the Manuals of the departments concerned.

4. The rules contained in this Code supersede in respect of the matters with which they deal, the corresponding rules and instructions contained in the codes which are in force till the date prior to that on which the Kerala Financial Code is brought into force.

5. References have been made to the “Book of Financial Powers” in connection with the powers to the several officers in incurring certain items of expenditure. The question of delegating enhanced powers to the various subordinate officers under the Heads of Department in pursuance of G.O. (P) No. 248/PD/Misc., dated 24th April 1962 is currently engaging the attention of Government. The volume ‘Book of Financial Powers’ will be issued as soon as possible. Till then, the various officers will exercise the powers delegated to them under the existing orders, in respect of matters which are not covered by the provisions in this Code.

6. Any officer, who notices any error or omission in this Code should report it to the Head of his Department; if the Head of the Department considers that there is a real error or omission requiring amendment, he should forward suitable proposals in the Government in the Administrative Department. Important proposals of this kind should be forwarded through the Accountant General, who will transmit them, with his comments to the Government in the Administrative Department. The Administrative Department will pass on the proposals to the Finance Department with its remarks.

C. THOMAS
Finance Secretary.

PREFACE TO THE THIRD EDITION (REVISED)

The unified rules on general financial principles and rules of procedure in respect of financial matters common to all departments under the Government were first issued as the Kerala Financial Code in two volumes in 1963. A revised edition of the Code was issued in 1966 and the present one is the third edition. In issuing this edition all changes subsequent to 1966 have been taken into account along with suggestions from the Heads of Departments, comparing also the rules and procedure followed in neighbouring States and the Government of India. The present edition incorporates all amendments and additions upto September 1975. One of the changes in this edition is that the rules on House construction Advance have been deleted. These rules will be issued as a separate booklet in compact form for wider availability to those interested. Consequent on the deletion of certain articles not in force and their renumbering and rearrangement, the number of the chapters and articles has been reduced.

Trivandrum,
8.10.1975.

K.V.RABINDRAN NAIR,
Finance Secretary.

PREFACE TO THE FOURTH EDITION

The third edition of the Kerala Financial Code Volume I was issued in 1975 incorporating the amendments upto September 1975. The present edition of the Code incorporates all the amendments upto 31.12.1984. Whenever any Head of Department considers that any existing rule requires modification in keeping with the present practice or as a result of changes in the system rendered necessary in the course of actual working he may move the Government in the Finance Department through the Accountant General to amend the rules.

Thiruvananthapuram,
25.1.1985.

K.V. RABINDRAN NAIR,
Commissioner & Secretary (Finance).

PREFACE TO THE FIFTH EDITION

The present edition of the code incorporates the amendment subsequent to the issue of the fourth edition in January, 1985. Any officer who finds any error or omission in these rules for any difficulty in implementing them may bring it to the notice of the Government.

Thiruvananthapuram,
7.11.1991

M. MOHAN KUMAR,
Commissioner & Secretary (Finance).

PREFACE TO THE SIXTH EDITION

Nearly nine years have elapsed since the issue of the Fifth Edition of the Kerala Financial Code Volume I. This new edition incorporates all the amendments issued till 30-9-2000. The rules relating to the grant of House Building Advance to Government servants are also included in this Volume. For the first time, the document is maintained in computer. It is hoped that this will make incorporation of changes easier in future.

Heads of account shown in the Fifth Edition of the Kerala Financial Code and the corresponding Heads of Account according to the revised functional classification are given in Annexure I and the Government orders yet to be incorporated in the Code are given in Annexure - II.

Any error, omission or difficulty in the interpretation and or application of the Code may be brought to the notice of the Principal Secretary to Government, Finance Department, Government of Kerala.

Thiruvananthapuram,
6.10.2000.

VINOD RAI
Principal Secretary (Finance).

PREFACE TO THE SEVENTH EDITION

The Seventh edition of the Kerala Financial Code Vol. I is published after a lapse of 9 years since the last edition. The edition incorporates all amendments, rulings and decisions ordered by the Government up to 19/04/2008.

Major modification incorporated in the seventh edition include rules relating to the black listing of grant-in-aid institutions on the grounds of non submission of utilization certificates, local purchase of furniture, payment of electricity and water charges of Govt. Offices and audit of grant-in-aid institutions by the Accountant General(Audit)

This volume will be available for sale on CD-ROM also from Finance Department. Comments, if any, for improving this volume are welcome.

Thiruvananthapuram,
26.12.2008

L.C.GOYAL
Principal Secretary (Finance)

PREFACE TO THE EIGHTH EDITION

The Kerala Financial Code focuses on the general financial principles and the rules of procedure in respect of all financial matters, which are common to all Departments under the Government. This Code is truly the cornerstone of financial administration in the State. All Government Departments are duty bound to strictly abide by these rules supplemented by the special instructions in their respective Departmental manuals.

The existing edition of Kerala Financial Code (Volume I) incorporating amendments up to April 2008 was issued nearly seven years ago. Now the eighth edition of the Code has been completed and all possible efforts have been made to bring out this publication without errors/omissions.

However any Officer who finds any error, omission or difficulty in interpreting and/or the application of the Code should report it to the Head of his Department who should kindly bring it to the attention of Finance Department.

Dr. K. M. ABRAHAM CFA, IAS
Additional Chief Secretary (Finance)

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CHAPTER I

INTRODUCTORY

1. This Code mainly contains rules relating to all financial transactions of Government which fall into two broad classes, viz., receipts and disbursements. These rules should be followed by every Government servant in the matter of receipt, custody and disbursement of Government money. These rules are supplementary to treasury rules and should be applied in conjunction with them.
2. These Rules shall come into force with immediate effect.

Definitions

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

“Accountant-General” means the head of an office of Accounts and Audit subordinate to the Comptroller and Auditor General of India whether known as “Accountant General” or by any other designation, who keeps the accounts of the state and exercises audit functions in relation to those Accounts on behalf of the Comptroller and Auditor General of India.

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

“Appropriation” means the amount provided in the Budget Estimates for a unit of appropriation or the part of that amount placed at the disposal of a disbursing officer.

“The Bank” means any office or branch of the banking department of the Reserve Bank of India, any branch of the State Bank of India, acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (Act 2 of 1934), and any branch of a subsidiary Bank as defined in section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (Act 38 of 1959), which is authorised to transact Government Business as agent of the State Bank of India, or any other agency appointed by the Reserve Bank of India.

“Bank Draft” (*See* Rule 377 of the Kerala Treasury Code).

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

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

“Cash Order” means an order issued by a Treasury Officer on a sub treasury within the district for a payment on the Government account or for any authorised purpose of a specified amount to a specified person.

“Centage Charges” means in connection with a work which the Government execute on behalf of another Government, a local body or a private party, the

charges calculated at a percentage rate on the value of the work done, which the Government recover from the party for whom the work is done towards the cost of the establishment and the tools and plant employed on the work.

“Central (Agency) Subject” - *See* Article 340.

“Central (Agency) Transaction” - *See* Article 340.

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

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

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

“Consolidated Fund, Contingency Fund and Public Account”The words **“Consolidated Fund of the State, Contingency Fund of the State and Public Account of the State”** shall have the meanings respectively assigned to them in Articles 266 and 267 of the Constitution of India.

“Contingencies” - *See* Article 90.

“Contingent Charges” - *See* Article 90.

“Contract” means any kind of undertaking, written or verbal, expressed or implied, by a person other than a Government servant or by a syndicate or firm to construct, maintain or repair one or more works, to supply certain stores, or to perform any service in connection with the execution of a work or the supply of stores.

“Contract documents” means the documents required in connection with the giving out of a work on Contract.

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

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

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

“**Draft**” - *See* Rule 377 of the Kerala Treasury Code.

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

“**Financial Propriety**” Standards of - *See* Article 40.

“**Financial Year**” means the year beginning with the 1st April and ending with the following 31st March.

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

“**Government**” means the Government of Kerala.

“**Government account**” means the total of the Consolidated Fund Account, Contingency Fund Account and the Public Account of the State.

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

“**Governor**” means the Governor of Kerala.

“**Head of a Department**” means any authority specially declared by the Government to the Head of a Department (*See* Appendix I).

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

“**Inspecting Officer**” means a State Touring Officer who is appointed solely or mainly for performing specified duties of inspection which involve touring and includes an officer who has been specially authorised to conduct inspection of any office.

“**Local body**” means a District Board, Municipal Council (including City Corporations) or Panchayaths.

“**Local Fund**” means

- (1) the moneys received and administered by a body which, though not part of the Government’s Departmental Organisation, has been placed under the control of the Government by a law, or a rule having the force of law, whether in regard to its proceedings generally or to specific matters, e.g. its budget, creation of particular posts in its service and appointment to such posts and the leave, pension and other rules applicable to its servants; and
- (2) the moneys received and administered by any other specified body when the Government have published a special notification to the effect that they constitute a “Local Fund”.

“**Major Head**” means a main head of account for the purpose of recording and classifying receipts and disbursements of moneys that enter into the Government account.

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

“**Measurement Book**” - *See* Article 189.

“**Miscellaneous Expenditure**” means all expenditure other than that falling under pay and allowances, contingencies and works.

“**Muster Rolls**” *See-* Article 186.

“**Piece-work agreement**” – *See-* Article 178.

“**Public Account**” – *See* “**Consolidated Fund, Contingency Fund and Public Account**” above.

“**Quantity**” means, in connection with works the extent of work done, supplies made or services rendered when these can be measured, weighed or counted.

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

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

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

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

“**State**” means the State of Kerala.

“**Stores**” means all articles and materials (other than cash and documents) which come into the possession of a Government servant for use in the public service.

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

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

“**Technical Sanction**” means the order of a competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair to be carried out by the Public Works Department. (c.f. *Administrative approval*).

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

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

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

“Works” - *See* Article 163.

CHAPTER II**RECEIPTS, THEIR COLLECTION AND CHECK****General**

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

**DUTIES AND RESPONSIBILITIES OF A GOVERNMENT SERVANT
ENTRUSTED WITH THE COLLECTION OF REVENUE AND ITS
REMITTANCES INTO THE TREASURY AND MAINTENANCE
OF REGULAR ACCOUNTS**

Collection

5. (1) Revenue due to Government should be properly assessed and demands made as and when they become due for collection.
- (2) Effective steps should be taken to ensure prompt realization of the amounts due to Government .
- (3) Proper records in respect of all items of revenue whether recurring or non-recurring should be maintained to show the assessments and demands made, the progress of recovery and the outstanding amounts due to the Government.
- (4) Every departmental Controlling Officer should watch closely the progress of the realisation of the revenue under his control and review the recoveries made against the demands.
- (5) In inspite of taking all possible steps, some arrears still remain uncollected and he is satisfied that any portion of them is quite irrecoverable; he should take immediate steps to obtain necessary sanction for the irrecoverable arrears to be written off.

6. The detailed rules governing the demand and collection of revenue under the control of the various departments are contained in the respective departmental manuals, or in the orders of Government on the subject issued from time to time.

Remittance

7. (1) When money is received on account of Government dues, a receipt for the sum received should be given so that the counterfoils of the receipt book should always show the details of revenue realised.
- (2) The daily collection of each officer should be remitted into the Treasury, the next working day. When this is not possible owing to distance from the Treasury, or any other cause, the money should be remitted periodically, i.e., at least once in a week on the last working day. Officers having large collections may, however, make more than one remittance in a week, provided the amount of each such remittance is not less than 500. The last remittance for the month including the last receipt should, however, reach the Treasury in the same month.
- (3) The officer immediately responsible for the collection should keep the receipts (chalans) for the amounts paid into the Treasury in proper files. This is to ensure that all collections are being paid regularly into the Treasury.

Accounts

8. *Maintenance of Proper Accounts.*— (1) Every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned.
- (2) He should render accurately and promptly all such accounts and returns relating to them as may have been prescribed by the Government, the Accountant General or the competent departmental authorities.

- (3) He should check the accounts as frequently as possible in order to see that there is no occasion to commit fraud, misappropriation or any other irregularity.
- (4) He will be held personally responsible for any loss that may be found to be due to any neglect of the duties laid upon him by the provisions of this Code and other Codes or Financial Procedure issued by the Government (*See* also Chapter XI).
- (5) The fact that a Government servant has been misled or deceived will, in no way, mitigate his personal responsibility since every Government servant should be familiar with the financial rules laid down by the Government.
- (6) He should exercise a specially strict and close control in regard to the maintenance of proper accounts.
- (7) In preparing the departmental accounts particular attention should be given to the following points:—
 - (i) The departmental revenue accounts should not be compiled from the returns prepared by the Treasury. But the Treasury Officer may be required, where necessary, to verify the returns prepared for submission to the departmental controlling authority.
 - (ii) In order to facilitate check by Controlling Officers and to prevent misclassification in the treasury accounts, all receipts of revenue should be noted in the departmental accounts before being credited into the treasury, and the fact noted in the chalan. The chalan should show distinctly on what account the money is to be received and under what detailed head of revenue it has been entered in the departmental accounts. The entry in the departmental accounts should be completed before the amount is credited into the treasury; i.e., the entry in the departmental accounts should show the amount as received.

Details of remittance towards loans and advances should be entered in a separate register at the time of countersigning such chalans. If the countersigning officers are not themselves the District Controlling Officers, they should send monthly extracts of this register to the District Controlling Officers. With the assistance of such extracts received from the subordinate officers and the register maintained in their own offices, the District Officers should verify their monthly statements with the treasury figures at the time of reconciliation and see whether money as per all the chalans countersigned by them or by their subordinate officers has actually been remitted and if so note the number and date of each chalan against the entry in their register and in the extracts received from subordinate officers and delete the entries in respect of those countersigned chalans which had not been presented in the Treasury for remittance.

- (iii) Revenue collected in one district on account of another should be credited in the treasury account of the receiving district under the appropriate head of account and the fact intimated to the appropriate departmental officer in the district concerned. Any such item of revenue should be omitted in the demand, collection and balance statement of the receiving district and included in that of the district to which it belongs. Foot notes should be added to the demand, collection and balance statements of both the districts to explain the difference between these statements and the treasury accounts.
- (iv) The departmental sub controlling officers should reconcile the departmental figures with the treasury figures and obtain the signature of the Treasury Officer on the statement prepared by them in token of the agreement of their figures with the treasury figures, before the accounts are submitted to the Controlling Officers. This should be done through the departmental staff deputed to the treasuries for the reconciliation work as required in para 68 of the Budget Manual.

**Duties of the Departmental Controlling Officer in
Respect of Maintenance of Accounts**

9. *Every Departmental Controlling Officer should.*— (1) Obtain regular accounts and returns from his subordinates for the amounts realised by them and paid into the Treasury and consolidate the figures in a register. The total receipts for each month should be classified in the Register according to the heads of account in the budget estimate.
- (2) Compare the figures compiled in this Register with the accounts received from the Accountant General and reconcile any differences as early as possible in communication with the Treasury Officers concerned and if necessary with the Accountant General also.
- (3) See that the reconciliation of the figures for March is completed as early as possible since corrections, if any, that may be required in the Accountant General's books have to be made before the accounts of the year are closed.
- (4) Inform the Accountant General at once, of any wrong credit, when discovered, in order that the accounts may be corrected. When a subordinate Government servant's return includes a credit for which there is no corresponding credit in the accounts received from the Accountant General, the Controlling Officer should, in the first instance, call for full information from the subordinate Government servant.
- (5) Exercise a close watch in regard to the reconciliation work of receipt figures as in the case of expenditure. For this, the Chief Controlling Officers should get quarterly reports on the progress of reconciliation work in respect of departmental receipts from their subordinate controlling officers with a certificate to the effect that the departmental figures have been reconciled with those booked in the Treasury. The Controlling Officers should review the reports received from the subordinate controlling officers and satisfy themselves that the reconciliation of departmental receipt figures is done properly and promptly. The Chief Controlling Officers should furnish a

certificate to Government in the Finance Department to the following effect on 30th September and 31st March every year.

Certificate of Reconciliation

I, the Chief Controlling Officer in respect of the
.....(here specify the head of account) hereby certify
that the departmental figures of receipts for the period upto
..... have been reconciled with those booked in the Treasury.

Duties of the Inspecting Officers in Checking Revenue Collection

- 10. (1) The Inspecting Officers will compare the entries in the counterfoils in the printed counterfoil receipts book with those in the register of collections and with any original receipt they may be able to obtain from the persons to whom they were issued.
- (2) They will check the totals in the Register of collections and will see that the amount shown as collected agrees with the total of the amounts paid into the Treasury as shown in the chalan and the cash in the hands of the Government servant.
- (3) The comparison will be made from the time of the last inspection and the accounts should be inspected on the spot at least once every year.

Note:– The selection of Inspecting Officers rests with the Heads of Departments and District Officers as the case may be. Inspecting Officers should be sent to inspect the accounts periodically. Heads of Departments and District Officers should themselves inspect the accounts at regular intervals. When doing so, they should check the collection register in part by comparison with the counterfoil receipts and should see that the total of the Register of Receipts agrees with the total of chalans and the balance in hand. In many cases, items for realisation vary especially when they are the subject of sale by auctions. The Officer-in-charge should therefore, keep the orders sanctioning sale in proper file, and the Inspecting Officer should check the register with them to see that the proper amounts have been entered.

11. Heads of Departments in charge of important sources of revenue should keep the Finance Department fully informed of the progress of collection of revenue under their control and of all important variations in such collections as compared with the budget estimates.

SPECIAL RULES FOR PARTICULAR CLASSES OF RECEIPTS

Rents of Government Buildings Due from Government Servants

12. Government buildings fall under the following two categories:—

- (1) Those in charge of the Public Works Department.
- (2) Those in charge of departments other than the Public Works Department.

The responsibility for recovering rent in respect of the first category of buildings which are used wholly or partially as residences rest mainly on the Executive Engineer of the Division in which the building is located. But the Head of the office in which the tenant is employed and the Treasury Officer or other Officer who disburses his pay also bear some responsibility in the matter. In respect of the second category of buildings, the responsibility rests mainly on the departmental officers concerned.

**THE DUTIES OF A GOVERNMENT SERVANT WHO IS IN
CHARGE OF A GOVERNMENT BUILDING WHICH IS
CONSTRUCTED OR ACQUIRED FOR USE AS
RESIDENCE**

§ A. Duties of a Head of Office / Drawing Officer

13. (1) The head of the office who is in charge of the building should prepare a statement of data for the calculation of the rent of the building acquired or newly constructed, leviable in accordance with the rules on the subject in consultation with the Executive Engineer of the Division and obtain through the Accountant General the orders of Government in regard to it. Rent should

be fixed again when there is change in capital cost consequent on additions or alterations subsequently made.

- (2) He should furnish to the Executive Engineer concerned [*in the case of buildings in charge of the Public Works Department] not later than the 15th of every month, a statement in form No. 1 (A) showing the following details:
- (a) The names, designation and emoluments etc., of all Government servants belonging to that office who occupy quarters provided by the Government.
 - (b) The changes in the occupancy of such buildings.

§ (c) Omitted

When a complete statement has once been furnished, it will be sufficient for the Head of the office to intimate every subsequent month, only the changes, if any, in the completed statement, but when there is no change he should inform the Executive Engineer of that fact. If a building is vacant, the Head of the Office concerned should state the period for which he expects it to be vacant and say whether it will be required during that period by any Government servant of the same department.

- (3) He should recover by short drawal from pay or establishment bills as the case may be the rents of Government buildings demanded as due either from himself or from any of the subordinates whose pay is drawn by him. Under special circumstances, he may arrange to recover rent in cash.

Note:- The Government servant in charge of a Government educational institution should include in his statement particulars as to the occupation of and rents due for accommodation in any hostel attached to the institution for the use of the students and borne on the registers

* C.S No.8/77 [G.O (P) No. 372/77/Fin ., Dated 29/09/1977]

§ C.S No.1/99 [G.O (P) No. 1665/99/Fin., Dated 30/07/1999]

of the Public Works Department, although it is not a residence provided for Government Servants. (See also Article 22).

*** B. Duties of the Head of Office/Drawing Officer**

14. (i) The Head of Office/Drawing Officer should prepare in Form I (B) in triplicate a demand statement of rents due from Government servants in respect of Government buildings used as residences and send it to the Treasury Officer or other disbursing officer two days before the close of the month.

The demand statement of rents should include the following details:

- (1) Amount due from a Government servant on account of the hire of Government furniture or other Government property for which he is responsible.
 - (2) Any other amount due from a Government servant to Government in respect of the residence allotted to him.
- (ii) The statement should be prepared with the data made available by the Accountant General by way of copies of the pay slips of Gazetted Government servants and intimations from Heads of Offices of the changes in the emoluments of non-gazetted Government servants who occupy Government residences.
- (iii) The information in the completed copy of Form I (B) returned by the Treasury Officer or other disbursing offices should also be utilised when preparing the demand statement of rents for the next month.
- (iv) The assessment should be revised in accordance with any change of emoluments noted by the Treasury Officer or other disbursing officer.
- (v) *The Head of Office/Drawing Officer should recover any additional rent which may be due either because the full amount has not been collected

* C.S No.1/99 [G.O (P) No. 1665/99/Fin., Dated 30/07/1999]

in the previous month or because arrears of emoluments have been paid to a Government servant.

- (vi) A separate form should be prepared in respect of each tenant who draws his pay direct from the treasury. In respect of other Government servants in each office, there should be a single consolidated form for each class of establishment whose pay is drawn on a separate bill.
- (vii) When a Government servant is transferred or proceeds on leave or retires, Head of Office/Drawing Officer should give the Treasury Officer or other disbursing officer as early as possible notice of the date upto which rent is payable.
- (viii) If a Government servant vacates a Government residence before the last day of a month owing to his departure or transfer, leave or retirement, the demand for the rent for the part of the month for which it is due should be made at once so that the amount due may be recovered before his departure.

C. Duties Of The Executive Engineer

14(A). After all necessary action has been taken on the copy of the demand statement of rents returned by the Treasury Officer, the Executive Engineer should forward it to the Accountant General.

Duties of The Treasury Officer or Other Disbursing Officer on Receipt of the Demand Statement of Rents

- 15. (i)** The Treasury Officer or other Disbursing Officer on receipt of the demand statement of rents should recover the amounts stated to be due from the next bills in which the Government servants concerned draw pay without any previous reference to them.
- (ii)** He should note in column 6 of all the copies of the demand statement (i) the emoluments actually drawn by the tenant where they differ from those entered

by the **Head of office/Drawing officer in column (3); (ii) any sum drawn by the tenant as arrears of emoluments with details of the rate at, and the period for, which it has been drawn; (iii) the number of the bill from which each item of the rent was deducted; and (iv) if in any case the rent noted in column 4 has not been recovered in full, a brief statement of the reasons.

- (iii) A certificate should be recorded at the bottom of the statement that he has made all the necessary entries in column 6.
- (iv) One copy of the return thus completed should then be returned to the Executive Engineer and Drawing Officer in one week before the close of the succeeding month. One copy should be attached to the pay bill concerned.
- (v) Details of any rent recovered at the Sub treasuries should be obtained in time for inclusion in the copy of the statement of rents to be returned to the Executive Engineer.

Note:- Any subsequent recoveries effected by the Treasury Officer or by a Sub Treasury Officer, too late for inclusion in the statement should be included in the statement of the following month.

- (vi) Whether the monthly demand statement has been received or not, rent should be continued to be recovered at a rate once intimated by the Drawing Officer until an advice to the contrary is received from him. In cases where the demand statement for the month has not been received, the demand statement should be prepared in triplicate on the basis of the recovery made by him in the previous month incorporating therein any information in his possession regarding changes in the occupancy or emoluments. One copy of the statement thus prepared may be furnished to the Drawing Officer while the other two copies may be attached to the pay bills concerned.
- (vii) The Treasury Officer or other Disbursing Officer will not conduct any correspondence with tenants as to the rents payable by them, but will

** C.S No.1/2000 [GO (P) No. 952/2000/Fin., Dated 19/06/2000]

refer any points raised by them to the Drawing Officer/Executive Engineer.

(viii) In cases where a Government servant is transferred or proceeds on leave or retires, unless otherwise instructed by the Drawing Officer/Executive Engineer, the Treasury Officer or other disbursing officer should—

- (i) if the Government servant is paid up to the date of making overcharge, recover from the pay bill the rent due up to that date; or
- (ii) if the Government servant is not paid up to the date of making overcharge, recover from any pay bill which is paid, the rent due for the period covered by the pay bill and not on the reverse of the last pay certificate the balance of rent due for recovery on account of the remaining period up to the date of making over charge.

16. The Treasury Officer should compare the total of the recoveries shown in the copies of the demand statement of rents attached to the pay bills (which should include recoveries made too late for inclusion in the copy returned to the Executive Engineer) with the total credits on account of such recoveries in the Treasury account for the month in which the recoveries were made and see that they agree, and should submit these copies to the Accountant General along with the Treasury Account.

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

18. When a tenant makes any representation asking for a revision of an assessment of rent by the Executive Engineer, he must pay the amount assessed on demand and await orders on his representation. If the representation is successful, the amount to be refunded should be

adjusted as soon as possible after the orders are issued, by a reduction in the assessment for a subsequent month or if this is impracticable or inconvenient by repayment in cash.

19. The Accountant General will select a few Treasuries each month and will forward to the Executive Engineer concerned the copies of the demand statement of rents in Form I (B) received by him during the month for verification with the Treasury accounts. The Divisional Accountant should compare these statements with the corresponding entries in the Register of Rents of Buildings and Lands, see that the Accountant General has not omitted to send any statement pertaining to the treasuries concerned and take steps to revise the assessments of rents due from Government Officers in respect of whom the Accountant General has altered the rate of emoluments entered in the statements.

Rents of Government Buildings, Lands, etc., due from Private Persons and Pensioners

20. When any building or any land or other property belonging to the Government is let to a person not in the service of Government, the full assessed rent for each month should always be recovered from him in advance. A tenant who is in receipt of a pension should be treated as a person not in the service of Government.

Hire of Office Accommodation

21. Where no suitable Government building is available, private buildings may be hired for public purposes with the sanction of Government, the rent being paid by the public office or department occupying it. When the building is entirely used for office accommodation, the rent is wholly chargeable to Government, while when it is partly used for office purposes, and partly for residential purposes, the share of the rent payable by Government will be proportionate to the amount of the main building set aside solely for office use not exceeding half the rent of the house. The Municipal tax assessed on the annual value of buildings in which the accommodation is provided, or on the land appertaining to them, should be paid by the owner.

Note:— Rents recovered from officers sharing office-cum-residential accommodation in private buildings will be classified as receipts of the departments concerned.

Rent of Hostels

- 22.** When a hostel is provided for a Government Educational Institution, the departmental authority in charge of the institution should immediately after taking charge of the hostel building request the Head of the Department to obtain the Government's orders for the fixation and recovery of rent. Such hostels should be included in the departmental authorities' returns in Form 1 (A) and in the monthly returns of residential buildings sent to the Accountant General by the Executive Engineers concerned (*See Note under Article 13*).

Note 1:— Warden's quarters attached to hostels come under the class of residences for Government Officials and should be shown in the monthly return whether any rent is recovered or not.

Note 2:— When an electric installation is provided for a hostel, the room rent should be raised so as to cover the cost of the installation and meter hire. The actual cost of the electric energy consumed and of repairs to electrical fittings should be recovered evenly from the students living in the hostel each month*

FINES

Duties of Government Officers in the Realisation of Fines

- 23. (a)** It is the duty of every Court or authority having the power to fine to see that the fines are correctly realised and the receipts are properly checked and that the money received reaches the Treasury without delay. Adequate precautions should be taken to see that there are no double refunds of fines or refunds of fines not actually paid into the Treasury.

*Deletion C.S No.10/77 [G.O (P) No. 422/77/Fin., Dated 29/10/1977]

Each Court, Civil or Criminal, should submit to the District Judge or the District Magistrate, as the case may be, a monthly statement in Form 2 showing the demand, collection and balance of fines levied and written off by it and the amounts refunded in respect of fines. This statement should reach the District Judge or the District Magistrate during the first week of the succeeding calendar month. The statement should exhibit the amounts under each head of account, e.g., magisterial fines, fines under the Prevention of Cruelty to Animals Act, Motor Vehicles Act, etc., separately.

The District Judge or the District Magistrate, as the case may be, should each consolidate the returns so received into a monthly fines statement for the Courts under him. This monthly statement should then be forwarded to the Treasury Officer as soon as possible. They should review the monthly progress made in the collection of fines and take immediate and effective steps for the realisation of the balance, if any.

The Treasury Officer should verify the amounts shown as remitted into the Treasury in the monthly statement of fines received from the District Judge or the District Magistrate, with the credit appearing in the Treasury accounts and if found correct, he should certify as to the correctness of these amounts. If there is any discrepancy between the consolidated statement and the treasury account, the Treasury Officer may get the discrepancy cleared, before giving a certificate if necessary by referring the matter to the District Judge or the District Magistrate, as the case may be.

**The Procedure to be adopted when any amount is realised
in any District on account of a fine imposed in
another District of the State.**

- (b) When any amount is realised in any district on account of a fine imposed in another district of the State, the amount should not be remitted to the Court which inflicted the fine but should be treated, for the purpose of the fines statements, as if a fine equal to the amount realised had been inflicted by the Court in which it is realised. The Court which realises the amount should

sent an advice of the recovery to the court which inflicted the fine and should also make a note of the Court to which the amount relates against the credit in its Fines Register and monthly statement. The Court which inflicted the fine should, on receiving the intimation, note in its Fines Register and monthly statement the amount of the recovery so advised and the name of the treasury into which the amount was paid.

The Procedure for keeping Accounts Relating to Fines

- 24.** Each Court should maintain two remittance books: one with the heading “Courts of Law” and the other with the heading “Stamps”. All stamp penalties, deficient stamp duty, etc., should be brought to the remittance book under Stamps and all fees and fines, Civil or Criminal and other items belonging to Courts realised by Courts should be entered in the remittance book under Courts of Law. Particulars of the date of remittance, nature of item, amount, etc., should be clearly noted in the books. The books will be signed by the head ministerial officer and the Judge or Magistrate in the proper columns, and sent with the money to the Treasury along with the chalans on the day of realisation, to be credited under the proper head. The Treasurer and the Treasury Officer will sign in the proper columns and return the books. At the end of the month, the entries will be totalled by the head ministerial officer and submitted to the Treasury, where the totals will be checked with the Treasury accounts and signed by the Treasurer and the Treasury Officer, if correct.

Note:- The annual cash balance statements of Civil Courts and the half-yearly fines statements of Criminal Courts will be got certified by the Treasuries before submission to the High Court. To enable the treasuries to furnish these certificates, the Courts will furnish them with particulars of remittance (copy of Remittance Register relating to the period).

Pricing of Stationery

25. The pricing of stationery articles and the charges to be recovered for the supplies to be made by the Stationery Department are governed by the rules and orders issued from time to time.

Pricing of Publications

26. Priced publications required by Government or Heads of Departments and Offices, whether for their own use or for distribution to other offices, the public, etc., either directly or through the Government Press have to be paid for.
27. In the case of publications of departments which pay for their own printing or in the case of publications printed for free issue, free issues should be made only in accordance with the distribution lists sanctioned by the authorities concerned.

As a general rule, publications should be priced on a costing system and the sale price should be fixed at 50 per cent above the cost price in order to cover the commission on sale, etc., and storage and distribution. The cost is arrived at as below:-

- (a) Cost of labour on composing, printing, binding, etc., plus.
- (b) Cost of non-productive and non-effective charges based on an average of the past year, viz., supervision, contingencies, taxes, depreciation of plant, cost of miscellaneous raw materials, glue, printing ink, etc., and power, plus.
- (c) Cost of paper and binding materials.

To these, 50 per cent is added on account of selling commission, etc., and the total is divided by the number of copies printed to arrive at the sale price of each copy.

Fees for Cultural and Microscopic Examinations, Dispensing Stock Vacancies, Auto-Vaccine, etc., in the Public Health Laboratory

28. All the fees etc., collected under this head are credited to Government.

Fees received by Government Officers as Notaries Public

29. Notaries Public who are Government Servants should after defraying all charges incurred by them in the former capacity credit to Government the balance of the fees which they receive to the Head "065A Administration of Justice, (c) Fees, Fines and forfeitures other receipts".

Credit Sales

30. No articles of Government shall be sold on credit except where special rules or orders have been issued by Government permitting such sales subject to the conditions laid down therein by certain departments in respect of certain articles such as milk, milk products and manures.

Receipts under the Motor Vehicles Act

31. All dues under the Motor Vehicles Act, Kerala Motor Vehicles Taxation Act, Kerala Motor Vehicles (Tax on Passengers and Goods) Act and the rules made under these enactments should be paid by the parties concerned into the treasuries. The receipted chalans, except those relating to remittance of tax under the Kerala Motor Vehicles Taxation Act, are to be forwarded to the Motor Vehicles Department. In the case of remittance of tax under the Kerala Motor Vehicles Taxation Act, the chalan should be retained in the Treasury for issue of tax licences by the Treasury Officers.

Note:— In order to facilitate speedy service to the public, the Regional Transport Officers are also authorised to accept moneys in cash towards the payments of.

1. Fees for the following services under Motor Vehicles Act and rules framed thereunder and Insurance (Third Party) Act.

Sl. No.	Particulars	Provision in the Act and Rules
1.	Fees for the issue and renewal of leaners licence	Rule 6, K.M.V Rules, 1961
2.	Fees for the issue of Testing Order and permanent licence including leaners licence	Rule 6,24, K.M.V Rules, 1961
3.	Fee for the issue of Badges	Rule 19,24, K.M.V Rules, 1961
4.	Fee for the Duplicate driving licence	Rule 46, K.M.V Rules, 1961
5.	Fee for duplicate badge	Rule 49 (3), K.M.V Rules, 1961
6.	Fee for renewal of motor driving licence	Section 11 (3) K.M.V Act
7.	Fee for testing order of conductors	Rule 60 (b), 70 (3), 67 (2) K.M.V Rules, 1961
8.	Fee for duplicate conductor's licence	Rule 90, K.M.V Rules, 1961.
9.	Fee for renewal of conductor's licence	Rule 73, K.M.V Rules, 1961
10.	Application fee for the issue of registration of motor vehicles(maximum fee)	Rule 108, K.M.V Rules, 1961
11.	Application fee for the issue of temporary registration of motor vehicles	Rule 108, K.M.V Rules, 1961

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| 12. | Fee for the hire purchase endorsement | Rule 113 (5), K.M.V Rules, 1961 |
| 13. | Fee for the issue of transfer of ownership (maximum fee) | Rule 129 (3), K.M.V Rules, 1961 |
| 14. | Fee for the issue of transfer of Insurance Certificate | Rule 140, Rules for the Insurance of motor vehicles |
| 15. | Fee for issue of Duplicate Insurance Certificate | Rule 17, (1) (c), Rules for the Insurance of Motor Vehicles. |
| 16. | Fee for the special permits and tourists permits | Section 63 (f), K.M.V Act |
2. Taxes in respect of non-transport vehicles (motor cars, motor cycles and scooters) under the Kerala Motor Vehicles Taxation Act, 1963.

Dues from Local Bodies

32. The estimated amount of charges to be incurred or cost of services to be rendered by Government on account of local bodies or other private or public bodies and persons, e.g., estates private enterprises and private individuals should ordinarily be required to be paid in advance.

In the case of local funds, Government may in exceptional cases authorise one of the following arrangements: —

- (i) Payments as made by Government may be charged to the balance of the deposits of the local fund in Government books.
- (ii) Recoveries from the local fund may be postponed till the time when Government has to make payment for the charges.
- (iii) Payments may be made as advances from Government funds in the first instance pending recovery from the local fund either in cash or by adjustment against its account with the treasury.

Note:— The following are some of the more common cases in which charges are incurred for services rendered by Government on account of local bodies and others, subject to recoveries being made under the orders governing each case:—

Medical subordinates lent to local bodies;

Management of court of wards;

Estate surveys;

Municipal town surveys;

Works connected with laying down regular lines of street in Municipalities;

Police guards supplied to private parties;

Acquisition of land for local bodies and railways;

Establishment for appraisalment, etc., of produce in proprietary estates.

- 33. (a)** Amounts due to Government from local bodies including overdue instalments on account of repayment of loan taken by them, shall be subject to recovery by adjustment from the grant-in-aid (other than those payable under the provisions of a statute) sanctioned for payment to them.

Procedure for the Recovery of Arrears due to Government from Local Bodies

All local bodies to whom non-statutory grants-in-aid are payable should furnish a statement showing the amounts due to Government and remaining unpaid by the local body concerned, to the officer disbursing the grants. The disbursing officer should credit to Government the amounts so shown as outstanding, out of the Government grant and will disburse only the balance of the grant, if any, remaining after such adjustment. The accounts should be so prepared as to show the entire Government grant as disbursed to the local body concerned partly in cash and partly in adjustment in satisfaction of Government claims.

- (b) In respect of supplies made or services rendered by service departments to local bodies, etc. (e.g., value of medicine supplied from the Medical Stores, value of vaccine-lymph supplied from the Public Health Laboratory, cost of stationery supplied from the Stationery Department, cost of printed forms supplied from the Forms Stores, value of printing work done at the Government Presses) the departmental officer concerned should see that the value thereof is recovered and remitted to treasuries promptly. For such supplies and services, bills containing full details of the transactions (e.g., particulars of work done or supplies made, institution to which the bill relates, etc.), should be sent by the concerned officers promptly. These bills should be numbered serially and a record of bills sent out should be maintained in Form 3. The receipt of replies from the offices concerned should be watched and necessary action taken in cases of delay. A copy of this register, i.e., a statement showing the bills sent out during the month (with columns of recoveries left blank) will be sent to the Audit Office by the 5th of the next month to note the claims preferred and for taking action in cases of delayed payments.

Miscellaneous Dues and Special Recoveries

34. The Accountant General maintains a register of special recoveries in which he enters miscellaneous amounts due to the Government but not forming part of the ordinary revenues regularly administered by the Government, e.g., contributions for leave and pensions of officers lent to foreign service, contributions from Municipalities, contractors and others towards the cost of establishment entertained by the Government, Periyar lease money, etc. He watches that these amounts are duly realised and reports any default at once to the Government.

Refunds of Revenue

35. The powers of officers to sanction refunds of revenue are contained in the Book of Financial Powers and are subject further to the administrative orders

of Government issued from time to time and embodied in the Departmental Manuals and Standing Orders. In respect of cases not provided for in the Book of Financial Powers, the sanction of Government is necessary.

- 36.** On receipt of an application for refund in respect of any item of revenue, the officer who has brought to account that particular item of revenue should:
- (1) Trace out the original records relating to the receipt of the amount in question.
 - (2) Verify the claim with reference to the original records.
 - (3) See whether the application is received within the maximum time limits allowed under the rules.
 - (4) Obtain sanction for the refund from competent authority in case he is not himself competent to sanction the refund in question.
 - (5) After satisfying himself that the refund in question is admissible under the rules, prepare the refund order and if he is himself competent to sanction the refund, he may either record his sanction on the voucher itself or record it separately, giving a reference to it on the voucher and attaching a certified copy. If sanction is obtained from a higher authority, the latter procedure should be followed.
 - (6) See that the particulars of the refund are recorded against the original entry of the receipt in the departmental accounts, in such a way as to make it impossible to entertain by mistake any further claim for a refund of the same amount.
 - (7) Record the particulars of the refund on the counterfoil of the receipt previously granted to the payer and that receipt (and any other acknowledgment granted to the payer) should if possible be taken back and destroyed.

- (8) Pay the amount to the person entitled to receive it, in accordance with the rules governing each particular class of refund, or prepare a proper voucher payable to that person for presentation at the Treasury for payment.

Time Limits for Claim for Refunds of Revenue

37. Refunds of revenue may be classified as follows:—

- (a) refunds of revenue which are made *ex gratia* although the Government are under no legal obligation to make them; and
- (b) refunds of revenue to which the claimants are legally entitled.

An application for a refund of revenue to be sanctioned *ex gratia* should be rejected if it is received after one year from the date of credit of the revenue to the Government.

In cases where a notice has been issued to the party, the application for such refund of revenue may be rejected, if it is received after 3 months from the date of receipt of the notice by the party.

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

Note 2:—A refund of revenue of the kind mentioned in clause (b) above should be sanctioned on application provided the claim is not barred by limitation under the Indian Limitation Act, 1908 (India Act, IX of 1908) or any other law or rule having the force of law.

****Explanation:**—The refunds of Judicial Deposits which are governed by the Civil Rules of Practice (Kerala) shall not be barred by limitation of time under the Indian OLimitation Act, 1908.

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

- (i) Refunds of hospital stoppages recovered in excess from patients admitted to Government Hospitals since these are met from the permanent advance of the Superintendent of the hospital concerned;
- (ii) Refunds of unclaimed assets and money transferred to Government under the Administrator General's Act, 1913 (India Act III of 1913), of the Official Trustees Act, 1913 (India Act II of 1913) since they are governed by the relevant Acts;
- (iii) Refunds of court fees regulated by the Court Fees Act, which authorises a court to issue certificates to parties entitling them to refund to Court Fees in certain cases;
- (iv) Refunds of execution fees collected by the Co-operative Department;
- (v) Renewal or refund of the value of non-judicial stamps which have been spoiled or rendered useless; and
- (vi) The refund of process fees ordered by Courts.

Remission of Revenue

38. *(a) Remission of revenue is the abandonment of claims of revenue (arising from taxation laws, services rendered, land revenue etc.) without exhausting all avenues of recovery.

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

**Addition C.S No.7/79 [G.O (P) No. 641/79/Fin., Dated 23/7/1979]

*Insertion [G.O (P) No. 184/81/Fin., Dated 27/03/1981]

- ** (b)** Every Head of Department should submit annually on or before the 1st June to the Accountant General, a statement showing, the remissions of revenue sanctioned during the preceding financial year by competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law.

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

Waiver of Revenue

- 38A.** Waiver of revenue is the forsaking of recovery of overpayments and other similar claims without exploring all possible means of recovery.

*Every Head of Department should submit annually, on or before the 1st of June to the Accountant General a statement showing the waivers of revenue sanctioned during the preceding financial year by competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law.

Audit of Receipts

- 39.** The regulations and rules relating to the audit of departmental receipt by the Accountant General are printed in Appendix 2.

**Substitution [G.O (P) No. 184/81/Fin., Dated 27/03/1981]

*Insertion [G.O (P) No. 184/81/Fin., Dated 27/03/1981]

CHAPTER III**EXPENDITURE****GENERAL PRINCIPLES AND RULES****General Principles**

- 40. (a)** No Government servant may incur any item of expenditure from public funds unless the following two conditions are satisfied :
- (i) The expenditure must have been sanctioned by a general or special order of the authority competent to sanction such expenditure; and
 - (ii) Sufficient funds must have been provided for the expenditure in the Appropriation Act(s) for the current financial year or by a re-appropriation of funds sanctioned by a competent authority or by an advance from the Contingency Fund.

The two conditions are independent and both the conditions should be satisfied before any expenditure is incurred from general revenues.

No authority subordinate to the Government should sanction any expenditure unless sufficient funds have already been provided for the purpose subject to the exceptions specified in items 1,3 and 5 of clause (c) below:

Standards of Financial Propriety

- (b) Every Government servant who incurs or authorises the incurring of any expenditure from public funds should see that it does not contravene the following principles which are known as the standards of financial propriety.
 - (1) The expenditure should not be *prima facie* more than the occasion demands. Every Government servant is expected to exercise the same diligence and care in respect of all expenditure from public moneys under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

- (2) A Government servant should not exercise his powers of sanctioning expenditure so as to pass an order directly or indirectly to his own advantage.
- (3) Public moneys should not be utilised for the benefit of a particular person or section of the community unless:
 - (i) The expenditure involved is 100 or less.
 - (ii) A claim for the amount would be enforced in a Court of Law or
 - (iii) The expenditure is in pursuance of a recognized policy or custom.

Important Financial Principles

- (c) It should be clearly understood that—
 - (1) money indisputably payable by Government at one time or other (i.e., inevitable payments) should not, as far as possible, be left unpaid.
 - (2) money paid should under no circumstances be kept out of accounts a day longer than is absolutely necessary even though the payment is not covered by proper sanction.
 - (3) inevitable payments should not be postponed even for the purpose of avoiding an excess over a grant or appropriation.
 - (4) all actual liabilities should be ascertained, liquidated and payment recorded at the earliest possible date.
 - (5) a disbursing officer may not on his own authority authorise any payment in excess of the funds placed at his disposal. But absence of funds should not necessarily prevent the payments of any sums really due by Government. If the disbursing officer is called upon to honour a claim which is certain to produce an excess over the allotment or appropriation at his disposal, he should take the orders of the administrative authority to which he is subordinate before authorising payment of the claim in question.

- (6) all appropriations lapse at the close of the financial year.
 - (7) a Government servant should not, on any account, reserve or appropriate by transfer to a deposit or any other head or draw from the treasury and keep in a cash chest, any portion of an appropriation remaining unexpended during the year in order to prevent it from lapsing and use it for expenditure after the end of the year. No attempt should be made to prevent the lapse of an appropriation by any undue rush of expenditure during March.
 - (8) the amount of any allowance, such as travelling allowance, granted to meet expenditure of a particular type, should be so regulated that it is not on the whole a source of profit to the recipient.
 - (9) when any authority accords sanction for expenditure of a definite amount or upto a specified maximum limit, the amount should always be expressed both in words and figures.
 - (10) it is the duty of every Government servant not merely to observe complete integrity in financial matters but also to be constantly watchful to see that the best possible value is obtained for all public funds spend by him or under his control and to guard scrupulously against every kind of wasteful expenditure from public funds.
41. The Budget Manual contains the rules regarding the preparation, examination and consolidation of the budget estimates, their passage through the Legislature, the distribution of appropriations among controlling and disbursing officers, the responsibility of these officers for watching the progress of expenditure and ensuring that it does not exceed the appropriations, the authorities competent to sanction re-appropriation and the procedure for obtaining supplementary appropriations.
42. The Government have power to incur any expenditure provided that it does not contravene the provisions of the Constitution of India or any Law or any Rules made under any one of them and subject to the limitations mentioned in Article 68 in regard to certain posts.

43. An authority subordinate to the Government may sanction expenditure or advances from public moneys in those cases only in which it is authorised to do so by—
- (i) the provisions of any legislative enactment for the time being in force or of rules made under any such enactment; or
 - (ii) the rules in this Code or any other Code or Manual issued by or with the approval of Government; or
 - (iii) an order of the Government delegating to it powers to incur expenditure of a specified kind.

Nothing contained in this article shall empower any subordinate authority to sanction, except when the Government have expressly accorded their previous sanction in each case, any expenditure involving the introduction of a new principle or practice.

44. (a) In every application for sanction to fresh expenditure it should be distinctly stated whether provision for the proposed expenditure has been made in the budget appropriations for the year, and if such provision has not been made whether sufficient funds can be found by re-appropriation in case the fresh expenditure involved is not on a 'New Service' (*See* Article 42).
- (b) Authorities which sanction new expenditure after funds have been communicated, should be careful to indicate the source of appropriation.

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

Note :- Vague expression such as "subject to budget provision" should be carefully avoided in conveying sanctions to expenditure.

Communication of Sanction

45. A copy of every order sanctioning expenditure should be communicated to the Accountant General by the authority which accords sanction. If the sanctioning authority is the Government, except in cases where power may have been delegated to Departments under rules approved by the Finance Department and in cases where the specific concurrence of the Finance Department has been given [* two copies of the sanctions should be forwarded to the Accountant General, one signed in ink and the other unsigned, prominently marked 'Duplicate-Not for payment'. The duplicate copy should be sent to the Accountant General by name in separate cover]. In cases where the specific concurrence of the Finance Department has been given that fact should be specific in the address entry of the order sanctioning the expenditure.

When the Head of a Department or any other subordinate authority issues an order sanctioning expenditure either the sanctioning authority itself or a Gazetted Government servant working in the office of that authority should ordinarily communicate the order to the Accountant General. When this procedure would cause inconvenience, sanctions may be communicated over the signature of the non-gazetted Government servant who is the Head Ministerial Officer of the Office, provided that this arrangement is intimated beforehand to the Accountant General by the sanctioning authority.

Note 1:— Financial sanctions communicated to audit should invariably be signed in ink by the sanctioning authority or other officers authorised for the purpose. No action will be taken in audit on copies of financial sanctions issued over facimile and cyclostyled signatures of sanctioning authorities or other authorised officers.

† *Note 2:*— Copies of sanctions/orders relating to grant of advances to non-gazetted officers (except those relating to House Building

*Substitution [G.O (P) No. 79/79/Fin., Dated 31/01/1979]

† Addition C.S No.1/90 [G.O (P) No. 180/90/Fin., Dated 15/03/1990]

Advance and Advance for the purchase of a Motor Car/Motor Cycle/ Scooter) need not be forwarded to the Accountant General.

46. An order sanctioning an addition to the pay of any Government servant should state briefly the reasons for granting it, so as to enable the Accountant General to verify that its classification as special pay or compensatory allowance, as the case may be, is correct. Whenever, as in this instance, a rule requires that the reasons for granting any concession or allowance be mentioned in the order sanctioning it, if it is considered undesirable to mention the reasons in the official order, the sanctioning authority should communicate them confidentially to the Accountant General.
47. Every order sanctioning a grant of land or alienation of land revenue, other than an assignment of land revenue, which is treated as a cash payment should be communicated to the Accountant General with the details necessary to enable him to audit the sanction accorded.
48. Any authority which passes an order affecting the personal emoluments, posting, leave, etc., of any Gazetted Government servant should communicate a copy to the Accountant General; but when any such order is notified in the Government Gazette a separate copy need not ordinarily be sent to the Accountant General. An order of a special nature sanctioning the grant to a non-gazetted Government servant of any emoluments in addition to those admissible under the rules relating to the post which he holds or ordering the discontinuance of any such additional emoluments previously sanctioned, should be communicated to the Accountant General. Otherwise, it is not necessary to communicate to the Accountant General orders affecting the personal emoluments of non-gazetted Government servants. The authorities preparing the pay bills and absentee statements concerned should include in them all the information required for auditing the pay and allowances of non-gazetted Establishments and are responsible for seeing that the orders of the competent authority are obtained in each case as required by the rules.

Date of Effect of Sanction

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

Generally concessions such as revision of pay, grant of compensatory allowances and special pay, should not be given with retrospective effect.

If, however, any such rules or orders themselves provide that they take effect from a specified date, they take effect accordingly.

Lapse of Sanction

- 50.** A sanction for any fresh charge shall, unless it is specially renewed, lapse if no payment in whole or in part has been made during a period of twelve months from the date of issue of the sanction, provided that :
- (i) When the period of currency of the sanction is prescribed in the departmental regulations or is specified in the sanction itself, it shall lapse on the expiry of such period; or
 - (ii) When there is specific provision in a sanction that the expenditure would be met from the budget provision of a specified financial year, it shall lapse at the close of that financial year; or
 - (iii) In the case of purchase of stores, a sanction shall not lapse if tenders have been accepted (in the case of local or direct purchase of stores) or indents have been placed (in the case of central purchases) on the central purchase organisation, within the period of one year of the

date of issue of sanction, even if the actual payment in whole or in part has not been made during the said period.

In cases, excepting those mentioned in clause (ii) above in which payment in part has been made within a period of twelve months from the date of issue of the sanction, the subsequent payment of the balance may subject to the existence of budget provision, be made without a fresh expenditure sanction. The bill for the subsequent payment, besides containing a reference to the expenditure sanction, should also contain a reference to the number and date of the voucher under which the first payment was made.

Note:- The above rules does not apply to-

- (i) the sanction for an allowance granted to the holders of a post or a class of posts subject to certain conditions but not drawn by a particular incumbent or incumbents because the conditions are not fulfilled.
- (ii) the sanction of a competent authority for additions to be made to a permanent establishment progressively from year to year, and
- (iii) to sanction conveyed in an order passed by a court of law in its judicial capacity.

Contracts

51. Government servant who incurs expenditure on behalf of the Government may have to enter into a contract with a private firm or a contractor for the supply of stores or for the execution of a work. The Government also some times employ a person on contract to serve as an officer under them for a definite period. No contracts may be entered into by any authority which has not been empowered to do so. All contracts should be in the form of written agreements expressed to be made by the Governor and signed by the competent authority. Contracts regarding which there are no definite rules or orders of Government as to conditions, forms, etc., should be entered into only after obtaining the sanction of Government.

Whenever a contract is made by or on behalf of the Government, the following general principles should be observed :-

- (i) The terms of the contract should be precise and definite and there should be no room for ambiguity or misconstruction of any of its provisions;
- (ii) Before finally entering into a contract on behalf of Government, the Government servant concerned should take legal and financial advice except in those particular cases or classes of cases in regard to which the departmental codes or the Government orders issued from time to time contain clear and complete instructions ;
- (iii) Contracts for the supply of stores or the execution of works should be made as far as possible only after openly inviting and receiving tenders from all who wish to tender, and in cases in which the lowest tender is not accepted, reasons should be recorded;
- (iv) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors;
- (v) The terms of a contract once entered into should not be materially varied without the previous consent of the Government or the authority competent to enter into the contract as so varied;
- (vi) Standard forms of contracts should be used in all cases for which they have been prescribed, and the rates mentioned in the contract should be subject to adequate prior scrutiny;
- (vii) When a contract is likely to endure for a period of more than five years, it should, wherever feasible include a provision for an unconditional power of revocation or cancellation by Government at any time on the expiry of six months notice to that effect; and
- (viii) Whenever it is likely that a contractor will be entrusted with any Government property in connection with his contract, a provision

should be inserted in the contract safeguarding the Government against loss or damage in respect of any Government property that may be entrusted to him or his servants.

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

The authorities empowered to enter into contract on behalf of the Governor are specified in the Book of Financial Powers. All contracts in regard to which the Government have not issued any definite rules or orders as to conditions, forms, etc., and all contracts containing unusual conditions or involving any uncertain or indefinite liability should only be made after obtaining the special sanction of the Government, who will obtain the necessary legal and financial advice in each case. Whenever it is proposed for special and exceptional reasons to agree to any material variation in the terms of an existing contract made on behalf of the Government, the matter should be referred to the Government for orders.

Arrear Claims

- *52. Heads of Offices and Departments should distinctly understand that the personal claims of officers accruing under the orders of competent authority should, to avoid undeserved hardship, be discharged with the least delay possible and that the provisions for the entertainment of belated claims made in Articles 53 and 55 below are intended for exceptional cases and where, for unavoidable causes, the speedy settlement of claims is rendered impossible. Every cases of a deferred claim submitted for the sanction of the Head of a Department or the Government, should invariably be accompanied by a clear explanation of the necessity for postponing the settlement of the claim, and where the postponement was avoidable, also by a report of the names of officers responsible for the delay and of the action taken to prevent the recurrence of such cases.

*Substitution C.S No.2/86 [G.O (P) No. 307/86/Fin., Dated 17/04/1986]

†53.(a) As a general rule, a claim against the Government, not, preferred within 2 years of its becoming due, should be paid only after sanction from the Head of Department concerned.

†*Note 1*:– The payment of any arrears on account of establishment claims should be noted in the service book or other service record of the officer concerned immediately on encashment of the claim.

†*Note 2*:– Sanction of Government will be necessary for the payment of the claims referred to in Article 55 and for time barred claims as laid down in Article 56.

(1) claims on account of pensions which are regulated by Rules 294 and 295 of the Kerala Treasury Code;

(2) interest on Government securities or any other class of payments which are governed by special rules or orders of the Government;

(3) claims on account of pay and allowances other than reimbursement of medical expenses of the non-gazetted Government servants whose names are not required to be shown in the pay bills in accordance with Rule 171 of the Kerala Treasury Code.

†(4) claims for amounts not exceeding 500 other than claims of a recurring nature preferred within three years of their becoming due.

Note:– Exception No. 4 above will cover claims which are exactly three years old.

Due Date of a Claim

±(b) (1) A claim will be held to have become due either on the date of sanction to the claim or on the date of its accrual, whichever is later and in cases of bills requiring countersignature, on the date of such countersignature.

† Substitution C.S No.4/79 [G.O (P) No. 546/79/Fin., Dated 15/06/1979]

±Substitution C.S No.2/86 [G.O (P) No. 307/86/Fin., Dated 17/04/1986]

- (2) An arrear claim resulting from an order issued with retrospective effect does not arise until the order is issued and should not therefore be treated as a claim allowed to remain in abeyance during the period prior to the date of the order.
- (3) Pay and allowances, leave salary and other monthly recurring payments to Government servants become due for payment on expiry of the month to which the claim relates [vide Article 75 (a)]. But such claims of a gazetted officer, which cannot be drawn without authorisation from the Accountant General fall due for payment only on the date on which the authorisation, such as pay slip or leave salary certificate, is issued or on the expiry of the month to which the claims relate, whichever is later.
- (4) Increments, promotions and other arrangements involving alterations in pay which were not specifically ordered to be held in abeyance should be held to have become due on the expiry of the month to which they relate. Increments, Promotions etc., which were specifically held in abeyance, should be treated as becoming due on the date of sanction.
- (5) Claims for medical reimbursement should be treated as having become due for payment on the date of completion of the treatment as shown in the “Essentiality Certificate” issued by the authorised medical attendant.
- (6) Claims of travelling allowance ** whether requiring counter signature or not become due for payment immediately after the close of the month in which the journey is performed.
- (7) Scholarships and grants-in-aid become due for payment on the last day of the month in which they are earned.
- (8) Contingencies such as electricity charges, rents for buildings etc., which have a recurring monthly periodicity are normally due for payment after

** Insertion C.S No.6/93 [G.O (P) No. 650/93/Fin dated 08/10/1993]

the expiry of the month in question. If, however, the standing sanctions for these recurring payments are accorded post-facto they should be held to have become due for payment on the date of sanction.

- (9) For the purpose of the rules regarding sanction from the Head of the Department the date on which a claim is presented at the treasury or other office of disbursement should be considered to be the date on which it is preferred.
- (c) Claims by local bodies should be preferred within the dates specified for payment, or when no dates are specified, before the close of the financial year in which they fall due, or within six months from the dates on which they fall due, whichever is earlier. In cases where the claims are not made in accordance with the above rules, the payments will not be made unless the specific sanction of Government is obtained.

Note:— The ‘date on which the claims fall due’ means date of receipt by the local body concerned of the orders of the Government authorising the local bodies to draw the grant.

- (d) Under the provisions of Section 78-B of the Indian Railways Act, 1890 (9 of 1890), claims for a refund of an overcharge in respect of goods carried by a railway or to compensation for the loss, destruction or deterioration of goods delivered to it should be made to the railway administration within six months from the date of the delivery of the goods for carriage by railway. All officers and subordinates who handle railway consignments should take prompt action in such matters and failure to do so will render them personally responsible for any loss which Government may have to sustain by their negligence.
- (e) As a rule, the travelling allowance claims should be preferred within a month of the due date. Controlling officers may pass for payment travelling allowance claims presented more than a month after the due date, only if there is sufficient justification for the delay. The travelling allowance drawn

in advance under the rules will be held under objection pending the submission of the final travelling allowance bill. In such cases, if the final travelling allowance bill is not preferred within three months of the due date, the advance drawn should be recovered in lump from the next pay bill of the officer concerned and settled finally. The right of a Government servant/non-official member serving on Government Committees, Commissions, etc., to travelling allowance, including daily allowance, shall be forfeited or deemed to have been relinquished if the claim for it is not preferred to the drawing officer or controlling officer within one year of the date on which it fell due.

**Note:—* (i) In cases where the adjustment bill is not submitted within the prescribed time, the entire amount of advance will be recovered in lump immediately on the expiry of such time limit. Interest at the rate prescribed at (ii) below will be charged on the entire amount of advance from the date of drawal to the date of recovery of the amount.

(ii) In cases where tour advance is not utilised fully but the adjustment bill is submitted in time, interest at the rate of 18 % per annum will be charged on the un-utilised portion of the advance from the date of drawal to the date of refund of the advance.

(iii) The interest so levied will be credited to the receipt head of account corresponding to the expenditure head to which the advance was debited and in the absence of such receipt head, to the general receipt head of account “0075-800-Other receipts-89-Other items”.

54. In all cases where pay is refixed either on account of general pay revision or promotions or otherwise a pay fixation statement should be sent to the Accountant General for verification.

*Addition C.S No.1/93 [G.O (P) No. 51/93/Fin., Dated 20/01/1993]

!Substitution C.S No.02/2013 [G.O (P) No. 541/2013/Fin., Dated 30/04/2013]

55. **When any authority, subordinate to the Government, order any payment on an arrear claim on account of under payment detected, the payment ordered should not exceed the amount found to be actually due under the claim on account of a period of two years immediately preceding the date of detection of the under payment. If, in any particular case, it is considered that for special reasons a larger concession should be granted, the matter should be referred to the Government for orders. For the purposes of this article, the date of detection of an under payment means the date on which the under payment is detected by, or brought the notice of the Head of the Department or Office, or, if it is first detected in audit the date when the Accountant General detected it.

***56.(a)** Payment of a claim which is barred by limitation of time under any provisions of law relating to such limitations should ordinarily be refused. No payment should be made on account of any such claims without the special sanction of the Government. *In sanctioning payment of such arrear claims, the following procedure should be observed:-

- (1) **The Administrative authorities should check up the claim with reference to the relevant records.
- (2) Service Book of the individual should accompany proposals for sanction of arrears of establishment claims*.
- (3) The Administrative Department in the Secretariat should while forwarding such claims for consideration of the Finance Department, furnish full particulars of the claims in the form given below:-
 1. Name of the claimant
 2. Nature of the claim (detailed history as to how the claim has arisen should be given.)

**C.S No.2/86 [G.O (P) No. 307/86/Fin., Dated 17/04/1986]

*Substitution C.S No.2/86 [G.O (P) No. 307/86/Fin., Dated 17/04/1986]

3. Details of the claim (a) period, (b) rate per month, (c) amount due.
 4. Reasons for delay in settlement (the time taken at various levels should be indicated)
 5. Efforts made by the claimant to get the settlement of the claim expedited and with what results.
 6. Whether the non-payment of the # claim will affect pension.
 7. Details of records, orders and/or other corroborative evidence on the basis of which the claim is considered to be indisputably due (relevant extracts duly attested should be enclosed where it is not possible to submit the records in original).
- (4) A certificate to the effect that the claim has been checked / verified with reference to corroborative records available in his office and that the same has not been drawn and paid previously should also be obtained from the Head of Office concerned and forwarded to the Finance Department.
- (5) The payment of any arrear claim to a non-gazetted Government employee should be noted in the service book of the incumbent immediately on encashment of the claim.
- Note*:- The Administrative Department in the Secretariat may sanction such claims if the monetary value does not exceed Rupees 500 without consulting Finance Department subject to the procedure prescribed in the rule.]
- (b) The period of limitation will be as given below in respect of the following kinds of arrear claims against Government :-

Substitution C.S No.2/86 [G.O (P) No. 307/86/Fin., Dated 17/04/1986]

- (i) Pay and allowances including leave salary - 5 years from the date when the claim fell due for payment.
- (ii) Travelling allowance - **2 years from the date when the claim fell due for payment.
- (iii) Pension - 12 years from the date when the claim fell due for payment.
- (iv) Gratuity-6 years from the date when the claim fell due for payment.
- (v) Claims for supplies made or services rendered to Government -3 years from the date when the claim fell due for payment.
- (vi) All other claims -3 years from the date when the claim fell due for payment.

In cases of item (v), viz, claims for supplies made or services rendered to Government, the period of limitation will be six years if there is a contract in writing, registered. In all the above cases if the delay in the disbursement of arrears was due to official dilatoriness or delay, the period of limitation will be counted from the date of completion of the official steps admitting the claims. In such cases, the arrear claims can be paid only with the sanction of Government if the ordinary period of limitation has expired. It is, however, open to Government to permit the disbursement of arrears remaining undisbursed beyond the periods of limitation specified above in cases in which they are satisfied that a strict application of the above rule would cause undue hardship to the parties concerned.

- 57. (a)** The liabilities incurred on account of contingent charges should be discharged with the greatest promptitude. In the case of payments made out of permanent advance, the amount should be recouped at once and in other cases the liability discharged at the earliest possible date.

**Substitution C.S No.6/93[G.O (P) No. 650/93/Fin., Dated 8/10/1993]

- (b) The rules in Articles 52,53 and 55 apply also to the payment of contingent and miscellaneous charges such as grants-in-aid, scholarships, etc. Scholarships and grants-in-aid become due on the last day of the month in which these are earned. The time limits prescribed in these rules should be calculated from the date on which the charge becomes payable, i.e., from the date of sanction.

Arrear Claims Relating to Statutory Grants

- 58.** Arrear claims including those relating to Statutory Grants will be sanctioned by Government when the claim is preferred within three years subsequent to the year in which the payment was due. If the claim is preferred after that period, it will be summarily rejected by Government except (a) when money due to a local body has been credited to General Revenues by a mistake on the part of a Government Officer and (b) when the local body concerned is in a position to establish that it had no direct means of ascertaining earlier the mistake, provided that the amount involved exceeds Rupee one.

Supply of Information to Audit

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

According to the proviso to paragraph 18 of the Government of India (Audit and Accounts) Order, 1936, in the case of any document certified as a secret document by the Governor, the Auditor General shall accept a statement certified as correct by the Governor as a correct statement of the facts stated in that document. If in any file of the Secretariat there is any enunciation of Policy by any Minister or any statement which is secret not intended to be seen by others the Accountant General is

required to be satisfied with the certificate contemplated therein and has no right to insist on having an inspection of it by him. Each case has to be decided with reference to the particular facts in order to find out whether the file contains any secret matter thus disintitling the Accountant General to have an inspection of it.

Overcharges and Audit Objections

- 60.** Every Government servant who draws bills for pay and allowances or contingent expenses is primarily responsible for the correctness of the amount for which each bill is drawn . If any amount is drawn in excess of what is due, the drawing officer will be required to make good the excess amount so drawn. If the excess amount cannot for any reason be recovered from the drawing officer, the Government servant, if any, who countersigned the bill will be liable to make good any loss arising from culpable negligence on his part, and the Treasury officer who passed it will be similarly liable to make good any loss arising from culpable negligence on his part.
- 61.** The Accountant General is responsible for the auditing of all expenditure charged against the Government . If any item of expenditure is found to be irregular or in excess of what is due, he proceeds to remove the irregularity or recover the excess amount paid through the Treasury Officer and he usually issues a warning slip to the drawing officer concerned at the same time. When an item of expenditure incurred is less than what is actually due for payment and the amount involved is not insignificant, the Accountant General informs the drawing officer of the fact leaving him to prefer an additional claim or not as he thinks proper.
- While an officer is under suspension and is in receipt of subsistence grant, the retrenchment order in respect of any overpayment made to him in the post shall be issued by the Accountant General in consultation with authority

competent to place the officer under suspension. The aforesaid administrative authority will exercise discretion whether recovery should be held wholly in abeyance or it should be effected at full or reduced rates depending on the circumstances of each such case.

- *62.** Recoveries from a Government servant should not ordinarily be made at a rate exceeding one-third of his pay unless the Government servant concerned has (a) in receiving or drawing the excess acted contrary to orders or without due justification or (b) taken an advance for a specific purpose, not utilised it for the purpose for which the advance was sanctioned within the prescribed period and failed to refund the outstanding amount within the stipulated date.
- 63. (a)** Every Government servant should give proper attention to all objections and orders and other points requiring settlement received from the Accountant General without any avoidable delay, even though the responsibility for the removal of objections and the settlement of other points raised in Audit devolves primarily upon disbursing officers, heads of offices and controlling authorities. Objection slips/audit notes received from Audit Office should be replied to within a fortnight from the date of receipt of the objections. In case any objection is not replied to within one month from the date of the issue, the Audit Officer will have authority to direct the Treasury to refuse encashment of further bills of the same class presented by the officer concerned or of a different class if the bill in respect of which the objection has been issued is an occasional one. The names of the officers who keep the objections for which they are responsible, unremedied for more than three months will be reported to Government by the Audit Officer. In case of repeated delays in the matter of clearing objections, Government will not hesitate to order the stoppage of the pay of the officers concerned. If owing to delay in dealing with the matter, any amounts become unadjustable they

*Substitution C.S No.6/76 [G.O (P) No. 197/76/Fin., Dated 12/07/1976]

will be recovered pro rata from all the officers during whose time they remained under objection. A register should be maintained in each office in Form 4 for recording the objections communicated by the Accountant General.

Maintenance and Check of Audit Objection Register

- (b) The following instructions should be strictly followed in the maintenance and check of the Audit Objection Register maintained in each office:—
- (1) When an objection slip (or letter) is received from the Accountant General it should be registered as a new case in the personal register and in the Audit Objection Register as well.
 - (2) All the audit objections received in a calendar year should be serially numbered in the Audit Objection Register and these serial numbers should be entered in column 1 of the register. If there are two or more items of objections in the same objection slip received from the Accountant General separate serial numbers should be given for each of them.
 - (3) Sufficient space should be given for each item in order that details as required in each column of the register could be noted.
 - (4) The Objections should be replied within a fortnight of its receipt. The Head of the Office should initial in the remarks column in token of having sent the reply.
 - (5) An item should be treated as closed when final reply is given to the Accountant General and the serial number of the item should be rounded off in red ink. When the acceptance of the reply is received from the Accountant General the current number and the Accountant General's reference number should be noted in the remarks column.
 - (6) There should be only one register for the whole office and a particular person in the office should be made responsible for the maintenance of

the register. Every movement of the paper within the same office should be noted in the register.

- (7) The register should be reviewed monthly by the Head of the Office and every fortnight by the Head Clerk or Personal Assistant or such other intermediary supervising officer if there is any.
- (8) After the close of each month a monthly abstract of audit objections in the following form should be recorded in the register from which the prescribe return of audit objections should be sent:
- (9) The above instructions should be pasted on the front page of the Audit Objection Register.

Month	No. pending till the end of previous month	Nos. received during the month	Total No. of objections	No. disposed of during the month	No. pending at the close of the month	Initial of the head of office
1	2	3	4	5	6	7

Inspection Reports

- (c) During the course of local inspection, the Audit staff will be issuing 'memos' calling for information on various points. The departmental officers should ensure that the particulars given in reply to such memos are correct with reference to the records. For this the Head of the Office should make necessary arrangements to see that the replies to audit memos are furnished only after approval by proper authority. Further, before finalising the inspection report the Audit Officer should discuss the more important irregularities noticed during the course of Audit with the Head of the Office. The Head of the Office should see that all relevant materials are made available to Audit. He should initiate action to rectify irregularities, defects, omissions, etc., which came to light during the course of audit without waiting for the receipt of the inspection report.

The first replies to inspection reports should be sent *within four weeks from the date of receipt of the inspection report*. The first replies should not be delayed on any account. In respect of those particular paras for which final replies could not be furnished to the Accountant General within the time limit, an interim reply should be given indicating the action taken to rectify the defects pointed out. Here again the Head of the Office should ensure that the replies are factually correct and that proper steps are taken to avoid recurrence of such defects.

**Note:*— Audit observations and inspection reports or copies of extracts thereof received from audit should not be passed on to private parties.

- (d)** In order to watch the receipt of Inspection Reports and also to ensure that first replies are sent within the prescribed time limit and the final replies as expeditiously as possible the following instructions should be adhered to:—
- (i)** A register in Kerala Financial Code Form 4-B, Kerala Financial Code, Vol. II should be maintained in every office to note the details of the pending Inspection Reports and paras.
 - (ii)** Details of all Inspection Reports and outstanding paras should be entered in the register with the help of half -yearly statements received from the Accountant General.
 - (iii)** This register should be inspected by the Head of Office or an Officer authorised in this behalf atleast once in a month and instructions issued for the speedy clearance of the outstanding paras wherever necessary.
- 64.** The Head of the Office should ensure that where a particular type of payment has been objected to by Audit, a similar payment is not made thereafter before the audit objection is finally cleared.

*Addition C.S No.5/82 [G.O (P) No. 308/82/Fin., Dated 19/06/1982]

- 65.** An administrative authority should not ordinarily consider any representation or protest against a recovery ordered by the Accountant General unless the representation or protest is received within three months from the date when the Government servant making the representation received the first intimation of the order.
- 66.** It is the duty of every officer to see to the prompt adjustment of advances outstanding against him in the books of the Accountant General. Each Head of Office will maintain a Register in Form 5 for all special advances drawn by him.

CHAPTER IV

**ESTABLISHMENTS, CLAIMS OF GOVERNMENT SERVANTS
AND RECOVERIES FROM THEM**

(i) INTRODUCTORY

Scope of the Chapter

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

Powers of Government to Create and Abolish Posts

- 68.** The Government have power to create or abolish any post in connection with the affairs of the State except those posts coming under an 'All India Service'. Under Article 312 (I) of the Constitution of India read with Section

3 of the all India Services Act, 1951 (No. LXI of 1951) the power to make rules to regulate the recruitment and the conditions of service of persons appointed to an 'All India Service' rests with the Central Government. The number and character of posts included in an 'All India Service' are determined by the Central Government in consultation with the States and are filled by persons appointed by the Central Government. Any alteration in the number or character of such posts can also be made only by the Central Government.

(ii) ESTABLISHMENT

Powers of Subordinate Authority to Sanction Additional Establishments

- 69. (a)** No authority subordinate to the Government may sanction the creation of any additional establishment, permanent or temporary except to the extent and subject to the conditions mentioned in the Book of Financial Powers. The delegation specified there are subject to the General conditions-
- (1) that either a sufficient specific appropriation for the expenditure involved already exists or provision can be made for it by reappropriation by the sanctioning authority under its own powers without reference to the Government, and
 - (2) that the provisions of the Kerala Service Rules are observed in fixing the pay of the persons appointed to hold the posts created under the delegated powers.
- (b)** An order sanctioning a temporary establishment should invariably specify the period for which it is sanctioned. It should also specify the date from which the sanction for a temporary establishment will take effect. If no date is specified, the sanction will take effect from the date of actual employment of the staff or of the Head of the staff.
- (c)** When a person is appointed substantively to a post in a class or grade of appointments in an establishment over and above its sanctioned strength

without at the same time increasing the sanctioned number of posts in the class or grade, the officer so appointed is termed a 'Supernumerary' in that class or grade. Such an appointment may be sanctioned by the Government, when owing to reduction in an establishment or for any other reasons, they consider it necessary to retain the services of an officer without adding to the permanent strength of the establishment. When such an appointment is sanctioned, it shall be the duty of the Head of the Department or office to absorb in the first vacancy, permanent or acting, that occurs in the class or grade after the appointment of the supernumerary and no vacancy occurring in that class or grade shall be filled up until all the existing supernumerary officers are absorbed. Supernumeraries should not be shown as belonging to a separate class by themselves, but should be shown as belonging to the particular class or grade to which each of them belongs, along with the other incumbents, constituting that class or grade.

Note:- For the purpose of this rule, all the non-gazetted ministerial officers of an office or establishment shall be treated as belonging to a single class and similarly all the last grade Government servants.

In making appointments of 'supernumeraries' the following principles should be generally followed:-

- (i) A supernumerary post is normally created to accommodate the lien of an Officer, who in the opinion of the authority competent to create such a post is entitled to hold a lien against a regular permanent post but who, due to non-availability of a regular permanent post, cannot have his lien against such a post.
- (ii) It is normally a shadow post i.e., no duties are attached to such a post. The officer, whose lien is maintained against such a post, generally performs duties in some other vacant temporary or permanent post.

- (iii) It can be created only if another vacant permanent or temporary post is available to provide work for the person whose lien is retained by the creation of the supernumerary post. In other words, it should not be created in circumstances which, at the time of the creation of the post or thereafter, would lead to an excess of the working strength.
- (iv) It is always a permanent post. Since, however, it is a post created for accommodating a permanent officer till he is absorbed in a regular permanent posts, it should not be created for an indefinite period as other permanent posts are, but should normally be created, for a definite and fixed period sufficient for the purpose in view.
- (v) It is personal to the officer for whom it is created and no other officer can be appointed against such a post. It stands abolished as soon as the officer for whom it was created vacates it on account of retirement or confirmation in another regular permanent post or for any other reason. In other words, no officiating arrangements can be made against such a post. Since a supernumerary post is not a working post, the number of working posts in a cadre will continue to be regulated in a manner that, if a permanent incumbent of one of the regular posts returns to the cadre and all the posts are manned one of the officers of the cadre will have to make room for him. He should not be shown against a supernumerary post.
- (vi) No extra financial commitment is involved in the creation of such posts in the shape of increased pay and allowances, pensionary benefits, etc.
- (vii) Heads of Departments should maintain a record of the supernumerary posts, the particulars of the individuals who hold liens against them and the progressive abolition of such posts as and when the holders of the posts retire or are absorbed in regular permanent posts for the purpose of verification of service for pension.

**Additions to Establishment or increase in the
Emoluments of Existing Posts**

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

In connection with every proposal for alteration in an establishment, it should be considered whether a claim for pension will arise in consequence of the proposed alteration, and a certificate should be furnished that this has been done.

**PRINCIPLES TO BE OBSERVED IN PUTTING UP A PROPOSAL
FOR ADDITIONS OR ALTERATIONS IN THE
ESTABLISHMENT OF AN OFFICE**

A. Scales of pay for New Posts

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

- (i) if the post is to be filled by a person not already in Government service, the pay proposed should be the minimum necessary to secure the service of a person capable of discharging efficiently the duties of the post;
- (ii) if the post is to be filled by a person, who is already a Government servant, the pay proposed should be appropriate with reference to the nature and responsibility of the work to be done and the existing pay of Government servants whose status is such that they are considered likely to be suitable for selection for the post.

B. Details to be furnished with Establishment Proposals

- (a) Every proposal to add to or to make a change in an existing establishment should be explained fully in the communication addressed to the authority competent to sanction the proposal.

The following information should invariably be furnished therein:—

- (i) the reasons for considering the addition or the change proposed to be necessary;
- (ii) the present cost either of the section or sections affected (*See* Article 74 below) or of the total establishment as the circumstances may require;
- (iii) the corresponding cost after revision;
- (iv) the extra cost involved ;
- (v) the number and date of the latest order. Sanctioning and addition to or a change in the existing establishment ;
- (vi) the increase or decrease in cost against each post or class or category of posts affected;
- (vii) in the case of a temporary establishment the period for which it is proposed that it should continue ;

- (viii) when the pay of any post, existing or proposed, rises from a minimum to a maximum by periodical increments the average monthly cost based on the formula laid down in the Kerala Service Rules; and
- (ix) the details of the number and pay of the posts, if any, which it is proposed to add to the establishment and of the number and pay of the posts, if any, of which it is proposed to change the conditions.

Note 1:— Government servants borne on a State cadre, e.g., Investigators in the Department of Statistics and the Clerks and Sub Registrars of the Registration Department, constitute separate establishments by themselves, and whenever any increase or decrease of their establishments is proposed the proposal should be for that class of officers only and for the whole State without the specification of any other class of establishment in any particular district. The same procedure should be followed in regard to Gazetted Officers.

Note 2 :— In determining the extra cost, allowances whether fixed or variable should be included. The estimated extra cost due to variable allowances cannot be exact but it should be as accurate as possible.

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

Variation in Sanctioned Pay of a Post

- 72. The Head of a Department or Office is not at liberty to re-adjust the pay of a Government servant by giving one person more and another less than the

sanctioned pay of his post. But in the case of departments or establishments divided into classes or grades an excess appointment made in a lower class or grade against vacancy left unfilled in a higher class or grade is permissible, provided the duties of the appointment in respect of which such arrangements are made are the same or similar. The liberty must not be used however for the purpose of increasing the numerical strength of an office, and for each vacancy in a higher class or grade, only one extra appointment in a lower class or grade is admissible.

Note:- This rule is applicable to ministerial establishment also.

Special Rules Regarding Temporary Establishments

73. The following additional rules should be observed as regards temporary establishments:-
- (i) When pay in excess of the rate of the lowest appointment or grade in the establishment to which the extra appointment is added, is sanctioned, the special rate thus sanctioned shall be drawn by the person who actually does the work for which the temporary addition is made to the establishment and by no one else.
 - (ii) If the officer holding a permanent appointment is deputed to hold such a temporary post, his emoluments shall be regulated under the Service Rules.
 - (iii) The sanction to a temporary appointment or establishment should specify the period for which it is sanctioned. In cases where this is not feasible, the sanction has to be renewed every six months. The term for which an appointment or establishment is sanctioned should not be spread over several broken periods.
 - (iv) No temporary establishment should be continued in anticipation of sanction. Should there be a need for renewal of sanction, application should be submitted so as to reach Government sufficiently early to enable them to pass orders before the sanctioned period expires. Officers who did not dispense with the temporary establishments on the dates on

which the sanction expires will render themselves personally liable for the expenditure involved.

Distribution of Non-Gazetted Establishments in to Sections

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

- (a) The division should be uniform throughout the State for the same classes of establishments.
- (b) Ordinarily an office or establishment containing not more than 12 clerks should form a single Section; larger offices will comprise two or more.
- (c) The distribution in the latter case should follow the actual working arrangements of the office, e.g., the Government Press establishment is divided into General, Reading, Machine, Binding, etc. Sections. Sometimes, for the sake of convenience, the Sections are numbered in numerical order as Section No. 1, Section No. 2, Section No. 3, etc.
- (d) In large offices where members of the ministerial services are arranged by classes and grades such as Superintendent, Upper Division Clerk and Lower Division Clerk, each class or grade may form a separate Section.
- (e) Petty and numerous establishments are often best distributed according to the taluks, e.g., the pay of all Village staff in one taluk may be drawn in one bill.
- (f) Clerks, Teachers, etc., should not except in small establishments be combined with Last Grade Government Servants. The latter should, when their number is not very small form a separate Section or Sections.

Note 1:– Parts of an establishment under the same Head of an Office which are charged for under different Major Heads should be treated as separate establishments.

Note 2:— The Accountant General issues from time to time a list of the Sections fixed by him for each office and the entries in pay bills, absentee statements and other similar documents should be made in accordance with the Sections so prescribed.

**Claims of Government Servants -Due date for Payment
of Pay, Allowances, etc.**

- *75.(a) Pay, leave salary, and other monthly recurring payments become due for payment only on the expiry of the month to which they relate, and except where otherwise provided in clauses (b) to (d) below, should not be paid before the first working day of the next month.
- ** (b)(i) The salary of Government employees, including full time and part-time contingent employees and work establishment staff for a month will be disbursed during the first three working days of the succeeding month according to the schedule given below. *** “Provided that Government may, by order, postpone the disbursement of salaries in respect of the months of February and March, 2002, to any date of the succeeding months, as may be specified therein.”

*Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

**Substitution C.S.No.3/85 [G.O.(P) No. 449/85/Fin., Dated 6/8/1985]

***Insertion C.S.No.1/2002 [G.O.(P)No. 123/2002/Fin., Dated 28/02/02] w.e.f. 16/01/02.

SCHEDULE**PART A**

List of Departments, the bills/cheques relating to which are encashable on the first [†] working day of a month

1. Land Revenue
2. State Excise
3. Vehicle Tax
4. Sales Tax and Agricultural Income Tax
5. Other Taxes and Duties - Chief Electrical Inspectorate
6. Stamps
7. Registration
8. State Legislature
9. Elections
10. General Administration - (Governor's Secretariat, Council of Ministers, Government Secretariat and attached offices, Public Service Commission, Board of Revenue, District Administration Collectorate and Revenue Divisional Offices and Taluk Offices, Department of Treasuries, Local Fund Audit Department, etc.)
11. Administration of Justice
12. Jails
13. Police and Fire Service
14. Stationery and Printing
15. Insurance, National Savings and Hindu Religious and Charitable Endowments

[†]Substitution C.S.No.3/85 [G.O.(P) No. 449/85/Fin., Dated 6/8/1985]

16. All Cheque-drawing departments -(Public Works Department, Public Health Engineering Department, National Highways, Forest Department, etc.)
17. Harijan Welfare
18. Municipalities
19. State Water Transport.

@ *Note*:- The pay bills of non Gazetted establishment of the “Administrative Secretariat” # and Legislature Secretariat in the Government Secretariat except for the month of March, will be encashed two days prior to the Pay day prescribed in the above Schedule.

PART B

List of Departments, the bills/cheques relating to which are encashable on the *second working day of a month

1. Education (University Education, Technical Education, General Education including private colleges and aided schools and private polytechnics)
2. Medical and Public Health including Family Welfare.

* PART C

List of Departments, the bills/cheques relating to which are encashable on the *third working day of a month

1. Agriculture
2. Fisheries
3. Animal Husbandry
4. Co-operation

@ Insertion C.S.No.6/87 [G.O.(P) No. 746/87/Fin., Dated 18/09/1987]

Substitution C.S.No.5/93 [G.O.(P) No. 491/93/Fin., Dated 10/08/1993]

* Substitution C.S.No.3/85 [G.O.(P) No. 449/85/Fin., Dated 06/08/1985]

5. Industries
6. Scientific Departments
7. Community Development Projects, National Extension Service and Local Development Works
8. Labour and Employment
9. Rural development
10. Statistics
11. Ports and Pilotage
12. Civil Supplies Department
13. Dairy Development Department
14. All other Departments not specified in parts 'A' and 'B'

**Note*:- The date of presentation of the Pay Bills/Cheques at the treasury shall be three working days prior to the date specified in the above schedule for each department.

!(b) (ii) In the case of pensioners, the pension due for a month will be disbursed during the three working days succeeding the three days fixed for payment of salary to Government employees. But at the pension payment Sub Treasury, Trivandrum, Pension will be disbursed from the first working day of the month.

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

- (i) When a Government servant proceeds out of India on deputation, leave or vacation;

*Substitution C.S.No.3/85 [G.O.(P) No. 449/85/Fin., Dated 6/08/1985]

!Substitution C.S.No.5/86 [G.O.(P) No. 744/86/Fin., Dated 20/10/1986]

- (ii) **When a Government servant is transferred, the transfer involving change of drawing and disbursing officer;
- (iii) When a Government servant is promoted from a non-gazetted to a gazetted post or reverted from a gazetted to non-gazetted post in circumstances involving a transfer from one office to another;
- (iv) When a Government servant finally quits the service of the Government or is transferred to foreign service;
- (v) When an officer without a substantive appointment holding a temporary post is relieved of his duties in the temporary post;
- (vi) When a portion of the civil pension is commuted, in which case the amount of the unreduced pension due upto the day preceding that on which the commutation takes effect should be paid along with the commuted value of the portion commuted.

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

- (d) * A month's leave salary (as defined in Rule 12 K.S. R s.) will be paid in advance to Government employees proceeding on leave subject to the following conditions:-
 1. No advance may be granted when the leave taken is for less than a month /30 days.
 2. The amount of the advance should be restricted to the net amount of leave salary for the first month of leave that is clearly admissible to the

**Substitution C.S.No.6/85 [G.O.(P) No. 472/85/Fin., Dated 23/08/1985]

*Substitution C.S.No.3/85 [G.O.(P) No. 449/85/Fin., Dated 6/8/1985]

Government employee after deduction on account of Income-tax, Provident Fund, House Rent, repayment of advances, etc., so that there is no financial risk involved.

3. The advance should be adjusted in full in the leave salary bill in respect of the leave availed of. In cases where the advances cannot be so adjusted in full, the balance will be recovered from the next payment of pay or/and leave salary.
4. The advance may be sanctioned by the Head of the Office or by any other subordinate officer to whom the power may be specially delegated, both in the case of gazetted and non-gazetted officers.
5. Officers who are Heads of Offices may sanction the advance to themselves.
6. The advances in respect of temporary Government servants will be sanctioned subject to the furnishing by them of the surety of a permanent Government Servant.
7. The amount of advance will be debited to the Head of Account to which the pay etc., of the Government Servant is debited and the adjustment of the advance will be watched through objection book by the Accounts Officer concerned.
8. The advances under these orders shall be sanctioned in whole rupees.

Signing and Presentation of Pay Bills

***76.(a)** Drawing Officers should sign pay bills only on a date reasonably in advance of the date of presentation at the treasury, so that supplemental adjustments on account of subsequent changes could be minimised.

(b) Bills/cheques relating to pay and allowances should be presented at the treasury three working days in advance of the day fixed for their encashment in

*Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

Article 75 (b) (i). Bills/cheques presented otherwise than in accordance with this schedule will be encashed only after the expiry of the month.

Note:— If a claim included in a bill, relating to the last few days of a month, is found/rendered inadmissible after the bill has been presented at the treasury, the excess payment on this account should be recovered by short-drawal in the bill of the succeeding month.

- (c) Pensioners drawing a monthly pension of not less than 200, who have been allowed the facility of encashing their pension bills through the Treasury Savings Bank, should present their bills on the last two working days of the month, so that these could be scrutinised and credit afforded to their accounts on the first working day of the succeeding month.

Drawal of Pay above an Efficiency Bar

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

Drawal of an Increment in Pay

78. The drawing officer will draw the increments of Non-gazetted Government Servants as and when they fall due after making a note in red ink against the relevant claim in the pay bill, "Increment raising pay to with effect from.....authorised and noted in the Service Book".

A 'Register of Increments' will be maintained by the drawing officer, in Form 9 A in which the authorisation of increments will be recorded by him with corresponding entries in the Service Book.

The service reckoning for increment of each Government Servant should be reviewed every time an increment accrues and in cases where it is specifically withheld/where an efficiency bar operates/where the passing of departmental examination or satisfactory completion of probation is involved/where broken periods of service is to be reckoned, it should be granted only under the sanction of competent authority. The number and date of sanction should be noted in the Service Book/Register of increments in all such cases specifying that the officers concerned have passed the departmental examination, completed the period of probation satisfactorily are fit to cross the efficiency bar, etc., for earning the increments. A copy of the order should be attached to the pay bill in each case.

Note:— In the case of non gazetted executive officers, the officer who draws and disburses their pay and in cases - where the bills require countersignature of a superior official, the officer who countersigns for recording the necessary entries in the bills and the Service Books.

- 79.** The Audit Officer authorise payment of increments to gazetted officers as they fall due, in the absence of instructions to the contrary from the authorities competent to withhold increments after ensuring that the officers concerned have passed the departmental examination and completed the period of probation satisfactorily if such conditions have been prescribed for such departments for the purpose of earning increments— *See* also relevant provisions in the Service Rules.

Pay due in India to Persons not in India

- 80.** When any pay is due in India to a Government Officer who is absent from India, he should make his own arrangements to receive it in India.

Reports of Transfer of charge of Gazetted Government Officers

- 81. (a)** *Every transfer of charge of a Gazetted Officer should be reported by the concerned officer by post *on the same day* to the Accountant General and by the controlling officer to any other authority duly specified for this

*Substitution C.S.No.5/95 [G.O.(P) No. 1003/95/Fin., Dated 11/12/1995]

purpose in the relevant departmental code or Manual or elsewhere in Form 7. As a general rule, the reports of the transfer of charge should be signed both by the relieved and relieving officers. District Officers and the Heads of the Departments should also send copies of their reports to the Chief Secretary to Government on the same day. An acknowledgement of the permanent advance in Form 8 should also be sent by the relieving officer on the same day, to the Accountant General . A copy of the report of the transfer of charge should be sent simultaneously to the Treasury Officers concerned and the copies of the report sent to the Accountant General and the Head of the Department or other authority specified in the departmental Code or Manual should contain an endorsement to this effect.

Note 1:– If the charge reports are jointly signed by the relieved and relieving officers countersignature by a superior authority is not necessary.

Note 2:– In cases where the charge reports cannot be signed conjointly by the relieved and the relieving officers due to administrative difficulties the countersignature of the superior authority should be incorporated in the charge reports before they are communicated to Audit. The Heads of Offices will be the authority competent to countersign the charge reports of the Gazetted Officers working under them. The charge reports of Heads of Offices will be countersigned by their immediate Gazetted Superior Officers.

Exception:– The charge reports of Heads of the Departments listed in Appendix II, Kerala Service Rules and of District Collectors do not require counter signature. Counter signature by the superior authority is not required in the following cases also:–

- (i) Where a Gazetted Officer assumes charges of a newly created post or vacant post or relinquishes charge of a post which has been abolished and
- (ii) Where a Gazetted Officer vacates a post for a short period and no formal appointment or officiating arrangement is made in his place.

Note 3:- ! When the Reports of Transfer of charges are signed conjointly by the relieving and relieved officers, each of them should forward separate copy of Report of Transfer of charge to the Accountant General (A&E) with the duly filled up covering letter on the facing page of the reports of Transfer of Charge.

- (b) Whenever the transfer of a divisional, sub-divisional or other executive charge in Public Works Department is prolonged so that two Government Officers become entitled to draw pay and allowances simultaneously for the same appointment, the Superintending Engineer should inform the Accountant General whether the time taken for the transfer of charge is reasonable, and whether the relieving officer should be treated as having been on duty for the full period. If the Superintending Engineer considers that the time taken in making over and receiving charge in a particular case was excessive, the relieving officer should be treated as if he had been on joining time or on leave as the case may be for so much of the time as is held to be in excess of the time reasonably necessary.
- (c) Every officer who is responsible for the adjustment of advances, and who is transferred to another office before fully accounting for the amounts outstanding against him should leave for the information and guidance of his successor a memorandum clearly explaining the state of accounts of each item of advance and noting the action to be taken for adjusting the outstanding amounts within the time allowed by the sanctioning authority. If he does not do so, his responsibility will not cease and his successor may not be held responsible in respect of the items not brought to the latter's notice.

A statement of unadjusted advances and unremedied objections should be given by the relieved to the relieving officer in the prescribed forms and a copy of the same attached to the charge report submitted to the Accountant General.

!Substitution C.S.No.2/95 [G.O.(P) No. 268/85/Fin., Dated 28/03/1995]

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

Specimen Signatures required by the Accountant General

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

Pay, etc., due to a Deceased Government Servant

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

- (b) Pay, etc., due to and claimed on behalf of a deceased Government servant may be paid without the production of the usual legal authority:—
- (i) if the gross amount of the claim does not exceed [* 5,000] under orders of the Head of the Office, in which the Government servant was employed at the time of his death provided that the Head of the Office is otherwise satisfied about the right and title of the claimant; and
 - (ii) if the gross amount of the claim exceeds [* 5,000] under orders of the Government on execution of an indemnity bond (Form 9) duly stamped for the gross amount due for payment, with such sureties as may be deemed necessary :

Provided that the authority mentioned in sub-clause (i) above may, subject to the condition prescribed in that sub-clause, make anticipatory payment of an amount not exceeding 2,500.

The sureties proposed for the purpose of joining in any such bond should not be accepted unless satisfactory proof is given of their financial stability to meet the obligation to be undertaken.

If there is any doubt as to the claimants' legal right to the amount, payment should be made only to the person who produces legal authority.

Note 1:— Normally there should be two sureties both of known financial ability, unless the gross amount of the claim is less than * 7,500 in which case the authority accepting the indemnity bond in Form No 9 for and on behalf of the Governor should decide, on the merits of each case, whether to accept only one surety instead of two.

Note 2:— The claimant as well as the sureties executing the indemnity bond should have attained majority so that the bond may have legal effect or force.

*Substitution C.S.No.5/78 [G.O.(P) No. 607/78/Fin., Dated 07/08/1978]

Note 3:— The Death-cum-retirement gratuity and the arrears of pension due to a deceased Government servant or a deceased pensioner, as the case may be, will be payable in accordance with the provisions contained in Rules 114, 115 and 139 of Part III of the Kerala Service Rules.

Pay due to a Government Servant whose whereabouts are unknown

- 84.** Pay, etc., due to a Government servant whose whereabouts are unknown should not be paid till a presumption of his death is shown to be justified under Section 108 of the Indian Evidence Act, 1872 (India Act I of 1872). Action may then be taken as described in article 83 (b) on the assumption that he is dead if anyone claims the undisbursed pay, etc., in the capacity of legal heir of the Government servant.

(iii) TRAVELLING ALLOWANCE BILLS

- 85. (a)** The Travelling Allowance Bills of Gazetted Officers requiring countersignature by Controlling Officers should be countersigned by them before they are paid.

Note 1:— The Travelling Allowance Bills of the following officers do not require countersignature:—

- (i) Ministers;
- (ii) Chairman, Public Service Commission;
- (iii) Judges of the High Court;
- †(iv) Speaker and Deputy Speaker, Legislative Assembly;
- (v) Chief Secretary;
- (vi) Members of the Board of Revenue;
- (vii) Secretaries to Government, Additional Secretaries and Joint Secretaries to Government ;

†Substitution C.S.No.4/78 [G.O.(P) No. 557/78/Fin., Dated 30/06/1978]

- (viii) District Collectors;
- (ix) Heads of the Departments on 1050-1550 and above; and
- (x) **Vice-Chairman, State Planning Board.

Note 2:— The Private Secretaries to the Chief Minister and other Ministers may present their Travelling Allowance Bills without countersignature, but with a certificate from the Minister Concerned regarding the fact of duty.

- (b) The Travelling Allowance Bills of honorary officers such as non-official members and members of the Legislative Assembly serving in committees, etc., should not be cashed unless the bills are countersigned by the Controlling Officer and the responsibility for recovering excess payments, if any, rests with the Controlling Officer.

The bills on account of Travelling Allowance of Members of the Legislative Assembly for attending the Assembly Session and meetings of the committees constituted by the Legislature may be paid without pre-audit, the responsibility for recovering excess payments, if any, resting with the Controlling Officers. The Controlling Officer may, however, forward the first Travelling Allowance Bills of M.L.As. after the general election or by-election to the Assembly, as the case may be, to the Accountant General for preliminary scrutiny of the claims before countersignature, when considered necessary.

- (c) In the case of clerks and other members of the subordinate staff accompanying an officer on tour or for other authorised journeys a bill should be prepared for the travelling allowance due to them immediately after the close of each month and cashed at the treasury in which the pay bill of the establishment is cashed, on the receipt of the Head of the Office, after countersignature by the Controlling Authority if the former is not himself the Controlling Officer.

**Addition C.S.No.3/79 [G.O.(P) No. 521/79/Fin., Dated 07/06/1979]

- (d) @ A separate check register should be maintained in the office of every authority who is authorised to countersign Travelling Allowance Bills of Government servants under him and also by officers who are their own controlling officers and whose bills do not require countersignature in Form No. 9B to guard against cases of double payment of Travelling Allowances. Travelling Allowance Bills should be entered in this register and when a new bill is received, the entries in the register should be scrutinised to see that a claim for the same journey has not previously been preferred.

Railway Warrants

- 86. (a)** No one above the rank of Inspectors of Police may use railway warrants when travelling on duty or on transfer or for escorting prisoners or Government treasure over the Indian Railways **and Konkan Railways

Separate warrants should be used for contingent and Travelling Allowance charges. The warrant forms should be clearly stamped showing the name of the District, Taluk and Police Station and head of classification, viz., whether the charge has to be allocated to travelling allowance or to contingencies. Full particulars of the head of debit of the amount of the warrant viz., Major, Minor, Sub and detailed heads of account will be prominently noted in red ink on the railway warrants.

The amount of each warrant should be noted in red ink in the contingent or travelling allowance register of the Drawing Officer in the same way as adjustment bills, as expenditure against budget grant. The total amount of warrants issued during each month relating to contingencies should be noted in red ink at the foot of the detailed contingent bill and the balance available out of the budget grant then worked out. In the Contingent Register maintained in the countersigning office monthly totals of these warrants should also be noted under the appropriate heads, at the time of countersigning the contingent bill.

@Amendment C.S.No.3/82 [G.O.(P) No. 178/82/Fin., Dated 13/04/1982]

**Insertion C.S.No.2/99 [G.O.(P) No. 2167/99/Fin., Dated 04/11/1999] w.e.f. 27/7/1998

- !(b) [Warrants shall be treated as cash and the cost of Railway Warrants shall be paid in cash to the Railway authorities, by the concerned unit heads, viz. Superintendents of Police/ #Commissioners of Police] and other controlling authorities in the Police Department in respect of the Railway Warrants issued in their respective units to the men and officers as and when coaching carriage bills and counterfoils are received from the railway authorities.

Further instructions regarding Railway Warrants are contained in Appendix 3.

Motor Warrants

87. In the Police Department, where in the case of Constables and Sub Inspectors travelling by motor bus, a system of payment of fares to bus companies by the issue of motor warrants has been introduced; the following procedure should be observed in making the payment:—

The Inspector General of Police, Deputy Inspector General of Police and the Superintendent of Police may, by general or special order, authorise their subordinates to perform journeys in motor buses between places not connected by railway. Bus warrants for journeys between places connected by railway may be issued when it is in public interest to do so after noting in the counterfoils reasons for the issue of such warrant to enable the Controlling Authority, i.e., the Superintendent of Police or the Inspector General of Police, as the case may be, to satisfy himself of the bona fides of the issue.

The following procedure should be adopted in regard to the issue of bus warrants:—

- (i) Bus warrants may be issued to all police personnel of and below the rank of Sub Inspectors including Finger Print Experts of the Finger Print Bureau, Shorthand Reporters of the Shorthand Bureau and Photographers of the C.I.D. Unit, in duplicate, by their superiors or by

!Substitution C.S.No.11/79 [G.O.(P) No. 910/79/Fin., Dated 04/10/1979]

#Substitution C.S.No.9/80 [G.O.(P) No. 646/80/Fin., Dated 23/09/1980]

officers in charge of stations not below the rank of Head Constables. In cases where Superior Officers are not available to issue bus warrants in time, the Sub Inspector or Head Constable in charge of stations shall issue bus warrants to self or to Sub Inspectors or Head Constables of other stations. The name and designation of the issuing authority as well as the name of the district or unit, should be noted on the warrants. When issued by a Head Constable, he should sign under the designation "Head Constable in Charge". A monthly list of such self-issued warrants should be attached to the contingent bill in which claims under these warrants are included. The Drawing Officer will certify that warrants, as detailed in the list, have been issued for public purposes. The purpose of the journeys to and fro as well as the head of debit of the charge should be clearly noted in all warrants. All entries in the warrants will be in ink and corrections, if any, should be attested by the issuing officer himself. The counter foils of the bus warrants so issued will be initialled by the issuing authority. The original will be given to the bus owner and the duplicate will be attached to the office copy of the Travelling Allowance bill concerned with the certificate of the motor agent in the space provided therefore in the warrant. The Controlling Officer will before passing the Travelling Allowance Bills, ensure that the amount of the bus warrants attached thereto has been deducted from the total claim. The warrants collected by bus owners during the course of each month will be sent with a bill in duplicate for payment at the end of the month to the Drawing Officers noted in Column 2 in the case of personal in column 1.

<i>Unit</i>	<i>Drawing Officer</i>
Criminal Investigation Department	Inspector General of Police/ Deputy Inspector of Police
Finger Print Experts	Director, Finger Print Bureau
Short Hand Reporters	Inspector, Short Hand Bureau
Photographers	Administrative Officer, Crime Branch, Criminal Investigation Department Unit.
District Constabulary,	Superintendent of Police concerned
District Armed Reserve General Armed Reserve	Superintendent of Police, Armed Reserve
Police Training School Constabulary	Principal, Police Training School
Railway Police	Deputy Inspector General of Police
'X' Branch	Deputy Inspector General of Police

- (ii) One copy of the bus owner's bill will be attached to contingent bill and presented to the Treasury for encashment after recording a certificate that the bus warrants have been duly checked, cancelled and filed in office. The other copy of the bus owner's bill and the connected warrants will be retained by the Drawing Officer along with the office copy of the contingent bill for verification and audit.

The Drawing Officer will record a certificate on each of the original warrants attached to the office copies of the contingent bills that it has been compared

with the warrant foils (duplicates) attached to the office copies of the Travelling Allowance Bills. In the warrant foils attached to the office copies of the Travelling Allowance Bills also it should be recorded that the original warrant has been received and paid for in billdated
forand got duly attested by a responsible officer. This will guard against a second claim being preferred on the same warrant.

(iii) A separate Check Register in the following form will be maintained in the office of the Drawing Officers. The Register will contain 6 columns—

- (1) Date of Bill of the Motor Company.
- (2) Name of the Motor Company or the Bus owner with address.
- (3) Date of receipt of the bill in the office.
- (4) Amount claimed by the company or the Bus owner.
- (5) Amount passed by the Superintendent, Deputy Inspector General of Police or Inspector General of Police or other Drawing Officer, as the case may be ; and
- (6) Remarks—Particulars relating to the amount disallowed, date of payment, etc.

(iv) The Drawing Officers will draw the amounts due to the bus owners and the Kerala State Road Transport Corporation on two separate contingent bills, one in respect of private companies and the other of the Kerala State Road Transport Corporation. A certificate will be furnished by the Drawing Officer on each contingent bill that the warrants were issued by persons duly authorised in that behalf and that in all cases the counterfoils have been verified and attested by the proper authorities and that the originals and duplicates of the warrants (attached to the office copies of the Contingent bills and Travelling Allowance bills respectively) have been compared and the prescribed certificate recorded on them. After payment of the amounts,

the receipts of the bus owners and the Kerala State Road Transport Corporation for sums above 50 will be forwarded to the Accountant General, those for 50 and below being retained in the office of the Drawing Officer duly cancelled.

- (v) The accounts of each month should be settled before the close of the succeeding month and normally there should not be more than one bill for a month in respect of private companies and another in respect of the Kerala State Road Transport Corporation in each district. Charges on account of misuse or wrong use of warrants will be recovered from the officers responsible.

***87 A.** In the Excise Department, Assistant Excise Commissioners, Circle Inspectors of Excise, Excise Inspectors, Assistant Excise Inspectors, Preventive Officers and Excise Guards will be permitted to avail the benefit of Motor warrant under Article 87 when they are required to travel on official duty.

Assistant Excise Commissioners, Circle Inspectors of Excise and Excise Inspectors and in their absence the officers in charge will be competent to issue Motor Warrants to their subordinates to perform journeys between places not connected by railway. The procedure detailed under Article 87 (i) to (v) shall be adopted in issuance of Motor Warrants. The drawing officers in the case of personnel in the following units are noted against each.

Unit	Drawing Officer
Assistant Excise Commissioners Office	— Assistant Excise Commissioner
Office of the Circle Inspector	— Circle Inspector
Range Office	— Excise Inspector

*Addition C.S.No.1/2004 [G.O.(P) No. 270/2004/Fin., Dated 09/06/2004]

*[This shall be deemed to have come into force w.e.f. 7-9-1999]

Advances for Travelling Expenses for Tours

- 88.** When satisfied that it is really necessary, the competent authority as shown in the list below may grant an advance towards travelling expenses to an officer during a journey on tour, including any journey for which travelling allowance is admissible as for a journey on tour (*See* also Article 100).

The amount advanced, should in no circumstances, exceed the amount of travelling allowance which the sanctioning authority expects the Government servant to become entitled for the journey and should also not exceed the sum likely to be required to meet the Government servant's personal travelling expenses for a month or for the probable duration of the tour, whichever is shorter. The advance should be charged to the final head of expenditure concerned. Advances for meeting travelling expenses for tours may be drawn as and when journeys have to be performed. But advances so drawn should be adjusted in full in the final Travelling Allowance bill for the month which should be drawn before the close of the month following the month in which the journey was performed failing which further advances for travelling expenses will not be admissible.

Government servants eligible for the advance

Non-gazetted officers and last grade servants touring independently or accompanying an officer

Gazetted Officers

Authority competent to sanction the advance

The Head of Office

The Head of the Department or Gazetted Officers competent to countersign the Travelling Allowance Bills to whom the Head of the Departments on 1050-1550 and above have delegated this power

Note:– The Head of the Department may sanction advances, to himself under these rules.

(iv) DEDUCTIONS FROM PAY BILLS OF GOVERNMENT SERVANTS

1. FUND DEDUCTIONS

89. Every Government servant who draws any pay bill should enter in it correctly the deductions, if any, to be made on account of various Provident Funds. He should carry out promptly and fully any order received from the Accountant General or any other Audit Officer of a fund to make a particular deduction or series of deductions.

All Heads of Offices and Disbursing Officers should observe the following procedure in regard to Provident Fund deductions:–

- (i) As soon as a Government servant is admitted to the Provident Fund, the Provident Fund account number allotted to him should be noted on the right hand top of page 1 of his Service Book with rubber stamp or in red ink.
- (ii) When Government servants are transferred from one office to another their Service Books should be made available to the new office as soon as possible within one month of the transfer, in any case.
- (iii) The Last Pay Certificate (completed in all respects) should be promptly sent to the new office.
- (iv) The head of the new office should verify the account number noted in the Last Pay Certificate by reference to the Service Book and ensure that the account number is correct.
- (v) A complete list of subscribers to each fund should be maintained in each disbursing office.
- (vi) Each new subscriber should be brought on this list and any subsequent changes resulting from his transfer or in the rate of subscription, etc., should be clearly indicated in the list.

- (vii) When a subscriber dies, quits service or is transferred to another office, full particulars should be duly recorded in the list.
- (viii) In the case of the transfer of a subscriber to another office, the necessary note of transfer should be made in the lists of both the offices.
- (ix) From this list, the monthly Provident Fund Schedule to be appended to the pay bills should be prepared and tallied with the recoveries made, before the submission of the bill to the treasury for payment.

Note:—A certificate to the effect that all persons who had to subscribe compulsorily to the General Provident Fund under the rules had actually joined the Fund will be recorded by all Drawing Officers in the Establishment Pay bills for the months of April and October every year.

2. DEDUCTION ON ACCOUNT OF INCOME- TAX

- (a) Every Disbursing Officer who disburses the salary of any Government servant should make the appropriate deduction of income tax from it at the time of payment in accordance with the Income tax Act, 1961 (43 of 1961) as subsequently amended, and the rules and directions contained in the Income-tax Manual and other orders of competent authorities.
- (b) Every Government servant who pays any amount to a Government servant on account of a reward, examiner's fees, or any similar item not strictly included under the head of 'pay and allowances' should communicate the details to the Income-tax Officer concerned in a separate letter or memorandum when he makes the payment.

3. DEDUCTION OF AMOUNTS DUE TO CO-OPERATIVE SOCIETIES

Where the Acts under which Co-operative Societies are registered impose a statutory obligation on Government to make recoveries from the salary of Government servants on account of dues to such Societies and also provide for the execution of an agreement by the members in favour of the Societies

requiring the employer to make such recoveries, it shall be obligatory on the part of Drawing and Disbursing Officers /Treasury Officers to recover such dues. The amount shown in the requisition in writing received from the Co-operative Societies shall be recovered in accordance with the following procedure:—

- (a) Where the whole or a part of the attachable portion of the salary of the Government employee concerned is already under attachment, the recoveries on account of the demands from Co-operative Societies shall be made from that portion of his salary as is not liable to attachment under the provisions of the Code of Civil Procedure, 1908.
- (b) Where the Government servant draws his own bills, it shall be the duty of the Head of the Office receiving the requisition from the co-operative society to send the necessary intimation to the Treasury Officer or other Disbursing Officer concerned. On receipt of such intimation the Treasury Officer or other Disbursing Officer shall make recoveries from the salary of the officer and the amounts thus recovered shall be paid to the Co-operative Society without undue delay after deducting remittance charges, if any.
- (c) In the case of non-gazetted Government servants, on receipt of the requisition in writing from the Society, it shall be the duty of the Drawing and Disbursing Officer of the Government servant concerned to make the recoveries in satisfaction of the requisition. The Drawing and Disbursing Officer shall draw the gross amount of pay and allowances of the Government servant concerned, in the usual manner, but should disburse only the net amount after making recoveries. The amount thus recovered should be paid to the Co-operative Society concerned without undue delay after deducting the remittance charges, if any.
- (d) In cases where the Government servant concerned intentionally allows his pay to remain undisbursed or undrawn with a view to

evading payment on account of dues to co-operative societies, the administrative head of the Department concerned should draw the pay of the debtor-employee under intimation to him, in satisfaction of the requisition received from the co-operative society and remit the amount to the society, without undue delay, after deducting the remittance charges, if any.

The amount recovered, in accordance with clauses (a), (b), (c) or (d) above shall be treated in the account in the same way as salary paid to the Government servant concerned, the particulars of the requisition received from the co-operative society being cited in the pay bill or acquittance rolls as an authority for the charge and the receipt of the co-operative society for the amounts remitted to it shall be filed with such suitable records as may be kept by the Disbursing Officer, including a Treasury Officer.

A disbursing officer, even when not located within the territorial limits to which the Act under which a co-operative society has been registered applies, may effect recoveries on account of dues of such a co-operative society from the salary payable to a Government servant:

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

4. DEDUCTION ON ACCOUNT OF ATTACHMENT OF PAY AND ALLOWANCES BY CIVIL COURTS

- (a) The extent to which the emoluments of a Government servant are exempt from attachment for debt is specified in Section 60 (1) of the Code of Civil Procedure, 1908 (Central Act V of 1908) as subsequently amended. The following are the relevant provisions of the sections :

! The salary to the extent of first four hundred rupees and two thirds of the remainder in execution of any decree other than a decree for maintenance.

* * * * *

Provided that, where such salary is the salary of a servant of the Governmentand the whole or any part of the portion of such salary liable to attachment, has been under attachment, whether continuously or intermittently for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of a further period of 12 months and where such attachment has been made in execution of one and the same decree shall be finally exempt from attachment in execution of that decree.

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

* * * * *

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

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

* * * * *

Explanation 1:— The particulars mentioned in clauses..... (i)(l) are exempt from the attachment or sale whether before or after they are actually payable.....

[Substitution [G.O.(P) No. 621/79/Fin., Dated 19-07-1979]

Explanation 2:— In clauses.....and (i), ‘salary’ means the total monthly emoluments excluding any allowance declared exempt from attachment under the provisions of clause (1) derived by a person from his employment whether on duty or on leave.

Explanation 3:— In clause (1) ‘appropriate Government’ means—

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

* * * * *

- (iii) as respects any other servant of the Government —the State Government.

Note :—The following allowances have been declared by the State Government to be exempt from attachment by order of a court, namely :-

- (i) All kinds of travelling allowances.
- (ii) All kinds of conveyance allowances.
- (iii) All allowances granted for meeting the cost of—
 - (a) Uniforms; and
 - (b) Rations.
- (iv) All allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities including hill stations.
- (v) All house rent allowances.
- (vi) All allowances granted to provide relief against the increase in the cost of living.
- (vii) Stipends, and gratuities allowed to pensioners, political pensions and the fee concession grant allowed to the Managers of schools.

- (viii) Portion of dearness allowance treated as pay for purpose of pension, gratuity, etc.
- (ix) All amounts paid by way of reimbursement of medical expenses.
- (b) The maximum amount attachable by a Civil Court is calculated on the amount earned and not on what remains after satisfying any debts due to the Government on account of advances taken under the rules.
- (c) Payments towards postal and other Life Insurance Policies, Pension Schemes, Annuity Funds, etc., that do not fall within the protection afforded by the Provident Funds Act, 1925 (Central Act XIX of 1925) but are allowed to be deducted from the pay bills of Government servants for convenience in payment should not be excluded from the aggregate amount of salary in calculating the maximum amount attachable by a Civil Court. Subscriptions to Provident Funds to which the above Act for the time being applies should be deducted for the purpose of arriving at the amount available for attachment.

Explanation :- The maximum amount attachable by a Civil Court is to be calculated thus:-

If the total gross emoluments earned by the Government servant are represented by X, the allowances declared to be exempt from attachment under the note below Article 89 referred to above and any subsistence grant or allowance made to him while under suspension by Y, and subscriptions to provident funds to which the Provident Funds Act, 1925 applies by Z, the net amount attachable, if any, is $\frac{* (X - Y) - 400}{3} - Z$

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

- (d) When paying a bill for the emoluments of a Gazetted Officer or other Government servant who draws his pay on a separate bill, the Treasury

*Substitution C.S.No.5/79 [G.O.(P) No. 621/79/Fin., Dated 19/7/1979]

or Sub Treasury Officer should recover any amount attached by the order of a court from emoluments. The responsibility for recovering an amount of this kind from the emoluments of any Government servant who does not draw his pay on a separate bill, by making the necessary deductions in the establishment bill, rests on the Head of the Office. If the Treasury or Sub Treasury Officer or the Head of the Office, as the case may be, receives a relevant attachment order from a court sufficiently early before the end of the month (*See Article 76*), he should see that the amount attached is deducted from the bill concerned. Every Treasury Officer, Sub Treasury Officer and Head of Office should carefully maintain an 'Attachment Register' in Form 4A to enable him to see that proper action is taken on all attachment orders received from courts.

5. Hospital Stoppages

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

6. Fines

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

*7. Deduction of premium due to the Life Insurance Corporation of India from the Salaries of Government Servants

A Government servant who wishes to avail himself of the Salary Deduction Scheme of the Life Insurance Corporation of India, should, along with the proposal for insurance, submit to the Life Insurance Corporation a Letter of Authorisation, in duplicate, requesting the Drawing Officer to deduct the Premium due to the Corporation from his salary every month. The Government servant should himself, at the time of proposing for insurance, remit the first two instalments of the premium direct to the Corporation. Only the subsequent instalments will be deducted from his salary, *Vide Appendix-II*.

*Addition C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

CHAPTER V**CONTINGENT CHARGES****Definition**

- 90.** The term “Contingent charges” or “Contingencies” is applied to the incidental expenditure, which is necessarily incurred in running an office. The main items are common to most offices, e.g., expenditure on furniture, books and periodicals, service postage and telegrams, bicycles, electric current, cleaning charges, customs duty on imported stores, freight and tour charges. It includes also incidental expenditure which is required for technical or other special reasons in the working of particular offices and departments, e.g., expenditure on clothing and other equipments, in such departments as the Excise, Jail and Police Departments, rewards paid to non-officials, diet and road money paid to prosecutors and Witnesses, jurors and assessors, law charges, dietary and medical charges in jails and hospitals, purchase of plant and Machinery and laboratory equipment in colleges and schools, raw materials for conversion in to manufactured articles in the jail Department and Government owned factories, workmen’s wages, purchase of live-stock for the manufacture of sera and vaccines and similar items. Expenditure incurred on hot weather establishment, labourers engaged in departments other than the Forest and Public Works Departments on daily or monthly wages, sweepers (whether whole-time servants or not) in all departments and such other classes of menials, e.g., dhobies, tailors, gardeners as the Government may from time to time declare to be ineligible for pension will also be treated as contingent expenditure.

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

Extent of Application of this Chapter

- 91.** The rules in this Chapter apply primarily to contingencies of the kinds mentioned in the preceding article but expenditure on petty construction and repairs dealt with in chapter VII and other miscellaneous expenditure dealt with in Chapter

VIII are also subject to the rules of procedure contained in this chapter except in so far as such expenditure is governed by any special rules.

Authorities competent to sanction Contingent Expenditure

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

- (1) The expenditure should be non-recurring, that is, it should not involve any commitment beyond a single payment unless the authority concerned has been duly empowered to incur or sanction such recurring expenditure.

Exception 1:— The sanction of the Government is not required for the payment of Municipal or other local tax, whatever its amount, on Government property if the tax, has been assessed by the competent authority and the certificate required in Rule 3 (a) of Article 117 is duly furnished. If the Government servant who receives the notice of demand considers that the assessment is excessive, he should report the facts at once to his immediate superior with full information as to the time allowed for filing an appeal against the assessment and grounds on which an appeal could be based.

Exception 2:— Medical Officers on special duty on occasions of cholera or other emergency are permitted to engage special duty servants on daily wages on condition that such servants are not domestic.

Exception 3:— License fee payable under any State or Central Act or any rules made thereunder can be paid by the Heads of the Office concerned provided that he is satisfied with the genuineness and correctness of the claim.

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

Note:— Special rules, restrictions, etc., prescribed by Government regarding individual items of contingencies are laid down in Appendix 4 and in the Book of Financial Powers.

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

Government Officers are not entitled to send communications regarding their leave, pay, transfer, leave allowance and other matters of a personal nature at the expense of the State.

93. (1) No officer should incur any expenditure on contingencies which involves a departure from the general and special rules prescribed in this Code or any expenditure unusual or beyond his powers of sanction unless the Government have specially sanctioned the expenditure.
- (2) Special rules, restrictions etc., prescribed by Government regarding individual items of contingencies as laid down in Appendix 4 and in the Book of Financial Powers should be strictly observed.
- (3) The total expenditure incurred by the Head of an Office in any financial year should not exceed either the appropriation placed at his disposal or any limit fixed for the purpose for that year. The existence of a budget allotment

should not, however, be taken to justify its full utilisation. Heads of Departments and Offices should see that no expenditure is incurred out of the budget grants unless really necessary in the interests of public service.

Permanent Advances

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

Note:-*In cases of urgency, T.A. advance limited to the actual rail fares/bus fares (both ways) may be paid out of the Permanent Advance to Non-Gazetted Government Servants who are required to proceed on official tours at short notice.

Rules regulating the Grant of Permanent Advance

95. (a) The permanent advance of a Head of Department has to be fixed and sanctioned by Government.
- (b) Unless the Government directs otherwise, the Head of a Department may sanction the grant to a Government servant serving under him of a permanent advance not exceeding the amount which the Accountant-General considers appropriate.

*Addition C.S.No.2/79 [G.O.(P) No. 476/79/Fin., Dated 17/05/1979]

- (c) Every order sanctioning the grant or a revision of the amount of a permanent advance should be communicated both to the Government servant concerned and to the Accountant-General.
 - (d) An application for the initial grant of a permanent advance or for the revision of the amount of an existing permanent advance should be submitted to the authority competent to sanction it through the Accountant-General who will state what amount, if any, he considers appropriate for the advance. If any difference of opinion arises between the Accountant-General and the Head of a Department in this connection, the latter should submit the matter for the orders of the Government.
 - (e) No permanent advance should be granted unnecessarily and no such advance should be larger than necessary in view of the obvious objections to the retention of money outside the treasury. A permanent advance sanctioned for the use of the Head of an Office should be so fixed as to meet the needs of every branch of his office; any amounts required by his subordinates should be allotted from his advance and acknowledgments taken from them in a form similar to that in which he furnishes acknowledgments himself to the Accountant-General.
- 96.** The holder of a permanent advance is responsible for the safe custody of the money placed in his hands and he must at all times be ready to produce the total amount of the money in vouchers or in cash. On the 15th April of every year and whenever there is change of the incumbent of the post concerned or in the amount of the advance sanctioned, every Government servant who holds a permanent advance should forward an acknowledgment to the Accountant-General for the amount of the permanent advance for which he has to render account. (The acknowledgment should be in Form No. 8 when there is a change of incumbent and in Form No. 8A in other cases). In the bill for their pay and allowances for the month of April every year, all officers drawing their own pay bills should give a certificate that the acknowledgment of permanent advances as on 31st March of the preceding year has been sent

to the Accountant-General. In case no permanent advance is held by an Officer, a certificate to this effect should be attached. In the case of officers who are holding sub advances, a certificate to the effect that the acknowledgment has been given to the officer who is holding the main advance, should be given in the bill.

He should also record in the bill for his pay and allowances for the month of April (to be cashed in May) every year a certificate that the acknowledgment has been duly forwarded to the Accountant General.

Note:- Retrenchments should not under any circumstances, be made good from the permanent advance pending appeal or further reference as to their validity.

Recoupment of Permanent Advance

- 97.** At the end of each calendar month and also when in the course of a calendar month, a transfer of charge takes place or it is found necessary to draw money for contingent expenses e.g., when the balance of the permanent advance in hand has become inconveniently small, the cashier should rule a red ink line across the page of the contingent register or registers maintained in the office, add up the several columns and post the several totals for the different classes of contingent charges in the bill or bills. The form of the bill for countersigned and non-countersigned contingencies respectively and the instructions to be observed in preparing the bills are laid down in the Kerala Treasury Code (*see* Rules 187 and 188 of Part V of the Kerala Treasury Code). The cashier should then lay the bill with the sub-vouchers and registers before the Head of the Office or the gazetted Government servant whom the Head of the Office has authorised to incur contingent expenditure under Article 92 (b) and to sign contingent bills for him. The Head of the Office or the gazetted Government servant acting for him should carefully scrutinise the entries, initial each entry in the Contingent Register, if this has not already been done and sign the bill if it is in order and also the separate certificates,

if any. He should also invariably make suitable entries on the original sub-vouchers to show that they have been paid, so that it will be impossible to use them in support of a second claim and he will be held personally responsible if a second payment is made in respect of any item on account of his not carrying out this instruction properly. The cashier will then date and number the bill and present it at the Treasury for payment.

Note:- In all cases in which sub-vouchers are not required to be submitted to the Accountant-General or other Controlling Officer, the Drawing Officer should certify in the bill that sub voucher other than those attached to the bill have been so cancelled that they cannot be used again.

98. (a) When the permanent advance is running short and a payment which exceeds the balance of the advance is due to be made the amount of that payment may be entered in the Contingent Register with the number that the sub-voucher will bear when the payment has been made, and included in the bill. The payment should be made immediately after the bill is cashed.
- (b) In an office in which the charges under several Major heads have to be met from a single permanent advance, it is not necessary to prepare bills in respect of those heads under which there has been little expenditure on every occasion when the permanent advance runs short. The expenditure under such heads should be totalled and the bills prepared only at the end of the month in order to begin the following month with the full amount of the permanent advance, or when there is a transfer of charge so that the relieving Government servant may send to the Accountant-General his acknowledgment of having received the whole of the permanent advance in cash.

Temporary Advances for Specified purposes

99. When a temporary advance is considered necessary for the purpose of meeting contingent expenditure of a specified kind or on a specific occasion and it is not

covered by standing sanction given by the Government, an application for sanction should be submitted to the Government. Occasionally, the Government accord a standing sanction for the grant of such temporary advances on all occasions of a particular kind. For example, advances for the transport of opium and gunja, advances to the Inspector-General of Police for the charges in connection with Railway Warrants, and advances to the Land Acquisition Officer for the payment of compensation for land acquired under the Land Acquisition Act. ! The advance should be adjusted by detailed bills and vouchers subject to the following conditions.

- (1) A time limit of 3 months is fixed for the presentation of final bill.
- (2) In cases where temporary advance is not utilised fully but the adjustment bill is submitted in time, interest @ 18% per annum will be charged on the utilised portion of the advance from the date of drawal to the date of refund of advance.
- (3) In cases where adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered in one lump immediately on the expiry of such time limit. Interest @ 18% will be charged on the entire amount of advance from the date of drawal to the date of recovery of the amount.

These amendments shall be deemed to have come in to force on the day of October,2011.

Advances for Contingent charges to be incurred on Tour

- *100. When satisfied that it is really necessary, the Head of an office may sanction an advance to himself or his assistant or deputy to cover contingent charges during a journey or tour. The amount advanced should not exceed the sum likely to be required to meet contingent charges such as those for the hire of conveyances

! Substitution C.S.No. 2/2012 [G.O.(P) No. 390/2012/Fin., Dated 10/07/2012]

*Substitution C.S.No.13/79 [G.O.(P) No. 1024/79/Fin., Dated 22/11/1979]

or animals for the transport of records, tents or other Government property for a month or for the probable duration of the tour, whichever is shorter. For long tours in departmental vehicles, when it may not be possible to get fuel on credit officers may be provided with advance to meet the cost of fuel to be purchased by them. Except in the Forest Department no part of any such advance may be applied to any expenditure of a gazetted Government servant for which his Travelling Allowance is intended to provide (*see* also Article 88). The advance should be charged to the final head of expenditure concerned and should be adjusted by detailed bills and vouchers as soon as possible.

Advances for Law Charges

- 101.** A Government servant who has been duly authorised to incur any expenditure on law charges in connection with law suits to which the Government are a party may draw an advance for the purpose of meeting the expenditure. The advance should be drawn and accounted for as a contingent charge under the final head of expenditure concerned. For special rules and restrictions in regard to law charges, [*see* Book of Financial Powers].

Cash Book

- 102.** Rule 92 (a) of the Kerala Treasury Code, Volume 1 lays down the procedure for the maintenance of cash book and the duties of the Head of Office in that regard. The note there under lays down that the functions assigned to the Head of Office may be performed by any other Gazetted subordinate officer specifically authorised by Government in this behalf.

When the Head of Office is absent on tour or otherwise the officer (gazetted or non-gazetted) next below in rank and present shall discharge all the duties of the Head of Office with regard to the maintenance of cash book and verification of cash balance in accordance with the rules. The Head of Office, on his return, shall verify the correctness of the entries in the cash

book and other connected records, attest them and verify the cash balance and shall record a certificate to this effect in the cash book [*see* also rule 131 (c) of the Kerala Treasury Code, Volume I].

Classification of Contingent Charges

103. For purpose of control and audit contingent charges are grouped as follows:-

1. Countersigned contingencies; and
2. Non-Countersigned contingencies.

Expenditure incurred by a Government servant on countersigned contingencies is under the direct supervision of a higher authority, known as the Controlling Officer or authority who signs the detailed bills relating to them. Countersigned contingencies are sub-divided into contingencies which require countersignature before payment and contingencies which require countersignature after payment. The detailed bills for the former are submitted to the Controlling Authority for scrutiny and countersignature and then presented at the Treasury, duly countersigned, for payment. The monthly detailed contingent bills in respect of countersigned contingencies that require countersignature only after payment are submitted to the Controlling Authority for close scrutiny and countersignature and the full details of the charges are not therefore entered in the abstract bills presented for payment at the Treasury. Special contingencies, i.e., contingent charges which are of a special character (whether recurring or non-recurring) cannot be incurred without the special sanction in each case of a superior authority. These include supplies and services and periodical charges (such as rents, etc.).

Appendix 5 contains a list of the contingent charges that require the countersignature of the Controlling Authority after payment.

No detailed bills are sent to the Controlling Authority for non-countersigned contingencies; each contingent bill for non-countersigned contingencies presented for payment at the treasury should therefore contain full details of the

expenditure and the sub-voucher for any individual payment exceeding * 1000 included in the bill, should be attached to it. Such bills are sent straight to the Accountant-General for audit without any scrutiny by a Controlling Authority and the contingencies in this category are also therefore called audited contingencies. Sub-vouchers for expenditure on account of 'Secret Service Expenses' will not be attached to the bills and the accounts Secret Service Expenditure are not subject to scrutiny by the Accountant-General. The rules regulating the administration, supervision and control of Secret Service Expenses are contained in Appendix 6.

! All Sub-vouchers should be cancelled by the Drawing Officers irrespective of the fact whether they are retained in their offices or sent to audit office.

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

Note 1:—Fixed contingent allowances which are payable regularly irrespective of the actual expenditure incurred in any month, should be drawn in the establishment pay bills. In respect of officers where there are no part-time posts of contingent employees a certificate should be recorded by the Drawing Officer in each month's bill to the effect that the amount drawn in the previous month's bill was expended for the purpose for which it was drawn. Washing allowance paid to Class IV Government servants shall be classified under salaries.

Note 2:—When expenditure for which a lump sum is granted under a single special sanction is continued for more than one month, the second and subsequent month's bills should bear a note of how much has been spent up-to-date under the sanction.

* Substitution C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19/7/1988]

! Substitution C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19-7-1988]

Note 3:— In the case of charges which require, by rule or practice, special sanction of Government and for which provision has been included in the budget, the Accountant-General will enforce such sanction being obtained before the charges are actually incurred and paid.

Note 4:— In drawing money from the Treasury on contingent bills it should be noted that an amount sanctioned for expenditure may not be drawn in a lump sum simply as such. A sanction is an authority to incur certain expenditure within certain authorised limits and not an order upon which money may be drawn from the Treasury; the money must be drawn on bills giving the necessary particulars, etc., and under the usual rules, as required from time to time to meet actual expenditure. Officers should save as much as possible in spending money against a sanction, but the amount saved should remain undrawn and should not be considered as at the disposal of the disbursing officer for other unsanctioned purposes.

Note 5:— If an officer, after drawing money on a contingent bill for certain expenditure, finds that it is unnecessary to expend the whole or any portion, of it, he should return the unexpended amount either by short-drawing from the next contingent bill, in which a note should be given specifying the date of the contingent bill, on which the expenditure was drawn and the items in which the amount refunded was included or by refund in cash, in which case the date of the bill on which the amount was drawn must be quoted and particulars of the item refunded given.

Contingent Register

- 104.** Every item of contingent expenditure, whether the charge is to be countersigned or not, should be recorded in a Register to be maintained in each office. Separate registers may be opened, if convenient, for the countersigned and non-countersigned contingencies respectively. The unit for these registers

should be the Major head of account and the general arrangement should be as in Form 10. The number of columns to be opened in the Register, the sub-heads of appropriation and detailed account heads to be included and the further detailed classification, if any, required for purposes of control and audit, cannot be the same for all departments and offices. The Controlling Authority should pass orders, on these points in consultation with the Accountant-General, in the manner best suited to the conditions of each department or office. The accounts maintained at the Treasury and by the Accountant-General contain no further details beyond the figures under Detailed account heads, but the Contingent Register should show the expenditure classified in detail under the several items falling under a detailed account head for departmental purposes, e.g., the preparation and check of contingent bills, the preparation of estimates, and financial control both by the Head of the Office and by the superior authorities (*See* Article 115). The expenditure on the less important and trivial items may be shown as a whole in one column and the charges under each of these items need not then be accounted for or watched separately. Any charge for which a special explanation is required should be described in the column headed "Description" though the amount need be entered only in the relevant separate column. The column headed "Description" should be used also for noting the month or period to which any recurring charge (e.g., rent or pay of menials) entered in one of the other columns relates. [*A separate register should be maintained in Form No.10 A for showing such recurring charges.]

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

*Addition C.S.No.1/77 [G.O.(P) No. 16/77/Fin., Dated 17/01/1977]

(b) The Head of the Office or the Gazetted Government servant whom he has authorised to incur contingent expenditure should initial against the date of payment in respect of each item. If, owing to his absence, the entries in the Register have been initialled by a non-gazetted Government servant, the Register should be reviewed and the entries reinitialled by the Head of the Office or the Gazetted Government servant concerned as soon as he returns to headquarters. The date of payment and the amount paid must be recorded on each sub-voucher at the time of payment .

106.(a) Advances made from the permanent advance, such as advances to last grade Government servants for Railway and bus fares for journeys on duty, advances for office expenses in camp, etc., should be entered at once in the proper column of the Contingent Register i.e., the column headed “Advances”. When each advance is subsequently adjusted, the fact should be noted in the remarks column.

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

(c) A progressive total for each column should be struck monthly, immediately after the monthly total. It should include all payments and bills paid by book transfer under each head from the beginning of the year upto the end of the last completed month. Care should be taken to arrange the heading of the columns of the Contingent Register according to those printed in the contingent bills.

(d) The allotments sanctioned for each head of expenditure should be entered in the Register at the commencement of the year as also the additional allotments and transfers that may be subsequently sanctioned. The expenditure should be worked out progressively as stated supra, and regulated carefully in accordance with the altered grants.

Detailed monthly bills for Countersigned Contingencies

- 107.*(a)** For contingencies that require countersignature by the Controlling Authority after payment and in regard to which the permanent advance is recouped by presenting abstract bills at the Treasury, the Head of the Office submits a monthly detailed bill in Form 11 signed by himself to the Controlling Authority for countersignature and transmission to the Accountant-General. The detailed bill should reach the Controlling Authority not later than the 10th of the month succeeding that to which it relates, supported by all sub-vouchers for individual payments above. # 1000 and with a certificate regarding the check and defacement of all sub-vouchers for amounts of # 1000 or less. It should be headed “Not payable at the Treasury” and printed on coloured paper. The total expenditure under each of the detailed items by which accounts are kept in the Contingent Register should be entered in the detailed bill, and at the foot of the bill a memorandum should be added showing the number and date of every abstract contingent bill cashed at the Treasury during the month to which the detailed bill relates and the sub-vouchers included in each. The total amount of the detailed bill should agree with the amount actually drawn from the Treasury within the month. Any difference between the total amount of the detailed bill and the total charges shown in the Contingent Register for the months should be fully explained. If any amount drawn on any abstract contingent bill cashed during the month has been refunded into the Treasury, the date of refund should be stated.
- *(b)** All Sub-vouchers should be cancelled by the drawing Officers irrespective of the fact whether they are retained in their Offices or sent to audit office.

Countersigning Authority’s Contingent Register

- 108.** As soon as the monthly detailed bill is received in the office of the Countersigning Authority, the figures should be transcribed from it into a

*Addition C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19/7/1988]

#Substitution C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19-7-1988]

Register in the same form as the disburser's register (Form 10), together with a full description of any item that required explanation. The Countersigning Authority should review the bill with the sub-vouchers. If he disallows any item, the fact should be noted in the bill and in the "Remarks" column of the Register together with the number of the sub-voucher concerned and the reasons for disallowance, and the amounts shown in the Register in the columns affected should be corrected in red ink. The Countersigning Authority should then enter the date of admission in the Register under his initials, sign the bill and despatch it to the Accountant-General not later than the 20th of the month*. His signature to certificate that he is required to furnish on the bill takes the place of the sub-vouchers for amounts above # 1,000 (One Thousand Only).

A Countersigning Authority may authorise a responsible Gazetted Government servant serving under him to examine and countersign the detailed monthly contingent bills on his behalf when he is absent from headquarters.

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

- 109.** In the Countersigning Authority's Contingent Register, the date of receipt of a detailed bill should be entered in the column headed "Date of detailed bill", and the date of its despatch to the Accountant-General should be entered in the column headed "Date of admission with initials". In the Disburser's Register, the date of recovery of any amount disallowed should be entered in the column headed "date of admission with initials" and also the date of any letter from the Countersigning Authority finally passing an item disallowed but not yet actually recovered. The particulars of any amount disallowed should be recorded in the "Remarks" column of both registers on the same line with the figures affected.

*Deletion C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19/7/1988]

#Substitution C.S.No.2/1988 G.O.(P) No. 485/88/Fin., Dated 19/7/1988]

Amounts disallowed by the Countersigning Authority

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

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

List of Abstract Contingent Bills

- 111.** The Accountant-General will send to each Controlling Authority every month complete list of abstract contingent bills cashed by Government servants

under that authorities control for which countersigned detailed bill have not been received. The Controlling Authority should immediately call for the detailed bills and the reasons for the delay in submitting them and return the list to the Accountant-General as soon as possible with a note as to the action taken.

Endorsement of Contingent Bills in favour of Private Parties

112.(a) *When a contingent charge exceeding 1,000 is payable to a firm of suppliers, a single party etc., separate contingent bill shall ordinarily be prepared for the amount and endorsed for payment by Reserve Bank remittances drafts in cases in which the drawing officers concerned is attached to a banking treasury or a treasury having currency chest facility. Where the drawing officer is attached to a non-banking treasury without currency chest, the bill for the contingent charges above 1,000 shall be drawn in cash from the non-banking treasury and disbursed to the payee in cash or by money order or by Bank Draft at the expense of the payee. Where payment is made by draft, the draft as and when obtained shall be forwarded to the payee. This procedure is not applicable when funds required for contingent expenditure are obtained by drawing cheques on the Treasury, or when a payment has to be made outside the State. In cases where the payment has to be made at a place outside the jurisdiction of the Drawing Officer, payment should be arranged by means of Bank Drafts. When a Drawing Officer is satisfied that there are special and exceptional reasons which make it desirable to endorse a contingent bill for an amount below 50 in favour of a Private Party, he may record the reasons and act accordingly.

Exception:— Electricity charges due to the Kerala State Electricity Board may be paid in cash irrespective of the amount involved.

(b) A contingent bill should not ordinarily be endorsed for payment to a private party in March after the 15th.

*Substitution C.S.No.2/1988 [G.O.(P) No. 485/88/Fin., Dated 19/7/1988]

- (c) No endorsement on a contingent bill remains valid for longer than three months counting from the date of issue. Whenever any contingent bill issued in the last quarter of the year is endorsed for payment to a private party, it should be stated in the endorsement that the payment order will remain valid only upto the end of March.
- (d) Whenever a contingent bill is endorsed for payment to a private party, the Drawing Officer should immediately send an advice to the Treasury at which it is to be paid, giving all the particulars of the bill. He should see that the item is entered at once in the Contingent Register in red ink with a note to the effect that the amount has been drawn and attest the entries by his initials. He should also see that an intimation is duly received from the Treasury as to the payment of the bill and the date on which it is paid (*See Rule 210 of Part V of the Kerala Treasury Code*).
- (e) A Drawing Officer may endorse a contingent bill in favour of a Government servant subordinate to him. A private party in whose favour a contingent bill has been endorsed may re-endorse it in favour of a bank or a messenger for collection; and a bank in whose favour such a bill has been re-endorsed may re-endorse it in favour of a messenger for collection.
- (f) When a bill for supplies made to the Government has been endorsed for payment to a contractor and is re-endorsed by him in favour of a bank, he should sign the receipt on the bill as well as a separate endorsement in favour of the Bank [*See Rule 214 (c) of Part V of the Kerala Treasury Code*].
- (g) A contingent bill should not be used as a negotiable instrument except to the limited extent permissible under this Article.

#Note:— Payments to the Kerala State Engineering Works Ltd., Chackai or the supplies made by it to the Government department have to be made in cash/bank demand draft. The Company will forward Proforma invoice 15 days in advance of the supply. The departmental officers may pay

75% of the cost of materials when the materials are supplied. The balance will be paid within 15 days of supply where there are no defects or shortages in supply and within 15 days of final acceptance in cases where there are defects or shortages in supply. In all cases materials duly verified should be taken to stock before payment, within the specified limits of 15 days].

Inter-Departmental Transfers

- 113.** * The conditions under which a department of Government may make charges for services rendered or articles supplied by it and the procedure to be observed in recording such charges in the accounts are given in Chapter IV of Kerala Account Code, Vol. I.

The procedure laid down below should be followed for making payments in the case of inter-departmental adjustments.

Note 1:— Officers ordering, supplies etc., from a Government Department have the same responsibilities that a cash purchase involves and are responsible for authority, budget provision etc. When a claim is to be settled by presenting a Bill in the Treasury for adjustment, the officer making the supplies or rendering services should indicate in the invoices the head of account to which amount is to be credited.

Note 2:— Where a Service Department levies some fees under an enactment the payment should be made by other service departments either in cash or through Bank drafts.

Note 3:— (i) In the case of Service Departments making supplies or rendering services to other Service Departments (except Public Works, Forest and other Departments which are vested with the cheque drawing powers) involving manufacturing, production or supply of articles or repair operations exceeding 250 in each case the supplied Department

*Substitution C.S.No.1/78 [G.O.(P) No. 214/78/Fin., Dated 25/02/1978]

will on receipt of the invoice from the supplying officer, present a bill at the Treasury for the cost of supplies/services along with the accepted invoice and chalan (in quadruplicate) indicating the designation of the supplying officer, invoice No. and the head of account to which the amount claimed is to be credited. The Treasury Officer will check the head of classification noted in the chalan with that noted by the supplying officer in the invoice and pass the bill for payment by transfer credit of that head of account debiting the amount to the head of account indicated in the bill by the supplied officer. After adjustment the Treasury Officer will retain the original copy of the chalan and send the duplicate and triplicate to the supplied officer who will keep one for his office record and send the other to the supplying officer. The fourth copy will be sent by the Treasury to the Accountant-General along with the bill.

- (ii) But in the case of issues of stores from stock or materials account of a work within a P. W. Division or between two such Divisions or between one P. W. Division and another service department (Eg. P. H. E. D., Forest Department, Police Department, etc.,) and in the case of supplies and services arranged by the Jail Manufactories, adjustments will be necessary irrespective of the amount involved.
- (iii) Amounts due to the Public Works, Forest and other Service Departments which are vested with the cheque drawing powers should be settled by adjustment of the bill presented by the supplied officer at the Treasury by Transfer credit to "Public Works remittances/ Forest remittances". "Items adjustable by Public Works Department". "Items adjustable by Forest" as the case may be .

Note 4:- Public Works, Forest and other service Departments vested with cheque drawing powers will settle the claims against them through cheques.

Note 5:—The commercial Departments or undertakings which are authorised to draw cheques should settle the bills in respect of services rendered or supplies made to them through cheques. The amounts due to such commercial Departments or undertakings from other Departments which do not have cheque drawing powers will be paid through bank drafts. A commercial Department or undertaking which is not vested with cheque drawing powers will make payments to other Departments through Bank drafts.

Note 6:—Departments which are engaged in rendering service or supplying articles to other Departments should furnish to the Accountant-General monthly a statement in Form. 12.

Contingent Charges incurred on behalf of other Government Servants

- 114.** It is often expedient for a Government servant to make official purchases or incur expenditure on behalf of the Government in another district, making his arrangements through a Government servant in the latter district. If the amount to be paid on account of contingent expenditure incurred in this way is not less than 50 payment should be made by Reserve Bank of India Drafts; but otherwise every Government servant who actually incurs expenditure in this way should treat it as expenditure of his own office and not demand payment from the Government servant at whose request he, as an agent, has incurred the expenditure. The charge should, however, be recorded in the amounts as expenditure of the department in which the Government servant who asks for the expenditure is serving. A Government servant should therefore address his application for any service of this kind to the principal Government servant of his department in the district indented on e.g., a Police Officer should ask the Superintendent of Police and not the District Magistrate to purchase blankets for him. If the District Magistrate receives any such indent from a Police Officer he should pass it on to the Superintendent of Police who should deal with the charge (if it is less than

50) as a final charge of his own office and apply to the proper authority for an extra appropriation, if his own appropriation will not be sufficient for the financial year. The Government servant who asks for the expenditure to be incurred is always responsible for obtaining proper sanction for the expenditure.

Note:— This rule does not apply to expenditure chargeable to Local Fund which should always be recovered.

Control of Contingent Expenditure against Appropriation

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

- (i) The appropriation under each detailed account head should be distributed among the important, items comprised in it. If some of the items are not important, those items taken as a whole may be treated as a single important item for this purpose. The expenditure

on each important item under a detailed head of account should be watched and controlled separately against the allotment for it, especially when the charges are of a fluctuating nature. The Contingent Register prescribed in Article 104 is designed so that this can be done conveniently.

- (ii) For countersigned contingencies, the monthly detailed bills provide all the information required by the Controlling Authority for checking the expenditure against the appropriation. If, for any month, the expenditure exceeds the monthly proportion of the appropriation for the year, the Disbursing Officer should send a report to the Controlling authority along with the detailed bill furnishing the special reasons for incurring the excess expenditure. The Controlling Authority should scrutinise the charges shown in each detailed bill carefully and see that no charge is unnecessary or excessive, that the sanction of competent authority for any item requiring the sanction of a higher authority is attached, that the sub-vouchers required have been received and are in order and that the calculations are correct.
- (iii) For non-countersigned contingencies, the controlling Authority should get periodical statements from each Disbursing Officer (monthly or at least quarterly) of the progressive expenditure compared with the allotment under each item for which there is a specific appropriation or allotment. If the expenditure is progressing too rapidly, he should instruct the Disbursing Officer to curtail it to the necessary extent. He should also during his local inspections scrutinise the Contingent Registers of the officers under his control and satisfy himself generally that the charges are necessary and not excessive, the rates correct, the sanction obtained adequate, etc.

Service Postage Stamps

- 116.** Service postage Stamps should be used only for prepaying postage on communications which are *bona fide* on the service of the Government and for meeting other charges payable to the post office for which service postage stamps are accepted. They may also be used by a body or bodies included

in the list in Rule 354 of the Indian Post and Telegraph Guide. A Government servant who is associated with any public body not included in that list should, as required by Rule 355 of the same Guide, take care that service postage stamps are not used on any communications issued by him on behalf of that body [See also instructions under Rules 192(a) and 221(c) of Part V of the Kerala Treasury Code and item 46, Appendix 4 to this Code].

Rates and Taxes

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

(1) *Taxes on buildings not occupied as residences.*— (a) If the building is occupied by a single department, that department should pay the taxes.

(b) If the building is occupied by more than one department or if the taxes are payable in a lump sum for a number of buildings in a Municipal or other local area, the taxes should be paid by the Revenue Department if it is one of the occupants and otherwise by the Government department which occupies the major portion of the building in consultation with the Executive Engineer concerned.

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

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

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

(2) *Taxes on building occupied as residences.*— (a) The taxes on Government buildings occupied as residences should be paid by the Public Works Department or other department in administrative control of the building. The portion representing taxes in the nature of property or house tax should be treated as part of the cost of the maintenance of the building and the rest, if any, should be recovered from the occupant.

- (b) The Government servant who occupies a Government building as a residence is required to pay the service taxes recoverable from the occupant whether rent is charged or not. When a Municipal or other local tax on a Government building has to be borne partly by a Government servant who occupies part of the building as a residence and partly by the Government, the Government will pay the tax in full in the first instance and then recover from the Government servant the amount payable by him. The department which maintains a building and pays the property tax will be held responsible for the due recovery of the service taxes payable by the Government servant who occupies the whole or any part of the buildings as a residence.
- (3) *Amount of assessment.*— (a) If the assessment of any Government property to a local tax appears to be excessive, the Government servant who will have to pay the tax on behalf of the Government should make every possible effort to obtain redress under the ordinary municipal or local law.

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

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

- (i) In the case of a building in the charge of the Public Works Department, the Head of the Office occupying the building in consultation; when necessary, with the Executive Engineer;
 - (ii) In the case of any other building, the departmental officer concerned, and
 - (iii) In the case of land occupied by a Government Department and not appertaining to a building, the Collector.
- (b) The Executive Engineer who revalues the buildings belonging to the Government during quinquennial revision should communicate to the Heads of Offices concerned who pay the property tax the revised valuation amount fixed by him for the quinquennium simultaneously with his sending the revaluation statements to the Municipality or the local body concerned irrespective of the fact whether such revaluation involves reduction or increase in the existing assessments.
- (4) *Vacancy Remissions.*— (a) Whenever a Government building (residential or non-residential) is likely to fall vacant, the occupant of the building immediately before the actual vacancy occurs or the Head of Office to which the occupant belongs should arrange to give notice of the vacancy on the date on which it falls vacant direct to the Executive Authority of the Corporation or of the Municipal Council or of the Panchayat concerned, as the case may be, and send a copy of the notice simultaneously to the Executive Engineer to enable him to claim any permissible remission of taxes. The Head of the Office mentioned above should take similar action on the first day of every succeeding half-year if the building is still vacant then. The Executive Engineer should claim remission of Municipal tax or local tax in respect of every vacancy which has lasted for 30 or more consecutive days under Section 105 of the Kerala Municipalities Act, 1960 (Act 14 of 1961) or Section 107 of the Kerala Municipal Corporations Act, 1961 (Act 30 of 1961) or in

accordance with the relevant rules made under the Kerala Panchayats Act, 1960, as the case may be. The Government servant who pays any tax in respect of a building for a period during any part of which it has been vacant should satisfy himself that any permissible remission of tax has been claimed for the period during which that building was vacant.

Similarly when a Government building (whole or part) is demolished or destroyed, the department on whose register the building is borne should immediately give the requisite notice to the Municipality or Panchayat concerned and obtain remission of property tax under Section 107 (2) of the Kerala Municipalities Act, 1960 (Act 14 of 1961) of Section 107 of the Kerala Municipal Corporations Act, 1961 (Act 30 of 1961) or in accordance with the rules made under the Kerala Panchayats Act, 1960 as the case may be.

- (b) When the Public Works Department takes over a vacant building from another department and it continues to be in charge of the building, the Executive Engineer concerned should give the necessary notice of the vacancy of the building direct to the Executive Authority of the local body concerned immediately when it is taken over and thereafter on the first day of every half-year if the building is still vacant then. He should also send a copy of every such notice simultaneously to the Executive Engineer.
- (5) *Notice of construction, etc. of a building.*— Under Section 107 (1) of the Kerala Municipalities Act, 1960 (Act 14 of 1961) or Section 107 (1) (a) of the Kerala Municipal Corporations Act (Act 30 of 1961) or in accordance with the relevant rules made under the Kerala Panchayats Act, 1960, an intimation must be given to the Executive Authority of the local body concerned of the construction of a new building or the reconstruction of a building within 15 days from the date of completion or occupation, whichever is earlier. The Executive Engineer should give the intimation in respect of any building (residential or non residential) on which the Public Works Department will have to pay the property tax and in respect of any other building, the occupant or the Head of the Office which will have to pay the property tax on it should give the intimation. In some cases, remission of municipal or other local

taxes can be obtained for a part of the half-year in which the construction or reconstruction of a building is completed, provided the intimation mentioned above is duly given the time. Any Government servant who fails to give the required intimation when he should do so and thus causes the Government lose any remission of taxes will be held personally responsible for the loss.

Cleaning, etc., Charges

***118.** Part-time contingent posts may be created with Government sanction for sweeping or cleaning work. The incumbents of these posts shall be paid pay and dearness allowance at the rates fixed by Government from time to time depending on whether the area to be swept or cleaned is below 200 square meters or 200 square meters and above.

**This amendment shall be deemed to have come into force with effect from 3-11-1980.

<i>Area to be swept/cleaned</i>	<i>pay (per mensem)</i>
200 sq. metres or more but below 400 sq.metres.	65
400 sq. metres or more but below 600 sq. metres	70
600 sq. metres or more upto 800 sq. metres.	75
	Consolidated remuneration (per mensem)
100 sq.metres or more, but below 200 sq. metres.	†35
Less than 100 sq. metres.	†30

All Drawing Officers should attach to the contingent bill claiming remuneration for the part-time employees a certificate in the following form:

*Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

**Substitution C.S.No.3/81 [G.O.(P) No. 591/81/Fin., Dated 8/9/1981]

†Substitution [G.O.(P) No. 812/79/Fin., Dated 23/08/1979]

“Certified that the floor area to be swept/cleaned is square meters, and that Government have accorded sanction in.....for the creation of the part-time contingent post”

The expenditure on this account will be debited to the detailed head “wages”

Note:– In the case of hospitals, etc., the area should include, besides the floor areas, the area of the premises in use also.

Electric Current and Water Charges

119. The following procedure should be adopted in regard to the payment of charges for electric current and water charges consumed in buildings occupied by departments of the Government or Government servants under their administrative control.

* 1.(a) **Buildings not occupied as residences:**-In the case of Civil Stations, the Kerala State Electricity Board will forward one copy of the bill of charges direct to the District Collector concerned for payment and a duplicate copy to the Executive Engineer, PWD (Buildings Division) concerned for verification. If on verification the Executive Engineer, PWD (Buildings Division) detects any error, he should return the bill to the KSEB for correction and at the same time request the .District Collector not to make payment till he received the corrected bill from lthe KSEB. The District Collector will incur the expenditure on electricity charges of the Civil Station by debit to the office expenses of the collectorate.

If the building other than a Civil Station is occupied by more than one office the Kerala State Electricity Board will send single consolidated bill for the total consumption of Electricity to the Executive Engineer, PWD (Buildings Division) concerned. The latter should, after verifying the bill make initial payment and get the amount so paid reimbursed from various offices housed in the building. The occupying departments should

*Substitution C.S.No.1/2005 [G.O.(P)No. 502/2005/Fin.,Dated 26/11/2005]w.e.f.27/7/1982

reimburse the amount to the Executive Engineer, PWD (Buildings Division on the basis of the allocation made by him by debit to the office expenses of the departments concerned immediately.

! The provisions of Article 119(1)(a) will apply *mutatis mutandis* to the Kerala Government Secretariat also.

- (b) *Buildings occupied as residences.*— If the building is used solely as residence, the tenant should pay the charges direct to the Kerala State Electricity Board.

If the building (or group of buildings) is used partly for departmental purposes and partly for residential purposes, the Executive Engineer *PWD (Buildings Division) concerned (or his Assistant on his behalf) should after verifying the consolidated bill received from the Kerala State Electricity Board, determine the share payable by each tenant. The department should pay the charges in full in the first instance on receipt of the bill duly countersigned by the Executive Engineer *PWD (Buildings Division) concerned (or his Assistant on his behalf) which should be attached to the contingent bill, and then arrange for the recovery of the amounts due from the tenants by deduction from their pay bills. The recoveries should be taken in abatement of the charges originally met by the department. The Executive Engineer *PWD (Buildings Division) should send a statement of the amounts to be recovered from tenants to the Accountant-General. He should also intimate the amount to be recovered from the pay bill of each Government servant concerned to the Government servant direct, if he draws his own pay bill and otherwise to the head of the Government servant's office.

2. The provisions of the above Article will apply *mutatis mutandis* to the allocation of water charges as well.

!Addition C.S.No.01/2013 [G.O.(P) No. 518/2013/Fin., Dated 15/10/2013]

*Substitution C.S.No.1/2005 [G.O.(P) No.502/2005/Fin., Dated 26/11/2005]w.e.f.27/7/1982

CHAPTER VI**STORES****Introductory**

- 120.(1)** The term “stores” means all articles and materials (other than cash and documents) which come into the possession of a Government servant for use in the public Service. This term does not, however, include items like fuel, charcoal, dietary products, etc. For fulfilling the duties and functions of the Various Departments of the Government, “Stores” have often to be purchased. This chapter contains the general rules applicable to all Departments regarding purchase of stores required for use in the Public Service. In regard to particular classes of articles such as books and periodicals, stationery and printing stores, clothing and liveries, etc., these rules will be supplemented by the instructions in the book of Financial Powers issued by the Finance Department. In the case of Public Works, Forest, Stationery, Police and other special Departments, those rules should be supplemented by the special rules contained in the Codes and Manuals of the Departments concerned, e.g., P.W.D Code, Forest Code, Stationery Manual, Police Manual, etc. These rules will be supplemented by the provisions in the Stores Purchase Manual wherever specific provisions are not made in these rules.
- (2) These rules and instructions also apply to the purchase of stores by Government servants on behalf of local bodies and of local funds administered by the Government, if such purchase is authorised by Government. Rules and Instructions regarding preferences or margin of preferences in respect of industries having approved rate contracts, or purchase of products of indigenous or Indian Industries or industries within the State of Kerala or Public Sector Institution etc., shall be applicable also in the case of purchases made by the Municipal Corporations. These Rules and Instructions shall be followed by Heads of aided schools while utilising Public Funds for the purchase of articles for their schools. This will apply to purchases from Special Fees Fund also.

Authorities Competent to Purchase Stores

- 121.** Expenditure on stores is included under contingent expenditure (except where it is treated otherwise, e.g., stores relating to works expenditure) and is therefore subject generally to the rules contained in Chapter V which govern such expenditure.

A Government servant who is competent to incur contingent expenditure may purchase direct from firms in India or through the agency of the Central Purchase Organisation, or direct from manufacturers abroad, such stores as he requires for the use of his department or his office subject to Stores Purchase Rules and also subject to the usual restriction regarding the existence of budget appropriation. Such purchases made in India are also subject to any money limits and other conditions prescribed generally or with regard to specific articles or classes of articles (*See Book of Financial Powers*).

Forecast of Requirements

- 122.** A Government servant who has to purchase stores for the public service should estimate his requirements for the year so far as they can be foreseen. He should prepare an annual indent of stores in Form 13 in accordance with the instructions contained in Article 124. The indent should show the approximate cost of articles to be purchased including incidental expenses and should be got sanctioned by competent authority. As far as possible a purchasing officer should lay in sufficient stock during the cheapest season. When necessary he should apply for advice as to the best time for making purchases and assistance in obtaining tenders to Government servants of other departments who are in close touch with the market for the articles required and know the usual course of their price. For example, it is usually advantageous to buy foodgrains required for rations just after the harvest and the Revenue Department is likely to be able to give useful advice and assistance in regard to such purchases. Articles which are likely to depreciate

or deteriorate during storage should not, however, be bought long in advance of requirements. It should also be remembered that the purchase of any article in advance of requirements involves the locking up of Government money and is not therefore desirable unless it is reasonably likely to prove advantageous in regard to price.

Preparation of Indent

- 123.** At the end of each financial year, each department should realistically assess its requirements of stores and equipments required during the next financial year and prepare a list of the articles required. The list may be prepared on the basis of the consumption during the previous 3 or 5 years and with reference to factors, if any, which justify an increase or decrease compared with the average. The lists for each year should also be based on the budget estimate for the next year and should be prepared duly allowing for the carrying over of stock for at least one quarter of the succeeding year. As soon as the list is prepared the required sanction of Government or other competent authority should be obtained for the purchase. Particular care should be taken to ensure that orders are placed only for quantities which will be utilised within a reasonable time.

**Note:* – [Deleted]

Administrative Sanction

- 124.(i)** It is the duty of each purchasing officer to see that funds are available for meeting the expenditure in respect of purchase of stores and administrative sanction is secured before proceeding to make purchases.
- (ii)** Heads of Departments and other officers empowered in this behalf are competent to accord administrative sanction for all purchases upto the limit of financial powers vested in them. For purchases involving higher amounts the sanction of Government is necessary.

*Deletion C.S.No.2/03 [G.O.(P) No. 102/03/Fin., Dated 15/02/2003] w.e.f 27.01.2000.

- (iii) Heads of Departments are themselves competent to accord administrative sanction for recurring supplies required for the normal running of their Departments for which funds are provided in the Budget. Heads of Departments are empowered to accord administrative sanction for purchases of other items upto **10,000 at a time. But this shall not enable them to purchase luxury articles like refrigerators, radios, photographic equipments, microscopes, generators, audio-visual equipments, motor cycles and scooters.
- (iv) Administrative sanction for a project in which the component items and their cost are listed out in detail will be taken as equivalent to administrative sanction for the purchase of such components.
- (v) While issuing or recording administrative sanctions, mention should not be made of makes, specifications, rate contracts and such other details relating to the stores, the purchase of which is administratively sanctioned.

Purchase Sanction

- 125.(i)** All purchase proposals which do not fall within the powers of the Head of Department will be considered by the appropriate Departmental Purchase Committee. The factual accuracy of the materials placed before the Committee and the observance of the Rules in undertaking the various steps before, bringing the proposals before the Committee will be the sole responsibility of the Head of the Department.
- (ii) While submitting recommendations to the Government for a purchase sanction, the Heads of Departments or other purchasing officers should furnish a certificate in the following form:—

“Certified that the purchase of the goods proposed in this report has been administratively sanctioned by competent authority (here mention the sanctioning authority with the Order No. and date) and that funds are available to meet the expenditure during the current financial year”.

**Substitution C.S.No.1/83 [G.O.(P) No. 50/83/Fin., Dated 21/1/1983]

Tender System

126. (a) A Purchasing Officer should obtain stores by calling for tenders in all cases except the following:—

- (i) Purchase of uniform for nursing sisters in all the hospitals in the State.
- (ii) Purchase of books and periodicals in all departments involving less than 1,000* at a time.

Note:— For purchase of books and periodicals for any amount above 1,000* simple quotations from leading book houses and book dealers may be called for and orders placed on the basis of those competitive quotations. Written undertaking should be obtained from the selected firms to the effect that they shall supply the books and periodicals ordered; in time and in satisfactory condition.

- (iii) Petty purchases of less than 500* at a time.

Note:— The Director of State Water Transport Department is authorised to arrange petty purchase of stores up to 1,000* at a time.

- (iv) Purchase from Government sources subject to the conditions laid down in Article 127.
- (v) Special purchase in which any other procedure is approved by Government [*See* also (b) and Article 142 below].
- (vi) Controlled stores from controlled stocks.
- (vii) Purchases of articles covered by rate or running contracts settled by the Director-General of Supplies and Disposals, New Delhi or the Stores Purchase Department, Trivandrum by operating such contracts.

*Substitution C.S.No.3/84 [G.O.(P) No. 671/84/Fin., Dated 17/11/1984]

Quotations may be invited if the estimated value of the stores is below 10,000. Copies of Quotation Notice regarding the general conditions of the supply, specification of article, etc., should be supplied to all the firms to whom the enquiries were/are sent. A specimen form of Quotation Notice is given in Annexure I. It is not obligatory to publish Quotation Notices in the Gazette. Short Quotation Notices as in Annexure II may, however, be published in the newspapers if considered necessary.

(b) Tenders should be invited, if the estimated value of the stores to be purchased is 10,000 or above. Tenders should be obtained:—

I. By advertisement (Open Tender).

II. By direct invitation to limited number of firms (Limited Tender).

III. By invitation to one firm only (Single Tender or private purchase).

I. *Open Tender*.— (a) The open tender system i.e., invitation to tender by public advertisement, should be used as a general rule and must be adopted, subject to the exceptions mentioned in paragraphs under ‘Limited Tender’ and ‘Single Tender’, whenever the estimated value of the contract is 10,000 or more. In all cases of open tender, it is essential that wide publicity is given to the tender notification. Short tender notices as in Appendix V of the Stores Purchase Manual should be published in the Stores Purchase sheet of the Kerala Gazette. If the nature of the articles required is such that better results can be obtained by advertisement, short tender notices may also be published in one or more leading regional language newspapers and also in one or two issues of a leading English newspaper published in India having wide circulation in the area from where the supplies are normally obtained.

(b) For stores which are obtainable purely from Kerala e.g., charcoal, firewood, etc., publicity may be given by advertisement in the regional language dailies even if the value is less than 10,000.

- (c) In the case of purchases of heavy machinery, imported goods and other stores which cannot be obtained without wide publicity at All India level, the tender notices may be published in addition to their publication in the Government Gazette, in the Indian Trade Journal, published weekly from Calcutta by the Director-General of Intelligence and Statistics.
- (d) In addition to the publication, the short tender notices should be sent to all registered firms in the line and also to other reputed dealers.
- (e) For the purpose of notifying dealers and contractors a list of approved firms, both Indian and Foreign of known reliability should be maintained in the office of every purchasing officer. The list should be prepared commodity-wise on the basis of the list of registered firms maintained by Government in the Stores Purchase Department. The list will be examined and revised periodically. Applications from firms received by the several Departments for inclusion in the approved lists should be forwarded by them to the Stores Purchase Department. There is no objection to sending enquiries to firms outside the approved list.
- (f) There are items for which there are no lists of registered firms in the Stores Purchase Department, e.g., bottles, earthenware jars, Ayurveda medicines, food materials, etc. In such cases when tenders are invited the Purchasing Departments should see that notices are sent direct to all known suppliers, particularly to reputed manufacturers and stockists and any others who might ask to be intimated especially when such notices are published only in the Gazette and not in newspapers.
- (g) The Heads of Departments and Offices may make arrangements with the Superintendent, Government Presses to get printed sufficient number of spare copies of Tender Forms as in Annexure VI containing details of specifications, conditions of supply etc., to be supplied to the indenting purchasers. To facilitate matters, particulars regarding the quality are quite essential. The Heads of Departments will incorporate specifications

regarding quality also in addition to quantity wherever possible in the tender forms and short tender/quotation notices. The Superintendent of Government Presses will print and supply the spare copies of the tender forms to the Officers concerned within 8 to 10 days of requisition from the Heads of Departments.

II. *Limited Tender*.— The limited tender system may be adopted whenever the estimated value of the order to be given is less than 10,000.

The limited tender system may also be adopted instead of the open tender system even when the estimated value of the stores to be purchased is above 10,000 in the following cases:—

- (i) When there are sufficient reasons for holding that it is not in the public interest to call for tenders by advertisement; in every such case the purchasing officer must record the reasons and communicate them to the Accountant-General, confidentially if necessary.
- (ii) When the purchasing officer is satisfied that there is serious risk or inconvenience or loss to the public service by arranging the purchase by the open tender system or when the articles are urgently required; in every such case the purchasing officer must place on record the nature of the urgency and the reasons why a deviation from the general rule has been rendered necessary.

III. *Single Tender*.— (a) The single tender system may be adopted:—

- (i) in the case of a small order when the articles required are of a proprietary character and competition is not expected to be advantageous. For this purpose a small order means an order of the value of which does not exceed * 250 or, if more than one kind of article is ordered at one time the total value of which does not exceed * 500.

*Substitution C.S.No.3/84 [G.O.(P) No. 671/84/Fin., Dated 17/11/1984]

- (ii) when owing to the greater promptitude of supply by particular agencies of the special manufacture of some articles by certain firms, substantial economy can be effected by deviating from the tender system, officers may purchase direct such articles from the firms or agencies concerned.
- (b) When the bills for a purchase made under 'Single Tender' is sent for audit, the drawing officer should record a statement explaining briefly the necessity for deviating from the open tender system.

Purchase from Government Sources

- 127.(a) (i)** Products manufactured by State Government Departments and State Public Sector Industries and Institutions will be purchased from them, exclusively, without tenders for the first five years after they have gone into production, the prices being fixed by negotiation. Prior to such negotiation, the purchasing authority should ascertain the normal market prices by enquiry from as large a number of suppliers as possible. If the price required by the State Government Departmental Unit/State Public Sector Industry/Institution is over 25% above the normal market prices, the price is to be reviewed and decided by Government.
- (ii) In the case of products of State Government Departmental Units/State Public Sector Industries and Institutions which have been in production for more than five years, tenders should be invited as laid down in this Code and purchase should be finalised giving the concerned State Government Departmental Unit/State Public Sector Industry/ Institution, a price preference of 10 per cent as against firms manufacturing outside the State and 5 per cent as against firms manufacturing within the State.
 - (iii) In giving the price preference as mentioned above, the prices for comparison, should be taken exclusive of sales-tax.
- (b)(i) A list of Government Institutions/State Public Sector Industries/State Government Department Units which manufacture and supply stores is given in Annexure III.

- (ii) In respect of purchases to be made from institutions, etc. listed in Annexure III all purchasing officers should see that only those items are purchased which are normally manufactured by them. In the case of Small Scale Industrial Units under the Kerala State Small Industries Corporation, in order to show that a particular item is normally manufactured by a particular unit, such unit should produce a certificate to that effect from the Managing Director, Kerala State Small Industries Corporation, Trivandrum.
- (iii) As regards direct purchase without calling for tenders or purchases on price preference from Public Sector Units of the Government of India the orders issued by the Government from time to time in respect of Individual units will be followed.

Purchase of Furniture

128. (i) Heads of Departments and Officers should see that the furniture required for the offices and the institutions under their control is made of superior wood only, such as teak, jackwood and blackwood.

***(ii)** “Officers authorised to make local purchase of furniture may obtain

Administrative and purchase sanction of Government for the purchase of furniture even from Government Sources.”.

#Provided that purchase sanction from Government will not be necessary for the local purchase of furniture up to 2 lakh by the Heads of Group I Departments and up to 1 lakh by heads of other Departments.

(iii) Competitive quotations /tenders should be invited from the firms approved by the Stores Purchase Department in respect of the purchase of quality furniture and similar items required for use in the Secretariat, Tourism

*Substitution C.S.No.2/2003 [G.O.(P) No.102/03/Fin., Dated 15/2/2003] w.e.f. 27/1/2000

#Insertion C.S.No.1/2015 [G.O.(P) No.325/15/Fin., Dated 01/08/2015] w.e.f. 05/10/2013

Department, Traveller's Bungalows and Rest Houses. After receipt of tenders/quotations in deciding on placement of supply orders the P.W.D. Engineering Workshop, Chackai, Thiruvananthapuram and the Government Wood Workshop, Kozhikkode should be given price preference as per Article 128 subject only to consideration of quality.

Ascertainment of Surplus Stores

129. Before orders are placed with private firms, the surplus stock or articles, if any, available with other Departments of the Government should first be utilised, irrespective of the cost at which it is available. The following instructions should be observed in regard to the utilisation of the surplus stores in the Departments of the Government:—

- (a) Each Head of a Department should circulate from time to time lists of all usable stores found surplus to the requirements of his Department to other Heads of Departments as soon as the surpluses are noticed.
- (b) Every Head of Department should see from the list received by him under instruction (a) above whether he can utilise the stores available with the other Departments before he places, or allowed his subordinates to place orders for the purchase of such stores in the open market, or submit proposals to the Government for such purchases. Even in cases where no list has been received by him covering the particular articles required by him, he should make enquiries of the Heads of Departments with whom such stores may be available ordinarily.
- (c) When proposals are submitted to Government or any authority authorised by Government for according sanction to the purchase of any stores it should invariably be stated whether action was taken with reference to instruction (b) above and if so, with what result.

Form of Tenders

- 130.** Every Officer who proposes to purchase materials by the open tender system should obtain tenders in a prescribed form issued by him or on commercial letter papers of the tendering firms. For all purchases involving 10,000 or more, tender forms should ordinarily be prescribed and issued by the purchasing officer at prices according to the scale approved by Government.

Note:— The United Kingdom Trades Commissioner in India should be supplied with one copy each of the tender forms as are required by him, free of cost by all the purchasing departments who invite tenders for the purchase of stores.

The priced tender forms should contain the general conditions of tender and a list of materials to be supplied and should be got printed in book form. The general conditions of tender are contained in Annexure VI.

The following scales of prices (exclusive of Sales-tax) are prescribed by Government for tender forms to be issued by Government Departments.

(a) Ordinary tenders involving supply of stores.

Estimated cost of materials for which tenders are invited

Cost of tender forms

	<i>Original copy each</i>	<i>Duplicate copy each</i>
	<i>P.</i>	<i>P.</i>
10,000 to 25,000	3.00	0.50
Above 25,000 to 50,000	5.00	1.00
“ 50,000 to 1 lakh	10.00	2.00
“ 1 lakh to 5 lakhs	20.00	2.00
“ 5 lakhs to 15 lakhs	25.00	2.00
“ 15 lakhs	50.00	5.00

(b) Special tenders withdrawing etc., and involving erection of plant and machinery.

	<i>Original per cent</i>	<i>Duplicate per cent</i>
1 lakh to 5 lakhs	25	5
Above 5 lakhs to 15 lakhs	30	5
Above 15 lakhs	60	7

General conditions of contract for Plant, Machinery and Manufactured Equipments usually supplied with special tenders: 2 per extra copy.

- (c) In the case of tenders for supply and erection involving more than 50 lakhs the cost is to be fixed at 100 for original copy and 10 for duplicate copies. Duplicate sets of drawings alone in such cases are to be separately charged at 10 per set.
- (d) Ordinarily duplicate copies of tender forms should be issued only to firms or individuals who have purchased the original copy. But in the case of special tenders duplicate can be issued to applicants for reference even if they have not purchased the original copy. But in such cases care should be taken to see that the tenders are submitted only in original copies.
- (e) The cost of tender forms may be accepted in cash or by money order only. Postal orders, postal stamps, bank drafts or bank cheques should not be accepted. No forms should be sent by V.P.P. or in advance.

In certain special cases of purchases involving less than 10,000 priced tender forms may be preferred depending upon the nature of the stores, e.g., charcoal, firewood etc.

- (a) In certain other cases even though the amount involved is more than 10,000, priced tender forms may not be desirable, e.g., fuel oil, motor vehicles, etc.

- (b) In all cases of rates/running contracts priced tender forms are essential irrespective of the amount involved unless otherwise decided by Government (*See* also Article 141).
- (c) Free tenders (or quotations) may be invited in all cases of limited tender or single tender system. In such cases, the tendering firms can submit their tenders in their own commercial letter papers.

Invitation of Tenders

131. Whenever tenders are invited, the procedure in the following rules should be followed. This procedure will apply to all Departments except those for which special rules have been laid down in their Codes or Manuals.

- (a) Before inviting tenders, every officer should estimate his requirements for the year as far as he can foresee and regulate the time of his purchases according to the state of market and stock position of stores of his Department (*vide* Article 123). A phased programme may be drawn up for inviting the tenders so that there is no rush of tenders at any time and priority is given to articles which are in urgent need.
 - (i) Tenders can be invited even during the previous financial year for normal and recurring supplies likely to be required by various Departments in the succeeding year. But actual financial commitment should be entered into only after the Budget is passed by the Legislature.
 - (ii) In the case of requirement in bulk or costly machinery for which competitive quotations can be obtained for forward delivery, tenders should be invited well in advance of the requirements so that stock purchases at prohibitive prices are avoided.
 - (iii) Rush purchases towards the end of the financial year should be avoided. Expenditure which might otherwise be postponed should not be incurred in the last month of the financial year solely with a

view to prevent lapses of the budget grants. Such rush purchases have an undesirable effect in that the strict observance of the rules regarding invitation of the tenders, proper scrutiny of offers etc., are rendered impossible at such high pressure. Hasty purchases cannot but lead to waste, confusion and delay.

- (b) The articles should properly be classified under different trade groups according to the approved classification. (*See* Annexure IV to this Chapter). Tenders should then be invited separately for each group.
- (i) The tenders should not be made unwieldy by including too many items of different kinds of materials in the same tender. Where purchases are large one tender notice should normally contain only one kind or class of articles.
 - (ii) Requirements should be correctly estimated. After inviting tenders the quantity should not be varied materially. It is wrong economy to purchase bulk quantities at retail prices.
 - (iii) Indents of the different institutions or sections under the same Head of Department should be classified and bulked into a single list. They need not be shown separately in the tender list or schedule.

Example:– Laboratory glassware is required for the Physics, Chemistry, Botany and Zoology Laboratories of a College. Each of these Departments should not invite tenders separately, nor should the Principal invite tenders separately for each Department. On the other hand the requirements of all the four Departments should be properly classified and bulked. If, for example, each of the four Departments require 2 beakers with spout 500 c.c. the quantity should be mentioned as 8 numbers and this should occur only at one place in the tender notice.

- (iv) The names of stores should be arranged in a clear intelligible manner. Alphabetical arrangement is desirable. Each item should be given correct and adequate specifications. Mere reference to a catalogue numbers and mention of patent/brand names should be avoided. For example, “Frigidaire” should not be mentioned where the requirement is a refrigerator.
- (c) The requirements of the same or similar materials should be consolidated and tenders invited in order to secure the advantage of competitive prices for bulk supply. Tenders should not be invited by the same Department for the same class of materials several times during the same year. Apart from losing the advantage of bulk purchases, piecemeal purchases result in avoidable work and delay.
- (d) Tender specifications should be carefully and correctly drawn up so that there is no ambiguity about the correct type, size, packing etc., of materials required. There should be no room for changes in specifications after inviting tenders.
- (e) (i) Intending Departments should endeavour to adopt the Indian Standard Specifications wherever available, and where such specifications have not been laid down, should consistent with the requirements of safety, security and end use of the stores, permit relaxation of standards having regard to technical limitations in indigenous production.
- (ii) In respect of articles purchased by Government, other things being equal, preference will be given to goods bearing Indian Standards Institution certification mark.
- (iii) Copies of tender notices issued by the Purchasing Officers will be sent to the Indian Standards Institution for information.
- (f) (i) Comprehensive specifications of plant, machinery and specialised equipment should be given with the terms “or similar” added wherever possible.

- (ii) Where there is lack of experience of any particular type of equipment and full specifications cannot be furnished, preliminary enquiries should be made in the first instance and the offers got examined by the technical experts who should then draw up comprehensive specifications for inviting the formal tender.
- (iii) Tenderers should be allowed to quote for all the items included in a tender or a part thereof. They should also be allowed to make suitable alternative offers.
- (g) A Purchasing Officer who invites tenders for the supply of stores may exercise full discretion regarding the place of delivery to be specified in the invitation of tender. The conditions should as far as possible be such as to give all tenderers equal opportunities of tendering at their lowest rates. He may stipulate for delivery c.i.f. or f.o.r. at an Indian Port or f.o.r. at the place of despatch in India or f.o.r. destination or for free delivery at the receiving stores/office. When tenders are invited for the supply of plant and equipments and the successful tenderer is to erect the plant at site, the appropriate conditions in regard to delivery at site should be included in the invitation of tender or in the general specifications.
- (h) Save as provided in Article 148(b) all articles required for use in the public service shall be purchased on the condition that delivery shall be made in India for payments in Rupees in India. Except in special cases, full payment should not be made for any stores against shipping or railway documents, and payment should be completed only after the Receiving Officer has taken delivery of stores and found them to be satisfactory in every respect.
- (i) In all cases of invitation of tenders, care should be taken to see that sufficient time is allowed to the tenderers to submit their tenders. In fixing the date for the receipt of tenders, the purchasing Officer should take into account the time required for publicity, for the receipt of the tender forms by the tenderers and the preparation and despatch of the tenders. He may exercise his discretion about

the last date for the receipt of tenders keeping in mind the nature and supply position of the articles required to be purchased.

- (j) The following minima are suggested:-
- (i) For ordinary stores which can be procured from the Indian market—One month.
 - (ii) For machinery and plant which have necessarily to be imported—Two months.
 - (iii) For heavy equipments involving foreign manufacture of plant and machinery, their import and erection—Three months.
- (k) The invitation should also specify a period of firmness during which the tenderers are to keep their rates firm. The time fixed for firmness of offers should be enough to cover the normal delay expected in placing supply orders after going through all the formalities. It is necessary that regard should be had to the fluctuating nature of the markets in fixing these periods. Long periods of firmness such as 6 or 8 months should be avoided. The following periods of firmness may generally be prescribed:—
- (i) All ordinary items of stores—Two months.
 - (ii) Important tenders involving manufacture, supply and erection such as heavy electrical plants, machinery steel structures etc. —Three months.
 - (iii) For stores which are in short supply in the country and the prices of which are subject to violent fluctuations, a maximum period of one month or even less may be fixed. A week or two is better.
 - (iv) It is important that in all cases decision regarding the selection of offers are taken promptly and acceptances communicated to, or supply orders placed with the selected firms before the period of firmness expires.

- (l) In all cases, tenders should be obtained in sealed envelopes. In special cases tenders in duplicate may be called for or even in triplicate. The tender invitation should include the general conditions of tender, and a list of the materials required, each item carrying full specifications and special conditions, if any. The tenderers should be asked to superscribe on the envelopes containing the tenders the name and number of tender as well as their own name. The advertisement should specify the price of tender forms and state the place where, the date on which and the time when the tenders are to be submitted, and will be opened. The tenderers or their representatives may be invited to be present at that time to scrutinise the several competitive tenders received.
- (m) Tenders shall be invited in India and when considered desirable also from abroad for the supply of articles in order to obtain adequate publicity and to ensure that the purchase is made to the best advantage. These considerations apply mainly to the categories of stores which have usually been obtained in the past by import.
- (n) The service of the Central Purchase Organisation (Director General of Supplies and Disposals, New Delhi, the I.S.D., London and the I.S.M., Washington) may be utilised to the extent necessary. The rules for utilising the service of Central Purchase Organisation are contained in Annexure V.

Earnest Money Deposit

- 132.** A cash deposit as earnest money should ordinarily be taken for every tender involving 10,000 or more and for special tenders the amount being 1 per cent (rounded to the nearest rupee) of the total cost of the articles tendered for. This is subject to a minimum of 30, if 1 per cent of the amount of the tender falls below 30.

In certain special cases, a lump sum earnest money may be prescribed with reference to the nature of articles required and to the extent of possible competition.

Note:—No earnest money or security deposit is necessary in respect of supplies from Government Institutions/State Public Sector Industries/ State Government Departmental units.

- (a) Heads of Departments may by general or special orders dispense with earnest money deposits in the case of firms of established repute.
- (b) Government or any authority authorised by Government may by general or special orders exempt any firm of repute and standing from furnishing earnest money.
- (c) Firms whose names are on the Register of approved suppliers kept by the Stores Purchase Department and who are registered with the Director General of Supplies and disposals, New Delhi are exempted from furnishing earnest money for tenders in respect of stores for which they have registered as suppliers of stores. But this exemption will not be given in the case of tenders for rate/running contracts.
- (d) Small Scale Industries and Cottage Industries and Industrial Co-operatives within the State which are certified as such by the Director of Industries and Commerce or by the Regional Joint Directors of Industries and Commerce are exempted from furnishing earnest money deposits in support of tenders submitted by them to Government Departments.
- (e) Firms, who produce a Bank guarantee in the prescribed form (Appendix 10 to the Stores Purchase Manual) for 10,000 as permanent earnest money to the Stores Purchase Department, need not furnish earnest money for individual tenders invited by Government Departments .
- (f) Government Institutions/State Public Sector Industries which manufacture and supply stores are exempted from furnishing earnest money for tenders.

Earnest money may be accepted either in cash or crossed Bank Drafts or Treasury Savings Bank Deposits or Government Promissory Notes *or Bank guarantee. The tenderers should be specially instructed in the advertisement not to enclose in the envelope any Earnest Money in cash, but only in crossed drafts. Fixed deposit in the State Bank of Travancore, in the name of the Purchasing Officer or in the name of the depositor with due endorsement thereon to the Purchasing Officer may also be accepted provided the period is not less than six months.

In the case of firms doing business within the State, cash remittance of earnest money should be made into any of the Government Treasuries and the receipted chalan produced with the tender.

Receipt and Opening of Tenders

- 133. (a)** A register in Form No.15 should be maintained to show the details of the tenders invited; the names of tenderers, the date of receipt, date of opening, etc., of tenders and quotations. The tenders received should be serially numbered and entered in this register and then kept under lock and key by the Head of office until taken out on the opening date. Late tenders should also be entered in the Register and the reason for their inclusion or exclusion recorded in the remarks column.
- (b)** The tenders should be opened (in the presence of any of the tenderers who may be present) by the Head of Office or by other Responsible Officer but not by subordinates. The tenders should be taken out from lock and key by the Officer opening the tender at the appointed hour only. They should be opened in the same order in which they have been received. Each tender/quotation opened should be serially numbered and initialled by the Officer with date and time. The names of the representatives of tenderers present should be entered in the appropriate column of the Register referred to above.

*Addition C.S.No.5/85 [G.O.(P) No. 470/85/Fin., Dated 23/8/1985]

- (c) The envelopes in which tenders are received should be prescribed along with the tenders for the purpose of record. The file of tenders and the envelopes with the orders of the purchasing officer or of Government accepting one or more tenders should be carefully preserved for five years at the least.

Entertainment of Tenders

134.(a) Tenders which are in the prescribed form (when forms are prescribed) and are accompanied by the requisite earnest money (if earnest money is prescribed) shall be included for consideration provided they have been received before the time prescribed for their receipt. Tenders shall be excluded in the following cases:—

- (i) When the tenders are not in the prescribed form (where forms are prescribed).
- (ii) When the tender is not accompanied by requisite earnest money (where earnest money is prescribed).
- (iii) When the tender is not signed by the tenderer.
- (iv) When the tender is from a black-listed firm or a banned firm.
- (v) When the tender is received late.
 - (1) On no account tenders received after the time fixed for the opening of the tenders shall be considered.
 - (2) Tenders received by post after the date and time fixed for their receipt, but before the time fixed for the opening of the tenders shall also be considered, provided the officer concerned is satisfied that the delay occurred in postal transit.

Telegraphic tenders, if received in time, may be included for consideration, provided they are followed by confirmation and detailed tender with requisite

earnest money, etc., within two days of the opening and also provided that such detailed tenders are posted before the opening date.

No tender may be rejected for quoting for a part only, unless it is otherwise demanded in the tender notice.

Acceptance of Tenders

135.(1) (i) In selecting the tender/tenders to be accepted the financial status and previous performance, if any, of the tenderers should be taken into consideration in addition to all other relevant factors.

Note:— When a tender which appears to be satisfactory is received from an unknown firm, steps should be taken before any order is placed to ascertain whether the firm is capable of executing the contract in a proper manner. If the result of enquiry proves satisfactory the order or a portion of it may be placed with the firm. If any firm is to be ignored on grounds of unsatisfactory performance in respect of a previous contract, the decision should be taken by Government.

- (ii) The various tenders should be compared in respect of price, quality, terms of delivery, terms of payment, etc., other conditions being equal the lowest tender should be accepted; and in cases where the lowest tender is not accepted the reasons therefor should be recorded [*see* also item (v) below].
- (iii) When there are two or more offers for an article at the same rate and governed by similar conditions, the contract may be divided equally among the tenderers provided they are all well-known. Otherwise, the previous contractor whose performance was satisfactory should be preferred.
- (iv) In selecting offers the cheapness, etc., of each individual item should be taken into account.
- (v) In accepting tenders as above, producers and manufacturers in Kerala should be given preference. Government Purchase Policy generally permits a price preference upto 15 per cent or even upto 25 percent or even higher

in special cases, for indigenous products over imported stores. The following price preference may be allowed for products of private industries within the State over the products made outside the State:-

- (a) Fifteen per cent for industries, in which Government have taken shares.
- (b) Ten per cent for other industries.
- (c) Fifteen per cent of Industries of Charitable Institution registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act XII of 1955, within the district of their location.

Note:— These price preferences are subject to a ceiling of 25 per cent over imported goods. As far as possible purchases will be made locally unless the prices are substantially higher and the quality unsatisfactory. The choice will, however, be subject to the price preference limits indicated above.

- (vi) When the conditions regarding quality, price, terms of delivery, terms of payment, etc., are equal, preference in making purchases should be given in the following order:-

Firstly:— to articles which are produced in Kerala;

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

Thirdly:— to articles wholly or partially manufactured in India from imported materials;

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

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

Note:— With the view to applying the principles of preference given above, a purchasing officer who invites tenders for supplying stores

should instruct the tenderers to furnish information as to the country of origin in the case of raw material, and as to both the country of manufacture and the country of origin of the materials used for a manufactured article.

(vii) As far as possible firm price offers should be preferred to offers providing for variation. Price variation conditions need be accepted only in very special cases and in unavoidable circumstances. In the case of articles which are usually subject to price variation the standard price variation clause given to Annexure VII should be included in the tender notice itself.

(2) The acceptance or rejection of a tender is a matter entirely within the discretion of the officer responsible for the purchase of the material, but a superior authority or the Accountant-General may require him to justify the manner in which he has used his discretion and give his reasons for rejecting any tender. No tenderer has any right to be told the reasons for rejecting his tender, and reasons for rejection should not be communicated to any tenderer.

136. No Government servant shall deal with a tender in which he or any of his relations has any pecuniary or other interest. If any such cases comes before him in the course of his official duties, he should refrain from dealing with the case and should submit the case to the next higher authority for passing orders, indicating at the same time that he is not dealing with the case because of the interest. The relationship for the purpose of this rule will be as specified in section 6 of the Indian Companies Act, 1956 (extract given as Appendix XXIII to the Stores Purchase Manual). If any violation of this rule is detected it will be dealt with severely.

137. When owing to inadequate publicity or some other reason no satisfactory tender is received in response to an invitation to tender, fresh tenders should be invited and the invitation to tender should be specially brought to the notice of all possible tenderers. If considered desirable the services of

the Director General of Supplies and Disposals, New Delhi may be requisitioned.

- 138.** When the total cost of the articles to be purchased at a time is beyond the financial powers of the purchasing officer he should forward the tenders received and other relevant records together with his recommendations to the higher authorities or Government, as the case may be, for orders.

Communication of Acceptance

- 139. (a)** Save as provided in sub-paragraphs (d) to (f) below, when a tender has been once accepted finally such acceptance shall be communicated to the successful tenderer in the most expeditious manner and in any case before the period of firmness expires, if such period of firmness exists. A formal supply order should also be placed with the successful tenderer simultaneously. The supply order should furnish the description, quantity and price of the articles to be supplied. It should also prescribe the terms of delivery and the terms of payment. Clear despatch instructions should also be given to the supplying firm.
- (b)** In cases where railway freight is to be borne by Government, the stores should be got down by goods train. In exceptional cases, transport by passenger train, lorry transport or by post may be resorted to, but the purchasing officer should record the reasons for adopting such a course.

Copies of the supply orders should be forwarded to the Accountant- General, to the officer who actually receives the stores and to the Sales-tax and Income-tax authorities. A standard form of supply order is given in Annexure VIII

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- (d)** When the supply of stores is subject to the condition that the Department should produce Import License, formal supply order should be placed only after receipt of the license.

Deletion & renumbering C.S.No.5/85 [G.O.(P) No. 470/85/Fin., Dated 23-8-1985]

Security and Agreement

- 140. (i) (a)** The Purchasing Officer should arrange to take a security from the successful tenderer for the due fulfillment of the contract equivalent to 5 per cent of the total value of the contract (rounded to the nearest rupee) subject to a minimum of ₹ 30 in case of 5 per cent value of contract falls below ₹ 30. All purchases costing below ₹ 1000 will be exempted from the requirements of security deposit and written agreement subject to the condition that in such cases prices should be agreed upon in writing as provided in Article 51 and that payment will be made only after supplies are received, verified and taken to stock. The security may also be taken in Bank guarantees from Scheduled Banks (Annexure IX) and in any of the forms mentioned under Article 288. The personal securities of two persons of known probity and substance may also be accepted in exceptional cases, when there are special reasons for doing so.
- (b) The government or any authority authorised by Government may, when desirable, exempt a firm of established repute from the obligation to furnish security in respect of all contracts or for a particular contract or class of contracts made with any Department of Government.
- (c) No security should be demanded or taken from any Government Institutions or any institutions listed in Annexure III, which supply stores. This provision will apply in the matter of purchase of stores from Government of India undertakings as well.
- (d) Small scale Industries, cottage industries and industrial Co-operatives within the state which have been registered as such with the Industries Department (Department under the control of the Director of Industries and Commerce) on furnishing proof of such registration are exempted from furnishing security deposits against contracts for supply of Stores manufactured by them provided that an officer of and above the rank of Deputy Director of Industries and Commerce having jurisdiction over the area also certifies to the soundness and reliability of the

concerns to undertake the contracts #[In so far as Khadi and Village Industries Co- operative Societies within the State are concerned these powers will be exercised by the Secretary, Kerala Khadi and Village Industries Board].

[This amendment shall be deemed to have come into force with effect from 5-6-1975.]

- (e) After a contract has been fulfilled and payment made, the security deposit should be released or refunded to the contractor/Firm without delay. As a rule, the security deposit should be released or returned to the contractor within a maximum period of three months of the expiration of the contract. In all cases where there is guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
- (f) No fresh security deposit need be demanded from firms for extended period of the rate contracts originally concluded with them. The security deposit obtained against the original rate contract may be considered as security for the extended period of the rate contract. In all such cases a supplemental agreement should be entered into with the rate contract holder for the satisfactory fulfillment of the extended contract. A standard form of supplemental agreement is given in Annexure XII.
- (ii) In the matter of purchase of stores by the State Government Departments, Small Scale Industrial Units sponsored by the National Small Industries Corporation Limited, New Delhi and in respect of which competency certificates are issued by the Corporation will be exempted from payment of earnest money deposits and security deposits. This will not, however, apply in the matter of purchase of Stores on rate or running contract basis.
- (iii) In case the earnest money deposited by the successful contractor if any, is less than the security deposit demanded the amount of earnest money may be treated as part of security deposit and the balance amount may be

#Addition C.S.No.7/75 [G.O.(P) No. 545/75/Fin., Dated 09/12/1975]

called for from the firm. In other cases, full amount of security deposit should be called for from the firm. The earnest money submitted by all unsuccessful tenderers should also be refunded simultaneously.

- (iv) An agreement should be entered into with the successful tenderer embodying the conditions of the order and providing for the necessary penal clauses for any breach of the conditions of the contract. A standard form of agreement is given Annexure X. In the case of purchases costing above 1000 the purchasing officer shall forward a draft agreement to the firms along with the supply order directing them that the consignments need be sent only after executing the agreement. If any firm despatch the goods before execution of the agreement, they should be held liable for the demurrage charges, if any.

Note:— The agreements are liable to stamp duty but registration is optional. Standard forms of quotation notice, supply order, bank guarantee and agreement are given in Annexures I, II, VIII, IX, X and XI.

Rate and Running Contracts

141. All stores of standard types other than those required in small quantities only, which are in common and regular demand and the price of which are not subject to appreciable market fluctuations may be purchased on the basis of a Rate or Running contract, whichever is most suited to the circumstances of each particular case.

In the case of articles which cannot be stocked conveniently in the departmental store with safety and convenience, the system of running contracts should be adopted. A running contract is a contract for the supply of an approximate quantity of stores at a specified price during a certain period.

Running contracts may be settled for the supply of articles at intervals during a whole year or a part thereof. Dietary articles, firewood, charcoal, raw materials

for Ayurvedic medicines etc., come under this group. In settling running contracts all the rules relating to the ordinary contracts like invitation of tenders, earnest money etc., should be followed, and in addition, special provision should be made to safeguard Government interests and to ensure regular supplies. It is important that for all running contracts, tenders with earnest money should be invited irrespective of the amount involved.

A *rate contract* is a contract for the supply of stores at specified rates during the period covered by the contract. No quantities are usually mentioned in the contract, and the contractor is bound to accept any order which may be placed upon him at the rates specified within the contract period. As a reciprocal consideration the Government undertakes or order from the contractor all stores under the contract which are required to be purchased subject to certain reservations for submitting prices to competition and for deciding the contract between one or more contractors. Rate contract should be settled for such articles as are required frequently by many Departments during the course of an year for which the quantity cannot be forecast. Rate contracts also may be settled for one year or shorter definite period. Indenting Officers can draw their requirements direct from the contractors as and when required. Steel furniture, Steel cupboards and M.T. Batteries, Sewing Machines, etc., are some of the items coming under this group.

Running contracts may be settled by Heads of Departments and Departmental Purchase Committees, but rate contracts will be settled by the Stores Purchase Department only.

The Director General of Supplies and Disposals, New Delhi is concluding every year rate and/or running contract for a number of articles. Purchasing Officers can avail themselves of these contracts, wherever it is economical and easier to do so. They should keep themselves conversant with the rules

and procedure of the Director General of Supplies and Disposals Rate Contracts. The Stores Purchase Department is also concluding every year rate contract for a number of articles. In respect of purchases as per rate contracts settled by the Director General of Supplies and Disposals and the State Government, purchase sanction from Government is not necessary, even if the value of the purchase exceeds the purchase powers of the Purchasing Officer provided that it is specified while issuing administrative sanction, that the purchase will be made as per Director General of Supplies and Disposals/State Rate Contracts. In such cases, the selection of the type and make of the articles to be purchased will be made by the Purchasing Officer. It is not necessary to mention the name of the firm or description of stores etc., in the administrative sanction issued for the purchase.

In the case of items for which rate/running contracts settled by the Stores Purchase Department exist or a running contract settled by the Head of Department exists, it is obligatory for Government Departments to avail themselves of those contracts. The agreement form to be used in the case of running/rate Contract is contained in Annexure XI.

Negotiated Contracts

- 142.** When owing to greater promptitude of supply, by particular agencies of special manufacture of some articles by certain firms, substantial economy can be effected by deviating from the tender system, officers may, after negotiation purchase direct such articles from the firms or agencies concerned. This rule will apply only to patents and specialities to which tender system cannot be applied with advantage (vide also Article 126).

Examination of contracts by the Accountant General

- 143.** The Accountant General in the exercise of his audit functions will examine contracts settled by the departments and report to the Government the facts of any case that come to his notice, in which competitive tenders were not invited though they should have been invited under the rules or a tender other than the lowest was accepted without sufficient jurisdiction, or any

other materials irregularity which has been committed in connection with a contract.

Insurance of Government Property

- 144.** In the case of goods imported from abroad, insurance charges are payable by Government, when the purchase price includes cost, insurance and freight of the goods as delivered at any Port of Entry in the State. In f.o.b. or f.a.s. contracts also insurance charges are payable by Government. In all cases of contracts where the supplying firm does not undertake insurance at its cost, the purchasing officer should arrange for insurance himself against risks in transits such as loss, damage, etc.

Insurance is essential in the case of fragile goods, costly machinery, equipments, delicate machines and instruments and such articles which deteriorate or otherwise becomes useless in transit.

Claims in respect of Imported Stores, lost or damaged

- 145. (i)** Purchasing Officers should see that in the case of loss or damage of imported stores, claims are promptly made against the shippers, the landing and clearing contractors of the supplies, according to circumstances or the Marine Insurance Company. A loss will be chargeable against Marine Insurance only when the responsibility for the loss or damage can not be fixed on the shippers, the landing contractors or the suppliers and recoveries should be made accordingly. In any case, loss or damage has to be reported promptly to the authorities concerned.
- (ii)** The report of loss or damage should show the particulars contained in the instructions in the packing account, namely description of stores, details of numbers and, where necessary, sizes and quantities, and when articles are missing the gross weights of packages as received. In all cases where defects noticed can be rectified locally the probable cost of such local repairs shall be specified. "Details of Recoveries" already effected or proposed to be

effected should also be mentioned. If no recovery has been made the fact and reasons therefore should also be reported.

- (iii) Marine Insurance does not cover risks after the movement when the stores leave the ship's side, i.e., during landing, and it is therefore essential that brittle stores such as stoneware pipes, R.C. pipes, glassware, etc., should be landed at places of safety. Such stores should be landed at the ports only when the risk of breakage is at a minimum. Indenting Officers should clearly indicate in their indents whether any of the indented articles should be so delivered.
- (iv) In all cases in which stores from foreign countries are purchased arrangements shall be made to obtain three sets of documents. One set shall be caused to be forwarded at the earliest possible date to receiving agents or clearing agents if such agents are appointed; one set will be caused to be similarly sent to the indenting officer and the third set to the Secretary, Stores Purchase Department or the Head of the Department. On receipt of the shipping documents, the indenting officer will issue necessary instructions to the receiving agents in the matter of transmission of packages, etc., copies of such correspondence being simultaneously forwarded to the Secretary, Stores Purchase Department or the Head of the Department.

Insurance on Railways or Lorry Transport or Inland Water Transport

- 146.** When the terms of delivery accepted by the Purchasing Officer are ex-factory or ex-godown or f.o.r./f.o.b. place of despatch, the charges for onward transmission including freight and insurance have to be borne by Government. Insurance of articles supplied from sources in India is optional, but in all cases in which damage is likely insurance is advisable.

Receipt and Verification of Stores

- 147.(i)** The Officer authorised to receive stores should himself verify the articles received with reference to the approved samples, if any and take them to stock soon after they are received. Any articles which is not new, or which

does not conform to standard specification or to approved samples or which is different from those ordered for or which is damaged or defective in any respect should not be accepted.

- (ii) Stores which arrive by ship or railway or lorry or any other mode of transport should be taken delivery of immediately after arrival to avoid demurrage etc. Sanction of Government is necessary to pay demurrage, subject to however, to the powers delegated to the Purchasing Officers.
- (iii) Any loss, shortage or damage of any defect noticed on checking stores should be promptly brought to the notice of all concerned. Any claim for loss, etc., should be preferred on the suppliers or transporting agents or insurance company, as the case may be, immediately after the stocks are received.
- (iv) Heads of Departments can accept late supplies after recording the reasons therefor upto two months after the prescribed date of delivery. For further period, in the case of purchases costing below 5 lakhs, the orders of the Secretary to Government of the concerned Department should be taken and in the case of purchases costing above 5 lakhs, the proposals should be sent to the concerned Departmental Purchase Committee. Director of Printing and Stationery can accept late supplies upto 3 months in respect of purchases for which he is competent to sanction. The Director of Health Services can accept late supplies upto four months provided no loss on account of such extension of time is incurred by Government.

Payment for Stores

- 148.(a) (i) *For stores purchased in India.*— As a general rule, payment for supplies is not permissible unless stores have been received, verified, and taken to stock and provision for the observance of this rule should ordinarily be made in all contracts for the supply of goods.
- (ii) Payment prior to verification of quantity and quality of material is permissible only in very exceptional cases in which the operation of

the rule in the above paragraph might result in hardship, as for example, when costly stores are ordered from a distant firm and delay in payment is anticipated. In such cases a part of the cost of the consignments (not exceeding 90 per cent) to a distant firm may be paid in advance on receipt of the railway receipt for despatch or bill of loading provided the firm or contractor is of well-known standing and provided an agreement is taken before-hand, with the contractor or firm to secure Government against all loss in the event of materials being found short or defective on checking.

- (iii) In every exceptional cases, payment upto the full value against proof of despatch may be made with the prior sanction of Government. *Heads of the Departments may effect 100% payment in very exceptional cases, if the amount involved is less than 5,000 (Rupees five thousand only) and the conditions mentioned in sub-rule (ii) above are satisfied.
- (iv) The Officer who maintains the stock register must himself receive the new stock. Whenever a new purchase has been sanctioned and the bill for drawing the money required is ready, it must be forwarded to the officer entrusted with the maintenance of the stock register, who should certify on the office copy of the bill that the new purchase in question has been duly taken on to the stock account. In those rare cases in which it is not possible to receive stock before payment is made, e.g., when articles are received by rail or post and payment is made against documents, the officer-in-charge of stock accounts should verify the new stock or receipt and furnish a certificate of verification which should be filed with the office copy of the bill concerned.
- (v) Payment should ordinarily be made immediately after the stores are taken to stock. In no case should the payment be delayed for more than thirty days from the date of receipt of stores. If in any case delay in payment is anticipated, the officer who is competent to make payment should intimate the supplier concerned the reasons for such delay.

*Addition C.S.No.5/85 [G.O.(P) No. 470/85/Fin., Dated 23/8/1985]

- (vi) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the firms are not received for the payments (in advance) the unstamped receipt of the Bank (i.e. counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

Note:— It is important that payment of bills should be made as expeditiously as possible after their presentation, as otherwise claims for interest might arise ending in litigation. Such a contingency should be avoided.

- (b) *Payment for foreign purchase*.— (i) Payments should be made in Rupees in India. Payment in any other currency and in any other country requires prior sanction of Government.
- (ii) Payment to firms abroad is arranged by the Accountant General through the State Bank of India or any other bank on production of invoices, etc., supported by the certificates of the inspection agents, if any. The invoice received by the Purchasing Officer will be transmitted to the Accountant-General after counter-signature by competent authority with the stock certificates, and the head of debit noted thereon.
- (iii) Payment for supplies arranged by the Accountant General through by India Stores Department, London or the India Supply Mission, Washington will be made in accordance with the terms of payment agreed to by those bodies with the contractors. All such payments will be arranged by the Accountant General.
- (iv) In respect of foreign orders in which payment of a portion or full value of the articles against shipping document or on arrival of the goods at the port is stipulated in the contract, under proper authority, such payments will be authorised by the Accountant General immediately on receipt of information from the Purchasing Officer that the documents have been received by the Bank from the suppliers or that the goods have arrived at the port. The balance value, if any, will be arranged to

be paid on receipt by the Accountant General on a requisition from the Purchasing Officer with the necessary certificates in the invoice.

- (v) In the case of balance withheld in the first instance from the firm's invoices and which have to be authorised for payment after verification of the materials by Departments, the officers concerned should see that the materials are verified immediately on receipt and that requisitions to the Accountant General for the payment of the balances withheld are issued not later than a month from the date of receipt of the materials.
- (vi) In cases in which there is no agreement regarding payment in advance, payment will be arranged only after the articles have been actually received and brought to account.
- (vii) In the case of advance payments to be made with order or during the course of manufacture or before despatch of materials prior sanction of Government is necessary.
- (viii) Since payments in any foreign currency require the sanction of Government of India no Purchasing Officer should make any commitments to pay in foreign currency before obtaining such sanction.
- (ix) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the firms are not received for payments (in advance) the unstamped receipt of the bank (i.e., counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

Stock Accounts

- 149.(1)** The head of an office or any other officer who is entrusted with stores of any kind should take special care in arranging for their safe custody. He should also maintain suitable stock accounts or inventories for the stores in his

custody with a view to preventing loss to the Government through theft, fraud, negligence or accident, and to making it possible to check the actual balance with the book balance and the expenditure on stores at any time. It is important that each item of receipt and issue (or disposal) of stores should be recorded concurrently as it occurs in the registers.

(2) The form of the stock account has to be settled with reference to the nature of stores, the frequency of transactions and the special requirements of each department. The same form of stock account would not be suitable both for consumable articles such as dietary stores kept for use in a hospital or jail and also for ordinary office furniture. Ordinarily each office should keep its stock account or accounts in the form and according to the instructions laid down in any general or special orders of the Government which apply to the departments concerned or in the departmental manual, code or orders. If no such forms and instructions are available, or if they are available but a competent authority has held that they are defective, then the stock accounts should be kept in accordance with the instructions in Articles 151 and 152 below.

*(3) In the case of departments (other than those rendering monthly compiled accounts to the Accountant-General under the P.W.D. system) where consumables (other than items debited to office expenses) are purchased and/or where non-consumable articles are purchased centrally for distribution among Subordinate Officers/ private parties, the officers listed in Appendix 2A should, on or before the 30th June every year, forward to the Accountant-General consolidated stores and stock accounts of the departments for the immediately preceding financial year. Machinery, tools, equipments etc., purchased by such officers for exclusive use in their offices need not be included in the consolidated stores and stock accounts.

150. Separate stock accounts should be maintained for:—

*Addition C.S.No.2/83 [G.O.(P) No. 231/83/Fin., Dated 2/05/1983]

- (a) Raw materials and expendible stores used in manufacturing departments, etc.
- (b) Office furniture including all office stores except books, forms and stationery.
- (c) Books, forms and stationery.
 - (a) *Stock accounts of raw materials and expendible stores.*— The stock accounts required on account of raw materials and expendible stores include day-books of receipts and issues for recording the transactions as they take place and a ledger for each kind of article showing the receipts, issues and balances. If no specific forms and rules have been prescribed for a department. Forms 16 and 17 should be used for this purpose.
 - (b) *Stock account of office furniture and stores.*— Every Head of Office should maintain a stock account of furniture and all other stores (except books, forms and stationery) in Form 18 showing the number received, the number issued or disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article separately. When an office is large and the furniture, etc., is kept in several rooms, the Head of the Office may have an inventory of the furniture, etc., kept in each room exhibited in the room and kept up-to-date in order to facilitate the annual verification of stock and fix the responsibility for any loss that may occur.
 - (c) *Stock account of books, forms and stationery.*— Every Head of Office should also maintain stock accounts for forms and stationery in accordance with the rules in the Stationery Manual and also a register in Form 19 of the books belonging to the office.

Note 1:— The term ‘books’ will include catalogues, periodicals etc.

Note 2:— Government libraries and museums should maintain catalogues as well as the prescribed stock accounts or inventories.

Valuation of Stores in Stock Accounts

- 151.** When a period inventory is maintained, the value recorded in it for any item should not materially exceed its current market value. The Head of the Department concerned should issue necessary instructions to ensure that the stores are valued with reasonable accuracy and that the rates adopted are reviewed at suitable intervals by a competent authority.
- 152.** Stores should be issued as far as possible on indents passed by an officer who has been duly authorised to pass them. Every issue should be recorded in the stock account at the time when it is made.

In respect of transactions between a main store and the sub stores under it, it is essential that there should be complete reconciliation of the issues from the main store and the receipts in the subsidiary stores to which issues are effected from the main store. The inspecting officers and other departmental officers should specially bear this point in the mind while conducting stores inspection.

Inspection of Stores

- 153.** No Government servant should hold stores in stock in excess of the quantity likely to be required for a reasonable period. To ensure that this rule is observed, a responsible officer of the Department should inspect all perishable stores once in each half-year and all the other stores once a year unless there is sufficient reason (which should be recorded) to the contrary. If he considers that any of the stores inspected is obsolete or in (excess of reasonable requirement, he should submit a report to the competent authorities either to sanction the write off of a loss of cash equivalent to their value or to transfer the surplus stores to other Departments/ Offices which may require them and also to include them in the list of surplus stores. These authorities should then pass orders as to the disposal of such stores. Heads of Departments and Offices should also review the stock position of the various stores under them as on 31st March of a year in the

month of May of the succeeding financial year and take steps to dispose of materials which have become unserviceable or are likely to become unserviceable in the near future. A copy of each of such review should be sent to Government in the administrative Department and the Finance Department so as to reach Government before 15th June of each year.

Unserviceable and Surplus Stores

- 154.** Subject to any special orders issued by Government as applicable to individual cases, stores which are found to have become unserviceable in the ordinary course or by fair wear and tear may be condemned by the authority competent to authorise replacement by purchase. Full reasons for condemning such unserviceable stores must be recorded on such orders together with a certificate to the following effect:—

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

Note:— Separate sanction for write off of losses is not necessary where the stores are bodily present. It is only in such cases where the stores are missing (as in cases of fire, theft, etc.) that formal sanction for write off of losses will be necessary.

- 155. (a)** The authority referred to in the preceding Article may also condemn stores found at any time to have become unserviceable, otherwise than in the ordinary course or by fair wear and tear (e.g., by avoidable carelessness or neglect, misuse, etc.) but this should not be done until after their value has been written off by the authorities competent to write off a loss of cash equivalent to their value or the recovery of the balance has been effected from the persons responsible .

The value of stores for purpose of Articles 153 to 157 shall be taken to be their book value where priced accounts are maintained, and where these are

non-existent or suspect, their “replacement value”, i.e., market value (at the time of issue of sanction for the disposal/write off) of such new articles or articles of similar nature.

- (b) When any stores become unserviceable or depreciate otherwise than in the ordinary course or by fair wear and tear, their value or the amount of such depreciation, as the case may be, should be treated as a loss to the Government within the meaning of Article 297 and the procedure prescribed therein should be strictly followed in reporting any such loss (*See* also Article 301).

156. Stores which have become unserviceable otherwise than in the ordinary course or by fair wear and tear, should never be condemned in the same order along with stores which have become unserviceable in the ordinary course or by fair wear and tear. Separate orders should be passed dealing with the stores in each of the two classes—each order should indicate the causes leading to the stores having become unserviceable or obsolete and should state how the condemned stores are to be disposed of, i.e., whether by sale or by destruction, since stores should be condemned only when they cannot be made serviceable by repairs at a reasonable cost. A copy of such order should be endorsed to the Accountant-General. Condemned stores which are quite worthless should be ordered to be destroyed. Other condemned stores should as far as possible, be sold under the orders of the authority competent to write off a loss of cash equivalent to their value and the sale proceeds credited to Government. The sale proceeds should not be taken into account for determining the value of the stores as this amount is to be treated as a miscellaneous receipt of the department concerned. The Head of the Office should record full particulars regarding all condemned stores in suitable lists from which their disposals can be checked.

Note:— In all cases where the stores are condemned the orders should be supported by a survey report in Form 21.

- 156A.** Where articles are to be sold by public auction, the Head of the Office or any other Gazetted Officer authorised by the Head of the Office should invariably attend the auction and record the final bids. Wide publicity should be given before conducting the auction and the form of publicity should conform to the rules prescribed in the departmental manuals. In the absence of any provision in this regard in the departmental manuals, the officer sanctioning the sale shall decide the nature of publicity to be given, with due regard to the assessed value of the articles to be sold.
2. A register in Form No. 20 should be maintained by the officer authorised to conduct the auction and all the columns in the register should be filled up at each stage of the auction. A separate page or folio should be set apart in the register for each auction.
 3. An earnest money deposit at the rate of 1 per cent of the assessed value of the articles to be sold subject to a minimum of 10 may be realised from the intending bidders before the commencement of auction. The earnest money shall be returned to the bidders immediately after the auction except in the case of successful bidder, in whose case the amount will be adjusted against the sale price due from him. In the event of the highest bid being found unreasonably lower than the assessed value of the articles, the officer authorised to conduct the auction may cancel the auction, in which case the earnest money deposited by the bidders including that by the highest bidder shall be refunded instantly, obtaining proper acquittance in each case. While arranging re-auction, the Head of the Office shall consider whether greater publicity is needed in order to attract more participants at the re-auction. The procedure for the re-auction will be same as for the original auction.
 4. Soon after confirmation of the auction by competent authority, the successful bidder shall deposit the bid amount in full less earnest money deposit. Articles sold at the auction shall on no account be retained in the

office for long. The period for which they will be kept and that too at the risk and loss of the successful bidder may be notified before the conduct of the auction and the written consent of the bidder therefor, obtained. In the event of failure to take delivery of the articles after the stipulated time, the articles may either be arranged to be re-auctioned or released to the original bidder himself on realisation of such retaining fee as may be reasonable in each case. In the event of re-auction the successful bidder at the previous auction shall forfeit the amount remitted by him. This position may be brought out clearly in the notice relating to the auction and the written consent of the bidders to this condition obtained prior to the auction.

5. The Head of Office or any other authorised officer should be present when the articles sold are released, his presence being most essential when the release of the articles takes place sometime after the auction or when it involves processes such as weighments etc. A sale account in Form No. 20-A should be prepared and signed by the officer who supervised the auction. If the articles are released in the presence of an officer other than the one who supervised the auction, the entries in the sale account should be attested by the dated signature of such officer.

- 157.** Stores remaining in stock for over a year should be considered surplus unless there is sufficient reason to treat them otherwise.

The previous sanction of the competent authority should be obtained for the sale of stores regarded as surplus.

If on verification it is found that stores are held in surplus the Head of Office should make out a list of such surplus stores with essential details and forward it to the Head of the Department (*See* also Articles 128 and 129.)

Government departments should be treated as priority indentors for these surplus stores. No sale of these stores should be made until it is assured that no Government Department requires them.

Note:— The procedure detailed in Article 156A should be followed when surplus stores are disposed of. A report of the surplus stores for disposal should also be prepared in Form 22 and signed by the Head of Office or other gazetted officer authorised by the Head of the Office. The entries in the Sale Account should be compared with this report before the officer who supervised the auction, signs the Sale Account.

Verification of Stores

158. All stores should be verified periodically in the manner prescribed for each Department and at least once a year. In the Stationery Department a complete physical verification of the stock need, however, be made every two years only.

Subject to any special rules or orders, a Government servant who is in charge of any expendible stores or raw materials should check them at least once a year and send a verification report to the controlling authority. The latter should also check the stock account when inspecting the office.

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

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

- (i) to a low paid subordinate ; or

- (ii) to the custodian, the ledger-keeper or the accountant responsible for the stores to be verified, or to a person employed under the custodian, the ledger-keeper or the accountant; or
- (iii) to any one who is not conversant with the classification and nomenclature of the particular classes of stores to be verified and the connected technique.

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

Note:— The following procedure should be observed for the audit of the accounts of furniture in the Raj Bhavan:-

An annual certificate of verification should be sent by the Military Secretary to the Governor so as to reach the Accountant-General, Kerala on or before the 31st July of each year stating that all furniture has been inspected and checked with the stock list maintained and that he is satisfied (i) that all new supplies up-to-date have been correctly brought on to the inventories, (ii) that the inventories are correct in all respects, (iii) that the articles in stock agree with the inventories, (iv) that sale proceeds have been properly accounted for, (v) that sanctions of competent authority exist for all articles written off the inventory, and also (vi) the articles of furniture are being properly maintained and are kept in serviceable order.

Unserviceable articles may be sold and written off the stock list at the discretion of the Governor, but no valuable articles should be sold unless they are certified to be worn out, or have become useless, independently of considerations of personal taste. The amount realised from the sale of unserviceable articles should be credited to State Revenues.

- 159.** Apart from the periodical verification of stores by the Heads of Offices and other Government servants authorised in this behalf under the preceding

article, surplus check of stocks and stores should be undertaken by the superior officers in each Department at intervals at least once a year so as to ensure that stores are properly maintained and accounted for. It is necessary that the inspection should be a surprise one; but the check may be confined to important items. The results of such surprise checks should be reported to the Government in the concerned administrative department with the recommendation, if any, of the inspecting officer so as to enable the Government to take prompt and adequate action wherever necessary. The results of the surprise inspections and the orders, if any, passed should be communicated to the Accountant-General by Government in the Administrative Department.

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

Discrepancies found on Verification of Stores

- 161.** A deficiency detected during a verification of stores may be due to:
- (i) incorrect or careless accounting;

- (ii) loss arising from fraud, theft or negligence; or
- (iii) an unavoidable cause, e.g., wastage, shrinkage, spilling, etc., in the case of stores which are subject to them.

The Head of the Office or institution concerned should fully investigate the causes of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servant concerned, he should add his recommendation as to how the loss should be made good by recoveries from him. The controlling authority should, after such examination and investigation as the importance of the case warrants, issue or obtain from the competent authority, an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery is ordered, a note should be recorded in the stock accounts when each amount is actually recovered.

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

In the Annual Administration Report sent to Government the Head of the Department should furnish information as regards :

- (i) The condition in which stock registers are maintained in his office and the offices subordinate to him.
- (ii) Result of periodical verification of stock, and
- (iii) Action taken for the adjustment of deficiencies, excesses, etc., if any, noticed during stock-taking.

Audit of Stores and Stock Accounts

- 162.** The regulations and rules relating to the audit by the Accountant-General of the accounts of stores and stock kept in Government Departments are contained in Appendix 2.

ANNEXURE I

[See Article 126 (a)]

FORM OF QUOTATION NOTICE
QUOTATION NOTICE

No.

Quotation No.

Sealed quotations are invited for the supply of the materials specified in the schedule attached below/overleaf. The rates quoted should be for delivery of the articles at the places mentioned below the schedule. The necessary superscription, the due date for the receipt of quotations, the date upto which the rates will have to remain firm for acceptance and the name and address of officer to whom the quotation is to be sent are noted below. Any quotation received after the time fixed on the due date is liable to be rejected. The maximum period required for delivery of the articles should also be mentioned. Quotations not stipulating period of firmness and with price variation clause and/or 'subject to prior sale' condition are liable to be rejected.

The acceptance of the quotations will be subject to the following conditions:—

1. Acceptance of the quotation constitutes a concluded contract. Nevertheless, the successful tenderer must within a fortnight /a month after acceptance of his quotation furnish 5 per cent of the amount of the contract as security deposit and execute an agreement at his own cost for the satisfactory fulfilment to the contract, if so required.
2. Withdrawal from the quotation after it is accepted or failure to supply within a specified time or according to specifications will entail cancellation of the order and purchases being made at the officer's expense from elsewhere, any loss incurred there by being payable by the defaulting party. In such as an event the Government reserves also the right to remove the defaulter's

name from the list of Government suppliers permanently or for a specified number of years.

3. Samples, duly listed, should be forwarded if called for under separate cover and the unapproved samples got back as early as possible by the officers at their own expenses and the Government will in no case be liable for any expenses on account of the value of the samples or their transport charges, etc. In case, the samples are sent by railway, the railway receipt should be sent separately, and not along with the quotation since the quotation will be opened only on the appointed day and demurrage will have to be paid if the railway parcels are not cleared in time. Quotations for the supply of materials are liable to be rejected unless samples, if called for, of the materials tendered for are forwarded. The approved samples may or may not be returned at the discretion of the undersigned. Samples sent by V.P. post or "freight to pay" will not be accepted.
4. No representation for enhancement of price once accepted will be considered during the currency of the contract.
5. Any attempt on the part of tenderers or their agents to influence the Officers concerned in their favour by personal canvassing will disqualify the tenderers.
6. If any licence or permit is required, tenderers must specify in their quotation and also state the authority to whom application is to be made.
7. The quotation may be for the entire or part supplies. But the tenderers should be prepared to carry out such portion of the supplies included in their quotation as may be allotted to them.
8. (a) In cases where a successful tenderer, after having made partial supplies fails to fulfil the contracts in full, all or any of the materials not supplied may, at the discretion of the Purchasing Officer be purchased by means of another tender/quotation or by negotiation or from the next higher tenderer who had offered to supply already and the loss, if any,

caused to the Government shall thereby together with such sums as may be fixed by the Government towards damages be recovered from the defaulting tenderer.

- (b) Even in cases where no alternate purchases are arranged for the materials not supplied, the proportionate portion of the security deposit based on the cost of the materials not supplied at the rate shown in the tender of the defaulter shall be forfeited and balance alone shall be refunded.
 - (c) Any sum of money due and payable to the contractor (including Security Deposit returnable to him) under this contract may be appropriated by the Purchasing Officer or Government or any other person authorised by Government and set off against any claim of the Purchasing Officer or Government for the payment of a sum of money arising out of this contract or under any other contract made by the contractor with the Purchasing Officer or Government or any other person authorised by Government.
9. The prices quoted should be inclusive of all taxes, duties, cesses, etc. which are or may become payable by the contractor under existing or future laws or rules of the country of origin/supply or delivery during the course of execution of the contract.
10. (a) Ordinarily, payments will be made only after the supplies are actually verified and taken to stock, but in exceptional cases payment against satisfactory shipping documents including certificates of Insurance will be made upto 90 per cent of the value of the materials at the discretion of Government. Bank charges incurred in connection with payment against documents through bank will be to the account of the contractor. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/ shipping documents are made through Banks. In exceptional cases

ANNEXURE II

[See Article 126 (a)]

FORM OF SHORT QUOTATION NOTICE

No.....

.....Department

SHORT QUOTATION NOTICE

Sealed quotations are invited for the supply of the following stores:

(Here mention the stores briefly with quantity and wherever possible quality also.)

The envelopes containing the quotation should bear the Superscription “.....”

and should be addressed to (H.E. Designation of Purchasing Officer). Intending tenderers may submit the quotations on their own papers. Last date for receipt of quotation is “.....”. Late quotations will not be accepted. The quotations will be opened at on..... in the presence of such of the tenderers or their authorised representatives who may be present at that time. The maximum period required for delivery of the articles should also be mentioned.

Details of the requirements and the conditions governing their supply can be obtained free on request from (H.E.Designation of Purchasing Officer) till.....

Place: (Name and Designation of Issuing Officer)

Date:

ANNEXURE III

[See Article 127 (b)]

1. State Government Departments manufacturing products for sale.
2. Fully State Government owned companies.
3. Government Companies (State).
4. Companies where the Kerala State Industrial Development Corporation holds 51 per cent or more of the share capital.
5. Companies where the Government and Kerala State Industrial Development Corporation together hold more than 51 per cent of the share capital, and
6. Government Industrial Units transferred to Kerala State Small Industries Corporation viz.
 - (i) Service Workshop, Ollur (Service Scheme).
 - (ii) Wood Workshop, Kozhikode (Service Scheme).
 - (iii) Ceramic Service Centre, Mangattuparambu (Service Scheme).
 - (iv) Straw Board Factory, Perumala.
 - (v) Kerala Water Proof Products (Holoal Unit), Pappanamcode.
 - (vi) Pressure Die Casting Unit, Pappanamcode.
 - (vii) Government Instrument Workshop, Pappanamcode.
 - (viii) Small Industries Machine Tool Factory, Pappanamcode.
 - (ix) Tile Factory, Amaravila.
 - (x) The Wood Workshop, Kollakadavu.

ANNEXURE IV

LIST OF STORES USUALLY ORDERED

[See Article 131 (b)]

(The list is tentative and mentions important items only)

GROUP I

A. Stationery and Printing

- | | |
|--|---|
| 1. Binding threads | 23. Naphthalene Balls |
| 2. Calculating Machines | 24. Oil cloths |
| 3. Carbons-type, pen and pencil | 25. Papers (writing, printing, packing, etc.) |
| 4. Cyclostyle and duplicating requisites | 26. Punches penknives, scissors, etc. |
| 5. Calico | 27. Pencils |
| 6. Call bells | 28. Penholders |
| 7. Camphor | 29. Paperweights, pen racks, pin cushions |
| 8. Cardboards | 30. Pins, clips, tags, etc. |
| 9. Crayons | 31. Printing types |
| 10. Despatch boxes, metal trays | 32. Roller composition |
| 11. Dry flongs | 33. Sealing wax |
| 12. Envelopes | 34. Slate |
| 13. Erasers | 35. Straw boards |
| 14. Files and binders | 36. Stamps and seals |
| 15. Glue | 37. Stamp pads |

- | | |
|--------------------------------------|-----------------------------------|
| 16. Gum Arabic | 38. Stitching wire |
| 17. Inks (writing, ruling, stamping) | 39. Stapling machine |
| 18. Inks-printing | 40. Tape-silk and cotton |
| 19. Inkstand | 41. Twines and threads |
| 20. Letter weighing balances | 42. Typewriter, duplicators, etc. |
| 21. Nibs | 43. Typewriting requisites |
| 22. Numbering machines | 44. Type ribbons |
| | 45. File boards |

B. Drawing Materials

- | | |
|----------------------------|--|
| 1. Blue printing machine | 7. Drawing pencils |
| 2. Blue printing materials | 8. Drawing instruments and accessories |
| 3. Crow quills | 9. Footrule, set square etc. |
| 4. Drawing papers | 10. Indian Ink |
| 5. Drawing pen | 11. Tracing cloth and paper |
| 6. Drawing brushes | 12. Water colours |

C. Mathematical and Surveying Instruments

- | | |
|-------------------------------------|---------------------------|
| 1. Engineer's measuring instruments | 4. Surveying instruments |
| 2. Measuring tapes | 5. Surveying chains |
| 3. Marine instruments | 6. Surveying accessories. |

D. Miscellaneous

- | | |
|--|--|
| 1. Balances other than Laboratory balances | 15. Hurricane lanterns, petromax, blow lamps |
|--|--|

ANNEXURE IV] LIST OF STORES USUALLY ORDERED

- | | |
|--|---|
| 2. Bicycles | 16. Manilla ropes, Sisal rope, etc. |
| 3. Beltings - cotton, canvas, etc. | 17. Plywood and Hardboard |
| 4. Clocks and time pieces | 18. Packing boxes |
| 4. (a) Coir rope | 19. Packing-shemp, asbestos, rubber, etc. |
| 5. Corks sheets, fibre sheets etc. | 20. Rubber goods-sheets, tubes, etc. |
| 6. Cotton clean for stuffing | 21. Shellac |
| 7. Cotton ropes | 22. Sewing machine |
| 8. Cotton wastes | 23. Soaps |
| 9. Fireclay | 24. Stoves |
| 10. Fire extinguishers | 25. Sports goods |
| 11. Fire fighting equipment | 26. Weighing machine |
| 12. Fish Oil | 27. Maps and charts etc. |
| 13. Glass Plate and Sheet | 28. Models |
| 13. (a) Glassware other than Laboratory-
Glass ware | 29. Musical Instruments. |
| 14. Gauge glass | |

GROUP II

A. Textile and Uniform Materials

- | | |
|----------------------------------|-----------------------------|
| 1. Badges, buckles, buttons etc. | 9. Miscellaneous textiles |
| 2. Bandage cloth and Gauze | 10. Mosquito curtains, nets |
| 3. Bannath, blazer, etc. | 11. Rain coats |
| 4. Blankets and Jamakals | 12. Spun yarn |

- | | |
|--------------------------------|----------------------------------|
| 5. Gold and silver laces | 13. Towels, dusters, dungry etc. |
| 6. Hats and caps | 14. Uniform cloths and materials |
| 7. Haversacks, water bottle | 15. Woollen fabrics and goods |
| 8. Hoisery, Cotton and Woollen | 16. Yarn-cotton, wool and silk |

B. Jute and Hessian Goods

- | | |
|-------------------------------------|-----------------------------|
| 1. Canvas | 5. Hemp |
| 2. Filter cloth for Ceramic Factory | 6. Jute and hessian threads |
| 3. Gunnies | 7. Tarpaulins |
| 4. Hessian cloth | 8. Waterproof canvas etc. |

C. Leather and Leather goods

- | | |
|-------------------------------------|----------------------------------|
| 1. Boots | 6. Leather belts, scabbards etc. |
| 2. Chamois leather | 7. Leather beltings |
| 3. Foot-wear (shoes, chappals etc.) | 8. Leather washers |
| 4. Hides and skins (raw and tanned) | 9. Leather bags and case |
| 5. Leather grindery | 10. Morocco Leather |
| | 11. Saddlery |

D. Upholstery Materials

- | | |
|---------------------------------|-----------------------------|
| 1. Upholstery cloth and leather | 2. Plastics cloth or Rexine |
|---------------------------------|-----------------------------|

GROUP III

A. Paints, Polishes etc.

- | | |
|--------------|---------------------------------------|
| 1. Abrasives | 9. Lacquers, dilutants, thinners etc. |
| 2. Bees wax | 10. Linseed oil |

ANNEXURE IV] LIST OF STORES USUALLY ORDERED

- | | |
|---------------------|-------------------------------------|
| 3. Boot Polish | 11. Metal Polish, floor polish etc. |
| 4. Cattlefish bones | 12. Painting brushes |
| 5. Dubbin | 13. Paints R.M. and stiff |
| 6. Distempers | 14. Turpentine |
| 7. Enamels | 15. Varnish |
| 8. French polish | 16. Wood oil |

B. Mineral Oils, etc.

- | | |
|--|---------------------|
| 1. Fuel Oils (Petrol, Kerosene,
Diesel Oil, etc.) | 3. Transformers oil |
| 2. Lubricants | 4. Furnace oil |

C. Vegetable Oils

- | | |
|-----------------|------------------|
| 1. Coconut oil | 3. Castor oil |
| 2. Gingelly oil | 4. Groundnut oil |

GROUP IV

A. Medical

- | | |
|--|------------------------------|
| 1. Antibiotics | 13. Injectibles |
| 2. Ayurveda superior medicines for
preparation of drugs | 14. Laboratory equipments |
| 3. Chemicals | 15. Oils (Medicals) |
| 4. Bottles, Corks, etc. | 16. Pharmaceutical products |
| 5. Chemicals (other than Heavy
Chemicals) | 17. Specialities and patents |
| 6. Disinfectants | 18. Sera and Vaccines |

- | | |
|---|--|
| 7. Drugs | 19. Spirits |
| 8. Enamelware | 20. Surgical instruments |
| 9. Fungicides | 21. Surgical appliances |
| 10. Glassware | 22. Surgical dressings |
| 11. Hospital furniture and
equipment | 23. Tinctures, liniments, syrups |
| 12. Insecticides, Larvicidies, etc. | 24. Veterinary and Horticultural Medicines |

B. Electro-Medical

- | | |
|----------------------|-------------------------------------|
| 1. X-ray apparatus | 3. Other electro-medical equipments |
| 2. X-ray accessories | 4. Radium |

C. Photographic Materials

- | | |
|--|---|
| 1. Cameras, lenses etc. | 5. Photographic materials-
miscellaneous |
| 2. X-ray films, plates, etc. | 6. Plates, films, papers, etc. |
| 3. Photo blocks | 7. Sound Projectors |
| 4. Photographic chemicals including
X-ray chemicals | |

D. Chemical Laboratory Equipments

- | | |
|---------------------------|---|
| 1. Apparatus and fittings | 8. Plant protection chemicals |
| 2. Balances and weights | 9. Pure and fine chemicals |
| 3. Chemical fertilisers | 10. Laboratory chemicals and
equipments in general |
| 4. Chemical dyes | 11. Quartz, felspar and gypsum |
| 5. Colours | 12. Soda ash and caustic soda |

- | | |
|-------------------------|-------------------------|
| 6. Heavy chemicals | 13. Sulphate of alumina |
| 7. Houses for oils etc. | |

E. Explosive, Ammunition etc.

- | | |
|--------------------------------|--------------------------------|
| 1. Ammunition | 3. Explosives for earth moving |
| 2. Explosive for rock drilling | |

F. Mineral Products

- | | |
|-----------------|-------------|
| 1. Quartz F & G | 3. Plumbago |
| 2. Graphite | |

GROUP V**A. Hardware**

- | | |
|--|---|
| 1. Bearings | 18. Locks |
| 2. Bolts and nuts, rivets | 19. Nails and screws |
| 3. Builders hardware | 20. Non-ferrous metals, alloys, ingots,
sheets, wires, rods, pipes, etc. |
| 4. Buckets | 21. Pig iron |
| 5. Barbed wire | 22. Pulley blocks |
| 6. G.I Scraps | 23. Rails, fish-plates, etc. |
| 7. G.I pipes bends and other casting | 24. R.S. girders, Joists, etc. |
| 8. G.I sheets and wire | 25. Stay tighteners |
| 9. Expanded metal | 26. Springsteel |
| 10. Fabrications and fittings | 27. Springs |
| 11. G.I. wire netting, webbing, etc. | 28. Type metal |
| 12. G.I. fittings for electric transmission
lines, etc. | 29. Tin containers |

- | | |
|---|---|
| 13. Handcuffs | 30. Tool steel |
| 14. Iron Chains | 31. Turn buckles |
| 15. M.S rounds, flats, angle,
channel, hoops, etc. | 32. Utensils-brass, copper, aluminium, etc. |
| 16. Iron safes, cash boxes, etc. | 33. Wire brushes |
| 17. M.S. washers | 34. Wire ropes |

B. Tools and Implements

- | | |
|------------------------------|---|
| 1. Bill hooks, choppers etc. | 8. Knurling tools |
| 2. Drills and reamers | 9. Mammatties, spades, pickaxes
shovels, etc., |
| 3. Electrician's tools | 10. Mortar pans |
| 4. Felling axe | 11. Metal working tools |
| 5. Garden tools | 12. Wood working tools |
| 6. Hand tools | 13. Wrenches, spanners, etc. |
| 7. Jacks | |

C. Water Works and Sanitary Goods

- | | |
|---|-------------------------------|
| 1. Asbestos cement pipes | 6. Sanitary ware and fittings |
| 2. G.I. pipes | 7. Sluice valves |
| 3. G.I. pipes and fittings | 8. Venturi meters |
| 4. Hose pipes-rubber, canvas,
tarmoured etc. | 9. Water meters |
| 5. Stoneware pipes and fittings | 10. Water works fittings |

GROUP VI**A. General Machinery**

- | | |
|---|--|
| 1. Air Compressors | 18. Machines, tools and accessories |
| 2. Boilers, etc. | 19. Metal working machinery |
| 3. Bitumen, boilers, concrete mixers, etc. | 20. Marine engines |
| 4. Concrete mixers, vibrators etc. | 21. Machinery for smithy shop |
| 5. Ceramic machinery | 22. Poultry farm equipment |
| 6. Cranes, winches, derricks, etc. | 23. Pneumatic tools and accessories |
| 7. Dam and barrage equipment-gates, control, etc. | 24. Pumpsets and accessories |
| 8. Diesel locomotives | 25. Road making and dressing machinery |
| 9. Earthmoving machinery | 26. Road rollers |
| 10. Electric blowers | 27. Stone crushers |
| 11. Electrodes | 28. Tipping Waggons |
| 12. Filter plant | 29. Textile machinery |
| 13. Filter–streamline for oils | 30. Trailer pumps |
| 14. Gas, steam and oil engines | 31. Welding sets |
| 15. Granulators | 32. Well drilling equipment |
| 16. Ice plant | 33. Wood working machinery |
| 17. Laboratory Engines | 34. Wheel barrows |

B. Motor Vehicles, Tractors etc.

- | | |
|----------------------------|--------------------------------|
| 1. Agricultural tractors | 6. Garage tools and equipments |
| 2. Vehicles, petrol driven | 7. Tyres, tubes and flaps |
| 3. Vehicles, diesel driven | 8. Motor spares |
| 4. Cars | 9. Trailers. |
| 5. Jeeps | |

C. Gases and Gas Plants

- | | |
|------------------------------------|------------------------------|
| 1. Oxygen - Industrial and medical | 6. Nitrous Oxide |
| 2. Acetylene | 7. Carbon dioxide |
| 3. Ammonia | 8. Chlorine (liquid and gas) |
| 4. Gas-plants | 9. Others |
| 5. Gas fittings | |

GROUP VII**Electricity**

- | | |
|--|---|
| 1. Accumulator cells | 24. Insulators H.T |
| 2. A. C. S. R. Conductors and
Accessories | 25. Insulating materials |
| 3. Air-conditioning equipment | 26. Lamps-general service and others |
| 4. Amplifiers | 27. Lightning arresters |
| 5. Batteries for vehicles, etc., | 28. P.A. equipments |
| 6. Battery plates | 29. Meters and other measuring
instruments |

ANNEXURE IV] LIST OF STORES USUALLY ORDERED

- | | |
|--|--|
| 7. Cells, Dry | 30. Penstock lines |
| 8. Copper conductors | 31. Power Packs |
| 9. Cables- V.I.R., C.T.S. weather
proof P.V.C. etc. | 32. Radios |
| 10. Cables Under ground | 33. Rectifiers |
| 11. Conduits and accessories | 34. Refrigerators, Cold storages |
| 12. Carbon brushes | 35. Shades, globes, etc. |
| 13. Electric lifts | 36. Storage batteries |
| 14. Electric Motors | 37. Steel Windows, ventilators, rolling
shutters, etc. For power house. |
| 15. Electric fractional | 38. Siren |
| 16. Electric appliances – stoves,
heaters, ironing box etc. | 39. Street light reflectors etc. |
| 17. Electric bulbs | 40. Switchgear |
| 18. Flashlights, cells, bulbs | 41. Transformers |
| 19. Flood lights | 42. Telephones and accessories |
| 20. Fans-table, ceiling, exhaust and
others | 43. Transmission line towers |
| 21. Generating sets | 44. Transmission line materials |
| 22. Hydro–Electric machinery | 45. Turbines, water wheels |
| 23. Insulators L.T | 46. Water coolers |
| | 47. Wires-enamelled, fuse, etc., |
| | 48. Wiring accessories |

GROUP VIII

A. Building materials

1. Asbestos cement sheets, pipes, etc.
2. Bricks, wire cut
3. Bricks, others Tiles-roofing flooring etc.
4. Cement and Cement products
5. Surkie

B. Road dressing materials

1. Asphalt (Bitumen)
2. Tar (Coal or wood)
3. Other road dressing materials

C. Fuels

1. Charcoal
2. Coal and coke
3. Firewood

GROUP IX

A. Office furniture

1. Cane furniture
2. Steel furniture
3. Wooden furniture

B. Hospital furniture

Steel furniture

1. Bedsteads
2. Bedside lockers
3. Instrument tools
4. Examination table
5. Trolleys
6. Stretchers, etc.

ANNEXURE V

[see Article 131 (n)]

**PROCEDURE FOR UTILISING THE SERVICES OF THE
CENTRAL PURCHASE ORGANISATION**

When tenders are invited from abroad, the following instructions should be observed:—

1. A sufficient supply of tender forms with the relevant documents, specifications and drawings should be sent as soon as possible to the wing of the Central Purchase Organisation concerned which will give such publicity to the invitation to tender as it considers to be the most suitable for the purposes either by advertisement in the newspapers or otherwise. It will, as a rule, advertise the invitation to tender in the newspapers if the value of the articles required is estimated at 10,000 or more. It will also instruct intending tenderers outside India to apply to it for the tender forms and will supply copies on payment in sterling of the charges (if any) to be fixed by it in each case. It will at the same time instruct the tenderers to submit their tenders direct to the Purchasing Officer in India and not to them. The Purchasing Officer in India will place the order direct with the successful tenderer.
2. When it is desired to have the recommendation of the technical advisers of the Central Purchase Organisation, i.e., the consulting Engineers, the Naval Architects, etc., on the tenders before the order is placed, the Purchasing Officer should stipulate in the invitation to tender that a complete duplicate of the tender should be delivered to them on the date as that fixed for the receipt of the tenders in India. The Central Purchase Organisation will then arrange for the examination of the tenders by the

appropriated technical authority and will convey by the easiest means its recommendation to the Purchasing Officer in India.

3. The Purchasing Officer should make it clear in every tender form that the articles concerned must be delivered in India, that payment will be made in Indian Rupees, and that any tender which, does not comply with these conditions will not be considered. Tenderers abroad should also be required to specify their agents in India through whom delivery will be arranged and payment received and who, when so required, will arrange for the erection of the plant at the site and for the carrying out of such tests on completion as may be specified in the contract.
4. It is important that Purchasing Officers should bear in mind, when considering the desirability of calling for tenders abroad the need for allowing sufficient time for the receipt and publication of invitation to tender, the receipt of the tender forms by the tenderers, and the preparation and despatch of the tenders to India.

Time required for sending the forms from Kerala to London.

By ordinary Mail (2 nd class mail matter only)	about 18 days
By parcel Mail (a) Overland route via. Marseilles	” 18 days
By Parcel (b) sea route via. Gibraltar	” 25 ”
By Mail (1 st class Mail matter only)	” 7 ”

The time taken in London for advertising and issuing forms of tender, say 10 days.

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

Time required for forwarding tenders from London to Kerala.

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

If continental or American tenders have to be awaited, about 3 or 4 weeks respectively should be added to the above figures, and when tenders are called for in connection with complicated Engineering Schemes, a longer time should be allowed for the preparation of tenders.

ANNEXURE VI

[See Article 130]

FORM OF TENDER

To

Sir,

I/We hereby tender to supply, under the annexed general conditions of contract, the whole of the articles referred to and described in the attached specification and schedule, or any portion thereof, as may be decided by Government, at the rates quoted against each item. The articles will be delivered within the time and at the place specified in the schedule.

*I am/We are remitting/have separately remitted the required amount of as earnest money.

Yours faithfully,

(Signature)

(Address)

.....

.....

Date.....

General Conditions

Sealed tenders are invited for the supply of the materials as specified in the schedule below/attached.

1. The tenders should be addressed to the officer mentioned below in a sealed cover with the tender number and name shown below duly superscribed on the cover.

*To be scored off in cases where no earnest money deposit is furnished.

2. The tenders should be in the prescribed form which can be obtained from the officer mentioned below on payment of the price which is also noted below. Duplicate copies of tender forms will also be issued at the rate specified below. The cost of tender forms once paid will not be refunded. Tenders which are not in the prescribed form are liable to be rejected. The rates quoted should be only in Indian Currency. Tenders in any other currency are liable to rejection.
3. Intending tenderers should send their tenders so as to reach the officer mentioned below, on due date and time (noted below). No tender received after the specified date and time will be accepted on any account. The rates will be considered firm for acceptance till the date mentioned below. Tenders not stipulating period of firmness and tenders with price variation clause and/or 'subject to prior sale' condition are liable to be rejected.
4. (a) Every tenderer who has not registered his name with the State Government (Stores Purchase Department), should send along with his tender an earnest money of one per cent of the total cost of articles tendered for (rounded to nearest rupee) subject to minimum of 30 if the amount calculated at one percent of the value of the articles tendered for falls below 30. The amount may be paid either by remittance into any Government Treasury in Chalans in duplicate, duly countersigned by the officer mentioned below, or by Demand Drafts (crossed) on the local branch of State Bank of Travancore /State Bank of India drawn in favour of the officer mentioned below. In the case of remittance into the treasury, chalan receipt should be forwarded along with the tender. Cheques will not be accepted. The earnest money of the unsuccessful tenderers will be returned as soon as possible after the tenders are settled; but that of the successful tenderer will be adjusted towards the security that will have to be deposited for the satisfactory fulfilment of the contract. No interest will be paid for the earnest money deposited.

- (b) Tenderers whose names are registered with Government (Stores Purchase Department) are generally exempted from furnishing earnest money for such articles for which they have registered their names. If they tender for stores other than those for which they have registered their names they will have to furnish earnest money as in the case of unregistered firms. Registered firms will have to quote invariably in every tender they submitted the registration number assigned to them by the Stores Purchase Department.
 - (c) Small Scale Industries and Cottage Industries within the State, which are certified as such by the Director of Industries and Commerce or by the Regional Joint Director of Industries and Commerce will be exempted from furnishing earnest money against tenders and security deposit against contracts for supply of stores manufactured by them. In respect of security deposits the soundness and reliability of the concerns to undertake the contract should also be certified by the Director of Industries and Commerce.
 - (d) In the matter of purchase of Stores by the State Government Departments, Small Scale Industrial Units sponsored by the National Small Industries Corporation Limited, New Delhi and in respect of which competency certificates are issued by the corporation will be exempted from payment of Earnest Money Deposits and Security Deposits.
 - (e) The exemption stipulated in clauses (b), (c) and (d) above will not however, apply to tenders for the supply of raw materials, or dietary articles or supply of stores on rate or running contract basis.
5. The tenders will be opened on the appointed day and time in the office of the undersigned, in the presence of such of those tenderers or their nominees who may be present at that time.

6. If any tenderer withdraws from his tender before the expiry of the period fixed for keeping the rates firm for acceptance, the earnest money, if any, deposited by him will be forfeited to Government or such action taken against him as Government thinks fit.
7. Tenderers shall invariably specify in their tenders the delivery conditions including the time required for the supply of articles tendered for.
8. (a) The tenderers shall clearly specify whether the articles offered bear Indian Standards Institutions Certification Mark or not. In such cases, they shall produce copies of certification mark along with their tender in support of it.
(b) Tenderers shall clearly specify whether the goods are offered from indigenous sources, from imported stocks in India or from foreign sources to be imported under a license. Government reserve the right to reject offers for import of goods if the Import Trade Control Policy in force at the time of award of the contract prohibits or restricts such imports.
9. The final acceptance of the tenders rests entirely with the Government who do not bind themselves to accept the lowest or any tender. But the tenderers on their part should be prepared to carry out such portion of the supplies included in their tenders as may be allotted to them.
10. In the case of materials of technical nature the successful tenderer should be prepared to guarantee satisfactory performance for a definite period under a definite penalty.
11. Communication of acceptance of the tender normally constitutes a concluded contract. Nevertheless, the successful tenderer shall also execute an agreement for the due fulfillment of the contract within the period to be specified in the letter of acceptance. The contractor shall have to pay all stamp duty, lawyer's charges and other expenses incidental to the execution of the agreement. Failure to execute the agreement within the period specified will entail the penalties set out in para 12 below.

12. (a) The successful tenderer shall, before signing the agreement and within the period specified in the letter of acceptance of his tender, deposit a sum equivalent to 5 per cent of the value of the contract as security for the satisfactory fulfillment of the contract less the amount of money deposited by him along with his tender. The amount of security may be deposited in the manner prescribed in clause 4 supra or in Government Treasury Savings Bank and the Pass Book pledged to Purchasing Officer or in Fixed Deposit Receipts of State Bank of Travancore/State Bank of India endorsed in favour of the above officer. Letters of guarantee in the prescribed form for the amount of security from an approved bank will also be considered enough at the discretion of Government. If the successful tenderer fails to deposit the security and execute the agreement as stated above, the earnest money deposited by him will be forfeited to Government and the contract arranged elsewhere at the defaulter's risk and any loss incurred by Government on account of the purchase will be recovered from the defaulter who will, however, not be entitled to any gain accruing thereby. If the defaulting firm is a registered firm their registration is liable to be cancelled.
- (b) In cases where a successful tenderer, after having made partial supplies fails to fulfil the contract in full, all or any of the materials not supplied may at the discretion of the Purchasing Officer, be purchased by means of another tender/quotation or by negotiation or from the next higher tenderer who had offered to supply already and the loss, if any, caused to the Government shall thereby together with such sums as may be fixed by the Government towards damages be recovered from the defaulting tenderer.
- (c) Even in cases where no alternate purchases are arranged for the materials not supplied the proportionate portion of the security

deposit based on the cost of the materials not supplied at the rate shown in the tender of the defaulter shall be forfeited and balance alone shall be refunded.

13. The security deposit shall, subject to the conditions specified herein be returned to the contractor within three months after the expiration of the contract, but in the event of any dispute arising between the Department concerned and the contractor, the Department shall be entitled to deduct out of the deposits or the balance thereof, until such dispute is determined, the amount of such damages, costs, charges and expenses as may be claimed. The same may also be deducted from any other sum which may be due at any time from Government to the contractor.

In all cases where there are guarantee for the goods supplied the Security Deposit will be released only after the expiry of the guarantee period.

- 14.(1) All payments to the contractors will be made by the Purchasing Officer in due course:—
- (a) either by Departmental cheques payable at the Kerala Government Treasuries; or
 - (b) by cheques or drafts on the Reserve Bank of India, State Bank of India and Sate Bank of Travancore (at any of their Principal Branches in India).
 - (c) in the case of supplies from abroad by drafts as may be arranged between the contracting parties.
- (2) All incidental expenses incurred by the Government for making payments outside the District in which the claim arises shall be borne by the contractor.
15. The tenderers shall quote also the percentage of rebate (discount) offered by them in case of payment is made promptly within fifteen days/within one month of taking delivery of stores.

16. Ordinarily payments will be made only after the supplies are actually verified and taken to stock but in exceptional cases payments against satisfactory shipping documents including certificates of Insurance will be made up to 90 per cent of the value of the material at the discretion of Government Bank charges incurred in connection with payment against documents through bank will be to the account of the contractor. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Bank.
17. The contractor shall not assign or make over the contract or the benefit or burdens thereof to any other person or body corporate. The contractor shall not underlet or sublet to any person or persons or body corporate the execution of the contract or any part thereof without the consent in writing of the Purchasing Officer who shall have absolute power to refuse such consent or to rescind such consent (if given) at any time if he is not satisfied with the manner in which the contract is being executed and no allowance or compensation shall be made to the contractor or the sub-contractor upon such rescission. Provided always that if such consent be given at any time, the contractor shall not be relieved from any obligation, duty or responsibility under this contract.
18. (a) In case the contractor becomes insolvent, or goes into liquidation, or makes or proposes to make any assignment for the benefit of his creditors or proposes any composition with his creditors for the settlement of his debts, or carries on his business or the contract under inspection on behalf of his creditors, or in case any receiving order or orders for the administration of his estate are made against him or in case the contractor shall commit any act of insolvency or in case in which under any clause or clauses of this contract the contractor shall have rendered himself liable to damages amounting to the whole of his security deposits, the contract shall, thereupon, after notice given by the Purchasing Officer to the contractor be determined and the

Department/Government may complete the contract in such time and manner and by such person as the Department/Government shall think fit. But such determination of the contract shall be without any prejudice to any right or remedy of the Government against the contractor or his sureties in respect of any breach of contract therefore committed by the contractor. All expenses and damages caused to Government by any breach of contract by the contractor shall be paid by the contractor to Government, and may recovered from him under the provisions of the Revenue Recovery Act in force in the State.

- (b) The persons/contractors submitting tenders should produce a solvency certificate, clearly indicating to what extent they are solvent from the Tahasildar of the Taluk where they reside, along with their tenders.

Note:— The solvency certificate referred to above will apply only in the case of supply of the following articles viz, dietary articles, fuels, rawmaterials like roots, creepers, flowers, etc., and provisions to hospitals and hostels, sundry articles, etc.

19. (a) In case the contractor fails to supply and deliver any of the said articles and things, within the time provided for delivery of the same or in case the contractor commits any breach of any of the covenants stipulations and agreements herein contained, and on his part to be observed and performed then and in any such case, it shall be lawful for Government (if they shall think fit to do so) to arrange for the purchase of the said articles and things from elsewhere or on behalf of the Government by an order in writing under the hand of the Purchasing Officer put an end to this contract and in case the Government shall have incurred, sustained or been put to any costs, damages or expenses by reason of such purchase or by reason of this contract having been so put an end to or in case any difference in price, compensation, loss, costs, damages, expenses or other moneys shall then or any time during the continuance

of this contract be payable by the contractor to the Government under and by virtue of this contract it shall be lawful for the Government from and out of any moneys for the time being payable or owing to the contractor from the Government under or by virtue of this contract or otherwise to pay and reimburse to the Government all such costs, damages and expenses they may have sustained, incurred or been put to by reason of the purchase made elsewhere or by reason of this contract having been so put an end to as aforesaid and also all such difference in price, compensation, loss, costs, damages, expenses and other moneys as shall for the time being be payable by the contractor aforesaid.

- (b) In case any difference or dispute arises in connection with the contract, all legal proceedings relating to the matter shall be instituted in the court within whose jurisdiction the Purchasing Officer voluntarily resides.
20. Any sum of money due and payable to the contractor (including security deposit returnable to him) under this contract may be appropriated by the Purchasing Officer or Government or any other person authorised by Government and set off against any claim of the Purchasing Officer or Government for the payment of a sum of money arising out of or under any other contract made by the contractor with the Purchasing Officer or Government or any other person authorised by Government. Any sum of money due and payable to the successful tenderer or contractor from Government shall be adjusted against any sum of money due to Government from him under any other contracts.
21. Every notice hereby required or authorised to be given may be either given to the contractor personally or left at his residence or last known place of abode or business or may be handed over to his agent personally, or may be addressed to the contractor by post at his usual or last known place of

abode or business and if so addressed and posted shall be deemed to have been served on the contractor on the date on which, in the ordinary course of post, a letter so addressed and posted would reach his place of abode or business.

22. The tenderer shall undertake to supply materials according to the standard sample and/or specifications.
23. (a) No representation for enhancement of rates once accepted will be considered.
(b) In the case of imported goods, when the price accepted is the ex-site price quoted by the tenderer, the benefit of any reduction in the c.i.f. price should accrue to the purchasing department of Government.
24. Any attempt on the part of the tenderers or their agents to influence the Department/Stores Purchase Department in their favour by personal canvassing with the Officers concerned will disqualify the tenderers.
25. Tenderers should be prepared to accept orders subject to the penalty clause for forfeiture of security in the event of default in supplies or failure to supply within the stipulated period.
26. Samples should be forwarded if called for and un-approved samples got back by the tenderers at their own cost. Samples sent by V.P Post or 'freight to pay' will not be accepted. The approved samples may or may not be returned at the discretion of the undersigned. Samples sent by post, railway or plane should be so despatched as to reach the Purchasing Officer not later than the date on which the tenders are due. In the case of samples sent by railway the receipt should be sent separately and not along with the tender since the tender will be opened only on the appointed day and demurrage will have to be paid if the railway parcels are not cleared in time. Government will not be responsible if any sample is found missing at any time due to the non-observance of the provisions of this clause. Tenderers whose samples are

received late will not be considered. Samples should be forwarded under separate cover duly listed and the corresponding number of the item in the tender schedule should also be noted in the list of samples. Tenders for the supply of materials are liable to be rejected unless samples, if called for, of the materials tendered for are forwarded.

27. Telegraphic quotations will not be considered unless they give details of prices and are immediately followed by confirmation with full relevant details posted before the due date of the tender.
28. (a) The prices quoted should be inclusive of all taxes, duties, cesses, etc. which are or may become payable by the contractor under existing or future laws or rules of the country of origin/supply or delivery during the course of execution of the contract.
- (b) In case payment of Customs/Excise duty is to be made by the Purchasing Officer, the Purchasing Officer will pay the duty on the “unloaded invoice price” only in the first instance, any difference being paid when the tenderer produces the final assessment orders later.
29. The tenderer will invariably furnish the following certificate with their bills for payment “Certified that the goods on which sales-tax has been charged have not been exempted under the Central Sales-tax Act or the State Sales-tax Act or the Rules made thereunder and the charges on account of sales-tax on these goods are correct under the provisions of the relevant Act or the rules made thereunder. Certified further that we (or our Branch or Agent) (Address, are registered as dealers in the State of under Registration No for purposes of Sales-tax”

* * * * *

#Deletion and renumbering C.S.No.5/85 [G.O.(P) No. 470/85/Fin., Dated 23/8/1985]

30. Special conditions, if any, of the tenderers or attached with the tender will not be applicable to the contract unless they are expressly accepted in writing by the purchaser.
- *31. In the event of any question or dispute arising under these conditions or any special conditions of this contract or in connection with this contract, the same shall be referred to the award of an arbitrator to be nominated by the Purchasing Officer and an arbitrator to be nominated by the contractor, or in case of the said arbitrators not agreeing, then to the award of an umpire to be appointed by the arbitrators in writing before proceeding on the reference and the decision of the arbitration or in the event of their not agreeing of the umpire appointed by them, shall be final and conclusive and the provisions of the Indian Arbitration Act, 1940 and of the rules thereunder and any statutory modifications thereof shall be deemed to apply to and be incorporated in this contract. Upon every and any such reference, the assessment of the costs incidental to their reference and award respectively shall be in the discretion of the arbitrators or in the event of their not agreeing of the umpire appointed by them. The venue of arbitrations shall be the place from which the acceptance of tender is issued or such other place as the purchaser at his entire discretion may determine.

Superscription:- 'Tender No.....for.....'

Due date and time for receipt of tender.....

(Here enter time and date)

Date and time for opening of tender do.

Date up to which rates are to be firm do.

Price of the Tender Form

Price of duplicate copy

*This applied only to the case of supply contracts where works such as erection and construction have also to be done. This may be scored out when not applicable.

Address of Officer from whom tender forms are to be obtained and to whom tenders are to be sent.

Name of Office (Name and designation of Purchasing Officer)

Station and date

32. The tenderer should send along with his tender an agreement executed and signed in Kerala stamp paper worth 3. A specimen form of agreement is given as Annexure to this tender. Tenders without the agreement in stamped paper will be rejected outright.

Agreement

Articles of Agreement executed on this the day of one thousand nine hundred and BETWEEN the Governor of Kerala (hereinafter referred to as “the Government”) of the one part and Sri (H.E. name and address of the tenderer)(hereinafter referred to as “the bounden”) of the other part.

WHEREAS in response to the notification No dated the bounden has submitted to the Government a tender for the specified therein subject to the terms and conditions contained in the said tender;

WHEREAS the bounden has also deposited with the Government a sum of as earnest money for execution of an agreement undertaking the due fulfilment of the contract in case his tender is accepted by the Government,

Now THESE PRESENTS WITNESS and it is hereby mutually agreed as follows:—

1. In case the tender submitted by the bounden is accepted by the Government and the contractor for is awarded to the bounden, the bounden shall within days of acceptance of his tender execute an agreement with the Government in incorporating all the terms and conditions under which the Government accepts his tender.

2. In case the bounden fails to execute the agreement as aforesaid incorporating the terms and conditions governing the contract, the Government shall have power and authority to recover from the bounden any loss or damage caused to the Government by such breach as may be determined by the Government by appropriating the earnest money deposited by the bounden and if the earnest money is found to be inadequate the deficit amount may be recovered from the bounden and his properties movable and immovable in the manner hereinafter contained.
3. All sums found due to the Government under or by virtue of this agreement shall be recoverable from the bounden and his properties movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such sums are arrears of land revenue and in such other manner as the Government may deem fit.

In witness whereof Sri (H.E. name and designation) for and on behalf of the Governor of Kerala and Sri the bounden have hereunto set their hands the day and year shown against their respective signatures.

Signed by Sri

(date)

In the presence of witnesses :

1.

2.

Signed by Sri

(date)

In the presence of witnesses :

1.

2.

ANNEXURE VII

[See Article 135 (i) (viii)]

STANDARD PRICE VARIATION CLAUSE

(1) Tenderers who claim variation in net f. o . b. prices (that is to say a price exclusive of the contractor’s profit, rebate remuneration or commission called by any name whatsoever should give detailed information in respect of each of the constituent items, e.g., labour, material, etc., for which variation may arise in the items mentioned below:—

(A) Net f.o.b. price of store/equipment on which the tendered price is based —
£

..... sh (as
on 20.....)

(B) Rates of labour and raw materials on which the quotation is based.

Element of cost Basic rate Per cent of total
f.o.b. cost indicated at ‘A’ above

I Labour

II. (a) Raw materials (Variable)

(i)

(ii)

(iii)

(b) Raw materials (Non-variable)

(i)

(ii)

(iii)

(2) If at any time after the submission of the tender an increase or decrease takes place in the net f.o.b. price, an adjustment will be made in the contract price but only in respect of such portion of the net f.o.b prices as represents

the change therein on account of the two factors, cost of labour and/or materials properly required for the manufacture of the contract stores, on account of any reason or cost beyond the control of the manufacturers. The Contractor may, after due completion of the contract and subject to and in accordance with the provisions of this clause, make proposals in writing to the Government for the adjustment in the contract price setting out the increases/decreases in the cost of labour and/or materials, the adjustment in respect of net increases being, however, limited to per cent of the net original f.o.b. prices. This percentage should be furnished by the tenderer at the time of his tender.

- (3) A claim by the contractor for the finalisation of price shall be accompanied by the invoice and the document containing the original quotation of the foreign Principal/Manufacturer and supported by a certificate of the chartered or incorporated accountant of the Principal/Manufacturer, or if there is no qualified accountant of such foreign Principal/Manufacturer, the certificate of such other accountant as may be approved for the purpose by the Director General, India Store Department, London or India Supply Mission, Washington, etc., showing the increases/decreases in the cost of labour and/or material between the date of tender and the date of shipment together with the basic rates of materials and labour and their estimated and final cost and certifying that they do not include any sum on account of profit or overheads.
- (4) Upon receipt of the Contractor's claim, it shall be lawful for the Government to make such enquiry as they may deem fit through the Director General, I. S. D., London/I.S.M., Washington or any trade association or other authority nominated by the Directed General, I.S.D., London/I.S.M., Washington for verification and certification of the claim and it shall further be lawful for the Government to require the manufacturers/foreign principal's accounts relating to the increase claimed to be examined by the Director General, I.S.D., London/I.S.M., Washington or other authority nominated by the Director General, I.S.D., London/I.S.M., Washington.

ANNEXURE VII] STANDARD PRICE VARIATION CLAUSE

- (5) The decision of the Government as to the increase or decrease in price under this cause shall be final and binding on the parties.
- (6) Any change in the customs duty payable by reason of and corresponding to the account of the change in the f.o.b. price shall be to the buyer's account.
- (7) No charges other than customs duty shall be affected by the change in the f.o.b. price.
- (8) This clause shall remain in operation only up to the date of shipment corresponding to the delivery period specified in the schedule to the acceptance of Tender and notwithstanding any extension of time nothing contained herein shall entitle the contractor to an increase in the contract price where the increase in net f.o.b. price occurs after expiry of the said date of shipment unless the contractor proves to the satisfaction of the Government that the delay in shipment was due entirely to causes beyond the control of the foreign principal/manufacturer, and the decision of the Government of Kerala in the behalf shall be final and binding.
- (9) Tenders should declare that in addition to the profit commission rebate, etc., specified they do not get any other discount or any credit to their account or to any other account on their behalf adjusted either immediately or at the end of the year on the gross turnover for the year.

List of stores on the cost of which variation are to be allowed

- | | |
|--|---------------------|
| 1. Copper and lead used in the manufacture of power cables | 23. Copper tubes |
| 2. V.I.R. Cables | 24. Pig lead |
| 3. Railway signaling cables | 25. Lead sheets |
| 4. Copper stripe for overhead transmissionlines equipment | 26. Phosphor sheets |
| | 27. Phosphor bronze |

- | | |
|--|--|
| 5. Shunt and clip for traction motor | 28. Zinc ingots |
| 6. Hard draw high conductivity
electrolytic copper wire | 29. Zink sheets |
| 7. Bush bars | 30. Tin ingots |
| 8. Brass tubes | 31. White metal ingots |
| 9. Copper tracks | 32. Bronze rods |
| 10. Brass split pins | 33. Nickel alloy |
| 11. Copper sheets | 34. Gun metal rods |
| 12. Brass sheets | 35. Solder |
| 13. Rivets copper | 36. Nickel |
| 14. Brass bolts and nuts | 37. Lead pipe etc. |
| 15. Copper washers | 38. Lead seals |
| 16. Weighing machines, weighing
bridge, etc. | 39. Link and strap clips |
| 17. Zinc for galvanising | 40. Paper insulated cables |
| 18. Aluminium ingots | 41. A.C.A.R. conductors |
| 19. Antimony ingots | 42. Winding wires |
| 20. Brass bars | 43. Renewals for cells like zink, rods |
| 21. Copper bars | 44. Plates boiler, copper |
| 22. Copper ingots | 45. Non-ferrous loco and wagon
components such as brass, safety
valves bearing bushes, bronze
axles, boxes wherein materials like
bronze, nickel, copper are
involved, and copper fire boxes
where copper is involved. |

ANNEXURE VIII

[See Article 139 (c)]

FORM OF SUPPLY ORDER

Telegram.

[Post Box No.]

GOVERNMENT OF KERALA

No.

Office

Date

Station

From

To

*Subject :—**Reference :—*

Dear Sir,

1. Your offer to supply the materials as detailed in the list appended is accepted subject to the conditions mentioned therein. *Please effect the supply according to the special conditions given below, the instructions in the notes below and in accordance with the list of materials appended. The special conditions, if any, printed on your quotation sheets or attached with your tender will not be applicable to this order unless they have been expressly accepted in the list appended.
2. An agreement has to be executed by you in the prescribed form on Kerala stamp paper of adequate value after furnishing a security of within a month/fortnight for the due fulfilment of the contract. The Kerala Stamp paper is obtainable from any licensed vendor in the State. Payment on account of supplies against this order is

*Substitution C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

liable to be withheld until the agreement is executed. The earnest money will be refunded on furnishing the security /treated as part security deposit for the contract. Bank draft for the security should be drawn in favour Cheques are not acceptable. In the case of firms within the State the security amount may be remitted in the nearest Government Treasury under Revenue Deposit account by chalans countersigned by the Purchasing Officer .

Yours faithfully,

(Signature and Designation of Purchasing Officer)

***Special Conditions**

NOTES

1. The packages should be marked meaning
2. They should be insured to destination viz.....
3. They should be despatched FREIGHT PAID TO to whom all shipping/railway documents should be sent.
4. The materials shall be despatched by goods train. If this is found not possible the prior approval of the officer mentioned in clause 6 below is to be obtained before despatch by passenger train.
5. The contents of the packages should be STRICTLY CONFINED to this order.
6. INVOICES IN TRIPLICATE SHOULD BE DRAWN ON AND FORWARDED FOR PAYMENT TO

*Addition C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

7. Acknowledgement of and all other communications regarding this order may be sent to the Purchasing Officer who has placed this order.
8. In all future correspondence and bills relating to this order the number and date at the top should INVARIABLY be quoted.
9. SEPARATE BILLS SHOULD BE SENT FOR EACH ORDER.
10. The consignment will be paid for only AFTER RECEIPT AND SURVEY of the articles by the Department.
11. The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank(i.e., counterfoils of pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.

List of materials accepted and to be supplied

Item No.	Specifications	Quantity	Unit	Rate P.	Remarks

N .B .- The specifications, quantities, price,etc., are subject to correction. Errors or omissions, if any, will be intimated to or by the contractor within ten days from this date.

ANNEXURE IX

[See Article 140(1)a]

FORM OF BANK GUARANTEE (FOR SECURITY DEPOSIT)

GUARANTEE No.

To

(Here enter designation of Head of Department)

1. WHEREAS the Government of Kerala have placed the order for the supply of at a total cost of with M/s
.....
2. AND WHEREAS the said Government have called upon the said Company to furnish a sum of Rs as security for the due fulfilment of the said contract.
3. AND WHEREAS the said Government have in lieu of the said security deposit agreed to accept a guarantee from us the Bankers of the said Company.
4. WE the said Bankers of the said Company hereby guarantee payment to the Government of Kerala State upto and not exceeding altogether a sum of the amount if any payable by the said Company to the said Government on account of any breach on the part of the Company in the performance of the said contract.
5. THIS guarantee shall not be avoided, declared or affected by the Government giving time to the contractor for the performance of his part of the contract or granting him any indulgence by the Government making any variation in the contract. This guarantee shall remain in full force and effect notwithstanding any neglect of forbearance or delay in the enforcement of any of the terms of the contract between the Government and the Contractor.

ANNEXURE X

[See Article 140 (iv)]

FORM OF AGREEMENT

(For contracts for supply of specific quantities)

AGREEMENT executedday of
BETWEEN..... (hereinafter called “the Contractor”) and the
Governor of Kerala (hereinafter called “the Government”).

WHEREAS the contractor has tendered for the supply of articles for the use
of the Government as per tender Notification No..... dated
..... published at pages..... of part
..... of the Kerala Government Gazette datedwhich
tender notification shall form part of this Agreement as if incorporated herein.

*AND WHEREAS the Government/purchasing officer have/has been pleased
to accept the offer subject to the conditions stipulated in the supply order
No..... dated

(which shall form part of this agreement as if incorporated herein) in respect
of the articles mentioned therein.

AND WHEREAS the contractor has as security for the due fulfilment of his
obligations under this deed deposited being
..... per cent of the estimated value of the contract in
Treasury as per Pass Book No..... Chalan No.....
and pledged the Pass Book to the/as per draft on
..... Bank duly approved by the Government/in the form of
letter of guarantee for such amount fromBank
approved by the Government.

*Substitution C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26-07-1985]

NOW THESE PRESENTS WITNESS AS FOLLOWS:-

- 1 (a) In cases where along with the tender samples have been forwarded to the Government and the samples approved, the Contractor agrees to supply the materials according to the approved samples. In other cases the Contractor agrees to forward samples to Government for approval if so required and then to supply materials according to such approved samples. When the samples are not required, the Contractor agrees to supply according to standard specifications. Samples forwarded by the contractor to the Government will not be paid for and shall be the property of Government but the Government are at liberty to return them to the contractor on the completion of his contract or to pay for them at agreed rates if they so choose. All samples must be clearly labelled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable the Government to see if the supplies made are according to the approved samples.
- (b) The Contractor hereby declares that the goods sold to the buyer, under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of days/months from the date of delivery of the said goods to the Government and that notwithstanding the fact the Government may have inspected and /or approved the said goods, if during the aforesaid period of days/months the said goods be discovered nor to conform to the description and /quality aforesaid or have deteriorated (and the decision, of the Government in that behalf will be final and conclusive) the Government will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's

risk and all the provisions herein contained relating to rejection of goods etc., shall apply. The contractor shall, if so called up on to do, replace the goods etc., or such portion there of as is rejected by the Government. Otherwise the Contractor shall pay to the Government such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Government in that behalf under this contract or otherwise.

2. Requests for enhancement or rates once accepted will not be considered except where Government have, prior to the actual supplies, expressly agreed in writing for any price variation under specified circumstances. Conditions of sale or other special terms and conditions, if any, printed on the quotations sheets of the contractor or attached with the contractor's tender or any other letter or paper from the contractor will not govern this contract nor bind the Government in any manner whatsoever, unless such forms have been expressly accepted by the Government in writing.
3. *The articles and quantities to be supplied are shown in the copy of the supply order attached herewith. The contractor agrees to supply the quantities of the articles shown in the order at the rate tendered by him for each articles with in the time fixed.
4. In the case of goods delivered by shipment, the contractor, shall, where the expected tonnage of goods is more than 200 tonnes, deliver the goods through the Trivandrum Port if so required by the Government.
5. The contractor agrees that time is the essence of this contract.
6. If the contractor defaults in the supply of all or any of the article correctly and promptly as above the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government incur, in thus procuring such materials a higher cost than the agreed rate

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such excess cost may be deducted by the Government from the contractor's bill or adjusted or otherwise realised from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any of the tendered rate over such cost to Government.

Deleted.

- 7.(a) All payments to the contractor for supplies effected satisfactorily will be made after scrutiny of his bills.
- (i) either by departmental cheques payable at the Government Treasuries;
 - (ii) or by cheques or drafts on the Reserve Bank of India, State Bank of India and State Bank of Travancore (at any of its principal branches in India).
 - (iii) or in the case of supplies from abroad by drafts or otherwise as may be agreed to.
- (b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank (i.e. counterfoils or pay-in-slips issued by the Bank) alone may be accepted as a valid proof for the payment made.
8. All incidental expenses incurred by the Government for making payment outside the district in which the claim arises shall be borne by the contractor.
9. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contract or any part thereof without the consent in writing of the Government. The Government shall have absolute power to refuse such consent or rescind such consent (if given) at any time. The

contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or sublet is given by Government

10. NOTWITHSTANDING the provisions contained in clause 5, the Government shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.
11. It shall be lawful for the Government from and out of any moneys for the time being payable or due to the contractor from the Government under this contract or otherwise to set off any loss or expense cost or damages sustained or incurred by the Government by reason of the cancellation of the contract.
12. The security deposit shall subject to the conditions specified herein be returned to the contractor with three months after the expiration of the contract. In all cases where there are guarantees for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
13. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business or may be sent by pre-paid post to his addressed as mentioned in this deed.
- *14. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the Government/ Purchasing Officer in that behalf. It shall also be the duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authorised by the Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over. In the event of the failure of the contractor to erect the machinery within the time and at the place specified by the Government/ Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period the amount spent by the Government and the loss

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sustained by the Government on this account by making alternative arrangements shall be recoverable from the contractor in the manner provided in the Clause 15 hereunder.

- *15. The contractor agrees that all sums found due to the Government under or by virtue of these presents shall be recoverable from him and his properties movable and immovable, under the provisions of the Revenue Recovery Act for the time being in force as though they are arrears of land revenue or in any other manner and within such time as the Government may deem fit. The contractor agrees that deciding what sum of money is due from the Contractor under or by virtue of this agreement, the decision of the Government shall be final and conclusive and shall be binding on the contractor.

*Substitution C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

ANNEXURE XI

[See Article 141]

FORM OF AGREEMENT

(For rate or running Contracts)

Agreement executed the
day of between.....
(hereinafter called “the Contractor”) and Governor of Kerala (hereinafter
called “the Government”)

WHEREAS the contractor has tendered for the supply of articles for the use
of the Government as per tender Notification No.....
dated published at pages of part
.....of the Kerala Government Gazette dated.....
which tender notification shall form part of this Agreement as if incorporated
herein;

*And WHEREAS the Government/ Purchasing Officer have/has been pleased
to accept the offer subject to the conditions stipulated in the supply order
No..... dated (which shall form part
of this agreement as if incorporated herein) in respect of the articles mentioned
therein.

AND WHEREAS the contractor has as security for the due fulfilment of his
obligations under this deed deposited being
..... per cent of the estimated value of the contract in
..... Treasury as per Pass Book No..... Chalan
No..... and pledged the pass Book to the/
as per draft on.....Bank duly approved by the Government/
in the form of a letter of guarantee for such amount from
..... Bank approved by the Government.

*Substitution C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

NOW THESE PRESENTS WITNESS AS FOLLOWS :-

- 1.(a) In cases where along with the tender samples have been forwarded to the Government and the samples approved, the contractor agrees to supply the materials according to the approved samples. In other cases the contractor agrees to forward samples to Government for approval if so required and then to supply materials according to such approved samples. When samples are not required the contractor agrees to supply according to standard specifications.

Samples forwarded by the contractor to the Government will not be paid for and shall be the property of the Government but the Government are at liberty to return them to the contractor on the completion of his contract or to pay for them at agreed rates if they so choose. All samples must be clearly labelled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable the Government to see if the supplies made are according to the approved samples.

- (b) The contractor hereby declares that the goods sold to the buyer under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of days/months from the date of delivery of the said goods to Government and that notwithstanding the fact that the Government may have inspected and/or approved the said goods, if during the aforesaid of days/months the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the Government in that behalf will be final and conclusive) the Government will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's risk and all

the provisions here in contained relating to rejection of goods etc., shall apply. The contractor shall, if so called upon to do replace the goods etc. or such portion thereof as is rejected by Government. Otherwise the contractor shall pay to the Government such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the Government in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered except where Government have prior to the actual supplies expressly agreed in writing for any price variation under specified circumstances. Conditions of sale or other special terms and conditions, if any printed on the quotation sheets of the contractor or attached with the contractor's tender or any other letter or paper from the contractor will not govern this contract nor bind the Government in any manner whatsoever, unless such terms have been expressly accepted by the Government in writing.
3. *The approximate quantities to be supplied are shown in the copy of the supply order herewith attached, but it is agreed that they are only estimates of and not the actual quantities required by the Government. The Government however are not obliged to purchase the entire quantity mentioned in the order or even any portion of such quantity during the period of contract, in case no actual need arises therefor. The contractor however agrees to supply the quantity required (even if it be in excess of the quantity estimated in the order but not exceeding the estimated quantity beyond..... per cent) of any article at the rate tendered by him for that article within the time fixed.
4. In the case of goods delivered by shipment, the contractor shall where, the expected tonnage of goods is more than 200 tonnes, deliver goods through the Trivandrum Port, if so required by Government.

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5. The contractor agrees that time is the essence of this contract.
6. If the contractor defaults in the due supply of all or any of the articles correctly and promptly as above, the Government are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If Government incur, in thus procuring such materials, a higher cost than the agreed rate such excess cost may be deducted by the Government from the contractor's bill or adjusted or otherwise realised from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any, of the tendered rate over such cost to Government.
7. (a) All payments to the contractor for supplies effected satisfactorily will be made after scrutiny of his bill—
 - (i) either by departmental cheques payable at the Government Treasuries;
 - (ii) or by cheques or drafts on the Reserve Bank of India, State Bank of India and State Bank of Travancore (at any of their principal branches in India);
 - (iii) or in case of supplies from abroad by drafts or otherwise as may be agreed to.
- (b) The firms will produce stamped pre-receipted invoices in all cases where payments (advance/final) for release of railway receipts/shipping documents are made through Banks. In exceptional cases where the stamped receipts of the Firms are not received for the payments (in advance) the unstamped receipt of the bank (i.e., counterfoils or pay-in-slips issued by the Bank) alone may be accepted as valid proof for the payment made.
8. All incidental expenses incurred by the Government for making payments outside the district in which the claim arises shall be borne by the contractor.
9. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contract or any part thereof without the consent in writing of the Government. The Government shall have absolute power

to refuse such consent or rescind such consent (if given) at any time. The contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or sublet is given by the Government

10. NOTWITHSTANDING the provisions contained in clause 5, the Government shall have the right to cancel the contract for any default on the part of the contractor in the due performance thereof.
11. It shall be lawful for the Government from and out of any moneys for the time being payable or due to the contractor from the Government under this contract or otherwise to set off any loss or expense, cost or damages, sustained or incurred by the Government by reason of the cancellation of the contract.
12. The security deposit shall subject to the conditions specified herein be returned to the contractor with in three months after the expiration of the contract. In all case where there are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
13. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business, or may be sent by pre-paid post to his address as mentioned in this deed.
- *14. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the Government/ Purchasing Officer in that behalf. It shall also be the duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authroised by the Government/Purchasing Officer in that behalf and to ensure the proper functioning of the machinery till the guarantee period is over. In the event of the failure of the contractor to erect the machinery within the time and at the place specified by the Government/ Purchasing Officer or in the event of the machinery failing to function properly during the guarantee period, the amount spent by the Government and the loss

*Addition and Renumbering C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

sustained by the Government on this account by making alternative arrangement shall be recoverable from the contractor in the manner provided in Clause 15 hereunder.

- *15. The contractor agrees that all sums found due to the Government under or by virtue of these presents shall be recoverable from him and his properties, movable and immovable, under the provisions of the Revenue Recovery Act for the time being in force as though they are arrears of land revenue or in any other manner as the Government may deem fit. In deciding what sum of money is due to Government under or by virtue of this deed, the contractor agrees that the decision of the Government shall be final and conclusive and shall be binding on the contractor.

- #16. In witness whereof the contractor and Sri.....
..... (H.E. name and designation) for and on behalf of the Governor of Kerala have here unto set their hands.

Signed, sealed and delivered by

(Contractor)

In the presence of witnesses : (1)

(2)

Signed sealed and delivered by
..... (H.E. name and designation) for and on behalf of the Governor of Kerala.

In the presence of witnesses : (1)

(2)

*Addition and Renumbering C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

#Renumbering C.S.No.2/85 [G.O.(P) No. 424/85/Fin., Dated 26/07/1985]

ANNEXURE XII

[See Article 140 (i) (f)]

FORM OF SUPPLEMENTAL AGREEMENT

SUPPLEMENTAL AGREEMENT executed the day of between..... (hereinafter called “the contractor”) of the one part and the Governor of Kerala (hereinafter called “the Government”) of the other part;

WHEREAS the contractor has offered as per the letter No..... dated..... to extend the period of the existing ‘Rate Contract’ for the supply of articles mentioned in the order No..... dated at the same rates, terms and conditions of the existing agreement executed between the aforesaid parties on the

(hereinafter called the principal agreement) for a further period of from to

AND WHEREAS the Government have in their order dated.....agreed to extend the period of the principal agreement for a further period of.....from.....to.....

NOW THESE PRESENTS WITNESS AND IT IS HEREBY MUTUALLY AGREED between the Government and the contractor to extend the period of the principal agreement for further period of from to on the same terms and conditions enumerated in the principal agreement.

Save as varied as aforesaid all the terms and conditions of the principal agreement shall remain in full force and effect.

AND WHEREAS Government have agreed to advance to the Contractor..... per cent of the value of the materials agreed to be supplied ;

AND WHEREAS for the purpose of the security and indemnifying the Government against all loss or damage which the Government may suffer in the event of materials supplied being found short or defective on checking and in consideration of the said advance payment of (in words also) by the Government to the Contractor it has been agreed by the Contractor to execute this Bond subject to the conditions hereinafter contained.

NOW THE CONDITION of the above written Bond is such that if the Contractor supplies the materials mentioned in the said agreement in complete satisfaction of the Government and in conformity with the provisions of the said Agreement the above written Bond shall be void otherwise the same shall be and remain in full force and effect.

All sums found due to the Government from the Contractor under or by virtue of this deed shall be recoverable from the Contractor and his/their properties both movable and immovable under the provisions of the Revenue Recovery Act for the time being in force as though such sums are arrears of land revenue and in such other manner and within such times as the Government may deem fit. In deciding what sum of money is due to Government under or by virtue of this agreement the Contractor agrees that the decision of the Government shall be final and conclusive and shall be binding on the contractor.

IN WITNESS WHEREOF Shri..... has signed this day of one thousand nine hundred and

Signed by Shri.....

In the presence of witnesses : (1)

(2)

CHAPTER VII

WORKS

Introductory

- 163.** The term ‘works’ covers not only works of construction and repair of buildings, roads, irrigation projects, etc., but also the manufacture, supply, carriage and repair of tools and plant and other stores required in connection with works of construction and repair.

The rules in this chapter are applicable to departments in general and are supplemented for particular departments by the detailed rules and orders contained in the respective departmental manuals and codes and any other special orders applicable to them.

Classification of Works

- 164.** Works are primarily classified into “original works” and “repairs and maintenance”.

Original works include all new construction, whether of entirely new works or of additions and alterations to existing works, reconstruction of entire structures necessitated by wear and tear or by damage due to some calamity and all repairs to newly purchased or previously abandoned buildings required to make them usable.

Repairs and maintenance include all the operations required from time to time to maintain existing properties in a satisfactory state and make good the damage due to wear and tear, when complete reconstruction is not necessary. Repairs are further classified as “ordinary repairs” and “special repairs”. Ordinary repairs include the periodical repairs which are done regularly as a matter of routine and are usually of the same nature (e.g., painting or white-washing a building or spreading a new coating of metal on a road), and any occasional petty repairs from time to time, which may have to be carried out between the time fixed for the periodical repairs. Ordinary repairs to an irrigation work include all the

operations required to maintain the work in a satisfactory state as it is, i.e., to the standard already laid down. Special repairs are repairs, which are not periodical or frequent e.g., re-roofing a building, replacing beams or renewing a floor. Special repairs to an irrigation work include all operations undertaken with a view to maintaining the work in a better condition, i.e., to a higher standard than that already laid down, by using materials of a more lasting kind, without increasing the efficiency or the scope of the system, e.g., substituting cement plastering or pointing for ordinary plastering or pointing, substituting plastering for pointing, substituting rough stone masonry for dry stone packing, revetting tank bunds at the sites of beaches and river margins where they are eroded, grouting newly the surface of aprons and revetments and lengthening aprons and revetments to protect the eroded portions of the beds and margins of rivers, canals and channels.

Certain operations are partly original works and partly repairs, e.g., substitutions of a terraced roof for a tiled roof, substitution of steel beams for damaged teak ones, or dismantling and extending a verandah. A mixed work of this kind should, for the purpose of determining the authority competent to sanction it, be treated as an original work. When a structure or a part of a structure is dismantled because it is structurally unsound and replaced by a new work which in all material essentials merely reproduces what was dismantled, the work is included in the category of repairs, unless it is done to make newly purchased or previously abandoned building usable.

ALLOTMENT OF WORKS TO DEPARTMENTS

Works allotted to the Public Works Department

- 165.** The Public Works Department is responsible for the execution of all works which the Government have not specifically allotted to other departments—*See* Articles 166 to 171. In special circumstances a work for which the Public Works Department is responsible may be executed by another department on behalf of the Public Works Department by agreement between the two departments.

Works executed by Government servants of other departments acting as Public Works Disburses are usually petty works constructed on standard designs. Any such Government servant may, however, apply to the Superintending Engineer to depute a Public Works Officer to examine and such work when in progress or when completed and to make a general report as to whether the work is being satisfactorily carried out or has been completed in accordance with the estimate.

Note:— The system to be adopted in the case of jail works should be as follows:—

When jail works are executed by the contract system, jail labour should be employed by the contractors on all unskilled items of works connected with the contract as far as possible. Therefore when tenders are called for, for the work it should be stipulated in the tender notice that the contractor should employ jail labour on all unskilled items of work connected with contract if such labour is available with the Jail Department and that the jail labour, if supplied, will be charged for at the rate prescribed for the purpose. A similar procedure should be adopted in regard to jail works executed departmentally by the Public Works Department. In cases in which jail labour is not employed on a work for the reason that the Jail Department is not able to supply it, a written statement from the Jail Superintendent to that effect should be obtained and recorded by the Public Works Department Officers.

Works allotted to the Forest Department

- 166.** The Forest Department's works are usually executed in out-of-the-way localities and under Special circumstances, with which Forest Officers are better acquainted than Public Works Officers. The Government have therefore allotted to the Forest Department all its own works except those for the execution of which the agency of the Public Works Department is more suitable. If the Chief Conservator of Forests wishes to entrust any such work to the Public Works Department, he should address the Chief Engineer in the matter. When there is a difference of opinion between the two officers in regard to any such proposal, the Chief Conservator of Forests should obtain the orders of the Government.

Works allotted to the other Departments

167. (a) The Government have allotted the following works to the department which uses or requires the building:—

- (i) Works of petty construction, maintenance and repair, the estimated cost of which does not exceed 2,500 for any one work relating to buildings originally constructed by the Public Works Department, whether borne on the Public Works Register or not.
- (ii) Works of petty construction and repair of Police lines, huts and stations which do not form part of Taluk Offices and other buildings originally constructed by the Public Works Department but not borne on the Public Works Register, subject to the delegation of powers.
- (iii) All works relating to buildings constructed by the departments other than Public Works Department and not borne on the Public Works Register.

Note:— The repair and maintenance works will be undertaken by the Public Works Department in respect of a building which is occupied by more than one department.

In the case of a building occupied partly by a Local Fund Office along with one or more Government Offices, the cost of the annual repairs should not exceed 1.5 percent or any other rate that may have been sanctioned on the capital cost of the building.

Each occupying department may carry out petty internal repairs in the portion which it occupies.

- (b)** The rules and conditions governing the execution of such works by the department concerned are given below :
- (i) All estimates should be covered by adequate budget provision.

- (ii) Estimates of petty construction and repairs may be sanctioned by the Heads of Departments. The Heads of Departments are authorised to sanction estimates for annual thatching irrespective of the monetary limit prescribed in (a) above.
- (iii) Such works should ordinarily be undertaken by the departments using or requiring them, utilising the funds placed at their disposal in the budget.
- (iv) The works described above should not involve structural alterations and additions to buildings in-charge of the Public Works Department. When they involve structural alteration and additions to such buildings, civil officers should obtain the concurrence of the Executive Engineer for the same and should also communicate to the Executive Engineer, the actual cost incurred so that the capital accounts of the buildings may be correctly maintained.
- (v) If repairs are sanctioned to the roof of a building occupied by more than one department, they should be of a trifling nature.
- (vi) Civil Officers should seek the assistance of the officers of the Public Works Department wherever they consider that the work under taken by them under these rules requires professional supervision.

168. The allotment of certain works to departments other than the Public Works Department in the preceding Article is subject to the following conditions:—

- (1) If the work involves a structural alteration or addition to a building borne on the Public Works Register, the Government servant who proposes to sanction the work should obtain the Executive Engineer's consent to the proposed alteration or addition, and should also inform him of the actual cost incurred, so that he may be able to maintain the capital accounts of the building correctly. While giving his concurrence to the proposals the Executive Engineer should consider whether the work will require technical advice of a skilled nature or professional supervision, and if so, inform

the Government servant concerned with the work that the necessary technical advice or assistance will be given by the Public Works Departmental Officer during the course of construction and that for this purpose timely intimation should be given of the date of commencement of the work.

- (2) If the work relates to a building not borne on the Public Works Register or relates to a building borne on the Public Works Register but does not involve any structural alteration or addition, the Government servant who proposes to sanction the work should ask for advice or assistance from a Public Works Officer only if he considers that the work requires skilled technical advice or professional supervision. In that case, he should inform the Public Works Officer for whose assistance he asked of the reasons for his opinion. If the Public Works Officer considers that the work does not require skilled technical advice or professional supervision, he should return the requisition with a full statement of the reasons for his opinion.
- (3) A Government servant of another department who executes any work relating to a building borne on the Public Works Register should inform the Superintending Engineer annually not later than the first June, of the amount spent by him on repairs to the building in the preceding financial year.

169. (a) The allotment of certain works to departments other than the Public Works Department in Article 167 does not apply to any works relating to the following buildings, the maintenance and repairs of which, irrespective of cost, are allotted to the Public Works Department:—

- (1) Buildings whose capital cost is above 50,000 and also buildings whose capital cost is not known, but whose maintenance cost exceeds 2,500 in each individual case or connected group.

- (2) All official residences except those under the administrative control of the Forest Department.
- (3) Buildings which have been specially placed in-charge of the Public Works Department for maintenance and repairs.
- (4) Buildings occupied by more than one department, except in the case of petty internal repair which may be attended to by the occupying Department.
- (5) Government buildings wholly occupied by departments of the Central Government on payment of rent.
- (6) Buildings occupied partly by the departments of the Central Government or as official residences and partly by the departments of the Government of Kerala.

Note (i) :— The expression “internal repairs” should be taken as including items such as white-washing and petty repairs to walls, inside and outside, repairs to floors including those of verandahs, repairs to ceiling, repairs to doors and windows, painting or wood-oiling or varnishing them inside as well as outside.

Note (ii) :— Petty internal repairs may be attended to by the occupying department. No alteration in any part which might have the effect of altering any part of the design may be carried out with out reference to the Public Works Department. (e.g., altering the pattern of the flooring or using different quality of timber in connection with repairs to ceiling).

Note (iii) :— Repairs to roofing would be an item of external repair (to be done by the Public Works Department). So also repairs(internal as well as external) to the out houses in common use and repairs to compound walls. All special repair should like-wise be carried out by the Public Works Department.

Maintenance of Register of Immovable Properties

- 170.** The permanent registers, one for buildings and lands and the other for roads, bridges and culverts, will be maintained in Form 23 (I and II) by all Officers to show the assets of Government in the form of immovable properties under their charge. The registers maintained by each officer, including the Head of the Department, will contain particulars of all the Government lands, buildings, roads, bridges and culverts under the control of himself and the officers subordinate to him. Changes such as transfer of custody or construction of new buildings, roads, bridges and culverts or removal of old ones should be intimated to all the officers concerned to note and an annual certificate should be recorded in the registers at the end of March to the effect that all the changes during the year have been brought into the registers.

The Heads of Departments other than the Public Works Department and the Superintending Engineers of the Public Works Department will forward extracts from the Register of Lands and buildings of the particulars relating to residential buildings under their control to the Accountant General direct. Additions, corrections or modifications, if any, to these particulars should also be forwarded to the Accountant-General once in every year, i.e., by the first of May.

Electrical Works

- 171. (a)** As a rule, all original electrical works connected with Government buildings will be executed by the Electrical Wing attached to the Public Works Department (Buildings and Roads Branch). If a Head of a Department wishes to arrange for the execution of an electrical work himself, he should apply to the Government for the allotment of the work to his Department. If the Government allot the work to his department he should get the detailed plans and estimates prepared by the Electrical Wing of the P. W. D., call for tenders and get the work executed by licensed Electrical Contractors. He

should request the Electrical Executive Engineer of the Electrical Wing in the P. W. D. to give any technical advice or assistance needed in the execution of work. He should also inform the Executive Engineer (Buildings and Roads) of the expenditure he incurs on the work so as to enable him to maintain the capital account of the buildings correctly.

- (b) The custodian of the electrical installations of a Government building or part there of will be the head of the office occupying the building or part thereof. Replacement of bulbs and starters of fluorescent lights and bulbs of incandescent lights will have to be done by the custodians of the installations for which required bulbs, tubes and starters should be obtained by them from the Electrical Radio Stores of the P. W. D. and kept in their stock for ready replacement. The replacement work will be attended to by the staff of the Electrical Wing of the P. W. D. if required.
- (c) Payment may be made in advance by the custodian of electrical installations for service connections to Government buildings, if the supply agency requires this and the expenditure on this account has to be met from the contingencies of the concerned Department.

GENERAL RULES

Selection of Site

- 172.** The site for a new building should, if possible, be fixed before the detailed plans and estimates are prepared. The local authority concerned should always be consulted as to the suitability of the site, except when the proposed new building is to be erected within a reserved forest.

Preparation of Estimates

- 173. (a)** No work may be started before a proper estimate for it has been prepared and sanctioned by the competent authority, unless it is so started strictly in accordance with a special order of the Government or some specific provision in this Chapter or in departmental rule or order (*See* also Article 184 and 185).

- (b) An estimate should be prepared in Form 23-A except when a special form of estimate is required for a very large work or has been specially prescribed for a particular kind of work in any departmental code, manual or order of the Government.
- (c) Every estimate, whether for an original work or for repairs, should provide for the removal of all rubbish which may have accumulated, filling in unsightly pits, etc., when necessary, at the site of the work; all work establishment employed specially on the work; any incidental expenditure required, such as the cost of sheds for workmen and stores; and, under separate sub-heads ; all watchman sanctioned by competent authority for the care of vacant buildings, guarding works, working sluices, etc.
- (d) An estimate for the annual maintenance of a building should provide for the Municipal or other taxes payable on the property, and it should be submitted to the Government servant occupying the building concerned, for countersignature in token that it provides for all repairs known to be required. When a specific period has been fixed after which a particular item or kind of work should be renewed, every estimate for repairs should show the date it was last renewed.
- (e) Government servants of other departments who act as Public Works disbursers in respect of any works (*See* Article 165) should prepare the estimates for them in the forms adopted in the Public Works Department, together with the plans where necessary, and obtain the necessary technical sanction of the competent authority in the Public Works Department. Standard designs should be adopted, as far as possible, with such modifications as circumstances may require.

Sanction for Works

- 174.(a)** The powers delegated by the Government to the various departmental authorities to sanction expenditure on works of construction and repairs allotted to the respective departments are specified in the Book of Financial Powers.

- (b) The power delegated to an authority subordinate to the Government to sanction expenditure on works must not be so used as to evade the necessity for obtaining sanction from a higher authority by sanctioning in instalments a group of connected works or alterations or a group of connected purchases the total cost of which will exceed what that authority is empowered to sanction.
- (c) The sanctioning or other prescribed departmental authority should communicate every sanction to expenditure on works to the Accountant General in accordance with the procedure laid down for each department, except when the sanction relates to a work allotted to a department, other than the Public Works and Forest and the bills relating to the sanction are to be drawn or countersigned by the sanctioning authority itself.

Estimates and Sanctions to be treated as confidential

- 175.** All Government servants should treat the rate and the amount of cost entered against each item in an estimate and the abstract showing the total estimated cost of a work or part of a work as strictly confidential. No information concerning them may be communicated on any account to any contractor, piece-worker or prospective tenderer.

Exception.— Contracts relating to extraction of timber in the Forest Department are exempted from the operation of the above rule.

Utilisation of Savings

- 176.(a)** The sanction to an estimate should always be regarded as being strictly limited to the precise objects for which the estimate was intended to provide. Any anticipated or actual savings in a sanctioned estimate for a specified work should not without the special sanction of a competent authority, be applied to any additional work which was not originally contemplated, unless it is fairly contingent on the actual execution of the work.
- (b) Savings due to the abandonment of a substantial section of a work sanctioned by any authority should not be applied to work on other sections without the

special sanction of that authority. If the estimated cost of a section which is abandoned is not less than 5 per cent of the total sanctioned cost of a work, it should be treated as amounting to the abandonment of a substantial section of the works. In the case of irrigation work the estimated cost of the Head Works will be excluded in working out the sanctioned cost of the work for this purpose.

Supplementary Estimates

- 177.** In respect of a development of a work which is held to be necessary while it is in progress but is not fairly contingent in the proper execution of the work as first sanctioned, a supplementary estimate should be submitted to the competent authority for sanction together with a full report as to the circumstances which make it necessary.

A Government servant who submits a supplementary estimate for sanction should see—

- (1) That it is numbered consecutively with reference to the supplementary estimates, if any, already submitted in respect of the same work; and
- (2) That the application shows the amount of the original estimate, the amount of the previous supplementary estimates already sanctioned or pending sanction, and the total amount of expenditure on the work proposed for sanction, including the amount of the supplementary estimate now submitted.

Method of Executing Works

- 178.** Works are executed by one of the undermentioned five methods—
- (i) departmentally by the employment of daily labour,
 - (ii) by piece-work agreement,
 - (iii) by schedule contract,

- (iv) by lump sum contract, and
- (v) by percentage rate contract.

Method (i) is adopted in cases where no contractors are available or where for other reasons, it is found more economical. Under this method, the department manufacturers or purchases its own materials. The purchase of materials or tools and plant and machinery is governed by the Stores Rules.

Under **method (ii)** the piece-worker merely agrees to execute a specified work at specified rates without reference to quantity or time. The conditions of the contract and the security to be taken from the piece-worker for the due fulfilment of the contract are set forth in the standard forms. The piece-worker usually possesses little professional knowledge or capital or employs no supervising staff. The department arranges for the supervision, the setting out and measuring of all work. The piece-work system shall ordinarily be confined to works (including improvements and repairs) costing not more than 2,500. If in any case of improvements and repairs costing above 2,500 it is considered preferable to adopt the piece-work system instead of method (iii) the reason, therefor should be recorded in the relevant file. The schedule of rates in the piece-work agreements should show rates either for finished work or for labour and materials, as the case may be, even for items for which lump sum have been provided in the sanctioned estimates.

In regard to **method (iii)** under a schedule contract the contractor undertakes to execute the work at specified rates, the sum he is to receive depending on the quantities and kinds of work done or materials supplied. The work should also be completed within a specified time-limit from the date of commencement of work. These conditions are set forth in the standard form of agreement (reproduced in Appendix I to Kerala Public Works Department Code).

Under **method (iv)** the contractor agrees to execute a complete work with all its contingencies in accordance with the drawings and specifications for a fixed sum. The essential characteristics of this kind of contracts are:

- (i) A price adjustments schedule is specified in order to regulate the amount to be added to or deducted from the fixed sum on account of additions and alterations not covered by the contract.
- (ii) Except as provided in clause (i) no addition is made in the contract to the departmental estimate of the work, schedule of rates or quantities of work to be done.
- (iii) The detailed measurements of the work done are not required to be recorded except in respect of additions and alterations.

Execution of works on lump sum basis will be resorted to only in exceptional cases of absolute necessity. No such work should be executed without the prior sanction of Government. The contract documents in such cases will be got approved by Government in consultation with the Chief Engineer, the Law Department and the Accountant General. Payments to contractors for work done are made subject to the terms of the contract and any subsidiary instructions issued by Government in this behalf and on the certificates of the officers in charge of the work.

Under **method (v)** the departmental rates for the different items of work in an estimate are published and the contractor quotes this rate at a percentage above, or below or at par the estimate rates so published. Only a single percentage applicable to all the items is quoted and this percentage rate is applicable to extra items also, if any, are found necessary during construction. Other conditions of contract are similar to those applicable to schedule contracts.

A modification of this type of contract is when, instead of estimate rates for a work, the schedule of rates is published and the contractor is asked to quote a percentage above, below or at par the schedule of rates so published. Since neither the total quantity of work nor the time is specified, this modified form of percentage rate contract can be applied to piece work contracts only.

Purchase of Materials and Invitations to Tender

- 179.** When a Government servant buys materials for the execution of a work or gives a work on contract, he should comply with the rules regarding the purchase of stores and the general principles governing invitations to tender contained in Chapter VI.

Provision of Funds

- 180.** Except in accordance with the provisions of Articles 184 and 185 no Government servant may enter into a contract for the execution of a work unless funds have been duly provided for it or an assurance has been received from the authority competent to provide the necessary funds that they will be allotted before the liability matures.

Execution of Agreements

- 181.** No work which is to be executed under a contract should be started until the contractor has signed a formal written agreement, unless it is started without a formal agreement under the provisions of Article 182 or Article 185.
- 182.** It is not essential to obtain a formal agreement in regard to any work of petty construction or repairs estimated to cost not more than 1,000 but a Government servant competent to execute contracts may, when he considers it desirable, obtain a formal agreement even in such a case. If no formal agreement is executed; there should at least be a written understanding specifying prices and rates, though it need not be in any prescribed form.

Note:— The amount provided for rates and taxes and watchmen's wages whether a regular agreement with a contractor or piece-worker excluded from the total amount for the purpose of deciding whether a regular agreement with a contractor or piece-worker is necessary.

- 183.** When a Government servant of a department other than the Public Works Department proposes to give a work on contract, he may consult the Executive

Engineer, if he thinks it necessary, and should get an agreement executed in the form used by the Public Works Department (with necessary changes) if no special procedure or form has been prescribed for the purpose in the departmental manual or code or by any order of the Government.

The principles stated in Article 51 should be borne in mind when contracts are drafted.

Starting of work without a sanctioned estimate or without adequate funds having been provided

- 184.** If a higher authority orders a Government servant, on any ground whatever, to start a work for which an estimate is required under the rules but no estimate has been sanctioned or for which adequate funds have not been provided and no competent authority has undertaken to provide the necessary funds, before the liability matures (whether an estimate has been sanctioned or not), it should convey the order to start the work to him in writing. A Government servant who starts any such work without a written order from a higher authority and a Government servant who issues a written order to start a work otherwise than in accordance with the rules will be liable to be held personally responsible for paying for the work done if it is found that his action was not fully justified by very exceptional circumstances. On receipt of a written order directing him to carry out any such work, a Government servant should immediately inform the Accountant General that he is starting a work for which no estimate has been sanctioned, or is incurring a liability for which there is no provision or no sufficient provision of funds, and should, at the same time, state approximately the amount of the liability which he is likely to incur by complying with the written order which he has received. The Accountant General will then be responsible for immediately bringing the facts to the notice of the Head of the Department, except the irregularities, if any, committed by the latter, which he should report at once direct to the Government. The Head of the Department should report to the

Government any failure to comply with the rules regarding works that call for disciplinary action by the Government. The Accountant General will report to the Government the facts of any case in which he considers the action taken by the Head of the Department to be inadequate. The Government will take disciplinary action against any Government servant – administrative or executive who fails or delays to comply with these orders.

Note :— The provisions of this Article will be relaxed in regard to famine relief works but, this does not relieve any Government servant from his responsibility for obtaining the necessary sanction to a revised estimate and the necessary additional appropriation of funds, as soon as he can foresee how far an estimate for a work entrusted to him for execution is likely to be exceeded.

Starting a work in an Emergency

- 185.** It is occasionally necessary for a Government servant to start a work immediately on the occurrence of some sudden, unforeseen emergency, e.g., the breaching of the bund of an irrigation work, without waiting for an estimate to be sanctioned and funds provided. A Government servant who does this should report the facts at once his immediate superior and to the Accountant General. If any such work is entrusted to a contractor and it is impossible to enter into a formal agreement with him beforehand, the Government servant on the spot who arranges for the work to be started should at least enter into a piece-work agreement with him. This can be terminated at anytime if the authority competent to sanction the estimate should so decide when the emergency is such that even a piece-work agreement cannot be completed before starting the work, the Government servant on the spot and the contractor should at least both sign a written order for the work. If writing materials are not available at the time and the work has to be started with out a written order, the written order should be prepared and signed by the Government servant

and the contractor as soon as writing materials can be obtained. The Government servant should then prepare a proper estimate without any avoidable delay and submit it as early as possible to the competent authority for sanction. A formal written agreement in the proper form (or a written understanding specifying prices and rates if that is sufficient with reference to Article 182) should then be concluded with the contractor as expeditiously as possible.

Muster roll for a work executed departmentally

- 186.** Except for the permanent and temporary employees whose pay is charged to the head “establishment” and the members of the work-charged establishment, all persons who are engaged departmentally for the execution of a work should be regarded as day labourers and their wages should be drawn on muster rolls. The muster roll is the initial record of labour employed each day on a work. The Government servant in immediate charge of the work should write it up daily.
- 187.** Muster rolls should be prepared and dealt with in accordance with the following rules:—
- (a) One or more muster rolls should be kept for each work but a muster roll should never be prepared in duplicate. One muster roll may be kept for labourers employed on several small works, if there is no objection to regarding the total unpaid wages as relating only to the largest work in the group.
 - (b) Every entry in a muster roll should be made, if possible, in ink and otherwise in indelible pencil.
 - (c) Labourers may be paid once a month and separate muster rolls should be prepared for each month.
 - (d) The daily attendance or absence of each labourers and any fine inflicted on him should be accorded daily in Part I of the muster roll in such a way as—

- (i) to facilitate the correct calculation of his net wages for the period of payment;
- (ii) to render it difficult to tamper with or to make unauthorised additions to, or alterations in entries once made; and
- (iii) to facilitate the correct classification of the cost of labour by works and sub-heads of works, where necessary.

Note:— Superior Officers should check the attendance of labourers as frequently as possible.

- (e) After a muster roll has been passed by the Government servant who is authorised to draw the bill for the works expenditure, payment should be made as soon as possible. Each payment should be made or witnessed by the Government servant of highest standing available. He should certify to the payments individually or by groups and also record at the foot of the muster roll, both in words and figures, the total amount paid on each date. The details of unpaid items, if any, should be recorded in the Register of Unpaid Wages and the amount so transferred deducted from the grant total of the muster roll so as to bring out the “balance paid” before the Government servant who makes the payments, completes the memorandum at the foot of the muster roll.
- (f) Payments of unpaid items carried forward to the Register of Unpaid Wages, when made, should be recorded and certified in the same way as payments of current items.
- (g) All wages not claimed within three months should, as a rule, be forfeited.

Note 1:— In the Forest Department wages remaining unpaid for three months should be reported to the Divisional Forest Officer who will decide in each case whether the liability should continue to be borne in the accounts of the work concerned.

Note 2:— For the procedure to be followed in the Public Works Department, see the Local Ruling under Article 121 in the Kerala Account Code, Volume III.

- (h) The progress of the work done by the labourers should be recorded in Part II of the muster roll, if the work can be measured. If it cannot be measured, a remark should be recorded to that effect. Part II need not be written up at all when progress is reported once a month or often or in any other suitable form and the separate reports are considered sufficient.
- (i) The Government servant who is responsible for the payments need not submit the paid muster rolls to any higher authority, unless he is specially instructed to do so.

Labour engaged departmentally through a contractor

- 188.** When work is executed departmentally by the employment of daily labour (*See* Article 178), it is objectionable in principle to engage and pay the necessary daily labour through a contractor instead of on a muster roll under the ordinary procedure. In a great emergency it may sometimes be impossible to obtain the necessary labour in time otherwise than through a contractor. If it is possible, in such a case, to determine the quantity of work done after its completion or at intervals during its progress, the contractor should be paid at suitable rates for the work actually done. If this is not practicable, the contractor may be paid according to the number of labourers employed each day, and his own profit or commission should either be included in the rates allowed or paid separately in a lump sum or at a percentage rate. With a view to avoiding disputes with the contractor in such a case, he should be requested to sign the daily reports in token that he accepts them as correct. The muster roll and the measurement book should not be used when the contractor is paid according to the number of labourers employed each day.

Measurement Book

189. (a) All works done otherwise than by daily labour and all supplies relating to a work should be paid for on the basis of measurements recorded in a Measurement Book, Form K. P. W. 21. The measurement book is the original record of actual measurement or count. The descriptions in a measurement book should be lucid, so that the items described may be easily identified and checked. A measurement book is a very important record and must be kept with great care, since it may have to be produced as evidence in a court of law.

Note:— In the Forest Department the measurement book is to be maintained for works under the budget head “Communications and Buildings” in all cases where the amount expended exceeds 50. The sanctioning authority will, however, be permitted to order the maintenance of a measurement book in other case while communicating its sanction to the executive subordinate concerned.

(b) Whenever a measurement book changes hands, even if it is sent only from one office to another within the same building, some responsible person of a grade not below that of a clerk should acknowledge receipt of it in writing.

190. Government servants should strictly observe the following general instructions in regard to measurement book:—

- (1)** All measurements should be taken down neatly in a measurement book issued for the purpose and nowhere else. No one may record any measurements in a measurement book except a Government servant who is duly empowered to make payment for the work done or a duly authorised executive subordinate in immediate charge of the work who has been supplied with a measurement book.
- (2)** The lines under columns (1) to (4) on each page beginning with the top line, should invariably be filled up at the work. No line should be left

blank. Any lines that are not required on any page should be carefully scored through, so that no additional entry can be made afterwards.

- (3) Each set of measurements should begin with entries showing:—
- (i) In the case of work done-
 - (a) full name of work as given in the estimate,
 - (b) situation of work,
 - (c) name of contractor,
 - (d) number and date of his agreement, if any,
 - (e) date of commencement of work (i.e., date on which site was handed over),
 - (f) date of actual completion of work, and
 - (g) date of measurement; or,
 - (ii) In the case of materials supplied—
 - (a) name of supplier,
 - (b) number and date of his agreement, if any, or of the order,
 - (c) purpose of supply,
 - (d) date of written order to begin supplies,
 - (e) date of actual completion of supplies, and
 - (f) date of measurement.

Each set of measurements should end with the dated signature and designation of the Government servant who takes the measurements. A suitable abstract should then be prepared which should show, in the case of measurements for work done the total quantity of each distinct item of work relating to each sanctioned sub-head.

- (4) Since all payments for work or supplies are based on the quantities recorded in the measurement book, a Government servant who takes the measurements must take all possible care to record the quantities clearly and accurately. He will also be held responsible for the

correctness of the entries in the column “contents or area” in respect of the measurements recorded by him. If the measurements are taken in connection with a running contract account on which work has been previously measured, he will also be held responsible for recording a reference to the last set of measurements. If the measurements taken are the first set of measurements on a running account, or the first and final measurements this fact should be suitably noted against the entries in the measurement book, and in the latter case the actual date of completion should be noted in the prescribed place. The signature of the contractor or his agent should be obtained in the measurement book after each set of measurements below the statement. “I accept the measurements”. If the contractor or his agent is illiterate, his mark should be attested by an independent witness.

- (5) Entries should be recorded continuously in the measurement book. No page should be left blank or torn out. If a page is left blank inadvertently, it should be cancelled by diagonal lines as soon as this is noticed, and the cancellation should be attested by the dated initials of the Government servant concerned.
- (6) No erasures is permitted. If a mistake is made the Government servant who is responsible should correct it and attest the correction by his dated initials. When any measurements are cancelled, the cancellation must be attested by the dated initials of the Government servant who orders it or supported by reference to his orders initialled by the Government servant who took the measurements. In either case, the reason for the cancellation should always be recorded.
- (7) Entries should be made, if possible, in ink and otherwise in indelible pencil. Pencil entries should never be linked over. Every entry in the “contents or area” column should be made in ink.

- (8) Each measurement book should contain an index and the Government servant in charge of it should keep the index upto date.
- (9) At the time of payment, the Government servant who authorises payment should draw a diagonal red ink line across every page containing the detailed measurements relating to the work or supplies paid for, and should record reference to the number and date of the voucher or sub-voucher in the abstract of measurements.
- (10) The measurement book should be produced for inspection on request by the Accountant General or a duly authorised member of his staff.

Check- Measurement of Works

- 191.(a)** When a departmental rule or order requires that a work be check-measured before payment, the contractor should not be paid for work done until it has been check-measured by the prescribed authority. Superior officers should also make a point of checking the detailed measurements of works in the course of their tours.
- (b) Check-measurement is intended to detect errors and prevent fraudulent entries. It should therefore be done with discretion and method. The items which appear most likely to be incorrect and most easily susceptible of fraud and those which would seriously affect the total of the bill if inaccurate should be selected for check-measurement.
- (c) When measurements are taken jointly by more than one Government servant, the senior most of them should record and sign the measurements.

Aid to Contractors

- 192. (a)** No advance should be paid to a contractor except with the special sanction of the Government or of a competent authority to whom they have delegated power to sanction such advances. Government servants should make every endeavour to maintain a system under which payment is made only for work

actually done. When, in exceptional circumstances, a Government servant considers essential to give a contractor an advance, he should apply to the competent authority for sanction. Whenever any such advance is sanctioned, all the Government servants concerned should take the necessary precautions to secure the Government against loss and to prevent the system from becoming general or continuing longer than is necessary.

- (b) Government funds may be spent on behalf of a contractor in accordance with the terms of his agreement and subsequently recovered from him, when it is necessary to engage labourers or contractors or incur other liabilities on his behalf in order to complete work which he has neglected or failed to complete with reference to the terms of his agreement. Government materials are also supplied to a contractor in certain circumstances, subject to full recovery of the cost from him. Special care should be taken in connection with all recoverable charges to see that the contractor or other person on whose behalf the charges have been incurred is not allowed the benefit or any concession to which he would not be entitled if he had himself incurred the charges.

Liability of Contractors

- 193.** When a contractor has entered into an agreement to execute a work but subsequently, for any cause whatever, anticipates that the contract will result in a net loss to him this should not be accepted as a reason for not compelling him to complete the work. A contractor should look after his own interest properly when entering into an agreement, and has no claim to any leniency in enforcing a contract, when it turns out to be less favorable to him than he originally anticipated.

Completion Report

- 194.** When a work has been duly completed, the Government servant who pays for it should have a completion report prepared and forward it to the Accountant General or other prescribed authority in accordance with the rules applicable

to his department. The report should be prepared in the form specially prescribed for the department concerned or in Form 24. Every completion report should show the name of the work, the number and date of the order sanctioning it, the amount of expenditure sanctioned and the actual expenditure incurred. If the actual expenditure exceeds the amount in the sanctioned estimates, the completion report should be sent to the prescribed authority through the authority which sanctioned the estimate. The reasons for the excess expenditure should be stated in the completion report, and the sanction of the authority competent to sanction the total expenditure should be obtained and recorded.

Note :— The above rule does not apply to the Public Works Department, Government servants of this department should follow the rules contained in the departmental code or manual as regards reporting the completion of works.

Disposal of Surplus Materials

- 195.** As soon as a work has been completed, or as soon as it becomes clear that no materials will be required for use in executing it, the Government servant in charge of the work should arrange to dispose of all surplus materials belonging to the Government either by transfer to other works in progress or by sale.

Protection of Religious Edifices

- 196.** No temple, mosque, church, chapel, tomb or other building devoted to religious use should on any account be destroyed, injured or occupied in connection with the execution of any work unless it is done under a special order of the Government or with the full and free consent of the persons interested in the religious edifice and the concurrence of the principal civil authority on the spot.

Works allotted to the Public Works Department

- 197.** The relevant provisions in the Kerala Public Works Account Code, Kerala Public Works Department Code and the Kerala Account Code, Volume III will be followed when works relating to other departments are executed by the Public Works Department.

Consultation with the Public Works Officers

- 198.** Departmental Officers should consult the local Public Works Officers about any work which may involve engineering difficulties or in regard to which advice based on the professional knowledge and experience of a Public Works Officer is likely to prove valuable.

CHAPTER VIII**MISCELLANEOUS EXPENDITURE****Authorities competent to sanction miscellaneous expenditure**

- 199.** Except when the expenditure is authorised by this Code or some other authorised Code or Manual or by some general or special order of the Government, no Government servant should incur any item of miscellaneous expenditure (defined in Article 3) of any kind without the specific sanction of Government or a competent authority to whom the Government have delegated the power to sanction such expenditure (*See* Article 43).

Acquisition of Land

- 200.** The procedure to be observed for the payment of compensation for lands taken up for public purposes under the Kerala Land Acquisition Act, 1961 (21 of 1962) is contained in the Kerala Land Acquisition Manual.
- 201.** In case of acquisition of lands for public purposes departmental officers should see that compensation is settled before possession is taken, and Land Acquisition Officers should see that payment of compensation is not delayed and possession is handed over in due course to the departments concerned in a formal manner. In cases where in contravention of this direction, possession is taken and owing to any inordinate delay in the payment or tender of such compensation, it becomes necessary to pay interest under the provisions of the Land Acquisition Act, the officer or officers responsible will render themselves personally liable to make good such amount.
- 202.** The procedure for the payment of compensation for lands acquired by private negotiations should follow the lines of those laid down for acquisition under the Land Acquisition Act. The officer who settles the price, etc., should draw up the prescribed form as in the case of an award and this should be the basis of subsequent payment and audit.

Payment to Her Highness the Senior Maharani of Travancore

203. A sum of 75,000 is payable annually to Her Highness the Senior Maharani of Travancore from the date of termination of the Regency, viz., 6th November 1931 by the Government exclusive of Her Highness' share in private properties and any income Her Highness is already receiving from other sources. This allotment is to include any sums that may be necessary for a Private Secretary and clerical staff, in case Her Highness decides to employ such staff. The amount will be paid in equal monthly instalments through the District Treasury, Thiruvananthapuram on presentation of a stamped receipt signed by Her Highness and duly endorsed in favour of an agent or bank.

*[The expenditure is debitable to the Head of Account '268, Miscellaneous General Services-Other expenditure-Allowances to the members of the Ruling Family, Travancore-Pensions'].

Payment of Annuity to the Chengamanad Devaswom

204. A sum of 982.45 is payable annually to the Chengamanad Devaswom, Ernakulam District by the Government in accordance with the terms of the udampadys entered into by the Government and the said Devaswom on 29th Meenam 1056 M.E., 19th Edavam 1056 M.E. and 29th November 1963. This amount is in consideration of the relinquishment by the Devaswom of its rights over the landed properties described in the said udampadys, in favour of the Government. The amount will be drawn and paid in two instalments on the 15th of June and the 15th of December every year by the Tahsildar, #Aluva, the first instalment being 491.23 and the second 491.22. Payment will be made to the duly appointed manager of the Devaswom on presentation of a stamped receipt signed by him.

*[The Expenditure is debitable to the Head of Account '229, Land Revenue-Other expenditure-Other miscellaneous charges'].

*Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

#Substitution C.S.No.6/82 [G.O.(P) No. 344/82/Fin., Dated 14/7/1982] w.e.f. 7/5/1982]

Family and Political Pensions, Malikhana, Jenmibhogam, Arthapalisa, Karathil chilavu, Thiruppuvaram, Beriz Deduction and Tasdic Allowance

205. (a) *Family and Political Pension.*— These are all paddy pensions converted into cash payments with effect from 1st February 1955 at commutation rates to be fixed by the Government from year to year and payable only after the 15th of May of each year. Payments may be made at any of the treasuries of the State and the payees are at liberty to choose the treasury from which they shall receive payment. (*See* also Appendix 16 of K.T.C. Vol. II.)

(b) *Malikhana.*— These are allowances paid in lieu of the rights enjoyed by some former Rajas and Chieftains. These allowances are treated as Political Pensions, governed by the Pensions Act (Central Act), 1871. When the holder of a Malikhana dies it should be continued to be paid to the senior member of the family concerned. The devolution of seniority will depend on the personal law or custom applicable to each case. The District Collectors of the respective districts shall be competent to order the re-registration of the Malikhana in the name of the senior member, on the death of the previous holder. However, the Government reserve the rights to:

- (1) decide doubtful cases,
- (2) sanction the payment of Malikhana,
- (3) sanction the life time arrears of Malikhana, and
- (4) decide the successor to receive the arrear of Malikhana due to a deceased Malikhana, Pensioner.

Transfer of payment of Malikhana Allowance from one treasury to another consequent on the change of residence are allowed by the Government or the Accountant General on the following conditions:—

- (i) The transfer of payment of Malikhana from one treasury to another in the same district may be effected just like the transfer of other kinds of pension.

- (ii) In case transfer of payment of Malikhana is from one district to another individual P.P.Os. may be issued in favour of the Malikhadar.
- (iii) The Government or Accountant General may permit the transfer of payments of Malikhana pension from one Treasury to another provided the Accountant General should obtain the concurrence of the authority, viz., the Government empowered to permit the changes of residence by the Political Pensioner. But the transfer of the payment of the Malikhana allowance from one treasury to another should not be frequently made at the convenience of each pensioner. Permanent change in the headquarters of the “Sthanam” should be the criterion for allowing a transfer of payment from one Treasury to another and not a shift in the residence of particular pensioner holding the “Sthanam”.
- (iv) In cases where such transfer is allowed a separate Group Register should be opened for the payment in the new Treasury.

Note:— Life time arrears of pension due to deceased Political, Revenue and Malikhana Pensioners shall be paid to the claimant only on production of succession certificate from the authority who sanctioned the pension to the effect that the arrears may be paid to him. The authority who issues the succession certificate shall do so only after enquiring into in detail the right of the claimant for succession to the family right or sthanam and other relevant aspects. If there are more than one claimant the names of the persons and the share of the amount each is entitled to receive shall be specified in the certificate. After paying the arrears of pension on account of a deceased pensioner the disbursing officer shall return both the halves of the pension payment order to the Accountant General (through the District treasury officer if payment of pension is made at a Sub-Treasury) with a note of the date of the pensioner’s death.

- (c) *Jenmibhogam, Karathilchilavu and Arthapalisa*.— These are allowances paid to some Jenmis and other persons in the State. These are not pensions proper but the rules relating to “Territorial and Political Pensions” are applicable to these allowances as well. These allowances shall be paid in money at the commutation rates of paddy fixed by Government every year and shall become payable only after the 15th of May of each year. The commutation rate for a year should be calculated based on the average market rate of paddy for the particular year. Payments in cash may be made at any of the treasuries of the State and the payees are at liberty to choose the treasury from which they shall receive payment (*See* also Appendix 16 of K.T.C. Vol. II).
- (d) *Thiruppuvaram*.— Vide Thiruppuvaram Payment (Abolition) Act, 1969 and the Rules made thereunder.
- (e) *Beriz deductions and Tasdic allowances*.— These are allowances granted to some religious institutions and also to persons for various reasons, such as for services to be rendered in lieu of resumption of lands by Government, etc. In some cases these are paid in the nature of assignment of land revenue. The Village Officers of the respective villages are authorised to pay these allowances to the concerned persons or institutions from the Village collections on obtaining simple receipts. The allowances due for a financial year should be paid in the month of March of that year. In respect of arrears, the Village Officers are not competent to make payments from the Village collections. Arrears should be paid in cash from the respective Taluk Offices after obtaining the orders of the Revenue Divisional Officer. Amounts, parts of which are in arrears for more than two years should be paid as below:

Current year:	in full
First year in arrear:	do.
Second year in arrear:	do.

Third year in arrear:	10% deduction
Fourth year in arrear:	15% deduction
Fifth year or any other year in arrear:	20% deduction

The allowances, the payment of which has not been applied for, for more than six years, should be struck off from the registers and the amount will be forfeited. The Board of Revenue is competent to revive an allowance which has once been struck off, if there are sufficient grounds.

A register in the Form 24A should be maintained in the Village and the Taluk Offices to account for the payments of these allowances. The Village Officer should note the payments made from the Village collections, in the remittance lists, on the dates of remittance and produce the receipts for the payment in the Taluk Office. In the Taluk Office necessary action should be taken for transfer crediting the amounts paid from the Village collections. After the adjustments are made, the fact should be noted in the Taluk Register.

Departmental Payments

- 206.** Departmental payments such as those for the purchase of salt, opium and ganja by the Excise Department, water-marked paper by the Stamp Department, Stationery by the Printing and Stationery Department, etc., are made under general or special sanction. If not provided for by departmental rules, they should be made upon separate bills accompanied by vouchers and a certificate that the articles billed for have been received in good order and accounted for in the 'Stock Register', the quantities are correct, the quality is good, the rates paid are not in excess of the accepted and market rates, and that suitable notes of payment have been recorded against the original indents and the invoices concerned, to prevent double payment. The authority, unless it is a general one under which the purchase is made should also be quoted in the bills.

Discretionary Grants

207. Discretionary grants may be sanctioned by (1) Governor and (2) the Officers of the Revenue Department. The objects for which such grants can be made and other conditions and the principles that apply to them are specified below:—

- (1) *Discretionary grants by the Governor.* — These are petty grants and charitable donations given by the Governor at his discretion to institutions of the public or quasi - public character and to individuals deserving assistance from public funds.
- (2) *Discretionary grants by the Revenue Officers:*— The Board of Revenue, District Collectors, Revenue Divisional Officers and Tahsildars may incur expenditure from the discretionary grant for the following objects :-
 - (a) Contributions towards relief of poor people whose houses have been destroyed by fire or who are suffering from the effects of flood, cyclone or any other sudden calamity, when relief is immediately required and there is no time to obtain a grant from Board of Revenue of Government from the provision under “Famine Relief” or any other appropriate head.
 - (b) Contribution to help poor people for obtaining materials for building huts when they are obliged to vacate their houses on account of plague or any other epidemic diseases.
 - (c) Rewards to persons who have supported law and order in a special meritorious way, or displayed special courage or public spirit in saving or attempting to save human life.
 - (d) Extinguishing of fire, including grant of rewards to persons other than members of the Fire Services who show special courage or public spirit and incur risks in putting out fires.

- (e) Raising seedlings for tree planting in villages.
- (f) Award of prizes to agriculturists for the encouragement of improved farming and live-stock production.
- (g) Any other object which, in the grantor's opinion, is calculated to promote public well-being and contentments.

Limitations.— (1) The extent upto which the above officers may incur expenditure in each case subject to the availability of funds is specified below:

<i>Authority</i>	<i>..</i>	<i>Money limit</i>
The Board of Revenue	..	5,000
The District Collectors	..	2,500
The Revenue Divisional Officers	..	1,000
The Tahsildars	..	250

(500 towards expenditure for relief of distress caused by fire, flood, cyclone, sea erosion and other natural calamities).

- (2) Every grant should be non-recurring i.e., it should not involve any further commitment whatever.
- (3) The relief should not exceed 100 per family.
- (4) Persons whose family income is 150 or below per mensem will be eligible for relief from the Collector's discretionary grant under items (a) and (b) above.

Note:—The instructions for the drawal of the discretionary grants by the Revenue Officers are contained in Appendix 7. Instructions regarding the procedure to be followed on the occurrence of natural calamities are contained in the Manual on Natural Calamities and Distress Relief.

Grants-in-aid and contributions of Public Bodies, Institutions etc.

- 208.** *General Instructions.*—As a matter of general policy it will not be appropriate to make grants from Public Funds to denominational institutions. The State may make such grants-in-aid for public purposes or activities carried on by private institutions or local bodies as are in conformity with Article 282 of the Constitution of India.
- 209.** The following instructions should be observed in the matter of according sanctions for grants-in-aid:—
- (1) Unless in any case Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. In the case of non-recurring grants for specified objects, the order should also specify the time-limit within which the grant or each instalment of it is to be spent.
 - (2) Only so much of the grant should be paid during any financial year as is likely to be expended during that year. In the case of grants for specific works or services such as building, water supply schemes and the like, the sanctioning authority should use its discretion in authorising payments according the needs of work. The authority signing or countersigning a bill for grant-in-aid should see that money is not drawn in advance of requirements. There should be no occasion for a rush for payment of these grants in the month of March.
 - (3) Before a grant is paid to any public body or institution, the sanctioning authority should as far as possible insist of obtaining an audited statement of the account of the body or institution concerned in order to see that the grant-in-aid is justified by the financial position of the grantee and to ensure that previous grant, if any, was spent for the purposes for which it was intended.

The authority sanctioning a grant, while communicating the sanction to the Accountant General should state whether the audited statement of accounts has been received when required, or whether the grantee has been exempted from submitting the statement.

Note 1:— For purposes of audited statements of accounts of any public body or institution, it is not essential that the accounts should be audited in every cases by the Indian Audit Department. It will be sufficient if the accounts are certified as correct by a registered accountant or other registered body of auditors. In the case of small institutions, which cannot afford to obtain the services of a registered accountant or other registered body of auditors, the sanctioning authority may exercise its discretion of exempting any such institution from the submission of accounts audited in this fashion.

Note 2:— This provision applies both to non-official institutions and to semi official ones, such as Public Clubs, etc. In all sanctions of grant of a capital nature and for specific purposes made to institutions and public bodies, the sanctioning order should contain a clause to the effect that, if so required by the Accountant General, the accounts together with all the relevant papers of the institutions shall have to be produced for inspection by the Indian Audit Department.

- (4) No Grants-in-aid shall be sanctioned in cases where there is a reasonable suspicion or suggestion of corrupt practices unless the grantee institutions concerned are cleared of the allegations. Before sanctioning the grants-in-aid, the sanctioning authority should satisfy that the grantee institutions are free from corrupt practices and certify in each case that this aspect has been considered before sanctioning the grant and that there is no reason to believe that the grantee institutions are involved in corrupt practices.

Such a certificate signed by the Officer on whose signature or countersignature the grants-in-aid bills are drawn should be attached to the grants-in-aid bills.

- * (5)** Authorities who sanction Grant-in-aid and/or loan to Autonomous bodies/Authorities/NGO's/Other Institutions shall incorporate a condition in the sanction order to the effect that grantee institutions will be open to Audit by Comptroller & Auditor General of India under CAG of India's (DPC) Act whenever they are called upon to do so and also that they shall submit annual accounts to the Accountant General (Audit) concerned when Grant-in-aid and/or loan is not less than 25 lakh a year.

The responsibility of a departmental officer on whose signature or countersignature a grant-in-aid bill was drawn

- 210. (1)** In cases in which conditions are attached to the utilisation of the grant in the form of specification of particular objects of expenditure or the time within which the money must be spent, or otherwise, the departmental officer on whose signature or countersignature the grant-in-aid bill was drawn should be primarily responsible for certifying where necessary, the fulfilment of the conditions attaching to the grant, unless there is any special rule or order to the contrary. The certificate should be in Form 44 and should be furnished within three months from the date of receipt of audited accounts. Before recording the certificate the certifying officer should take steps to satisfy himself that the conditions on which the grant was sanctioned have been or are being fulfilled. He may, therefore, require the submission to him at suitable intervals of such reports, statements, etc., in respect of the expenditure from

*Addition C.S.No.1/08 [G.O.(P) No. 177/08/Fin., Dated 19/04/2008]

#Substitution C.S.No.14/76 [G.O.(P) No. 377/76/Fin., Dated 10/12/1976]

the grant as may be considered necessary. For this purpose the authority sanctioning the grant should stipulate in every order sanctioning the grant a time-limit for utilisation of the grant not exceeding one year from the date of sanction and a time-limit of 9 months for the submission of audited accounts to the signing or countersigning authority from the expiry of the period fixed for the utilisation of the grant. Where the accounts of expenditure from the grant are inspected or audited locally, the inspection or audit report, as the case may be, will either include a certificate that the conditions attaching to the grant have been or are being fulfilled or will give details of the breaches of these conditions.

* Utilisation certificates relating to grants-in-aid not exceeding 10,000 should be forwarded to the Head of Department and those for grants-in-aid exceeding 10,000 to the Accountant General.

**Defaulting Institutions will be blacklisted for considering further grants in future.”

(2)*Utilisation Certificates in respect of sanctions not exceeding 10,000 should be watched by Heads of Departments. In respect of sanctions to grant-in-aid exceeding 5,000 a statement should be prepared by the Head of Department at the end of the year indicating the particulars of sanctions such as number and date, authority issuing sanction, name of the guarantee institution, the amount of grant-in-aid sanctioned and whether utilisation certificate has been obtained or not and the statement should be sent to the Accountant General not later than the 30th June.

A Register should be maintained by the officer who is responsible for watching the utilisation of the grant in the following form

*Addition C.S.No.3/87 [G.O.(P) No. 410/87/Fin., Dated 27/04/1987]

**Insertion C.S.No.1/2001 [G.O.(P) No. 781/2001/Fin., Dated 23/05/2001 w.e.f.7/2/1988.

**Register for watching utilisation of Grants-in-aid Office of.....
year.....**

Serial No.	No. and date of Sanction	Purpose of the grant	Name of the Institution or individual to which/whom the grant-in-aid is paid	Amount	Condition, if any attached to the grant	Date of encashment of the grant bill	Period allowed for the utilization of the grant	Officer/Person responsible for furnishing the audited accounts	Date by which audited statement of account is expected	Date on which audited statement of account is furnished (with reasons for delay)	*Date on which utilization certificate is furnished to the Head of the Department/Accountant General, (with reasons for delay)	Unspent balance if any: whether unspent balance has been surrendered or is being adjusted against further the grant may be stated	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14

The register should be inspected at regular intervals by the sanctioning authority or the Head of the Department to satisfy himself that proper action taken at proper time.

- *(3) All departments shall furnish every year by 31st July a return to the principal Accountant General (Audit) containing entity wise information in all cases where Grant-in-aid and /or loan to an authority or body including voluntary

*Substitution, Addition C.S.No.3/87 [G.O.(P) No. 410/87/Fin., Dated 27/04/1987]

organisation is not less than 10 lakh during the preceding financial year indicating the amount of Grant-in-aid and/or loan given, the propose for which the assistance was sanctioned and the total expenditure of the entity during the preceding financial year.

***(4)** Every Body / Authority receiving Grant-in-aid and /or loan of 25 lakh or more during a financial year shall submit to Principal Accountant General (Audit) by 31 st july of the succeeding financial year their annual accounts for the relevant financial year or duly authenticated statement indicating the total Government Grant-in-aid and /or loan received and the total expenditure incurred by the body during the relevant financial year.

! (5) When recurring grants-in-aid are sanctioned to an institution for the same purpose, a certificate should be obtained from the grantee institution eligible for recurring grant to the effect that the unspent balance of the previous grant has either been surrendered to the Government or been taken in to account for sanctioning the subsequent grant. The certificate should be incorporated in the order sanctioning a grant-in-aid.

211. Unless it is otherwise ordered by Government, every grant made for a specific object is subject to the implied conditions—

- (i)** that the grant will be spent upon the object within a reasonable time ; if no time-limit has been fixed by the sanctioning authority; and
- (ii)** that any portion of the amount which is not ultimately required for expenditure upon that object should be duly surrendered to Government.

Note 1:—The expression ‘reasonable time’ occurring in this rule should ordinarily be interpreted to mean one year from the date of the issue of the order sanctioning the grant.

*Addition C.S.No.1/08 [G.O.(P) No. 177/08/Fin., Dated 19/04/2008]

!Addition C.S.No.02/2014 [G.O.(P) No. 98/2014/Fin., Dated 10/03/2014]

Exemption:— In the case of small institutions which are entirely/mainly fed by recurring grants-in-aid from Government, grant-in-aid shall be disbursed in instalments in the manner indicated below:-

- (a) The first instalment may be sanctioned in April itself to enable the institutions to meet their expenses of the month of April.
- (b) A second instalment may be paid in the month of May, June, July, August or September, to cover the expenses for the five months, May to September.
- (c) The final instalment may be sanctioned in the month of October or later to cover the expenses of the rest of the financial year.

Note 2:— The requirement of obtaining audited statements of accounts provided for in Article 209 need not be insisted upon for sanctioning the first two instalments, if the statements are not ready. However, such statements of accounts in respect of the previous financial year, unless the institutions concerned have been specifically exempted from furnishing them should be obtained before sanctioning the final instalments.

Note 3:— Before the grant is released, the grantee should execute a bond in Form No. 55 with two sureties, agreeing to abide by the conditions under which the grant-in-aid is sanctioned. In the event of failure on the part of the grantee to comply with all or any of the terms and conditions, he and the sureties will be liable, individually and jointly, to refund to the Government in a lump the entire amount of the grant with interest there on as may be prescribed by Government. The conditions that there should be two sureties need not be insisted on if the grantee is a society duly registered under an act or a co-operative society or an institution of standing in whose case the sanctioning authority is satisfied that sureties are not necessary. In cases where sureties are not necessary the bond will be executed in Form No. 55A.

A certificate to the effect that the grantee has executed the requisite bond should be furnished along with the grant-in-aid bill, duly countersigned by the Officer on whose signature or countersignature the bill is drawn.

The above provisions will not apply to grants-in-aid made to quasi-Government or Government-aided organisations and local bodies for this purpose, institutions or organisations set up by Government as autonomous bodies either under a statute or as society duly registered under an Act or otherwise will be treated as quasi-Government institutions. Government-aided bodies, for this purpose, are institutions or organisations which receive financial assistance from Government on a regular basis (either wholly or partly) and/or (i) whose annual budget is approved by Government, or (ii) in the Boards of Management or Committees of Management of which Government are adequately represented.

Grants-in-aid and contributions to Local Bodies

- 212.** The payment of various classes of grants-in-aid to local bodies, e.g., contributions for running Leprosy Clinics by certain Municipalities, contributions to Village, Panchayats, etc., will be regulated by the general or special orders of Government sanctioning each class of payment.

Educational grants-in-aid (other than to Local Bodies)

- 213.** *Grants to Schools.*— Detailed rules and instructions for the payment of various classes of grants-in-aid to institutions under private management in the Education Department are contained in the Departmental Code and in the ‘Kerala Education Rules’.

Orphanages and Boarding Houses

- 214.** Grants-in-aid rules relating to boarding charges in hostels and Orphanages and boarding homes for destitute children are contained in the general or special orders on the subject which the Government issue from time to time.

Grants to Libraries and the Kerala Grandhasala Sanghom

215. Payment of annual grants to libraries and the Kerala Grandhasala Sanghom are governed by the following rules :-

A. Rules for the payment of annual grants to Libraries

- (1) The library should be open to all members of the community irrespective of caste or creed.
- (2) The administration of the library should vest in a Committee elected at a General Body Meeting of the library.
- (3) The Committee should be cosmopolitan.
- (4) There should be a minimum books stock of 600.
- (5) Additional encouragement will be extended to libraries having children's and women's sections and other social activities attached to them.
- (6) The accounts of the libraries should be accepted and passed by the committees of the libraries.
- (7) No library receiving grant from Government should stock in the library books, periodicals, or any other publication #proscribed by Government.
- (8) Detailed accounts of the receipt and expenditure of the library and registers and records prescribed by Government or by such other authorities as may be appointed by Government for the use of the library should be maintained and the accounts should be open for inspection by officers and non-officials authorised by Government.
- (9) The minimum annual receipt of a library from monthly subscription should not be less than 40 (Forty).
- (10) 75 per cent of the grant received by the library from Government each year should be utilised for purchase of new books for the library. The bills for

Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

the books purchased will be properly kept by the library for inspection by the officers and non-officials authorised for the inspection of libraries. Grants will be given only if the previous year's grant has been utilised for purchase of books as per conditions laid down. The grants should be utilised within two months after their receipt. Separate accounts should be maintained by the libraries for receipts and expenditure out of special grants if any, sanctioned by Government.

- (11) The remaining 25 percent of the grant should be utilised for purposes of the library approved by the Committee within 6 months of date of receipt of the grant.
- (12) The unspent balance of the grant should be surrendered by the libraries after the periods specified in rules 10 and 11.
- (13) Officers disbursing the grant amount should maintain a register showing the amounts of grant disbursed to the libraries, their utilisation, surrender etc.
- (14) Officers disbursing the grant amounts will see that libraries which are in receipt of grant-in-aid under these rules are working properly.
- (15) Procedure for the payment of grant to libraries whether affiliated to the Kerala Grandhasala Sanghom or not are contained in the general orders issued by Government from time to time.
- (16) On receipt of orders sanctioning the grant the General Secretary, Kerala Grandhasala Sanghom, in the case of libraries affiliated to the Kerala Grandhasala Sanghom, will collect grants-in-aid bills from the libraries in form No. 108 of the Kerala Treasury Code, Volume II, check the bills, and forward them to concerned District Educational Officers for countersignature and transmission direct to the libraries for encashment from the treasuries. In the case of libraries not affiliated to the Kerala Grandhasala Sanghom the libraries will, on receipt of orders sanctioning

grants, forward their grant-in-aid bills to the concerned District Educational Officers who will retransmit the bills after countersignature to the libraries for encashment from the treasuries.

- (17) The disbursement of grant to the libraries will be completed before the end of February in each financial year, as far as possible.
- (18) Any library which fails to apply for the grant in time in any particular year will lose eligibility for the grant for that year.
- (19) Government will not entertain requests for review of orders passed in respect of grants to libraries after a period of one year from the date of sanction of the grant.

Grading of Libraries

The Director of Public Instruction in consultation with the Kerala Grandhasala Sanghom will forward proposals to Government on or before 1st May every year for the constitution of Library Gradation Committees. Government will issue orders constituting the Gradation Committees. The Gradation Committees will grade the libraries in accordance with the standards and rules laid down by Government for the purpose.

B. Rules for Payment of Building and Furniture grant to Libraries

Grant may be awarded to the libraries for the construction of buildings and purchase of furniture not exceeding half of the estimated cost of the building and of furniture as certified by a P. W. D. Officer not below the rank of a Junior Engineer subject to certain limits fixed by Government and the grants will be sanctioned subject to the availability of funds. Detailed rules are contained in the general or special orders on the subject which the Government issue from time to time.

C. Rules for the payment of annual grant to the Kerala Grandhasala Sanghom

1. The grants given by the Government annually to the Kerala Grandhasala Sanghom are for its establishment and organisation expenses and the

Examiner of Local Fund Accounts will conduct an annual audit of the accounts of the Sanghom to see that the grant has been utilised for the purpose.

2. The following procedure will be adopted for the disbursement of the annual grant to the Sanghom.
 - (i) Pending fixation of annual grant, advance grants will be sanctioned to the Sanghom for each year, to be adjusted later on from the annual grant to be fixed for the year. Grants will be given by Government only for items of expenditure approved and accepted by Government.
 - (ii) The advance grant for the year will be fixed at aggregate of the estimates of the various items of expenditure approved by Government for fixation of grant to the Sanghom.
 - (iii) The advance grant will be fixed in the month of April and paid in equal quarterly instalments in April, July, October and January every year.
 - (iv) The Kerala Grandhasala Sanghom will furnish the statement of accounts of the Sanghom for each financial year to the Examiner of Local Fund Accounts within 3 months after the close of the year and the Examiner of Local Fund Accounts will conduct the audit of accounts of the Sanghom and furnish audit report and audit certificate to Government within eight months from the date of receipt of the statement of accounts.
 - (v) Along with the audit report, the Examiner of Local Fund Accounts will forward his recommendations regarding the final grant to be fixed for the year of the audit report.
 - (vi) The grant for the year will be fixed finally on receipt of audit report of the Sanghom for the year.
 - (vii) The excess amount paid or balance due, if any, on account of the provisional fixation for the year will be adjusted in the next year's grant.

Scholarships and Stipends

216. (A) Scholarships.— (a) The number and the value of scholarships and the conditions under which they are awarded are regulated by the general or special orders of Government issued from time to time.

(b) Within the maximum number, and subject to the conditions and rates, the Director of Public Instruction and his subordinates are empowered to distribute scholarships among individual institutions in the Education Department. Scholarships for industrial, agricultural, etc., institutions, are regulated by the same principles.

Note:— The detailed instructions and conditions for the distribution of scholarships are contained in the Education Code in the case of colleges and schools of the Education Department and in the rules of the Institutions concerned, in the case of others.

(B) Stipends.— (a) Stipends in the Training Colleges and Schools and other institutions are regulated by the Code or Regulations or Rules or any other special orders of Government issued from time to time.

(b) The stipendiary teacher-trainees will execute suitable bonds with Government in the form prescribed by the Director of Public Instruction and the heads of the training institutions will watch from time to time whether the conditions thereof are satisfied.

Bills for scholarships and stipends should be drawn in the case of departmental institutions by the heads of the institutions in which the holders thereof are studying. In the case of institutions under private management, they should be prepared and vouched for by the correspondent or the manager of the institution concerned and countersigned by the Controlling Officers.

Industrial Grants

217. Grants to recognised private, technical and industrial institutions are sanctioned by the Director of Technical Education in accordance with rules laid down by Government in aid of—

- (a) Payment of salaries to teachers;
- (b) Purchase of furniture and permanent fittings;
- (c) Purchase of tools, machinery and other technical appliances;
and
- (d) Purchase, erection or extension of school buildings.

Bills should be drawn by the Managers of Institutions in forms prescribed for educational grants in-aid, with suitable modifications and countersigned by the Director of Technical Education.

Grants to Medical Institutions

- 218.** Grants-in-aid to medical institutions should be drawn on grants-in-aid bills signed by the Managers of such institutions and countersigned by the District Medical Officer of the District concerned. Those of the Vaidyasalas will be drawn by the vaidyans and countersigned by the District Indigenous Medical Officer. The bestowal, increase, reduction or stoppage-permanent or temporary- of any grant-in-aid will require the previous sanction of Government.

Co-operative Grants

- 219.** Grants-in-aid to Co-operative Supervising Unions, the Co-operative Institutes and other Co-operative Societies are sanctioned by the Registrar of Co-operative Societies subject to the rules and orders issued by Government from time to time. The details of State aid given to co-operatives are contained in the provisions in Chapter VI of Kerala Co-operative Societies Act, 1969.

Grant-in-aid to Private Engineering Colleges and Polytechnics

- 220.** Detailed rules and instructions for the payment of grant-in-aid to private Engineering Colleges and Polytechnics under the Technical Education Department are contained in the Grant-in-aid Code for private Engineering Colleges and Polytechnics.

Expenditure on Inaugural Ceremonies

- 221.** Expenditure on ceremonies connected with the inauguration of important works, e.g., the laying of foundation stones of public buildings, the opening of canals, the opening of bridges etc., can be incurred only with the previous sanction of Government and subject to further instructions given hereunder. The expenditure on such functions should be limited to the minimum absolutely necessary, and should in no case exceed the limit fixed by Government in each case.

The following instructions should also be observed:—

- (i) No amount shall be spent from State Funds for ceremonial functions like foundation stone laying, opening or inauguration of any scheme/project/work or building, except to the extent indicated in paragraph 3.
- (ii) No officer who is not directly connected with the scheme/project/work or building shall attend such ceremonies at State cost. The restriction will not, however, apply to those who have to attend such functions either for security purposes or as part of their normal duty.

The ceremonial part of the functions may be left to be arranged by local enthusiasts, if they like. Expenditure from State Fund, may, if at all, be incurred only on such necessary items like getting a foundation slab, purchasing a trowel or hiring a mike and should not ordinarily exceed 100 (Rupees one hundred only).

Examination

- 222.** The authority sanctioning the remuneration to Superintendents, Examiners, etc., will be responsible for seeing that the scales and conditions prescribed by the Government are observed in each case. Bills should be supported by a certificate of the sanctioning authority that the remuneration paid is not in excess of the scales prescribed by the Government, citing the relevant rules or orders.

Note:— The Commissioner for Government Examinations is competent to incur all contingent expenditure in-connection with the conduct of the public examinations of his department subject to any rates which may be prescribed, from time to time, by the Government. He is also competent to depute members of his office staff or of his establishment in connection with the printing of question papers for examinations.

Overtime Fees

- 223.** The conditions for the grant and the rates of overtime fees to Government servants are regulated by the general or special orders of Government governing each class of payment.

Fees for Medical Inspection of Vessels in Harbour

- 224.** At the seaport (minor port) for every professional visit made to a vessel in harbour, the authorised Medical Officer may be paid fees at such rates as may be prescribed by Government from time to time. These fees are payable in Municipal Towns by the Municipal Councils concerned out of their funds, the visits being made at their requisition. In seaports which are outside Municipal limits, the fees are payable from the contingencies of the Medical Department, the visits being made at the requisition of the authorities concerned.

Plague Charges

- 225.** Detailed rules regarding the above are contained in the Plague Rules and standing orders. Sanction of Government is necessary for incurring expenditure in connection with the measures to combat plague. Such expenditure will ordinarily be necessary only on the following objects:—
- (i) Observations including the pay of the Medical Officers;
 - (ii) Inoculation;
 - (iii) The provisions of shelter for persons leaving their houses;
 - (iv) Police to guard evacuated houses and approved camps;

- (v) Rat destruction including cost of traps and poison and the pay of any staff employed; and
- (vi) Hospitals, appliances and staff for the care of patients.

Expenditure on the above items will be debited to Local Funds when such measures are carried out within the limits of the Municipalities and Corporations and to Government when they are carried out outside the Municipalities, Corporations and Estates.

Note :— The Director of Health Services, the District Medical Officer of Health or any officer appointed by Government as Plague Special Officer may, in anticipation of Government sanction, incur expenditure on account of anti-plague measurers, whether within or outside the municipal areas upto a limit of 500 and realise the amount so spent from the Local Funds concerned when such measures are carried out in Municipalities or Corporations.

- 226.** Whenever plague prophylactic arrangements are made by or under the orders of Government in respect of any Estate in the State infected or suspected to be infected with plague the expenses incurred therefor shall be defrayed by the State concerned.

Note :— The Director of Health Services, the District Medical Officer of Health or any officer appointed by Government as Plague Special Officer may, in anticipation of Government sanction, incur expenditure on account of anti-plague measures carried out in an Estate upto a limit of 500 and realise the amount so spent from the Estate concerned.

Honoraria to Honorary Nursing Sisters employed in the State Hospitals

- 227.** The honoraria due to the Honorary Nursing Sisters actually working in the various hospitals of the State will be drawn every month by the Medical Officers in-charge of the respective hospitals, on a separate establishment pay bill.

Honoraria to Ayurvedic Physicians

- 228.** Payments to Honorary Ayurvedic Physicians and Honorary Homeo Medical Officers in the Department of Indigenous Medicine require the sanction of Government. They are drawn on regular detailed pay bills of permanent establishments of the hospitals and dispensaries and disbursed on proper acknowledgments in acquittance rolls.

Contribution to Devaswom Fund

- 229.** According to Article 290-A of the Constitution of India a sum of 46.5 lakhs is payable every year as contribution to the Devaswom Fund.

Contributions to Associations, etc., and for charitable purposes

- 230.** The contributions are made under special sanction of Government in each case.

An annual grant of 14,000 (made up of 9,000 paid by the former Cochin Government and 5,000 paid by the former Travancore Government) is being paid to the Benares Hindu University, Benares, subject to the conditions that the university will make available not less than 10 seats to students of this State in courses of study which are not available in this State.

Compensation for Loss of Property

- 231.** Heads of Departments should observe the following instructions when making any recommendations for the grant by the Government for compensation to a Government servant for loss of his property:—

- (1) (a) Claims to compensation for loss of property made by Government servants will ordinarily be considered only in cases in which—
- (i) The exposure of the property to risk is directly connected with the duties on which the Government servant is employed at the time, e.g., when the action on an enemy force, insurgents, raiders or wild tribes causes a loss of property of a Government servant employed in the area affected;

or

- (ii) the property is lost in consequence of endeavours on the part of a Government servant to save the property of the Government which was also endangered at the time;
or
 - (iii) the property is destroyed under the orders of a competent authority.
- (b) No compensation will be paid in respect of any loss which is due in any way of negligence or other default on the part of the claimant. Compensation will also not be granted when, as a matter of ordinary prudence, the Government servant who owned the property could and should have insured it. The question whether the property should have been insured is a question of fact to be decided by the Government.
- (c) Compensation will not ordinarily be granted to a Government servant for any loss of his property which is caused by natural calamities e.g., an earthquake or flood, or which is due to an ordinary every day accident such as may occur to any citizen, e.g., loss by theft even when accompanied by violence, or loss due to a railway accident, fire, etc. The mere fact that at the time of the accident, the Government servant is technically on duty or is living in Government quarters in which he is bound to reside for the performance of his duties will not be considered as a sufficient ground for the grant of compensation.
- (d) The grant of compensation may be recommended in respect of animals
- (i) that are killed, captured or stolen by an enemy force, (ii) that are destroyed under the orders of a competent authority to prevent the spread of infectious or contagious diseases, or (iii) that die as a result of exposure or excessive work necessitated by use in the public service, or of an accident directly due to such use. When an animal belonging to a Government servant is destroyed under the orders of a competent authority to prevent the spread of an infectious or contagious disease, the amount of compensation recommended should not exceed the amount payable to a private person in similar circumstances.

- (2) When any one of the three conditions mentioned in instruction (1) (a) is satisfied, the Head of the Department may recommend the grant of compensation to the Government servant concerned as an *act of grace* upto the value at the time of loss of the necessaries lost by him. The Head of the Department should examine the question whether the articles lost are “necessaries” within the meaning of this instruction with reference to the Government servant’s personal standing and circumstances and make his recommendation accordingly.

***Expenditure for the transportation of dead body of a
Government servant dying in harness**

- 231A.** An amount equal to what an officer would have received for his journey from the place of his duty to the place of his residence after retirement under rule 99A, Part II, K.S.R. will be paid to the family of a Government servant who dies in harness provided in the opinion of the head of the department/office, the family deserves such an assistance towards expenses connected with the conveyance of the dead body to his native place/place of residence. The expenditure on this account will be debited to the detailed head “other charges” of the department/office concerned.

**#Exgratia payments to Government servants sustaining
injuries while on duty**

- 231B.** All categories of Government employees who sustain injuries while on duty will be paid compensation as below:
- (i) Exgratia payment of 15,000 (Rupees fifteen thousand only) to those who sustain permanent disablement disqualifying them to continue in Government service, provided they have not completed 10 years of service and are not eligible for minimum pension.

*Addition C.S.No.15/76 [G.O.(P) No. 386/76/Fin., Dated 15/12/1976]

#Addition C.S.No.3/86 [G.O.(P) No. 311/86/Fin., Dated 19/04/1986]

- (ii) Exgratia payment of 10,000 (Rupees ten thousand only) to those who sustain permanent disablement disqualifying them to continue in Government service and who have completed 10 years of service and are eligible for minimum pension.
- (iii) Exgratia payment of 3,500 (Rupees three thousand and five hundred only) to those whose injury falls under any of the following categories.
 - (a) Emasculation;
 - (b) Permanent loss of the sight of either eye;
 - (c) Permanent loss of the hearing of either ear;
 - (d) Loss of any member or joint;
 - (e) Destruction or permanent impairment of the powers of any member or joint;
 - (f) Permanent disfiguration of head or face.
- (iv) Exgratia payment of 500 (Rupees five hundred only) to those who sustain the following types of injuries :-
 - (a) Fracture or dislocation of a bone or tooth ;
 - (b) Any hurt which endangers life or which causes the person bodily pain or makes him/her unable to follow his/her ordinary pursuits for ten days.
- (v) Exgratia payment of 250 (Rupees two hundred and fifty only) to those who sustain minor injuries due to stone throwing etc., requiring hospitalisation.

The payment will be sanctioned by Government in the Administrative Department in each case on the recommendation of the Head of Department and the Medical Board constituted for the purpose.

ANNEXURE

[See article 205 (e)]

TALUK REGISTER SHOWING THE DETAILS OF BERIZ
DEDUCTIONS/TASDIC ALLOWANCE

Taluk.....

District.....

1	2	3	4	5	6	7	8	9	Particulars of actual deductions made from the beriz in the year		12	13
									Month	Amount deducted		
				P.	P.	P.	P.	P.		P.	P.	

CHAPTER IX**LOANS AND ADVANCES****General–Main Classes of Loans and Advances**

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

Loans bearing interest—

1. Loans to local funds, private parties, etc.
2. Loans to Government servants.

Advances not bearing interest—

3. Advances repayable.
4. Permanent advances.

1. LOANS TO LOCAL FUNDS, PRIVATE PARTIES, ETC.

233. This head covers all interest-bearing loans made by the Government except those made to Government servants, and includes *inter alia* the following classes of loans :

- (a) Loans to Port Trusts and other Port Funds.
- (b) Loans to Municipal Corporations and Municipalities.
- (c) Loans to Statutory Corporations and Boards.
- (d) Loans to District and other Local Fund Committees.
- (e) Loans to Co-operative Institutions and Banks.
- (f) Loans and advances under Community Development Programmes.
- (g) Loans and advances to displaced persons.
- (h) Advances to cultivators.
- (i) Loans to Panchayat Raj Institutions.
- (j) Miscellaneous loans and advances.

Note:— Heads of Departments and other Government Servants may sanction loans of classes (e) to (j) *[other than Government Companies/Corporations] to the extent of the powers delegated to them and the appropriations placed at their disposal (*See Book of Financial Powers*). The Government have not delegated to any authority any power to sanction loans of the other classes falling under this head and they are, therefore, sanctioned only by the Government.

All the departmental officers operating the heads of account under !F. Loans and Advances should specify invariably in the sanction, the major, minor, †sub and detailed head of account to which the loans sanctioned by them are to be debited.

General Instructions

234. The following general instructions apply to all loans falling under this head and the conditions on which the loans are granted should be framed in accordance with them :—

(1) *Before considering a loan application, the following requirements should be fulfilled:—*

- (i) There should be adequate budget provision.
- (ii) The grant of the loan should be in accordance with the approved Government policy and accepted pattern of assistance. It is important that, in view of the shortage of financial resources, the scope of financial assistance in the shape of loan should not be expanded to include new types of loans or objects for which loans are not granted ; nor should the accepted pattern of assistance be varied.
- (iii) The applicant should be asked to furnish the following materials and information:—

* Substitution C.S.No.12/76 [G.O.(P) No. 357/76/Fin., Dated 22/11/1976]

! †Substitution Ommission C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

- (a) Copies of profit and loss (or income and expenditure) accounts and balance sheet for the last 3 years.
- (b) The main sources of income and how he proposes to repay the loan within the stipulated period.
- (c) The security proposed to be offered for the loan together with a valuation of the security offered by an independent authority and a certificate that the assets offered as security are not already encumbered.
- (d) Details of loan or loans taken from the Central Government or State Government in the past indicating the amount, purpose, Ministry or State from which loan was taken, rate of interest, stipulated period of repayment, date of original loan and amount outstanding against the loan(s) on the date of the application and the assets, if any, given as security.
- (e) A complete list of all other loans outstanding on the date of application and the assets given as security against them.
- (f) The purpose for which the loan is proposed to be utilised and the economics of the scheme.

Note:— Where the loan is to be given to an institution on the strength of a guarantee given by the Trust managing it, similar information should be called for in respect of the Trust also. On receipt of the above information, confidential enquires should be made from the other concerned Governments from which the party has taken loans to judge his performance in regard to these previous loans. If the replies indicate that the performance was not satisfactory, the loan should be refused. In other cases it should be satisfied from the information supplied that the financial position of the party is sound and he can be reasonably expected to repay the loans in the prescribed period, either from the income from the specific scheme for which the loan is sought or from his general income. It must be noted that it is not always

sufficient to have what may be considered as adequate security if the financial position of the party is not sound. In the event of default it may be difficult for Government to enforce the sale of the asset offered as security, especially, if it is not an earning asset. It is, therefore, important to see that both the criteria are satisfied.

It might become necessary to obtain information periodically regarding the financial position of the applicant after the grant of a loan. For this purpose, a clause should be inserted in all loan agreements enabling Government at any time to call for the accounts of the applicant relating to any accounting year with power to depute an officer, specially authorised for this purpose, to inspect the applicant's books, if necessary.

Loans should not be given at concessional rates of interest. If any concession is considered necessary, it should be given as a straight-forward grant unless a policy regarding the grant of such a concession has already been laid down by Government.

- (2) *Interest:*— Interest should be charged at the rate prescribed by the Government for the class of loans concerned. It should be charged for the day of advance, but not for the day of repayment. For a period of less than a complete half year, the interest should be calculated as

the number of days

$$365 \quad \times \quad \text{the yearly rate of interest.}$$

For a period of more than a half year but less than a year, half the yearly interest should be charged in respect of the completed half year together with interest for the remaining period of less than a half year calculated as above. In the case of "Advances to cultivators", however the interest for a period of less than a year should be calculated by taking the calendar month as the unit, periods of fifteen days or more in a calendar month being treated as one calendar month and periods of less than fifteen days being ignored.

- (3) *Repayment*:— (a) The borrower should be required to repay the loan in full within a specific term, which should be as short as possible, by paying the appropriate fixed instalments not later than the dates prescribed by the Government or other competent authority. The term should run from the date on which the drawal of the loan is completed, unless the Government or other competent authority declare the loan closed with effect from an earlier date, in which case it should run from that date. The amount of each instalment to be repaid by the borrower should be rounded to the nearest rupee except in the case of the last instalment where the amount will be rounded to the nearest multiple of 5 paise.
- (b) If a borrower draws a loan in instalments and is required to repay it by half-yearly instalments for which no specified half-yearly dates are fixed when the loan is sanctioned, he should be required to make the first regular half-yearly payment six months after the date from which the term of the loan runs, and simple interest only should be charged on that date for the period prior to it.

If specified half-yearly dates are fixed for the payment of the half-yearly instalments when the loan is sanctioned, the borrower should be required to make the first regular half-yearly payment on the second of those half-yearly dates after the date from which the term of the loan runs, and simple interest only should be charged on the first half-yearly date. For example, if the drawal of a loan is completed on the 31st March and the instalments are payable half-yearly on the 30th June and 31st December, the first regular half-yearly instalment should fall due on the 31st December following, and simple interest only should be charged on the 30th June.

If a borrower unduly delays the completion of the drawal of a loan, the matter should be reported to the Government or other competent authority with a recommendation that the loan be declared to have been closed as from a suitable specified date. The Accountant General

watches the recoveries relating to each individual loan included in any of the following classes of loans mentioned in Article 232.

Items (a), (b), (c), (d), (i) and the portion of (j) relating to loans to individuals and to local bodies to cover revenue deficits.

He should report to the Government any undue delay in completing the drawal of any such loan payable in instalments, whether dates have been fixed for the drawal of instalments, or not. The departmental authorities concerned should take necessary action in regard to undue delay in completing the drawal of any other loan payable in instalments.

This instruction applies *mutatis mutandis* to loans repayable by instalments other than half-yearly instalments.

- #(c) Any instalment paid before its due date may be taken entirely towards principal, provided it is accompanied by payment towards interest due upto the date of actual payment of instalment, if not the amount of the instalment will first be adjusted towards the interest due for the preceding and current periods and the balance, if any, will alone be applied towards the principal. If, however, the payment of the instalments is in advance of the due date by 14 days or less, interest for the full period (half year or full year as the case may be) will be payable.
- (d) The instalments towards the repayment of loans and advances granted by the Government which fall due on public holidays should, in cases not otherwise specifically provided for, be paid into the treasury on the working day immediately preceding the holiday. This will not affect payments which are made by book adjustments.
- (e) All officers who are responsible for the maintenance of loan registers and for watching the recovery of the loans will issue warning notices

Substitution C.S.No.7/80 [G.O.(P) No. 448/80/Fin., Dated 15/7/1980]

(in Form No. 25) to the loanees sufficiently in advance (say about one month prior to the due date) indicating the number of the instalment amount due (principal and interest may be shown separately) the correct head of account under which principal and interest should be paid, arrears, if any, under principal and interest etc. with a request to pay the dues before the due date. Omission to give the above warning will not give the loanees any claim to exemption from the consequences of default in the repayment of principal or interest thereon.

- (4) *Defaults in payment.*— (a) The Accountant General should report promptly to the Government any failure by a borrower to pay on the due date a payment due under a loan included in one of the classes of loans which he watches individually – See sub-clause (b) of clause (3) above. The departmental authorities should take the necessary action immediately in regard to any default in making a payment due under any other loan. They should bear in mind the fact that a loan repayable with interest by equal periodical instalments will not really be fully discharged by the instalments unless each is paid punctually on the due date.
- (b) The authority which sanctions a loan should ordinarily lay down in the order of sanction the rate of penal interest to be levied on all overdue instalments of interest or principal and interest. Penal interest at the rate of 2.5 per cent per annum over and above the normal rate of interest would be chargeable whether there is stipulation to the above effect in the order sanctioning the loan or not.

*Penal interest at the above said rate will be levied in respect of overdue instalments of interest or principal and interest and also in the following cases on non-compliance with the requirement of rules :

- (i) Retention of the loan amount unutilised by the loanee beyond the normal admissible period;

* Substitution C.S.No.7/88 [G.O.(P) No. 767/78/Fin., Dated 21/10/1978]

- (ii) Retention of sale proceeds of motor car/scooter/motor cycle purchased with Government loan beyond the normal admissible period;
- (iii) Non-utilisation of loan for the purpose for which it was sanctioned even when the loan is repaid to Government in lump within the normal permissible date;
- (iv) Delay in the execution of mortgage bond after purchase of house-site/house and site/motor conveyance;
- (v) Delay in the production of utilisation certificate as well as completion certificate;
- (vi) Delay in taking comprehensive insurance cover from the State Insurance Department and production of insurance policies in respect of motor car/motor-cycle/scooter advances.
- (vii) Non-compliance with the requirement of other rules relating to house construction advance/motor conveyance advances.

In all the cases mentioned above, penal interest at the rate of 2.5% per annum, over and above the normal rate of interest would be chargeable on the amount outstanding inclusive of interest accrued till the recovery is completed if the default in complying with the requirements of rules is not regularised earlier by the competent authority.

[These orders shall be applicable to loans sanctioned on or after 27-9-1975.]

- (5) *Modification of original terms.*— Every borrower should be required to fulfil strictly the terms settled when his loan was sanctioned. No Government servant should recommend to the Government or other competent authority a charge in the original terms for the benefit of a borrower unless there are very special and exceptional grounds for doing so.

Loans to Municipalities and to District and other Local Fund Committees

- 235.** The detailed procedure to be followed in connection with borrowing by local authorities both from Government and otherwise is laid down in the Kerala Local Authorities Loans Rules, 1965 and these rules will apply to loans to Municipalities and other Local Authorities. Rules relating to the execution of work by the Public Works Department on behalf of local bodies out of loan funds sanctioned by the Government are contained in Articles 31 to 33 of the Kerala Account Code, Vol. III and Chapter 15 of the Kerala Public Works Account Code.

Advances to Cultivators

- 236.** Advances to cultivators include—
- (i) advances made under the rules issued under the Kerala Agriculturists' Loans Act, 1961 (Act 27 of 1961) ;
 - (ii) any other advances made to cultivators in connection with land revenue, agriculture or famine under any Act of the Legislature or under any order of the Government.

Miscellaneous Loans and Advances

- 237.** Loans (other than loans to Government servants) which do not fall strictly under any of the other classes mentioned in Article 233 come under this head, e.g., loans to Government sponsored and other industrial concerns, loans for the development of large scale, small scale and cottage industries including handloom and coir industries, loans to Kerala Financial Corporation, loans for Low Income and Middle Income Group Housing, Colonisation, etc. The grant and repayment of these loans are governed by the general principles and instructions laid down in Article 234, and the detailed orders issued by Government from time to time. A Government servant who is concerned with the sanction or recovery of any category of loans falling under this head should keep an up-to-date file of the orders in force regarding them.

In the case of a fully owned Government company/Corporation which receives a loan from Government no formal agreement is necessary at the time of sanctioning the loan. Hypothecation of its assets is also not required in such cases. It should, however, execute a written undertaking in Form No. 57 before the drawal of the amount of the loan. The stamp duty chargeable on the undertaking shall be borne by the Government. The countersigning authority should record on the bill for the drawal of the amount of the loan a certificate to the effect that the necessary undertaking duly executed by the loanee has been obtained.

Loans to Government Servants—General classes of Loans

238. The following interest bearing advances are included under this head:—

- (A) Advances for the purchase of motor conveyances.
- (B) House building advances.
- (C) Cycle Advance.
- + (D) 'Marriage Advance'
- + (E) Advances to Junior I.A.S. Officers for the purchase of furniture.
- + (F) Other advances.

The Government grant these advances to their servants in accordance with the Rules contained in Articles 239 to 246.

General Principles

239. The following general principles and conditions apply to these advances:—

- (1) *No authority may sanction any advance if it would involve a breach of a standard of financial Propriety (Article 40).*
- (2) *Government servants to whom advances may be granted.*—As a general rule, no advance should ordinarily be granted to any Government servant unless he is in permanent service since the pay of a non-permanent Government servant is not adequate security for the advance. Advances may, however, be granted in accordance with the terms of these rules to officiating or temporary

+Addition C.S.No.1/2003 [G.O.(P) No. 99/2003/Fin., Dated 14/2/2003] w.e.f. 28/8/1997.

Government servants without any substantive appointment under general or special sanction of the Finance Department, if the circumstances admit of the provision of adequate security.

In all such cases, a certificate shall be furnished that the Government servant to whom the advance is sanctioned will continue in service during the period of repayment of the advance.

- (3) *Interest*.— Simple interest should be charged at the rates fixed by Government from time to time and current at the time of granting the advance. The rates thus fixed for each kind of advance are given in the schedule below :-

*** SCHEDULE**

*[Substitution C.S. No. 2/87 G.O.(P) 195/87/Fin., dtd. 4-3-87 and G.O.(P) 576/87/Fin.,dtd. 30-06-1987]

Name of Advance	Normal rate of simple interest per annum	Period current
1. Advance for the purchase of Motor Car	4.5 per cent	up to 22-10-1964
	5 "	from 23-10-1964
	5.5 "	from 1-4-1965
	5.75 "	from 1-4-1969
	6 "	from 1-4-1974
	7 "	from 7-8-1980
	9 "	from 1-4-1982
	9.5 "	from 1-4-1984
	10 "	from 1-4-1985
	!12 "	from 1-4-1994
	**15 "	from 1-4-1997

!Insertion C.S.No.1/95 [G.O.(P) No. 1/95/Fin., Dated 2.01.1995]

**Insertion C.S.No.2/97 [G.O.(P) No. 1337/97/Fin., Dated 18.12.1997]

2. Advance of purchase of Scooter/motor Cycle	4.5	”	Up to 22-10-1964
	5	”	from 23-10-1964
	5.5	”	from 1-4-1965
	5.75	”	from 1-4-1969
	6	”	from 1-4-1974
	7	”	from 7-8-1980
	9	”	from 1-4-1982
	10	”	from 1-4-1985
	11	”	from 1-4-1994
	**11.5	”	from 1-4-1997
3. Advance for the purchase of Cycle	4.5 per cent		Up to 22-10-1964
	5	”	from 23-10-1964
	5.5	”	from 1-4-1965
	5.75	”	from 1-4-1969
	6	”	from 1-4-1974
	7	”	from 7-8-1980
	9	”	from 1-4-1982
	10	”	from 1-4-1985

- (4) *Repayment.*— (a) The principal of an advance should be recovered in equal monthly instalments by compulsory deductions from the pay of the borrowing Government servant, beginning with the first payment of a full month's pay after the advance is drawn unless otherwise provided in the rules governing particular advances, provided that a borrower may repay two or more instalments at the same time. The amount of the monthly instalments other than the last should be fixed in whole rupees and in the last instalment the remaining balance including any fraction of a rupee should be recovered. The maximum number of monthly instalments in which the sanctioning

authority may permit the principal and interest of an advance of each kind to be repaid is indicated in the concerned Articles.

The recovery of interest should begin with the pay of the next month after the repayment of the principal is completed. The interest should be calculated on the balance outstanding on the last day of each month. If the total amount of interest to be charged does not appreciably exceed the amount fixed for the equal monthly instalments for recovery of the principal, it should be recovered in a single instalment; otherwise it should be recovered in instalments not appreciably exceeding that amount.

- (b) Unless otherwise provided in the rules applicable to advances of a particular kind, the amount of the monthly instalments to be recovered on account of an advance should not be changed by reason of the borrowing Government servant's going on any kind of leave with leave salary. Deductions shall be made from the subsistence allowance on account of repayment of loans and advances taken from Government at such rates as the Head of the Department deems appropriate. The whole amount due should, however, always be completely recovered within the period originally fixed, unless for exceptionally strong reasons, the Government sanction a special extension of the period.
- (c) In the case of officers who are due to retire before the expiry of the period prescribed for repaying a loan, the instalments of repayment should be so fixed as to have the loan (principal and interest) fully discharged before their retirement.
- (d) No recovery of the advances will be made during the period of leave without allowances and the repayment will be postponed in such cases to that extent, provided however, that the principal and interest are fully repaid before the officer retires from service.

- (e) When recovery is made on account of an interest bearing advance, a schedule of recovery in Form T .R. 106, (prescribed in the Kerala Treasury Code, Vol.II), separately for each type of such advance, shall be attached to the bill in which the recovery is made. In the case of such recoveries from the claims of non-gazetted Government Servants, the drawing officer shall certify on the recovery schedule attached to the bill for the month of February encashed in the month of March every year that the balances shown as outstanding therein have been accepted as correct by the Government servants concerned. [*See* para 3 of Rule 163 (1) of the Kerala Treasury Code].

The Accountant General will send intimations to the Drawing Officers/ Gazetted Officers that the balances shown by them in the recovery schedules attached to the bills for the month of February, as accepted, agree with those worked out in his books or point out discrepancies, if any, for rectification.

***239A.** All departmental officers who are responsible for disbursement and recovery of the following advances should maintain proper registers to record transactions thereunder in respect of Non-Gazetted Officers.

- (i) Interest-bearing advances of comparatively small magnitude recoverable in less than 60 instalments (e.g. Cycle Advance, Warm Clothing Advance, Mosquito Net Advance etc.)
- (ii) Interest-free advances of comparatively small magnitude recoverable in less than 60 monthly instalments (e.g. advances of Pay and T.A., Festival Advance, Onam Advance etc.)

Each register should contain full particulars regarding drawals, recoveries and transfers. The amount of advance drawn in a bill date of encashment

*Addition [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

and the voucher number, the name of treasury and the names of the individual officers to whom the advances drawn were paid should be entered in the register in respect of each debit item. When fresh debits are received through last pay certificates that should also be entered in the register giving full particulars of the transfer. The recoveries effected every month should be noted against the concerned individuals in the relevant monthly columns giving reference to the bill in which the recoveries were effected. When a person to whom advance was paid is transferred to another office, the particulars of the transfer should be noted in the registers and his outstanding dues clearly indicated in the last pay certificate issued to him.]

A. ADVANCES FOR THE PURCHASE OF MOTOR CONVEYANCES

(i) General

- 240.** No authority subordinate to the Government has power to sanction any advance for the purchase of motor conveyance.

Procedure for Sanction

- 241.** Every application for an advance, *[from Gazetted Officers] unless otherwise directed by Government, should be referred to the Accountant General for remarks as to whether the grant of the advance would involve any departure from the ordinary rules and what amounts, if any, are outstanding against the applicant on account of advances of all kinds. *[The applications from Non-Gazetted Officers shall be verified by the Heads of Officers/Departments concerned. Date of effect 4-8-1980.] The sanctioning authority should specify in the sanction order a date by which the advance should be drawn, which should be within one month of the date of the order sanctioning it and in any case not later than the close of the current financial year in which it was sanctioned. If the advance is not drawn within this period, the sanction will lapse.

*Insertion C.S.No.11/80 [G.O.(P) No. 777/80/Fin., Dated 21/10/1980] w.e.f. 04/08/1980.

(ii) Advances for the Purchase of a Motor Car

242. These advances are sanctioned subject to the provisions of Articles 239, 240 and 241 and the following rules:—

- (a) *Eligibility of Government servants for an advance.*— A Government servant is not eligible for an advance unless the Government consider that it is desirable in the interest of the public service that he should use a motor car in the discharge of his duties.

Only Government servants drawing a pay of not less than ** 2,640 with effect from 1-4-1990 per mensem and holding posts which entail duties involving touring or to whom the Government have granted a conveyance allowance for the maintenance of a motor car for the discharge of their duties are eligible for the advance. # But those officers having less than two years of service for superannuation on the date of receipt of application in the Finance Department will not be eligible for Motor Car Advance.

Note:— For the purposes of these rules, Officers who have to move about frequently within the limits of the Trivandrum City may be regarded as touring officers.

- (b) *Conditions under which an advance is granted.*— The grant of an advance is subject to the following conditions:—

- (1) A Government servant is not eligible for an advance on account of a motor car which he has already taken delivery unless the application is made within three months from the date of purchase of the conveyance.

Note:— If a Government servant on duty who has applied for an advance from the Government has a favourable opportunity for buying a suitable car he may take delivery of it on payment of the whole or

**Substitution C.S.No.4/92 [G.O.(P) No. 1082/92/Fin., Dated 18/12/1992]

#Added C.S.No.2/93 [G.O.(P) No. 124/93/Fin., Dated 27/02/1993]

any portion of its purchase price, to be recouped later from the advance already applied for, if and when the Government sanction it.

- (2)[†] [The amount to be advanced to an officer shall not exceed * 40,000 (Rupees Forty thousand only) with effect from 1-4-1983 or 20 months substantive pay or the amount applied for, or the anticipated price of the car, whichever is least.] Government may, however, base the amount at their discretion on the officiating pay, instead of substantive pay, when an officer is acting in an appointment or in a grade from length of time during the period of repayment. If the actual price paid is less than the advance taken, the balance should be refunded to Government forthwith.

Pay in respect of provisional appointments may be treated as officiating pay for this purpose and taken into account for calculating the eligible amount of advance, provided such appointments have been continuing for a period of twelve months and where Government consider that there is little chance of the officer being reverted to a lower post.

Note 1:— The term actual price includes the price of such items which have necessarily to be purchased along with the motor conveyance (or in other words, on the purchase of which the purchaser has no choice), e.g., spare wheel, tyre and tube, pillion seat in a scooter. Where, however, certain accessories (e.g., radio in a car, plastic covers) are purchased which are not essential and which the customer purchases of his own volition, the term 'actual price' will not cover their cost. Insurance and registration charges which are incurred for running the motor vehicle cannot be included in the actual price of the vehicle.

[†] Substitution C.S.No.2/81 [G.O.(P) No. 560/81/Fin., Dated 29/8/1981] w.e.f. 1/4/1981

* Substitution C.S.No.5/87 [G.O.(P) No. 539/87/Fin., Dated 20/06/1987]

Note 2:— Special pay treated as coming under class II of Appendix IV, Kerala Service Rules will also be taken into account for fixing the eligibility of an officer, provided the officer is likely to draw the special pay during the period of repayment of the advance.

Note 3:— D.P. will be reckoned for the purpose of calculating the amount of advance admissible under these rules.

- (3) When the Government sanction an advance to a Government servant who is on leave or is about to proceed on leave, the advance may be drawn at any time during the currency of the leave if he receives intimation regarding the availability of the conveyance while he is on leave. If in any such case the restriction in Article 241 operates the sanction order may be renewed.
- (4) Except when an officer proceeds on leave for a period of four months and over or retires from service, or is transferred to an appointment the duties of which do not render the possession of a motor car necessary, he may not without the Government's previous sanction, sell a car purchased with the aid of an advance which, with the interest on it in accordance with Article 239 (3) and (4) has not been fully repaid. If a Government servant wishes to transfer such a car to another Government servant who performs duties of a kind that renders the possession of the conveyance necessary the Government may permit the transfer of the liability attaching to the car to the latter Government servant, provided that he records a declaration that he is aware that the conveyance transferred to him remains subject to the mortgage bond and that he is bound by its terms and provisions.
- (5) Whenever a Government servant sells a car before completing the repayment of an advance received from the Government for its purchase with the interest on it in accordance with Article 239 (3) and (4), he should apply the sale proceeds so far as may be

necessary, towards the repayment of the outstanding balance due to the Government. If, however, the borrower sells the car only in order to purchase another car the Government may permit him to apply the sale proceeds towards such purchase subject to the following conditions:—

- (i) If the amount outstanding exceeds the cost of the new car, the Government servant should repay the excess to the Government immediately.
 - (ii) the Government servant should continue to repay the amount outstanding by the monthly instalments already fixed; and
 - (iii) the new car should be insured or mortgaged to the Government as required by these rules. The mortgage bond need be only for the outstanding balance due under the original mortgage and should be executed in Form No. 27A.
- (6) If on sale of a motor car as contemplated in clause 5 above, a Government employee is in actual need of a second advance for the purchase of a new car and applies for it, he may be given an additional advance for the purchase subject to the following conditions:—
- (i) The second advance will be restricted to the excess of the price of the newly purchased car over the sale proceeds of the old car provided the second advance plus the balance outstanding in respect of the original advance previously granted should not exceed the price of the newly purchased car and the limits prescribed in clause (2) above.
 - (ii) The Government servant should continue to repay the amount outstanding under the original advance plus the amount of the second advance in monthly instalments at the rates fixed by the Government.

- (iii) The new car should be insured and mortgaged to the Government as required by these rules.
- (iv) The mortgage bond should be for the amount outstanding under the original mortgage plus the amount of the second advance and should be executed in Form No. 27B.

Note:— The officers applying for second advance should state in the loan application the probable price of the car proposed to be purchased, probable amount by way of sale proceeds of the car purchased with the earlier advance and the balance amount required to purchase the new car.

- (7) *An officer who has taken an advance will be entitled to a fresh advance only after the lapse of **fifteen years from the date of drawal of the previous advance and the previous advance is fully repaid with interest. Applications for second advances should be sent through the Accountant General who will forward them to Government with a certificate that the previous advance has been fully adjusted.
- (8) An officer drawing the advance is liable to pay penal interest at 2.5 per cent over and above the usual rate of interest on the balance of the principal amount outstanding from time to time from the due date of execution of the bond till the date of its final execution, if he fails to execute the mortgage deed within the prescribed period, viz., one month from the date of drawal of the advance. Government reserve the right to exempt the loanees from the operation of the penal clause if they are able to show that the delay for the execution of the bond is occasioned by circumstances beyond their control. Penal interest at 2.5 per cent over and above the usual rate of interest

* C.S.No.3/92 [G.O.(P) No. 959/1992/Fin., Dated 18/11/1992] (w.e.f.01/04/1992)

will also be levied in cases of belated/defaulted repayment of the monthly instalment of the principal and/or interest.

- (9) If an officer who has taken the advance dies while in service before the final settlement of the advance, no interest will be recoverable on the principal amount of outstanding advance proposed to be adjusted from the insurance amount and/or gratuity for any period beyond the date of death of the loanee. The amounts due on the insurance policy/policies assigned in favour of Government and the gratuity should be realised and adjusted to the extent necessary for the final settlement of the advance amount as early as possible after the death of the officer who has taken the advance.
- (10) (i) The date of drawal of advance will be the date of issue of cheques when payment of the conveyance advance is made by personal cheque and the date of actual drawal or disbursement in the other cases of Gazetted Officers/Non-Gazetted Officers. To enable the Audit Officer to know the month from which the recovery should start, the Head of Office should invariably intimate the date of such disbursement promptly to the concerned audit officer. It should also be ensured that the time-lag between the date of drawal of a cheque and its disbursement by the Head of Office is reduced to the minimum.
- (ii) The period of one month laid down in the rule will be a calendar month from the date of drawal of the advance.
- (iii) When the period of one month provided under the rules is extended by competent authority the penal interest will be charged with effect from the date following that on which the extended period expires.
- (11) Every Government servant who applies for an advance should forward along with his application an agreement executed by him in the

prescribed form. If the advance is granted, he should execute a mortgage bond in the prescribed form after buying the car and should also insure the car against full loss by fire, theft or accident.

(c) *Repayment.*— (1) Particulars of repayment of the advance will be determined by the sanctioning authority in the manner specified under the rules and will be indicated in the order sanctioning the loan. Ordinarily the whole amount of principal shall be recovered in †144 monthly instalments with effect from 1-4-1983 and interest as indicated in sub-rule (4) of Article 239.

(2) In cases where the recovery could not be effected in †144 monthly instalments with effect from 1-4-1983 before the normal date of retirement the rate of recovery may be so fixed as to effect recovery at the normal rate till the date of retirement of the loanee, the balance being recovered in the lump from the death-cum-retirement gratuity admissible to him at the time of retirement subject, however, to the following:—

- (i) that he agree to the incorporation of a suitable clause in the prescribed agreement and the mortgage deed to the effect that the Government shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death preceding retirement from the whole or any specified part of the gratuity that may be admissible to him, and
- (ii) that he has not availed himself of and will not be availing himself of this facility in respect of house construction advance taken or to be taken by him.

Note:— Calculation of death-cum-retirement gratuity will be as provided in rules in K.S.R.

† Substitution C.S.No.5/87 [G.O.(P) No. 539/87/Fin., Dated 20/06/1987]

(d) *Procedure*.— (1) A Government servant who is eligible for and requires an advance should submit his application in Form 25A.

(2) *If the application is in order, the Head of the Department should certify #[that this has been verified and found correct] and forward it to the Government in the Finance Department through the Accountant General, who will certify as to whether the grant of the advance would involve any departure from the ordinary rules, etc., (See Article 241). If for any reason, the sanctioning authority has to return the application for correction, the Government servant should re-submit the revised application through the Head of the Department, who should certify as to its correctness and through the Accountant General, who will again certify as to whether the grant of the advance would involve any departure from the ordinary rules etc. @The applicant eligible for the advance should submit an agreement executed by him in Form 26, when the advance is sanctioned.

**Note 1*.— In the case of application from Members of Board of Revenue and Secretaries to Government, the authority competent to furnish the verification certificate will be the Special Secretary to Government in the General Administration Department.

(3) A Government servant who draws an advance should pay finally for, and take delivery of the car within one month from the date of drawing the advance; otherwise he should repay to the Government at once the full amount of the advance drawn with interest on it for one month. If he completes the transaction within one month allowed, he should then immediately execute a mortgage bond in Form 27 hypothecating the car to the Government as the security for the advance. He should enter the actual price paid for the car in the schedule attached to the

*Substitution C.S.No.2/92 [G.O.(P) No. 387/92/Fin., Dated 05/05/1992]

#Substitution [G.O.(P) No. 627/79/Fin., Dated 19/7/1979]

@Added C.S.No.2/92 [G.O.(P) No. 387/92/Fin., Dated 05/05/1992]

bond. The sanctioning authority should see that the borrower completes the transaction within the time allowed or makes the necessary repayment immediately on its expiry. If he duly completes the transaction in time, the sanctioning authority should see that he immediately submits the necessary mortgage bond duly executed and should transmit it promptly to the Accountant General for scrutiny. It should after such scrutiny be forwarded to the Head of the Department or the District Treasury Officer, as the case may be, for custody. When the advance had been fully repaid, the bond should be returned to the Government servant concerned, duly cancelled, after obtaining a certificate from the Accountant General as to the complete repayment of the advance and interest.

Note 1:— The stamp duty on account of execution of the mortgage bond will be borne by the Government.

Note 2:— The advance should be drawn only after the Government servant concerned has received a written assurance from the motor car dealer that the supply is likely to be available within a month and a certificate to this effect should also be recorded on the bill for the advance. In the event of any delay in supply despite the written assurance given by the dealer, the Government servant should apply within the permissible period of one month for extension of the time limit for taking delivery of the car, supported by a letter from the dealer indicating the probable period of supply and seek permission for retaining the advance amount for that period. The requests will be considered by Government on the merits of each case.

Note 3:— A State Government servant who is sent on deputation exceeding 12 months out of India before an advance drawn by him for the purchase of a Motor Car is completely repaid by him, may at his option, be allowed by Government to repay the remaining instalments in rupees in

India. The Government servant should arrange to remit the amount due by bank draft by the 15th, of every month in favour of the Accountant General, Kerala. A second mortgage deed shall be obtained from the Government servant to this effect in Form 27C and the office to which he is attached abroad informed accordingly. If the bank draft is not received by the Accountant General before the end of the month, he would immediately report the matter to Government in the Finance Department and also to the office abroad where the Government servant is working, for further necessary action. Failure on the part of the Government servant to remit the bank draft by the due date will render him liable to pay penal interest in accordance with the provisions in these rules, and on return of the officer, any amount left unrecovered will be deducted as before from his monthly pay bills by the Accountant General.

- (4) The mortgage bond to be executed by a Government servant who draws an advance provides that he shall keep the car insured against full loss or damage by fire, theft or accident. He should effect the necessary insurance within one month from the date of purchase of the car or within one month from the date of drawal of the advance whichever is later. The insurance in such cases should be arranged with the Kerala State Government Insurance Department.

Form of the clause to be inserted in policies is as follows:-

“It is hereby declared and agreed that the Insured’s.....
is pledged to the Governor of the State of Kerala (hereinafter referred to as the pledgee); and it is further declared and agreed that the said pledgee is interested in any money which but for this endorsement would be payable to the insured under this policy in respect of the loss or damage to the said
*.....(which loss or damage is not made good by

*Insert “Motor Car”, “Scooter”, “Motor Cycle”, as appropriate.

repair, reinstatement or replacement) and such money shall be paid to the said pledgee as long as they are the pledgee of theand their receipt shall be full and final discharge to the Government in respect of such loss or damage.

Save by this Endorsement expressly agreed nothing herein shall modify or affect the rights or liabilities of the Insured or the Government respectively under or in connection with this policy or any term, provision of condition thereof.”

The Government servant should also send direct to the Accountant General the insurance cover notes or the insurance policies. The Accountant General will bring to the notice of Government any case in which the insurance has not been effected within the period specified above. If the borrower fails to insure the car within the prescribed period, he should refund the whole of the advance with the interest that has accrued on it unless good reason is shown to the contrary. The amount for which the car is insured during any period should not be less than the outstanding balance of the advance with the interest that has accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If at any time and for any reason the amount for which the car is actually insured is less than the outstanding balance of the advance including the interest that has already accrued, the Government servant should refund the difference to the Government in not more than three monthly instalments.

The Accountant General should, whenever the policy is about to fall due for renewal, so long as any amount remains outstanding on account of the advance, require the borrower to produce his receipt for the renewal premium on each such occasion before the date on which the policy is due for renewal, and should scrutinise it to see that it is in order.

- (5) All motor conveyances purchased with the advance sanctioned by Government should be compulsorily insured with the State Insurance Department.

- (6) Officers who have been granted advances for the purchase of conveyances should furnish the prescribed securities within two months from the date of issue of the authority for payment of the advance. If the documents are not furnished to the Accountant General and finally accepted by him within a period of two months, the Accountant General may order recovery of the advance in a lump.
- (e) *Advances to Government servants on Foreign Service.*— When a Government servant who is on foreign service requires an advance for the purchase of a motor car he should apply to the foreign employer to grant it from its funds. If the foreign employer wishes to grant the advance, he should apply to the Government for their sanction. If the Government accord their sanction, it will be subject to the proviso that the advance by the foreign employer shall be regulated by the same conditions as would apply to an advance by the Government. In special cases, however, where an Officer's services have been lent to a local body or statutory corporation or industrial or commercial corporation or a company owned by Government or in which Government have controlling interest, whose financial position will not permit of the advance being made from its funds, the Government may, at their discretion sanction advances from the State Funds under these rules provided the officer's duties are such as to render the possession of a motor car a practical necessity.

**(iii) Advances for the purchase of motor cycles/ scooters —
Eligibility of Government servants for an advance**

243. Article 242 applies *mutatis mutandis* to advance for the purchase of a motor cycle/scooter subject to the following modifications :-

- (a) A Government servant is eligible for an advance if he is included in one of the following classes.
- (i) Government servants who are eligible for an advance for the purchase of a motor car under Article 242 if they prefer to take an advance for the purchase of a motor cycle/scooter; and

(ii) Government servants drawing a pay of not less than * 1220 with effect from 1-4-1990 per mensem and holding posts which entail duties involving touring or to whom the Government have granted a conveyance allowance for the maintenance of a motor cycle/scooter for the discharge of their duties.

#(iii) A physically (orthopaedically) handicapped Government servant whose basic pay is not less than @ 740 p.m.

Note 1.— The application for the advances should be supported by a Medical Certificate from an Orthopaedic Surgeon of a Government Hospital that a Motor Cycle/Scooter will be of great help to the applicant and that the applicant will be able to drive the vehicle in spite of his handicap.

Note 2.— The maximum number of instalments of repayments of the advance will be 100.

(b) † [The maximum amount of advance admissible for the purchase of any type of motor cycle/scooter will be ! 6,000 ^ (Rupees six thousand only) with effect from 1-4-1983, or 15 months' pay of the applicant or the amount applied for or the anticipated price of the vehicle, whichever is least.]

The whole amount of principal shall be recovered in ! 96 monthly instalments with effect from 1-4-1983, and interest as indicated in subrule (4) of Article 239.

*Substitution C.S.No.4/92 [G.O.(P) No. 1082/92/Fin., Dated 18/12/1992]

#Substitution C.S.No.1/88 [G.O.(P) No. 144/88/Fin., Dated 22/02/1988]

@ [G.O.(P) No. 1675/99/Fin., Dated 03/08/1999]

† Substitution C.S.No.2/81 [G.O.(P) No. 560/81/Fin., Dated 29-08-1981]

! Substitution C.S.No.5/87 [G.O.(P) No. 539/87/Fin., Dated 20-06-1987]

^ See [G.O.(P) No. 3000/98/Fin., Dated 25-11-1998]

B. HOUSE BUILDING ADVANCE TO GOVERNMENT SERVANTS**Different Kinds of Advances included under this Head**

244. Under the sanction of the Government or other competent authority to whom the power under this article is delegated advances may be made to an officer/officers (on joint salary basis) in pensionable service towards the following purposes :-

- (1) Construction of a house for personal residence.
- (2) Purchase of a site and for the construction of a house thereon for personal residence.
- (3) Purchase of site with house for personal residence.
- (4) Purchase of site with house for personal residence and repairs thereto.
- (5) Repairs to own house to make it habitable.
- (6) Completion of construction of a house already taken up or to extend a house to make it sufficiently accommodative.

Eligibility of Government Servants for Advance

244A. The following Government employees will be eligible for the advance:—

1. All officers having substantive appointment in pensionable service.
2. A Government employee without a substantive appointment who has put in a continuous service of not less than five years, subject to the following conditions :—
 - (i) The Head of Department concerned should certify to the effect that the applicant is not likely to be thrown out of service and that he is likely to be confirmed. The certificate should be in Form 37.

- (ii) The maximum amount of advance admissible in such cases should be calculated on to the basis of the officiating pay of the post in which the incumbent is likely to continue.
3. A Government employee whose services are lent on foreign service conditions institutions having statutory existence like the Kerala State Electricity Board, the University, the Finance Corporation and other commercial concerns and institutions owned or sponsored by Government provided the institutions concerned guarantee repayment during the period such employee is retained by them.
 4. Advances will also be given to officers of All India Services and to the State Government Officers to purchase or build or extend or repair houses outside the State.

Note 1:— It has been agreed that the State within whose jurisdiction the house is constructed will act as an agent for the State granting the advance on a reciprocal basis and

- (a) examine the correctness of the title deeds;
- (b) watch the progress of construction; and
- (c) enforce mortgage proceedings in case of default in the observance of the conditions on which the loan has been granted.

In the case of State Government Officers advances will be given only in cases where the house to be purchased or constructed or repaired or extended is within the States of Tamil Nadu and Karnataka.

Note 2:— The cost of verification of title deeds in other States, if any, will be borne by the member of the All India Services or other State Government Officer as the case may be.

244B. Authority Competent to Sanction the Advance

<i>Authority competent to sanction the advance</i>	<i>Category of applicants for whom advances can be sanctioned</i>
<ol style="list-style-type: none"> 1. Government in the Finance Department 	<ol style="list-style-type: none"> 1. Applications from the All India Service Officers. 2. Applications from the Heads of Departments. 3. Joint applications of employees serving in different departments. 4. Cases involving relaxation of rules or standing orders on the subject. 5. Advance to N.G.Os coming under the categories mentioned under article 244A sub-clause (4)
<ol style="list-style-type: none"> 2. Heads of Departments and District Collectors, 3. Joint Secretary (Accounts) Public Department, 4. Secretary to Government, Law Department 5. Secretary to Government, Legislative Department 	<p style="text-align: center;">} All other cases under their respective administrative control.</p>

CONDITIONS UNDER WHICH ADVANCE IS SANCTIONED**SECTION A****General**

244C. (i) Advances for the purposes mentioned as items 1 to 4 under article 244 will not be sanctioned to a Government servant(s) who own(s) a house anywhere in the country either in his/her/their name(s) or in the name of his wife/her husband/their minor children *and to those having less than two years of service for superannuation on the date of sanctioning.

While applying for the advance the applicant (s) should make a declaration in the following form in the application.

“I/We do not already own a house anywhere in the country either in my name/our names or in the name of my wife/husband or in the name of my/our minor children.”

Note.— Government may relax this provision in exceptional cases where they are satisfied that the house proposed to be built is required for the bonafide residence of the applicant and that it will be impossible for the applicant to reside in his existing house for reasons other than of its having already been let out on rent, or being situated at a place other than the place of his work.

- (ii) Loans under more than one housing scheme will not be sanctioned to an applicant/applicants.
- (iii) Not more than two advances will be given to a Government servant(s) during the entire period of his/her/their service.
- (iv) The grant of the second advance is, however, subject to the condition that the Government servant(s) is/are obliged, for reasons beyond control, to dispose of the house constructed or purchased out of the first advance and

*Added C.S.No.3/94 [G.O.(P) No. 437/94/Fin., Dated 17/8/1994]

that the first advance has been completely repaid by deductions from the salary or out of the sale realisation of the house which had to be sold by the Government servant(s), or partly by deductions and partly by sale realisation.

- (v) The Government servant selling the house constructed with the advance from Government should convince Government/the sanctioning authority of the necessity for the same and obtain prior sanction. The whole or balance of the advance outstanding against the Government servant on this account with interest remaining unpaid shall become payable in lump on the date of sale or immediately thereafter.
- (vi) More than one advance shall not be made for the same house and no officer may receive a second advance while any portion of a previous advance (including interest thereon) is outstanding against him except as otherwise provided in these rules.
- (vii) The maximum amount of advance admissible shall not exceed ** 1,00,000 (Rupees One lakh only) or fifty times the basic pay of an officer/officers (on joint salary basis) or the amount applied for whichever is least.

Note 1:— Dearness pay will also be reckoned for the purpose of calculating the maximum amount of advance admissible to an officer under this rule.

Note 2:— The computation of the loan amount on the basis of officiating pay will be made in the case of an officer having substantive appointment, only if the concerned Head of Department, certifies that he is not likely to be reverted to a post having a lower scale of pay during the period of repayment of the loan.

Pay in respect of provisional appointments may be treated as officiating pay for this purpose and taken into account for calculating the eligible amount of advance, provided such appointments have been continuing

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for a period of twelve months and where Government or the sanctioning authority consider(s) that there is little chance of the officer being reverted to a lower post.

- (viii) All such advances must be for bona fide requirements for the purchase of or building suitable houses for the personal residence of the officers concerned and if more is advanced than what is actually expended for the purpose, the surplus shall be refunded to Government. Advance may be made either in one instalment or in instalments as considered desirable.
- (ix) Repayment of the advance shall commence from the first instalment of pay after the expiry of 9 months from the date of disbursement or the date of disbursement of the last instalment, as the case may be or the date of completion of the building whichever is earlier. (This concession is not admissible to those who purchase a built house outright. The recovery in such cases will commence with the first issue of pay after disbursement of the advance.
- (x) Particulars of recoveries to be made from the borrower will be determined by the sanctioning authority in the manner specified under the rules and will be indicated in the order sanctioning the loan. The whole amount of principal and interest shall be recovered in not more than 216 monthly instalments.

In the case of officers who are due to retire before the expiry of the above normal period of recovery, the instalments of repayment should be so fixed that the loan and interest thereon are fully discharged before their retirement. Provided that the recovery of the advance with interest in such cases may be made in convenient monthly instalments (the amount of which should not be less than the amount of monthly instalment on the basis of the full period of repayment admissible under the rules) during the remaining period of his service and provided also that he agrees to the incorporation of a suitable clause in the prescribed agreement and the mortgage deed

to the effect that the Government shall be entitled to recover the balance of the said advance with interest remaining unpaid at the time of his retirement or death preceding retirement, from the whole or any specified part of the gratuity that may be sanctioned to him. Provided further that where a part of the advance or interest is to be wiped off by adjustment from gratuity the amount actually adjusted will be deemed to have been remitted on the date of retirement/death of the loanee, and no interest will accrue on the amount so adjusted beyond the date of retirement/death.

- (xi) Instalments of recoveries will be so fixed as not to contain fractions of a rupee. Fractions of rupee occurring in the calculation of interest will be included in the last instalment of interest.
- (xii) Advances will be recovered at the rate prescribed in clause (x) above or at a higher rate if the officer receiving the advance so desires in writing by compulsory monthly deduction from the bill for the salary or leave allowance of the officer.
- (xiii) Interest will be recovered in one or more instalments, each such instalment being not appreciably greater or less than the instalments by which the principal was recovered. The recovery of interest will commence from the month following that in which the last instalment towards repayment of principal is due. If for any reason interest due cannot be worked out finally, recovery should be made provisionally at the rate fixed for the recovery of the principal.
- (xiv) If for any reason, no salary is drawn by the officer in any month or months, the payment of the usual instalments must nevertheless be made by him. However, during full months of leave without allowance no recovery will be made and the repayment will be postponed to that extent, provided the principal and interest are fully repaid before the officer retires from service.

- (xv) (a) In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance, the house together with the land it standing upon must be mortgaged to Government by whom the mortgage will be released on repayment of the full amount of the advance together with interest thereon.
- (b) The borrower should assign in addition to the land and building any one of the following as collateral security.
- (1) A Life Insurance Policy taken by the loanee in the office branch of the State Insurance Department or in the Life Insurance Corporation of India or in the Postal Insurance for an amount sufficient to cover 25% of the amount of the loan.

Note 1.— The Policy should be absolutely assigned to the Governor of Kerala in Form No. 35. The assignment of policy of Life Insurance will be made by an endorsement in the prescribed form upon the policy itself or by a separate instrument signed by the assignor or his duly authorised agent and attested by at least one witness specifically setting forth the fact of assignment. If the assignment is not made by endorsement on the policy, the assignment will be in the Assignment Deed form prescribed.

Note 2.— In cases where the total value of the house constructed and the property hypothecated to Government alone with it as security for the loan exceeds the amount of the loan outstanding repayment by 100%, the insurance policy/policies pledged to Government as collateral security will be reassigned in Form 52 A in favour of the loanees, on request in writing.

- (2) Gratuity/death-cum-retirement gratuity to the extent of 25% of the loan.

Note 1.— An assignment may be made by a Government servant of his gratuity/death-cum-retirement gratuity in Form 35 A towards payment of the advance to him by Government under the rules. The amount of

gratuity deemed to be available for this purpose would be the amount due to the applicant on the date of his superannuation/at the time of retirement calculated on the basis of the appointment held by the applicant at the time of submitting his application for the grant of the advance. The amount so worked out should be not less than 25% of the advance applied for.

Note 2.— In the case of non-Gazetted Officers the fact of assignment of death-cum-retirement gratuity as collateral security will be recorded in their service books and a certificate to that effect will be attached to the bill claiming the amount of advance. In the case of Gazetted Officers, Heads of Departments concerned will intimate the Accountant-General that the death-cum-retirement gratuity of the officer stands mortgaged to Government and a copy of the communication will be attached to the bill claiming the amount of advance.

- (3) Insurance against fire in the State Insurance Department for a sum not less than the amount of the advance.

Immediately on completion of construction or purchase of the house, and in any case within two months thereafter the Government Officer concerned should insure the house at his own cost with the State Insurance Department for a sum not less than the amount of advance and keep it so insured against damage by fire, flood or lightning till the advance is fully repaid to Government, and keep the policy with the head of Department concerned or the Board of Revenue as the case may be. The premium must be paid regularly and premium receipts produced for inspection by the Head of Department/ the Board of Revenue. They should obtain from the Government Officer drawing the advance, a letter to the State Insurance Department notifying to the latter the fact that the Government are interested in the Insurance policy and forward it to insurer and obtain his acknowledgement. In the case of

insurance effected on annual basis, this process should be repeated every year until the advance is fully repaid to Government. The Head of Department/Board of Revenue should furnish to the Accountant-General an annual certificate that the conditions prescribed in this clause have been fulfilled.

- (c) The borrower should also produce an encumbrance certificate for 12 years in respect of the landed property furnished as security.
- (xvi) The officer must satisfy the sanctioning authority regarding his title to the land upon which the house is or is proposed to be built and in the case of purchase of house or house site, that the proposed vendor has got clear title to the property which has been agreed to be sold to the applicant by the vendor.

Note.— This rule does not preclude the grant of an advance to a person who does not possess proprietary rights on the land upon which he intends to build, provided that the Government are satisfied that the interest which he has in the land is such as to justify the grant of the advance.

- (xvii) An officer quitting or removed from a station where he has built a house, before the whole amount of the advance has been liquidated, will continue to be liable to the deduction of the monthly instalment until the advance is fully repaid, but with the special sanction of the Government he may be allowed to dispose of the house, provided he is thereby enabled to clear off at once the whole amount due, or to transfer it to any officer of his own or higher rank, the further deductions being made from the salary of such an officer.
- (xviii) Applications for advances should be made in Form 29 through the applicant's departmental superior, who will record his opinion as to the necessity of the assistance.

- (xix) The applicant must declare that the amount will be expended only for the purpose for which it is applied for and pledge himself that surplus funds if any will at once be refunded to Government.
- (xx) The grant of advances is always subject to budget provision. If an advance which has been sanctioned has not been disbursed before the close of the financial year in which it is sanctioned the applicant will have to get the sanction renewed in the following year if he still wants the loan.
- (xxi) The loan amount should be utilised for the purpose for which it is granted within a reasonable time not exceeding one year from the date of full disbursement of the loan.
- (xxii) In case the applicant commits breach of any of the conditions under which an advance is sanctioned the entire amount advanced with interest shall become payable in a lump and shall be recoverable under the provisions of the Revenue Recovery Act.
- (xxiii) In the case of advances for purchase of site with house an amount not exceeding 25% of the value of the site with house may also be granted for repairs at the time of the purchase subject to the condition that the overall loan amount does not exceed the maximum amount for which the applicant is eligible at the time of application. The application in such cases should be accompanied by an estimate or repairs duly certified by the Assistant Engineer (Buildings and Roads) having jurisdiction over the area in which the site is situated.
- (xxiv) In the case of advances for the purchase of site with house and repairs thereto the advance will be disbursed in two instalments, the first instalment being equal to the value of the house and site and the second being the balance amount which will be disbursed only after the property is mortgaged to Government.

- (xxv) In the case of mortgage deeds executed by an officer, whether Gazetted or non-gazetted, whether independently or jointly with his/her/wife/husband, towards security for the house construction advance of any of the different kinds sanctioned to him/her/them, the stamp duty chargeable will be entirely remissioned. The remission of stamp duty will be available even when the mortgage deeds are executed by the Government employees jointly with others who are not Government employees.
- (xxvi) The applicant should furnish along with the application for advance a plan of the building proposed to be constructed or purchased by him and a certificate from the Village Officer concerned regarding the location of the site with reference to the nearest road, Survey No., Village and the detailed address of the owners of the adjoining properties. These records may be passed on, duly countersigned by the Head of Office, to the Executive Engineer having jurisdiction over the area in which the site is situated with a request for valuation. They need not be sent to Government along with the application, in cases where Government are competent to sanction the advance. But the Head of the Department should state in his certificate recorded in the application that the certificate from the Village Officer and the plan of the building have been obtained from the applicant (s). In cases where the Head of the Department himself is competent to sanction the advance, he should obtain the records and keep them with him.
- Note.*— Since the purpose of the valuation is only to ensure proper utilisation of the loan amount an approximate valuation by the Public Works Department (Building and Roads Branch) will be sufficient.
- (xxvii) In the last pay certificate granted to officers the original amount of such advance, the amount repaid and the balance remaining due should be specified.

SECTION B**Advances to Officers on Joint Salary basis**

When both husband and wife are individually eligible and jointly apply for assistance to build or acquire a house for their joint residence, advance may be made to both on joint salary basis subject to the following conditions:—

- (i) The total of the officiating pay/substantive pay of the officers will be taken into account for determining the amount of advance admissible subject the maximum limit of 100,000.
- (ii) The disbursement of the amount will be made on joint receipt signed by both the applicants.
- (iii) The husband and wife will be jointly and severally liable for the repayment of the advance with interest. The bond/agreement for securing the advance should be jointly executed by them.
- (iv) Separate assignment deed is necessary in case the wife/husband also assigns her/his policy.
- (v) Joint policies issued in the name of both husband and wife will also be accepted as security for advance.
- (vi) For the purpose of monthly recoveries/repayments the advance amount will be split into two portions in proportion to their respective officiating/substantive pay and recoveries/ repayments effected accordingly.
- (vii) Subject to the above, the general principles of Section A will be applicable.

SECTION C**Advances to Officer/Officers to whom a plot of land is allotted by the Kerala State Housing Board**

Advances may be sanctioned to an officer/officers on joint salary basis for construction of house on plots of land allotted by the Kerala State Housing

Board, Trivandrum for purchase of land allotted by the Board and for construction of house thereon on land with houses allotted by the Board.

The general principles and conditions in Sections A and B will be applicable in addition to the following:—

1. In case the Kerala State Housing Board will execute the sale deed in favour of the applicant only after the construction of the building is completed and if for that reason, it is not possible for the applicant to mortgage the property to Government before the amount of advance is drawn, the amount of advance will be paid to the applicant in one lump:
 - (a) after assigning the insurance policies in favour of Government as laid down in the rules.
 - (b) after obtaining a plan of the proposed building approved by the Kerala State Housing Board and
 - (c) after obtaining an agreement from the loanee in Form 37A.
2. The building should be constructed within one year from the date of disbursement of the advance.

SECTION D

Additional Advances

1. (a) An additional advance may, however, be sanctioned to an officer/officers on joint salary basis who has/have already availed of an advance provided that the aggregate of the original and additional advances does not exceed the maximum amount he/she was/they were eligible for on the basis of his/her/their pay at the time the original advance was sanctioned subject to the following conditions:—
 - (1) A certificate from an officer of the Public Works Department (Roads and Buildings) not lower in rank than that of an Assistant Engineer who is having jurisdiction over the area in which the house is situated

that the site with the construction already there on is worth the amount already sanctioned to the officer, specifying also the actual value of the construction (structure) is furnished along with the application.

- (2) The application should be submitted within one year from the date of disbursement of the original loan.
 - (3) The additional advance thus granted will be treated as a part of the original loan.
 - (4) The recovery of the additional advance will commence immediately on the expiry of six months from the month in which the additional loan is disbursed, the entire amount (including the additional advance) being recovered with interest within the period fixed for the repayment of the original loan.
 - (5) As the property would have already been mortgaged to the Government in consideration of the original advance the amount of additional loan will be disbursed only on executing a document creating a second mortgage on the equity of redemption in the form prescribed by the Government.
- (b) *Such additional advance shall not exceed ten times the basic pay of the officer or 20,000 whichever is less and will be allowed over and above the overall ceiling of 1,00,000 subject to the following conditions:—
- (1) The additional advance will be granted only if applications in Form 30 for such advances are submitted within one year from the date of drawal of the original advance.
 - (2) The pay/salary of the applicant at the time of applying for the additional advance will be taken into consideration for reckoning the amount of advance.

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- (3) A certificate shall be produced from the Executive Engineer (Buildings and Roads) having territorial jurisdiction over the area to the effect that on account of non-completion of essential items of work the house is not fit for occupation and that the amount is required for bona fide completion of the house. In cases where the estimated value of the house (including the anticipated cost of completion of essential items of work) does not exceed 20,000 the certificate may be from the Assistant Engineer, having territorial jurisdiction over the area.
- (4) The Additional advance thus granted will be treated as a part of the original advance.
- (5) In cases where the repayment of advance already sanctioned has commenced, the recovery of the additional advance will commence with the salary for the month, next to that in which the additional loan is disbursed provided the entire amount (including additional advance) is repaid with interest within the period fixed for the repayment of the original advance. In other cases, the repayment will commence along with that of the advance already sanctioned.
- (6) As the property would have already been mortgaged to Government in consideration of the original advance/advances, the amount of the additional advance will be disbursed only on the Government servant executing a document creating a second or third, mortgage, as the case may be, on the equity of redemption.
- (7) In the case of applications on joint salary basis for additional advance for completion of house constructed with the assistance sanctioned to any one of them the amount for which the new applicant is eligible will be calculated on the basis of his/her salary at the time of verification of the joint application.

The disbursement of the amount will be made on joint receipt signed by both of them.

- (8) Subsequent refixation of pay sanctioned to an applicant with retrospective effect will be taken into account for calculating the eligibility for additional advance.
- (c) If the insurance policies already assigned in consideration of the original advances, do not cover 25% of the aggregate amount of the original and additional advances, fresh policy should be offered as collateral security in the case of application for additional advance and value of the new policy plus that of the policies already assigned should cover 25% of the total amount of the advance.
- (d) In cases where additional advances are sanctioned for construction of houses on plots of land allotted by the Kerala State Housing Board the amount of additional advance will be paid after executing a further agreement in Form 37B.
- (e) In cases of adjustment of a portion of the advance sanctioned for construction of a building in a plot allotted by the Kerala State Housing Board against the Death-cum-retirement Gratuity payable to the officer he has to execute a further agreement in the Form 37C over and above the agreement/agreements in Form 37A/37B.
- (f) In the case of additional advances applied for completion of construction of house or for repairs, a further encumbrance certificate supplementary to the one already furnished for the original loan, need not be insisted on, as the land with building stands mortgaged to Government.
- (g) Subject to the above, the general principles in Section A, B and C will be applicable.
- II. (a) An advance may be made to an officer to enable him to effect repairs to his own house which are required to make it habitable where such repairs are not in the nature of ordinary repairs and which involve an outlay large in comparison with the value of the house.

- (b) *Such advances shall not exceed Ten times the basic pay of the officer to whom it is made subject to a maximum of 20,000 or the amount required for the work whichever is less.
- (c) Such advances may be made to an officer to repair a house which he has built or purchased with a previous advance but unless the Government otherwise permit at least five years should elapse since the previous advance was drawn.
- (d) Subject to the above, the general principles of Sections A to D (I) will be applicable.

Note:—The application for the advance should be supported by an estimate certified by the officer mentioned in clause III (2) below.

- III. (1) (a) An advance may be made to an officer to enable him to complete the construction of a house already taken up or to extend a house to make it sufficiently accommodative, provided that in the case of an officer who had availed of an advance under sections A to D1 the advance should be limited for the purpose of extension only and a period of at least 5 years should have elapsed from the date of drawal of the previous advance and
 - (b) In the case of an officer who had availed of an advance under section DII the advance should be limited for the purpose of extension only and a period of one year should have elapsed from the date of drawal of the previous advance.
- (2) Such advance shall not exceed *15 times the basic pay of the officer to whom it is made subject to a maximum of 30,000 or the amount required for the work according to a certificate from an Engineer not lower in rank than that of an Assistant Engineer of the Public Works Department (Buildings and Roads)

*Substitution C.S.No.1/92 [G.O.(P) No. 243/92/Fin., Dated 17/3/1992]

and having jurisdiction over the area in which the house is situated, whichever is the least.

- (3) Each such application should be accompanied by an estimate certified by the officer mentioned in clause (2) above.
- (4) For the purpose of repayment, the advance under this section will be treated as a separate advance, quite independent of the advance already drawn under section A to D I or D II subject, however, to the General Principles in Article 244 C.

RULES REGULATING CALCULATION OF INTEREST AND DEATH-CUM-RETIREMENT GRATUITY

1. CALCULATION OF INTEREST

244D. (1) (a) Interest shall be calculated for each month on the outstanding balance at the end of that month at the rate prescribed by Government from time to time. The rate to be applied will be that prevalent on the date on which the advance is drawn. The rates of interest as applicable from time to time are as given below:

Normal rate of simple interest per annum Period current

5%	upto 22-10-1964
5 ½ %	from 23-10-1964
5 ¾ %	from 01-04-1969
6%	from 01-04-1974
9%	from 01-04-1982

- (b) For the calculation of interest periods of half a month and over will be treated as one month and less than half a month as half a month.
- (c) If the loanee dies while in service before the final settlement of the loan account, no interest will be recoverable on the principal amount of outstanding advance proposed to be adjusted from the insurance amount and gratuity

for any period beyond the date of death of the loanee. The amounts due on the insurance policy/policies assigned in favour of Government and the gratuity should be realised and adjusted to the extent necessary for the final settlement of the loan account as early as possible, after the death of the loanee.

2. LEVY OF PENAL INTEREST

Penal interest at 2.5% (Two and a half per cent) over and above the normal rate of interest will be levied in respect of over-due instalments of interest or principal and interest outstanding from time to time in cases where there is any default, violation or breach of all or any of the provisions contained in these rules and/or in the original or supplementary mortgage deeds or any other documents executed in pursuance of these rules and also in the following cases of non-compliance with the requirement of rules:

- (i) Retention of the loan amount unutilised by the loanee beyond the normal admissible periods.
- (ii) Retention of sale proceeds of house site/site with house purchased with Government loan beyond the normal admissible period.
- (iii) Non-utilisation of loan for the purpose for which it was sanctioned even when the loan is repaid to Government in lump within the normal permissible date.
- (iv) Delay in the execution of the mortgage bond after purchase of housesite/ house and site.
- (v) Delay in the production of utilisation certificate as well as completion certificate.
- (vi) Non-compliance with the requirement of other rules relating to house construction advance.

3. CALCULATION OF DEATH-CUM-RETIREMENT GRATUITY

The Head of Department concerned and the Secretary, Board of Revenue in the case of Heads of Departments shall work out roughly the gratuity/death-cum-retirement gratuity payable to the officer under the service rules applicable to him as well as the principal and interest that would be outstanding recovery on the normal date of retirement of the applicant. The basis for working out the gratuity/death-cum-retirement gratuity will be the appointment held by the applicant at the time of submitting the application. For purposes of calculating the death-cum-retirement gratuity adjustable towards the outstanding advance amount and interest the pay that will be taken into account is such pay including dearness pay as he would be eligible for at the time of retirement had he continued in the same appointment. For the purpose of calculating the principal and interest, it will be assumed that the Government servant can generally commence repayment of the advance one year after the date of application of the advance if it is for purchase of site and/or construction of a building and six months after date of application if it is for outright purchase of a built house. All such applications from Gazetted Officers should be routed to Government through the Accountant General. The actual amount to be sanctioned and that to be adjusted from gratuity/death-cum-retirement gratuity as also the amount to be recovered in monthly instalments will be determined by the sanctioning authority in the manner specified under the rules and will be indicated in the order sanctioning the loan.

Note 1:— The applicant should furnish a declaration in the application form that he agrees to adjust a portion of the advance (amount to be specified) from the gratuity/death-cum-retirement gratuity admissible to him.

Note 2:— The Heads of Departments/Secretary, Board of Revenue should certify in the application form “that the amount of gratuity/death-cum-retirement gratuity due to the applicant on the date of his

superannuation/at the time of retirement calculated on the basis of the appointment held by the applicant at the time of submitting the application is estimated to be and that the applicant is governed by K.S.R./A.I.S. Rules”.

RULES REGARDING THE PROCEDURE ON RECEIPT OF APPLICATIONS

244E. (i) Except in the case of advances requiring sanction of the Government in the Finance Department application from non-gazetted officers for advance shall be submitted through the Head of Office concerned who will forward it to the authority competent to sanction it. In the case of advance requiring sanction of the Government in the Finance Department, application for advance shall be submitted through the Head of the Department concerned who will forward it to the Government in the Finance Department direct in the case of Non-gazetted Officers and through the Accountant General in the case of Gazetted Officers. The Head of the Department will forward along with the application certificate in Form 37. He shall satisfy himself as to the sufficiency of the security offered in each case and shall while forwarding the application record his opinion as to the extent of the amount that may be advanced without risk to Government. When the applicant is himself the Head of a Department, he shall forward the application to the Accountant General through the Board of Revenue who shall certify as to the sufficiency of the security offered. Application for cancellation of loans already sanctioned shall likewise be forwarded to the sanctioning authority through the Accountant General in all cases. Applications shall be received by the Accountant General only till the end of December each year.

Note 1:— The procedure to be followed in the case of applications of the Heads of Departments will also apply to those of the Secretaries to Government including the Chief Secretary, Additional Secretaries and Joint Secretaries, Registrar of High Court and the Secretary to the Kerala Public Service Commission.

Note 2:— The Head of the Department will record his opinion as to the sufficiency of the security on the basis of the valuation made by the Revenue Department in the case of advances for purchase of site. If the advance is for the construction of a house, it should be got valued by the Public Works Department on completion. References for valuation to the Public Works Department may be made to the Executive Engineer (Buildings and Roads) and those to the Revenue Department to the District Collector concerned.

Note 3:— In the case of applications for purchase of site with building the Head of the office or Department, as the case may be, will forward the applications to the sanctioning authority without the certificate of sufficiency of security, but take action simultaneously to get the property valued by the Public Works Department and the Revenue Department. He will obtain and file the certificate of valuation and inform the Accountant General accordingly before the time fixed for mortgaging the property expires. If the value fixed by the Public Works Department and the Revenue Department together falls short of the loan amount, excess will be recovered from the applicant immediately in a lump.

- (ii) On sanctioning the loan or on receipt of Government orders sanctioning the loan, the disbursing authority concerned should get the security bond executed and obtain all the documents specified by Government Pleader in support of the clear title certificate. He should then arrange for all these documents being kept under safe custody along with the mortgage deed. In the case of the loans granted to the Heads of Departments, all these documents should be transmitted to the Principal Sub-treasury, Trivandrum by the Secretary, Board of Revenue, for safe custody. The details of the documents obtained should be noted on the right hand side of the Register of Advances to Government Employees for buildings repairing or purchasing houses (Form 38) and attested by the Head of the Department/the Secretary, Board of Revenue as the case may be.

The Head of Department or the Secretary, Board of Revenue, as the case may be, will be held personally responsible in the matter of keeping the documents under safe custody. He can, however, nominate the Chief Ministerial Officer or the Superintendent-in-charge of Establishment Section/ the Sub Treasury Officer, Principal Sub Treasury, Trivandrum to assist him in this matter. The documents pertaining to each loan should be kept in one cover or folder with a label on the outside giving details of the contents. An annual verification of the documents should also be made and the fact recorded in the register.

The Head of Department or the Secretary, Board of Revenue, as the case may be, should also see that the insurance policies are kept alive and the insurance amount is adjusted to the loan account, if the policy matures during the period of repayment of advances. In the case of policies where the premia are paid by deduction from salary bills or otherwise the loanee should satisfy his immediate superior authority once in every three months that the premia have been remitted and policy is kept alive. The immediate superior in turn will report the fact to the Head of the Department who will make the necessary entries in the remarks column of the registers of advances maintained in his office, duly attested. Such reports should be sent to the Accountant General in respect of advances sanctioned to officers who are deputed on foreign service conditions.

This procedure should be followed in order to see that statutory dues such as property tax, land revenue, michavaram, etc., are paid in time and the property offered as security is kept unencumbered.

Note:— In deserving cases, Government will have the discretion to re-assign such insurance policies to the loanee before complete repayment of the advance with interest, irrespective of the consideration whether they have matured or not, provided the amount of other insurance policies, if any, assigned in favour of Government will cover an amount not less

than 25% of the outstanding amount of the advance with interest thereon at the time when the loanee requests for the re-assignment of the insurance policy/policies.

- *(iii)** The Head of Department/sanctioning authority shall authorise the Head of Office/Drawing Officer and disburse the advance to the applicant on proper acquittance. The sanctioning authority will specify the fact of authorisation in the sanction itself to enable the Treasury Officer to make payment to the Head of Office/Drawing Officer concerned on the authority of that sanction. Accordingly the Head of Officer/Drawing Officer should follow the normal procedure of presenting the bills for drawal of House Building Advance at the Treasury through the Treasury bill book. In the case of joint loans a declaration shall be obtained along with application from either of the applicants authorising the other to receive payment in case the advance applied for is sanctioned by competent authority.

A certified copy of the sanction should be attached to the bill.

- (iv)** Payment of the advances shall not be made unless the Head of Department/ Sanctioning authority, as the case may be certifies that all relevant document such as title deed, mortgage deed, collateral security etc., have been obtained and kept under safe custody.

In the case of Heads of Departments the above certificate will be furnished by the Secretary, Board of Revenue.

Exception:— Vide Art. 244 C (Section C).

- (v)** In cases of House Construction Advance already sanctioned/to be sanctioned for construction of houses on plots of land allotted by the Kerala State Housing Board for purchase of land allotted by the Kerala State Housing Board and for construction of houses thereon/purchase of lands with houses allotted by the Kerala State Housing Board, the Heads of Departments concerned should

*Substitution C.S.No.11/76 [G.O.(P) No. 343/76/Fin., Dated 4/11/1976]

#Substitution C.S.No.8/82 [G.O.(P) No. 699/82/Fin., Dated 17/11/1982]

obtain from the loanees non-encumbrance certificates of the properties along with the mortgage deeds, if the sale deed in favour of the loanees and the mortgage deeds in favour of Government are not executed simultaneously on the same day. Such non-encumbrance certificates should cover the period from the date of sale of the property by the Board in favour of the loanees to the date of execution of the mortgage deed by the loanees in favour of Government and these certificates should be kept under safe custody along with the other documents.

- (vi) It will be the duty of the Head of the Department/Sanctioning authority/officer concerned to see that the amount of loan is properly utilised within a reasonable time not exceeding one year from the date of full disbursement of the loan and to take steps for the recovery of the outstanding balances under the provisions of the mortgage deed. When the loan is disbursed before the house is constructed, the Head of the Department concerned must ascertain the actual value of the building completed and see to the refund of the balance of the loan that may remain unspent. This will be done by the Board of Revenue in the case of Heads of Departments etc., mentioned in Note I under Article 244E. (i).

When House Construction Advance is sanctioned to an applicant to whom a plot of land is allotted by the Kerala State Housing Board, the Officer responsible to watch the utilisation of the loan amount, should intimate the Board that Government are interested in the land allotted to the loanee as well as in the building proposed to be constructed. He should also request the Kerala State Housing Board to intimate him in due course the execution of the sale deed in favour of the loanee to enable him to watch the timely execution of the mortgage deed of the property by the loanee in favour of Government.

In cases where advances are sanctioned for constructing of houses on plots of land allotted by the Kerala State Housing Board, the Heads of Departments responsible for watching the utilisation of the advance, should obtain from

the loanees, before disbursement of the advance, documentary evidence to prove that the cost of the land has been paid in full to the board and furnish a certificate to that effect along with the bill. In cases where advances are sanctioned for purchase of land allotted by the Kerala State Housing Board and construction of houses thereon, such documentary evidence should be obtained from the loanees within a period of two months from the date of disbursement of the advance.

Along with the utilisation certificate, the officers responsible for watching the utilisation of the loan amount, should obtain from the loanees a certificate issued by the Kerala State Housing Board that the house has been constructed according to the approved plan.

The officer responsible for watching the utilisation of the loan amount, should forward utilisation certificates of loans to the Accountant General within three months from the date fixed for the production of the utilisation certificate.

It is also the duty of the Head of the Department/sanctioning authority to ensure that the property mortgaged to Government is kept free of any encumbrance throughout the period of repayment of the loan. He should also forward to Government not later than the first of the succeeding month half yearly statements showing the particulars relating to each advance in the prescribed form every year.

(vii) The following procedure should be observed for the disbursement of advances for the purchase of house and house sites:—

- (1) The details of the house and site or the site proposed to be bought and the house to be built on it should be given in the application, as far as possible. The approximate value of the land and building, should however be indicated in the application. The value of the house proposed to be purchased or constructed should cover two-thirds of the loan amount applied for.

- (2) After scrutiny of the application by the sanctioning authority, the amount of advance admissible under rules will be intimated to the applicant and he/she will be asked to produce in the following form a clear title certificate relating to the property proposed to be purchased or on which the house is proposed to be constructed, from the Government Pleader of the respective districts to which the property belongs.

“Certified that the applicant Sri/Sarvasree (here enter the name/names and addresses of the applicant/applicants) has/have clear title to the properties comprised in Sy. Nos..... (here enter Sy. No., Village and Taluk and the extent in each Survey No. of the security properties) subject to the charge/liability (here enter the details of the charge or liability, if any) over Survey No.....

There is no legal objection to sanction the loan applied for on the security of these properties subject to the clearance of the above charge/liability.

Place.....

Date.....

Signature of the Government Pleader

- II. List of documents produced by the party. (here enter the details of documents).

Place

Date.....

Signature of the Government Pleader

- III. List of documents to be kept under safe custody by Government (i.e., documents to be kept in original and those of which certified copies have to be obtained).

(here enter the details of documents.)

Place

Date

Signature of the Government Pleader

- IV. Statement furnished by the government pleader explaining how the applicant gets clear title to the property offered as security.

Place.....

Date.....

Signature of the Government Pleader”

Scrutiny of the title deeds of the property will be done by the District Government Pleaders on payment of a fee of one per cent of the loan applied for subject to a minimum of 15 and maximum of 100 for each case or such other rates fixed by Government from time to time. The fee in each case will be realised direct from the applicant by the Government Pleader concerned. In case the amount of loan applied for is less than the amount admissible to him under the Rules and in case the applicant's subsequent request for the grant of the full eligible amount, after the issue of the title certificate by the Government Pleader is entertained by Government, additional scrutiny fee shall be payable only if further scrutiny is done by Government Pleaders.

No fee should be realised by the Government Pleader from the applicant for further clarification asked for on the title certificate once issued. The documents for scrutiny and issue of clear title certificate should be forwarded to the District Government Pleader through the Head of the Department or Office.

- (3) In the case of applicants to whom plots are allotted by the Kerala State Housing Board, Trivandrum for construction of houses, the usual title certificate from the District Government Pleader may be dispensed with in case Government are satisfied that the plot of land allotted to an applicant is part of Government land assigned to the Board.
- (4) If after scrutiny of the documents, it is found that there is no risk in advancing money for the purpose, the sanctioning authority may sanction the advance.

- (5) The advance for the purchase of the site with house will be disbursed in full after the assignment of insurance policies sufficient to cover 25 per cent of the advance and the execution by the applicant of an agreement to Government on stamp paper agreeing to purchase the property and execute a deed mortgaging that property to Government within two months from the date of drawal of the advance or to refund the entire amount with interest, on failure to do so. The agreement should be in Form 36.
- (6) In the case of advances for purchase of site only the price of the site not exceeding 1/3 of the advance amount will be disbursed on execution of the agreement and assignment of insurance policies as laid down in the previous rule. The balance will be disbursed only after the site is purchased and mortgaged to Government. The mortgage deed in this case should be in Form 32.
- (7) Purchase of the site and/or building mortgaging the same in favour of Government should be completed within two months from the date of disbursement of the advance. In the case of purchase of site alone, the house to be built on it should also be mortgaged to Government. The Board of Revenue in the case of heads of Departments and the Heads of the Departments/Sanctioning authority in the case of other officers, should see that the condition is satisfied. The Treasury Officers disbursing the advances will intimate the particulars of the disbursement in the case of Heads of Departments to the Board of Revenue and to the Heads of Departments/sanctioning authority in the case of other officers. If the borrower fails to execute the mortgage deed within the prescribed time limit, prompt action should be taken by the Board of Revenue or Heads of Departments/sanctioning authorities as the case may be, to recover the entire amount with interest in lump as agreed to in the agreement.

**PROCEDURE FOR RELEASE OF MORTGAGES/POLICIES
AFTER COMPLETE REPAYMENT OF THE LOAN
AND INTEREST**

244 F. 1. When a government servant who has taken an advance under the rules for grant of house construction advance has remitted the principal and interest thereon, he should makes a request for release of mortgages to the Head of Department/Sanctioning authority concerned. When the loanee is a Head of Department the request should be made to the Secretary, Board of Revenue. The Head of the Department/Sanctioning Authority/the Secretary, Board of Revenue as the case may be, should forward the request to the Accountant General for verification. The Accountant General will verify the loan amount and recommend to the sanctioning authority whether the security documents may be released. The sanctioning authority may then issue formal orders for the release of securities.

The Head of Department/sanctioning authority shall then prepare a draft release deed in Form 52 by an endorsement of the same on the mortgage deed itself. In cases where the sanctioning authority is Government in the Finance Department, it should then be forwarded to the Finance Secretary for execution. The sanctioning authority will execute the deed and return it to the loanee direct with instructions to present the document for registration before the concerned registering office within four months from the date of execution. In cases where the sanctioning authority is Government in the Finance Department, a copy of the instructions will be sent to the Secretary, Board of Revenue or the Head of Department as the case may be. The sanctioning authority will also simultaneously inform the concerned Registering Officer to register the same and report details of registration to the sanctioning authority. The date of execution of the deed will be noted in the Register of Recoveries maintained by Heads of Departments against the entry of the concerned Officer.

The Life Insurance Policy/Policies shall also be released and re-assigned to loanee(s) in Form 52 B and forwarded to the Divisional Manager, Life Insurance Corporation of India in Form 52 C.

2. The release deeds to be executed by Government are exempt from stamp duty vide Section 3 (b) (1) of the Kerala Stamp Act. Fees for registration of the documents under the Registration Act will be borne by the loanees in respect of the release deeds.

C. CYCLE ADVANCES

- 245. (a)** Advances for the purchase of bicycles may be sanctioned to Government servants (Gazetted or non-Gazetted) whose pay does not exceed * 1219 with effect from 1-4-1990. The advance may be sanctioned to pensionable employees of Government owned industrial concerns and to Work Establishment staff also. Full-time contingent employees are also eligible for the advance provided the sanctioning authority is satisfied that the duties attached to the post to which the applicant belongs are of a permanent nature and that the applicant is likely to continue in service till the repayment of the advance is completed. Application for advances should be addressed to the sanctioning authority (Form 40).
- (b)** The Heads of Department are competent to sanction advances for the purchase of bicycles. They are empowered to delegate to their subordinate controlling officers, subject to the following general conditions and also subject to such special conditions as may be fixed by them in this regard, the power to sanction advance for the purchase of cycle in accordance with the rules and within the limit of the funds placed at their disposal:-
- (i)** The power to sanction the advance to any Government servant or class of Government servant should not be delegated to any authority lower than the authority competent to appoint the Government servant or class of Government servants.

*Substitution C.S.No.4/92 [G.O.(P) No. 1082/92/Fin., Dated 18/12/1992]

- (ii) The power may be delegated only with the prior approval of the Government in the Finance Department.

General conditions under which the advance is sanctioned

- (c) (i) No advance will be sanctioned to a Government servant unless the sanctioning authority considers that the possession of a cycle would increase his efficiency. As a general rule no advance will be sanctioned to any Government servant unless he is in permanent service. The sanctioning authority may, however, sanction an advance to an officiating or temporary employee who has put in a minimum continuous service of 3 (three) years and who is not likely, as far as can be foreseen, at the time of sanctioning the loan, to be ousted from service. The sanctioning authority can reject any application without assigning reasons therefor.
- (ii) No second advance will be granted within three years of a previous advance unless satisfactory evidence is produced by the Government servant concerned to the effect that the conveyance purchased with the help of the previous advance has become unserviceable. The sanctioning authority should furnish a certificate with the orders sanctioning the advance that the advance sanctioned is either a first advance or a second advance sanctioned after a period of three years of the previous advance.
- (iii) An advance shall not exceed † 1000 (Rupees One thousand only) or the anticipated price of the † conveyance whichever is less. (This amendment will be deemed to have come into force with effect from 1-4-1993).
- (iv) The principal of the advance should be recovered in equal instalments by compulsory deduction from the pay of the borrower beginning with the first payment of a full month's pay after the advance is drawn provided that

† C.S.No.2/94 [G.O.(P) No. 342/94/Fin., Dated 6/5/1994]

the borrower may repay two or more instalments at the same time. The maximum number of monthly instalments in which the advance may be permitted to be repaid will be twenty in the case of permanent and non-permanent Government servants. In the case of non-permanent Government servants the number of instalments should when necessary be fixed with reference to all the circumstances at a suitable number lower than the permissible maximum.

The whole amount of advance should be completely recovered within the period originally fixed unless the sanctioning authority extends the period. The amount of monthly instalments should not be changed by reason of the borrower going on leave or his drawing subsistence allowance. In special circumstances, the Head of the Department may recommend that the Government should reduce the monthly instalments in a particular case for the duration of the period during which the borrower does not draw any pay.

- (v) The recovery of the interest will begin with the pay of the month subsequent to the month in which the repayment of the principal is completed. Interest should be calculated on the balance outstanding on the last day of each month. If the total amount of interest does not appreciably exceed the amount fixed for the equal monthly instalments for recovery of the principal, it should be recovered in a single instalment; otherwise it should be recovered in instalments not appreciably exceeding that amount.
- (vi) The advance when sanctioned should be drawn within a period of 2 (two) months from the date of sanction.
- (vii) A Government servant who takes an advance should within one month after drawing the advance furnish the Head of Office with a certificate stating the particulars of the conveyance purchased with the advance and the cash receipts obtained for the amount actually paid.
- (viii) Within one month after the purchases of the cycle, the loanee should also furnish the Head of Office with the licence obtained/transferred in his name in respect of the cycle purchased, for verification.

- (ix) The cycle bought with an advance paid by the Government shall be the property of the Government until the advance is completely repaid (together with the interest due in it).
- (x) Every recipient of an advance shall give (in Form 41) an undertaking written in three rupees stamp paper, to the effect that the conveyance will not be disposed of either by transfer or by sale until the whole amount of the advance together with interest is repaid.
- (d) Before sanctioning an advance the sanctioning authority should satisfy itself that the grant of the advance does not involve any departure from the rules, and that no recovery against previous advances is outstanding against the applicant. A copy of the order sanctioning the advance should be communicated to the Accountant General.

The Head of Office should furnish a certificate to the audit office that he has verified the voucher for the purchase of the cycle and the excess amount, if any, has been refunded furnishing particulars of such refund. A copy of such certificate should be furnished to the sanctioning authority also.

- #(e) The detailed accounts in respect of the advance sanctioned to non-gazetted Government Servants should be maintained by the Departmental Officers responsible for disbursement and recovery of the advice.

The Head of Department will be the Chief Controlling Officer for the purpose of reconciliation of accounts.

D. MARRIAGE ADVANCE

- *245A. Marriage Advance: An advance amount equal to 15 times of basic pay subject to a maximum of ! 30,000 will be sanctioned to Class IV Employees to meet the marriage expenses of their female children. The amount will be released in one instalment.

#Addition C.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

*Insertion C.S.No.2/2001[G.O.(P) No. 1042/2001/Fin., Dated 18/9/2001] w.e.f. 28/8/1997.

! Substitution C.S.NO. 1/2012 [G.O.(P) No. 62/2012/Fin., Dated 20/01/2012]

Eligibility for the Advance

All class IV employees who have put in continuous service of not less than five years and have at least two years service for superannuation. Second Advance will be sanctioned on completion of the previous advance and any one of the parents only is eligible for the advance, in cases where both husband and wife are employed as Class IV employees.

Interest

Interest will be ! 8% per annum as in the case of House Building Advance. Penal interest at the rate of 2.5% per annum will be charged in the case of default in repayment.

Repayment

Repayment will be fixed based on the length of the remaining service. The maximum number of instalments (Principal) admissible will be 60. Recovery will commence from the pay and allowances for the next month onwards after the month of drawal of the advance. The recovery should be completed (both principal and interest) before the date of retirement. Balance if any outstanding at the time of retirement will be adjusted from the D.C.R.G.

Mode of Sanction

The competent authority to sanction the advance will be the Heads of Departments. The Heads of Department should obtain and keep the original applications in their office and a detailed proforma as in the case of House Building Advance and Motor Conveyance Advance should be forwarded to Finance Department for allotment of funds. The Heads of Departments should assess the requirement of fund in every three months and details of application should be forwarded to Government for funds.

Accounts

The Heads of Departments should keep a detailed account of loan and repayment in the loan register in a way susceptible to internal and statutory audit.

! Substitution C.S.NO. 1/2012 [G.O.(P) No. 62/2012/Fin., Dated 20/01/2012]

**E. ADVANCES TO JUNIOR I.A.S. OFFICERS FOR THE
PURCHASE OF FURNITURE**

- 246.(i)** A Junior Indian Administrative Service Officer, on appointment as Assistant Collector, may, on application to Government through the Accountant General, be granted for the purchase of furniture and other necessary equipments an advance of 500. The advance shall be sanctioned only if applied for within three months of the Assistant Collector's joining duty in this State on completion of *either the first lap or second lap of training. The application made by an officer who is on leave will not be entertained. In case an officer who applies for the advance while on duty, is on leave when the sanction is issued, payment will be made only on his return to duty.
- (ii) The advance shall bear interest at the same rate as is charged on advances for the purchase of motor conveyances.
- !(iii) The advance shall be classified under the head of account '766 –Loans to Government Servants, etc.- Other advances'- Advance for the purchase of furniture to Junior I.A.S. Officers.
- (iv) The advance shall be recovered by deduction at 50 per mensem from his monthly pay commencing with the pay bill for the second month following the month in which the advance is drawn. For example, if the advance is drawn in January, the recovery should commence in the pay bill for March. The recovery should continue every month, whether, the officer is on duty or leave until the recovery of the entire amount of the advance plus the interest thereon is completed.
- (v) An Officer who draws the advance shall certify on the bill in which the first instalment of recovery is effected that the whole amount of the advance was utilised for the purposes for which it was sanctioned. If the whole or a part of the advances has not been so utilised by the due date of recovery of the first instalment the unutilised amount should be refunded to the Government forthwith.

*Insertion C.S.No.2/78 [G.O.(P) No. 390/78/Fin., Dated 30/03/1978]

!Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

F. OTHER ADVANCES

247. These include advances such as those occasionally granted to Government servant who go abroad to pursue higher studies. Special advances of this kind are granted by the Government only in exceptional cases and for specially strong reasons. When the Government grant a special advance, they specify in their order the conditions subject to which it is granted.

An Officer deputed for training abroad may be granted a recoverable interest-free advance of rupees five hundred for the purchase of equipment/warm clothing subject to the following conditions:

- (i) If the duration of the stay of the Government servant abroad as 6 months or less, recovery will be in 10 equal monthly instalments.
- (ii) If the duration of the stay of Government servant abroad is more than 6 months, recovery will be in 20 equal monthly instalments.
- (iii) The recovery will commence from the salary for the month following the month in which the advance is drawn.
- * (iv) The advance will be debited to the head of account '766 – Loans to Government Servants, etc.- Other advances' under a distinct sub-head 'Advance for the purchase of warm clothing'.
- # (v) The detailed accounts in respect of advance given to the non-gazetted Government Servants are to be maintained by the Departmental Officers responsible for disbursement and recovery of the advance. The Head of the Department will be the Chief Controlling officer for the purpose of reconciliation of accounts.

3. Advance Repayable

248. The transaction of Government business often necessitates the placing of funds at the disposal of Government servants as temporary cash advances for public purposes. These are subsequently adjusted as expenditure under

*Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

#Addition C.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

the appropriate heads of account or recovered from the parties concerned. When such advances are free of interest, they are shown in the accounts as “Advances Repayable”, under the following minor heads:-

- (i) Civil Advances.
- (ii) Special Advances.
- (iii) Revenue Advances.
- (iv) Forest Advances.

The rules applicable to each of these classes of advances are contained in the following Articles. Clauses (1) and (4) (b) of Article 239 also apply to these advances.

(i) Civil Advances

- 249.** These include (a) Advance for Thiru Onam festival; (b) Other festival advances; (c) Advances on transfer; (d) Mosquito net advances; and (e) Medical Advances.

(A). ADVANCES FOR THIRU ONAM FESTIVAL

- 250.** Advance to Government servants for Thiru Onam festival will be governed by the following rules:-

1. An advance of one month’s pay or * 175 whichever is less will be paid to all officers under Government drawing a pay of * 1500 and below.

Note 1:— In the case of officers holding purely temporary and provisional appointments, the payment of the advance will be subject to the condition that they will continue in service until the expiry of the period of repayment.

Note 2:— Employees paid from contingencies including part-time contingent employees and those borne on the work-charged establishment will also

!Addition C.S.No.01/2014 [G.O.(P) No. 69/2014/Fin., Dated 17/02/2014]

*Substitution C.S.No.9/82 [G.O.(P) No. 768/82/Fin., Dated 16/02/1982]

be given the advance provided they will continue in service till the repayment of the advance is over.

Note 3:— In the above cases, the drawing officers will certify that the incumbents for whom the advance is drawn will continue in service till the repayment of the advance is over.

2. The advance will be drawn and disbursed on the last three working days prior to Onam holidays.
3. The advance will be recovered in five equal monthly instalments, the first instalment being recovered from the salary drawn in October. The amount of each instalment should be rounded off to the nearest rupee, any balance being recovered in the last instalment. In the case of Hindu/Christian/Muslim Non-Gazetted Officers the recovery of Thiru Onam advance will be deferred from the salary for the month in which the holiday(s) of Deepavali/Christmas/Ramzam occur(s), irrespective of whether they have drawn festival advance as provided in Article 76 (b) or not, and the recovery so deferred will be effected in the pay for February to be drawn in March.
4. *The advances will be debited to the head of account “766 – Loan to Government servants, etc., (d) Festival Advances” under respective detailed heads, “1. Onam Advance to Gazetted Officers and 2. Onam Advance to Other Officers” in respect of regular Government employees. In respect of teaching and non-teaching staff of aided schools, private colleges and polytechnics the advance will be debited to the head of account “677 – Loan for Education, Art, and culture” and in respect of N.M.R./C.L.R. workers the advance will be debited to the head of account “Miscellaneous Public Works Advances”]. Recoveries will be credited to the corresponding receipt head. The drawing officers will maintain a Recovery Register of ‘Onam Advance’ in Form 53.

* Substitution C.S.No.3/77 [G.O.(P) No. 38/77/Fin., Dated 31/01/1977]

Note:— ! In the case of work establishment staff, the advance will be debited to the head 'Miscellaneous Works Advances'.

5. !The teachers and members of the non-teaching staff of Aided Primary and Secondary Schools will also be given this advance, by debit to the minor head 'Primary Education' or 'Secondary Education', as the case may be, below the major head '677 – Loans for Education, Art and Culture'.
6. The employees of the local bodies will be granted the advance at the option of the local bodies if the financial position of the local bodies concerned will admit of this course.
7. The Head of the Office or the officer to whom the Head of the Office has delegated the power of drawing establishment pay bills will sanction the advance. In the case of Gazetted Officers who are entitled to this advance, the Head of the Office under whom he works or his immediate superior officer if the Gazetted Officer is himself the Head of the Office, will sanction the advance and the advance will be drawn by the officer himself without specific authorisation by the Accountant General.
8. *(a) The detailed accounts in respect of the advance given to the non-gazetted Government Servants are to be maintained by the Departmental Officers responsible for disbursement and recovery of the advance. The Head of the Department will be the Chief Controlling Officer for the purpose of reconciliation of accounts.]

(b)(i) **Every Gazetted Government Officer should furnish the monthly deduction schedule towards Onam Advance in Form 53 C to be attached to the salary bill.]

! Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

*Substitution ,OmmissionC.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

**Substitution OmmissionC.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

- (ii) The abstract should be furnished on the reverse of the recovery schedules of one of the bills every month. Reference to the bill in which recovery schedule containing the monthly abstract upto the end of the previous month is attached should, however, be quoted on the reverse of the schedules appended to other bills.† Every Gazetted Government Officer should furnish the monthly deduction Schedule towards Onam Advance in Form 53 C to be attached to the salary bill.
- (iii) The opening balance to be furnished in the monthly abstract should include balance outstanding at the beginning of the previous month including outstanding balance, if any, relating to the previous year.

(B). OTHER FESTIVAL ADVANCES

- 251.** (1) Advances may be sanctioned to Government servants for religious festivals like Easter, Ramzan, Bakrid, Deepavali and Christmas.
- * (2) The advances will be drawn and disbursed based on the orders issued by Government.
- (3) The advances will be recovered in lump in the same months.
- * (4) Such advances will be treated as advances of salary, and debited to the same head of account to which the pay and allowances of the Government servants are debited.

(C). ADVANCES ON TRANSFER

- 252.** These advances are granted in accordance with the following rules:-
- (a) *Eligibility for Government servants for an Advance.*— Advances of pay and/or travelling allowance are granted to a Government servant who receives an order of transfer during duty or leave.

* Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

- (b) *Sanctioning authority*.— The authorities shown below have power to sanction these advances to the extent indicated against each :-

<i>Name of advance</i>	<i>Authority competent to grant sanction</i>
(i) Advance of pay and travelling allowance to a Government servant in permanent employ.	All Government servants, who are to authorised to draw pay and travellig allowance bills of establishments
(ii) Advances of pay and travelling allowanceto a Temporary or officiating Governmentservant who has no substantive post but who is not likely to be discharged within four months,and an advance of travelling allowance only to any other temporary or officiatingGovernment servant who has nosubstantive post	do

Note:—The Government servants authorised to draw pay and travelling allowance bills of establishments may sanction advances of pay and travelling allowance to themselves.

- (c) (i) *Conditions on which an advance is granted*.— An advance should not exceed one month's pay plus the travelling allowance to which the Government servant is expected to become entitled under the rules in consequence of the transfer.

Note 1:—The advance of pay will be limited to the extent of the pay the Government servants is in receipt of immediately before transfer or the pay that he will be entitled to after transfer, whichever is less.

Note 2:— If a Government servant holds a temporary post, or officiates in a post without a lien on a permanent Post or officiates in a higher post but has lien on a permanent lower post only, his pay for the purpose of this rule will be his pay in the temporary post or his officiating pay, as the case may be.

- (ii) An advance on account of a transfer should invariably be recorded on the Government servant's last pay certificate.

[See also Rule 168 (d) of Part V of the Kerala Treasury Code.]

- (iii) The advance pay should be recovered from the Government servant's pay in three equal monthly instalments, and the first instalment should be deducted from the first full month's pay drawn after the transfer. The first two instalments should be fixed in whole rupees, and the remaining balance including any fraction of a rupee should be recovered as the third instalment. The advance of travelling allowance should be recovered in full in the Government servant's travelling allowance bill for the journey in question. The Government servant should present this bill as soon as possible after the close of the month in which the journey was performed, and if the amount of the bill is less than the advance, he should refund the balance in cash at once. When recoveries have to be made from the same Government servant on account of more than one advance of pay drawn on transfer, the recoveries should be made concurrently. Any amount recovered from the Government servant in excess of the advance drawn should, if it remains unclaimed for one year from the date of the last recovery, be credited as revenue to the Government.

- (iv) If any member of a Government servant's family does not accompany him but follows him within six months from the date of his transfer a separate advance may be granted at the time on account of the travelling expenses of that member, provided that no advance has already been drawn for the same purpose.

When a single advance is drawn for the travelling expense of both the Government servant, and his family, it may be adjusted by submitting more than one bill, if the members of the Government servant's family do not actually complete the journey with him. The Government servant should, however, certify on each adjustment bill that he will submit a further bill in due course for the travelling allowance admissible on account of the members of his family (to be specified) who have not yet completed the journey and that he expects the amount claimed in that bill to be not less than the balance left unadjusted. If necessary he should refund a part of the balance in cash before signing this certificate.

252A. Travelling allowance advance to the family of officers who die while in service is regulated by the following rules :-

- (i) The advance may be sanctioned by the authority which would have been competent to countersign the T.A. claims if the officer was alive;
- (ii) The amount of advance may be limited to $\frac{3}{4}$ of the probable amount of T.A. admissible under Rule 99(2), Part II, K.S.R.
- (iii) The advance will be admissible to only one member of the family of the deceased Government servant on behalf of all. It should be the widow/widower or any other member of the family (within the definition of term "family") who is a major and of sound mind. The decision of the sanctioning authority as to whom the advance may be given shall be final.

After the advance is sanctioned by the competent authority, it may be drawn by the head of the office and paid to the member of the family authorised in this behalf.

- (iv) Only one advance will be admissible irrespective of the fact that the members of the deceased Government servant's family travel in separate batches from the same or different stations.
- (v) The account of the advance drawn should be rendered within one month of the completion of the journey, if the family travels in one batch. In case the family travels in more than one batch, the account may be rendered within one month after the completion of the journey by the last batch. In any case the journey must be completed before the stipulated period of three months and the account of the advance rendered within one month of the expiry of the stipulated period at the latest. The advance should, however, be refunded forthwith, if the journey is not completed within the stipulated period.
- (vi) The surety of a permanent State Government servant of status comparable to or higher than that of the deceased Government servant should be obtained in Form 54 before the advance is sanctioned. The person receiving the advance should also give an undertaking in the above form in writing to the effect that he/she would abide by the provisions contained in clause (a) above.
- (vii) The advance will be interest-free and will be treated as "an advance recoverable". [*]
- (viii) The fact of the payment of the advance should be noted in the L.P.C of the deceased Government servant.

**Advance for the payment if immediate relief to families of
officers who die in harness**

- 253.** An advance equal to ******(five month's basic pay or two thousand rupees) whichever is less will be sanctioned to the family of a deceased Non-gazetted/

* Deletion C.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

** Substitution C.S.No.1/84 [G.O.(P) No. 203/84/Fin., Dated 11/04/1984]

Gazetted Officer who dies; while in service (including members of the Work Establishment and full-time contingent employees) for meeting the immediate requirements, if in the opinion of the Head of the Department/Office, the family has been left in indigent circumstances upon the death of the employee on whom it was dependent and is in immediate need of financial assistance (for detailed rules *See* Appendix 10).

Advance for the Purchase of Mosquito Nets #

254.(1) The advance will be paid to all Government servants drawing a pay not exceeding ! 599 per mensem, resident or working in places where there is risk of filariasis, provided, however, that the grant of this advance will be restricted to officers who have put in a minimum continuous service of twelve months under Government. In the case of officers holding temporary or provisional appointments, and those who are on the verge of retirement, the payment of the advance will be subject to the condition that they will continue in service till the expiry of the period of repayment of the advance. Full-time contingent employees are also eligible for the advance provided they are likely to continue in service till the expiry of the period of repayment of the advance.

Note:— Mosquito net advance will be paid during the month of April and May only and on no account will this advance be paid during the remaining months. But this restriction will not apply to cases of refund of excess recovery of the advance.

- (2) The advance will be interest-free.
- (3) The amount of advance will be limited to the amount actually required in each case for the purchase of mosquito nets for the use of the Government servant and his family subject to a maximum of * 100 ('family' includes wife/husband, children and step-children solely dependent on the officer).

Addition C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

! Substitution C.S.No.8/79 [G.O.(P) No. 720/79/Fin., Dated 09/08/1979]

* C.S.No.2/94 [G.O.(P) No. 342/94/Fin., Dated 06/05/1994] w.e.f. 01/04/1993.

- (4) The Head of the Office or the Officer to whom the Head of the Office has delegated the power of drawing establishment pay bills will sanction the advance. In the case of Gazetted Officers who are entitled to this advance, the Head of the Office under whom he works or his immediate superior officer if the Gazetted Officers is himself the Head of the Office, will sanction the advance, and the advance will be drawn by the Officer himself without, specific authorisation by the Accountant General.
- #(5) The advance will be debited to the head of account '766. Loans to Government servants, etc.- Other Advances—advance for the purchase of mosquito nets for the gazetted and non-gazetted officers.
- (6) A list of places in the State where there is risk of filariasis is given as Appendix 8.
- (7) The advance will be recovered in ten equal monthly instalments by deduction from pay bills. The recovery will commence from the month subsequent to that in which the advance is drawn. Recovery will be made during periods of leave with allowances also.
- (8) The advance should be used only for the purchase of mosquito nets. The officer who takes the advance should furnish to the sanctioning authority within one month after drawing the advance a certificate stating (a) that he has utilised the full amount of the advance for the object for which it was granted or (b) that he has refunded the balance of the advance in excess of the actual price paid for the mosquito nets.
- (9) The Gazetted Officer or the Head of the Office who draws the pay bill will attach a certificate to the first pay bill cashed after the advance has been drawn and utilised, that he has checked the vouchers for the purchase of the net. If the officer draws his own salary bill the certificate should be furnished by the Gazetted Officer under whose immediate control he is working. The vouchers should

contain information regarding the name of the officer concerned and the shop-keeper from whom the nets were purchased.

- (10) In cases where the advance has not been utilised wholly or in part within one month, steps will be taken to recover the whole or portion of the advance from the next pay/salary bill of the Officer.
- (11) In cases where excess recovery of the advance has been made, refund may be ordered by the authorities mentioned in clause (4) above. The sanction order must invariably specify the lump sum credit in which the excess recovery was included. The claim for refund should be preferred in Miscellaneous Bill Form No. T.R. 42 to which a copy of the sanction order should invariably be attached.
- (12) A subsequent advance will be sanctioned only after the expiry of five years from the date of sanction of the previous advance. A certificate will be recorded in the order sanctioning the subsequent advance that the net purchased with the previous advance has become unserviceable.
- * (13) The detailed accounts in respect the advance given to the non-Gazetted Government Servants are to be maintained by the Departmental Officers responsible for disbursement and recovery of the advance. The Head of the Department will be the Chief Controlling Officer for the purpose of reconciliation of accounts.

!ADVANCE FOR MEDICAL PURPOSE

!254 A.1. 100 % of the estimated cost for undergoing the treatment/procedure for the diseases/procedures listed in the Annexure I as certified by the Institution where the treatment is to be taken will be sanctioned to Government servants as Interest free Loan subject to the availability of budget provision and also subject to the following conditions:

- (i) There will not be a ban on referring the patients to a centre outside the State for taking treatment for the disease listed in the Annexure I as

*Addition C.S.No.1/82 [G.O.(P) No. 7/82/Fin., Dated 05/01/1982]

!Addition C.S.No.01/2014 [G.O.(P) No. 69/2014/Fin., Dated 17/02/2014]

there is a long waiting list and considerable delay at the centres in Kerala.

- (ii) When a patient is referred to another institution outside collegiate hospital/Government hospital it should be with the permission of the Unit Chief or Head of the Department of the Institution. For taking treatment outside the State the Government Servant has to obtain prior permission from the Director of Health Services. A prescribed pro forma in Annexure II will be filled in for cases which require reference to centres outside the State.
- (iii) The Utilization Certificate/claim for reimbursement should be furnished to the loan disbursing authority within three months of receipt of the loan. The amount of interest Free Loan granted will be adjusted in the final/part medical reimbursement claim with 3 months from the date of drawal.
- (iv) The balance amount of the medical reimbursement claim admissible will be sanctioned only after adjusting the Interest Free Loan.
- (v) The facility of giving Interest Free loan will also be available to those patients getting treatment for the diseases listed in the Annexure I from the collegiate hospital/Government hospital within the state also as the treatment has become expensive.

Note:— This amendment shall be deemed to have come in to force with effect from 18-02-1977

2. SPECIAL ADVANCES

General

255. This head includes the following :—

- (i) Advances for minor irrigation works;
- (ii) Advances for the eradication of plant pests;
- (iii) Advances for erecting temporary sheds in plague affected areas;
- (iv) Advances for the purchase of cattle feed in the farms and

- research stations of the Agricultural Department; and
- (v) Any other interest-free special advances, not classifiable under the other heads.

Note:— For advances for law suits which are debited to the service head concerned as contingent charges— *See* Article 102.

The general or special orders of the Government governing each class of the advance mentioned above contain the special conditions that apply to them. The more important provisions are set out in Articles 256 to 260.

(i) Advances for Minor Irrigation Works

256.(a) When a minor irrigation work is constructed, *restored or repaired by an Irrigation Officer authorised by the Government in this behalf under the provisions of the Irrigation Act, the Government may remit, under provisions of the Act, a portion of the cost of such works, but the balance of the cost shall be recovered from the proprietors of the lands benefited by such work *pro rata* according to the extent of the lands held by them in such number of equal annual instalments as Government may determine from time to time.

Note:— The term “minor irrigation works” shall mean and include all works irrigating an area of land exceeding five acres but not exceeding 200 acres but shall not include lift irrigation work.

- (b) When any minor irrigation work has been constructed or completely restored or repaired, wholly or partly at the cost of Government, it shall be the duty of the proprietors of the land benefited by such work to maintain it under the provisions of the Act.

If the proprietors concerned fail to maintain any minor irrigation work, the Irrigation Officer authorised by the Government in this behalf may cause such maintenance to be carried out at Government cost, the expenditure being recovered from the proprietors of the land benefited by the work.

* Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

- + (c) The cost of any minor irrigation of maintenance work executed under the Act will be initially borne full by the Government, and debited to the head '306. Minor Irrigation'. On completion of the work, the amount recoverable from the beneficiaries will be transfer-debited to the head '706. Loans for Minor Irrigation, Soil Conservation, and Area Development', by operating the sub head 'Deduct—Amount transferred to other heads of account'. The recoveries, when effected, will be credited to this loan head].

(ii) Advances for the Eradication of Plant Pests

- 257.** Under the provisions of the Kerala Agricultural Pests and Diseases Act, 1958 (Act 17 of 1958), the Government in the Agriculture Department may take preventive or remedial measures to eradicate or to prevent the introduction or reappearance of any pest, disease or weed in any local area which they consider dangerous or injurious to crops, plants, trees, etc. The expenditure on this account will be debited to the head '850. Civil Advances – Other departmental advances', under a distinct sub-head. The recoveries made from the beneficiaries—full cost of the measures taken or a percentage thereof, as may be determined by Government— will likewise, be credited to the same head].

Where the Government happen to be occupier of any notified area, the occupying office or department should carry out the preventive and remedial measures and debit the charges incurred in that connection to its contingencies. When owing to default of any occupying office or department, the Department of Agriculture carries out the remedial measures, the expenditure incurred should be debited finally to the contingencies of the office or department concerned.

(iii) Advances for erecting temporary sheds in plague affected areas

- 258.** Subject to the provisions of clause (2) of Article 239, the Head of a Department (See Appendix 1) may grant an advance not exceeding one month's pay to

+ Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

each non-Gazetted Government servant (including menials) of his department employed in a plague affected area for erecting a temporary shed. The advance should be recovered in six equal monthly instalments.

3. REVENUE ADVANCES

259. The following advances fall under this head.—

- (i) Advances for demarcation purposes.
- (ii) Advances for replacing missing boundary marks.
- (iii) Advances for the removal of encroachments.

(i) Advances for Demarcation Purposes

260. The detailed rules regarding the grant of these advances and their subsequent adjustments are contained in the Kerala Survey Manual and several orders on the subject issued from time to time.

(ii) Advances for Replacing Missing Boundary Marks

***261.** The detailed rules governing the replacement of missing boundary marks by the Survey Department are contained in the several orders on the subject, issued by Government from time to time, and in the standing order of the Board of Revenue. The expenditure will, in the first instance be incurred by the Superintendent of Survey and Land Records, debiting the share of expenditure chargeable to Government account to the detailed head 'Cost of survey marks' and that recoverable from the ryots to the detailed head 'Cost of boundary marks recoverable from land holders', below '850. Civil Advances—Revenue Advances – Advances for Survey Operations'. After the work is completed, the expenditure chargeable to Government account will be transfer-debited to the head '229. Land Revenue Survey and settlement operations and the cost of stones recovered from the ryots or local bodies credited to the head '850. Civil Advances—Revenue Advances – Advances

* Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

for Survey Operations—Cost of boundary marks recoverable from landholders’. The gain on account of such recovery will, however, be booked under the revenue head ‘029. Land Revenue Other Receipts—Receipts in connection with survey and settlement operations’.

A bill in support of these adjustments should be prepared, with a certificate thereon to the effect that the proportionate cost of survey marks charged to Government account has been checked and found correct. Bills for advances for replacing missing boundary marks should be drawn by the Director in Form 42. The bill for the cost of stones should be supported by the stone contractor’s receipts, the original pass list, and the acknowledgements of the Village Officers taking charge of the stones.

(iii) Advances for the Removal of Encroachments

261A. This advance is drawn by the Tahsildars and paid in lump sums to the Village Officers of the taluk on their own receipts, for expenses in connection with the removal of encroachments in cases in which the parties fail to remove the encroachments of their own accords.

The Village Officers will recover the amounts, spent, from the parties concerned and remit the same into the treasury.

The Tahsildars should forward to the Accountant General a monthly detailed statement of expenditure and a monthly memo of advances and recoveries to enable him to see that the money was spent for the purpose for which it was drawn, that the unexpended balance is refunded promptly and that the expenditure is also recovered from the ryots promptly.

Demand, Collection and Balance Statement

262. The Tahsildar shall maintain in his office a register in the prescribed form showing the amounts drawn and the recoveries made, and shall also submit monthly Demand, Collection and Balance Statements to the District Collector. The District Collector shall get the statement scrutinised in his office and get them verified by the District Treasury Officer before the 15th of each month.

He shall then prepare consolidated statements in the prescribed forms review them and send a copy of his review together with copies of his statement to the Revenue Board. The Revenue Board shall examine the statement and send a consolidated statement in the prescribed form to the Accountant General. The Revenue Board shall also review the statements at the end of each quarter, and send a copy of the review to the Government and the Accountant General, together with copies of the consolidated statements.

As soon as the accounts for a month are closed, the Accountant General shall send a consolidated statement to the Revenue Board showing the opening balance, debits, credits and closing balance under “Advances, for replacing missing boundary marks” and “Advances for the removal of encroachments” during the month and the Revenue Board shall see that differences, if any, between the departmental and the Accountant General’s office figures are reconciled.

A Demand, Collection and Balance Statement for the whole year in the prescribed form shall also be appended to the Administration Report of the Department.

(iv) Forest Advances

263. A Government servant in the Forest Department who is not in charge of a Divisional Forest Office may, in accordance with Departmental regulations, be entrusted with a sum of money not exceeding a specified amount as an advance for executing works or for meeting current expenditure including contingent expenses and petty disbursements under travelling allowances.

The responsibility for the repayment of an advance rests primarily with the Government servant who receives it, but the Divisional Forest Officer is also responsible for the recovery of all advances made to his subordinates.

4. PERMANENT ADVANCES

264. The rules relating to permanent advances are contained in Articles 95 to 99.

(i) Demand, Collection and Balance Statement of Loans/Advances

264A. All the loan disbursing officers should forward to the concerned Heads of Department a monthly D.C.B. Statement in a suitable form as prescribed by the Head of the Department/the Chief Controlling Officer administering the loan on or before the 10th of the succeeding month. Certificates in the following form should also be appended to the D.C.B.

“Certified that Demand Notices have been issued in all cases a month before they fall due and that the account given above represents the true statement of Demand, Collection and Balance according to the registers of loans maintained in this office”.

“Certified that out of the arrears of (here specify the amount of arrears as at the end of the preceding financial year) outstanding collection at the end of March 19.... a sum of has been collected at the end of 20..... (here specify the month to which the D.C.B. Statement relates)”

The Heads of Departments should watch whether the D.C.B statements together with the certificates are received from their subordinates promptly and review them regularly.

(ii) Periodical Review of Loans

The Accountant General will furnish the government with the annual statement of all outstanding loans to enable the government to review the transaction.

The major loan disbursing departments should forward to government in the Finance Department half-yearly statements as on 30th March and 30th September in the following pro forma so as to reach government not later than the 30th April and 31st October every year.

Review of the progress of recovery of loans and advances.....

Serial Number	Head of Department and Name of loan/advance	Arrears pending collection at the beginning of the half year	Fresh demand falling due for payment during the half year	Total Amount collected during the half year		Balance pending collection	
				Dues as per Col. 3	Dues as per Col. 4	Dues as per Col. 3	Dues as per Col. 4
1	2	3	4	5	6	7	8

(iii) Utilisation Certificates of Loans

- (a) The sanctioning authority should stipulate in every order sanctioning loans and advances, a time limit of not exceeding one year from the date of final drawal of the loan, for the utilisation of the loans and advances as also for the period within which the certificate of utilisation is to be furnished by the loanee provided, however, that in respect of loans and advances covered by specific rules, the time limit for the utilisation of such loans and advances and for the furnishing of certificates of utilisation thereof will be as prescribed in those rules. The authority to whom the utilisation certificate is to be

furnished should also be specified in the order. The utilisation certificate should clearly state that the amount of loan/advances has been utilised for the specific purpose for which it is granted.

A register should be maintained by the authority who is responsible for watching the utilisation of the loans and advances, in Form *55B.

The register should be inspected at regular intervals by the sanctioning authority or the Head of the Department to satisfy himself that appropriate action is taken at proper time.

- (b) Loans: the detailed accounts of which are maintained by the Accountant General—vide items (a) to (d), (i) and (j) of Art. 133.

The sanctioning authorities should furnish the utilisation certificates in respect of each individual case where the accounts of the loanees are audited by the departmental auditors (e.g., loans to local bodies by the E.L.F.A., etc.). The utilisation certificates may be furnished by such departmental auditors for the total amount of loan distributed to each loanee for the various purposes during each year.

- (c) Loans: the detailed accounts of which are kept by the Departmental officers – vide items (f) to (h) and (j) of Art. 233.

In such cases consolidated utilisation certificates should be furnished by the Head of the Department or the Chief Controlling Officer administering the loan. The certificate should cover the total amount of loan disbursed by the department under each detailed head of account and should indicate the year-wise break up of the loan disbursed and the year-wise break up of the amount for which the utilisation certificate is given. In respect of loans to co-operative societies, etc., the accounts of which are audited by departmental auditors (eg., the Registrar of Co-operative Societies), the utilisation certificate should be given by the auditors (as in the case of loans to Local Bodies) to the Head of the Department/the Chief Controlling Officer concerned who in turn will furnish the consolidated certificate to Audit.

* Substitution C.S.No.10/77 [G.O.(P) No. 422/77/Fin., Dated 29/10/1977]

Irrecoverable Loans and Advances–Duties and Powers of Officers to Write off

265. In respect of advances, for the detailed control, accounting and supervision of which the departmental officers, are responsible it is the duty of the departmental authorities concerned, when any advance is ascertained to be irrecoverable to take the necessary steps to get it written off the accounts under the sanction of the competent authority, and to advise the Accountant General when it is written off in order that he may make necessary adjustment in the accounts. Irrecoverable advance written off will be registered by the departmental authorities concerned in a separate record in order that any recovery eventually found to be possible may be made.

The authorities who are authorised to remit or write off loans and advances and the extent the powers delegated to them are contained in the “Book of Financial Powers”. Any such remission or write off not covered by the powers specified therein requires the sanction of Government.

Write Off liabilities of Government Servants who die in Harness

!265A. Liabilities due to Government up to 2 lakhs in the case of Government employees/All India Service officers dying-in-harness, will be written off subject to the following conditions:-

1. ‘Liabilities’ will include House Building Advance, Motor Conveyance advance and interest Free Advance drawn for the treatment of the employe. In case where there is more than one advance outstanding, priority shall be given to older cases. the facility would be available even where State Government Employees or All India Service Officers were on deputation at the time of demise or where the loan outstanding was sanctioned by some other Government including State Government or Central Government.

! Addition C.S.No.01/2014 [G.O.(P) No. 69/2014/Fin., Dated 17/02/2014]

2. The outstanding balance exceeding Rs 2 lakhs shall be recovered as usual as per the existing rules
3. Outstanding liabilities shall be the liabilities outstanding as on 17-06-1997 or thereafter while the remittances of instalments were going on in usual course as per the conditions of the sanction order and the amount to be so written off shall be determined after deducting the amount already repaid.
4. The applicant/applicants who submit application for waiver of liabilities shall furnish an affidavit duly certified by a Notary Public of the locality to the effect that the loan amount has been fully utilized for the purpose of House. Building/Purchase of vehicle/treatment of the employee for which it was sanctioned.

Note:— The Scheme shall be deemed to have come into force with effect from 17-06-1997.

Annual Certificate

- 266.** With regard to the advances repayable, the departmental officers concerned should furnish annually to the Accountant General by the 15th July certificates of balances under each kind of advance as they stood in their administrative accounts on the 31st of March preceding.

! ANNEXURE I

(See Article 254 A)

LIST OF DISEASES AND CENTRES WHERE THE TREATMENT FACILITIES ARE AVAILABLE AND THE TREATMENT CHARGES OF THE PROCEDURES.**I. CARDIOLOGY AND CARDIO VASCULAR SURGERY***Approximate Expenditure*

1.	Coronary artery by-pass surgery	: 1 lakh
2.	Emergency open heart surgery	: 1lakh
3.	Paediatric Cardiac Surgery in new borns and infants	: 1 lakh
4.	Valve replacement surgery	: 1.3 lakh
5.	Pacemaker implantation	: 40,000

Centres where these facilities are available:

- (1) Institute of Cardiovascular Diseases, Chennai
- (2) Apollo Hospital, Chennai
- (3) Kuppuswamy Naidu Memorial Hospital , Coimbatore
- (4) Escorts Medical Centre, New Delhi
- (5) G. B. Pant Hospital, New Delhi
- (6) All India Institute of Medical Sciences, New Delhi
- (7) Nizam Institute of Medical Sciences, hyderabad
- (8) Government General Hospital, Chennai

! Addition C.S.No.01/2014 [G.O.(P) No. 69/2014/Fin., Dated 17/02/2014]

- (9) Southern Railway Hospital, Perambur, Chennai
- (10) Sree Ramachandra Medical College Hospital, Chennai
- (11) Sree Chithira Thirunna Institute of Medical Science and Technology, Thiruvananthapuram.

II. PAEDIATRICS

- 1. Treatment of Aplastic Anaemia - Thalasemia
Requiring Bone marrow transplantation : 5 to 6 lakh
- 2. ATG/ALG treatment : 50,000 to 1 lakh
- 3. Life saving surgery for congenital Heart Diseases : 1 lakh
- 4. Treatment of Acute Leukaemia in Children : 1 lakh
- 5. End stage renal disease in preparation for renal transplantation : 1 lakh

Facilities available at:

- (1) C.M.C., Vellore
- (2) Apollo Hospital, Chennai
- (3) Madras Medical Mission, Chennai
- (4) Tata Memorial Hospital, Mumbai
- (5) Regional Cancer Centre, Adayar, Chennai
- (6) AI India Institute of Medical Sciences, New Delhi
- (7) Railway Hospital, Chennai
- (8) Sree Chithira Thirunna Institute of Medical Science and Technology, Thiruvananthapuram.
- (9) Ramachandra Institute of Medical Sciences, Chennai

- (10) Escorts Medical Centre, Chennai
- (11) Medical Trust Hospital, Kochi
- (12) Komaranchath urology and Renal Transplantation Centre, Ernakulam
- (13) Sree Ramakrishna Hospital, Coimbatore
- (14) Kovai Medical Centre, Coimbatore, Tamil Nadu
- (15) K.G. Hospital , Chennai
- (16) K.J. Hospital, Chennai
- (17) Vijaya Hospital, Chennai
- (18) Tamil Nadu Hospitals, Chennai
- (19) Chennai Kaliappa Hospital, Chennai
- (20) Stanley Medical College, Chennai
- (21) Lady Wellington Hospital, Chennai
- (22) St. Johns Hospital, Bangalore
- (23) Lakeside Hospital, Bangalore
- (24) Bangalore Kidney Foundation, Bangalore
- (25) Manipal Hospital, Bangalore
- (26) Kasturba Hospital, Manipal
- (27) Ramiah Neurology and Urology Centre, Bangalore
- (28) Nizams Institute of Medical Sciences, Hyderabad
- (29) Sree Venkateswara Institute of Medical Sciences, Thirupati, Andhra Pradesh
- (30) Osmania Medical College, Andhra Pradesh
- (31) Apollo Hospitals, hyderabad

- (32) Medinora, Hyderabad
- (33) K.E.M. Hospital, Mumbai
- (34) Jaslok Hospital, Mumbai
- (35) Hinduja Hospital, Mumbai
- (36) Armed Forces Medical College, Pune
- (37) National Kidney Centre, Nadiad, Gujarat
- (38) Sanjay Gandhi Institute, Lucknow
- (39) P.G.I.M.E.R., Chandigarh
- (40) Banaras Hindu University, Varanasi
- (41) Gauhati Medical College, Gauhati
- (42) Woodlands Nursing Home, Kolkata

III. ORTHOPAEDICS

- 1. Tumour Resection and Prosthesis : 50,000
- 2. Tumour of Lumbar and Thoracic Vertibral bodies -
anterior and posterior fusion needed : 50,000
- 3. Total knee replacement 25,000 Medical College
Hospital, Thiruvananthapuram and Thrissur
20,000 for implants.
- 4. Scoliosis Surgery, Madras K.M.C. Hospital : 50,000
- 5. Interlocking Nail : 30,000

Facilities available at:

- (1) Cosmopolitan Hospital, Thiruvananthapuram
- (2) Apollo Hospital, Chennai

- (3) Kovai Hospital, Coimbatore
 - (4) M.N. Hospital, Chennai
 - (5) Bombay Hospital, Mumbai
 - (6) St. Isahell Hospital, Mylapore, Chennai
 - (7) Manipal Hospital, Karnataka
 - (8) K.M.C. Manipal and Gaya Hospital, Coimbatore
 - (9) Sree uthradam Thirunal Hospital, Thiruvananthapuram
 - (10) Matha Hospital, Thrissur
 - (11) Vijaya Hospital, Chennai
 - (12) Ernakulam Medical Centre, Ernakulam
 - (13) Adayar Hospital, Chennai
6. Fat embolism cases requiring Ventilatory support
- (1) Medical College Hospital, Thiruvananthapuram
 - (2) Medical College Hospital, Thrissur
 - (3) Sree Uthradam Thirunal Hospital, Thiruvananthapuram
 - (4) Apollo Hospital, Chennai
 - (5) Vijaya Hospital, Chennai and most of the good hospitals
7. Joint replacement surgery for knee and hip
- | | | |
|------|---|--------|
| Hip | : | 10,000 |
| Knee | : | 40,000 |
- Available at*
- (1) Apollo Hospital, Chennai

- (2) Kovai Medical Centre, Coimbatore
- (3) Vijaya Hospital, Chennai
- (4) K.M.C Hospital
- (5) Manipal Hospital, Karnataka

IV. GENERAL SURGERY

Radical Cancer Surgery	:	25,000
Organ transplantation	:	1 lakh
Vascular Graft Surgery	:	25,000

Facilities Available at

- (1) All Medical College Hospitals in India
- (2) All regional Cancer Centres
- (3) Tata Memorial, Mumbai
- (4) Adayar Cancer Institute, Chennai
- (5) Apollo Cancer Hospital, Chennai
- (6) All Major Defence Service Hospitals
- (7) All India Institute of Medical Sciences
- (8) Post-graduate Institute, Chandigarh
- (9) Rajiv Gandhi Institute, Lucknow, Jimper, Pondichery
- (10) Christian Medical College, Vellore
- (11) Apollo Hospital, Chennai, Madras Medical College Hospital
- (12) All India Institute of Medical Sciences, Jimper
- (13) Major Medical College hospital, Mumbai

- (14) All Major Medical College hospitals in India
- (15) Department of Vascular Surgery, Madras Medical College, Chennai
- (16) All India Institute of Medical Sciences, New Delhi
- (17) Apollo Hospital, Chennai, Madras Medical Mission, Chennai
- (18) Malar Hospital, Chennai
- (19) Sree Chitra Thirunal Institute of Medical Sciences and Technology, Thiruvananthapuram
- (20) Rajiv Gandhi Institute, Lucknow

V. GENERAL MEDICINE

Bone marrow transplantation for lymphoraticular and Haemological malignancies : 5 to 6 lakh

Available at

- (1) C.M.C., Vellore
- (2) A.I.I.M.S., New Delhi
- (3) Apollo Hospital, Chennai
- (4) Cancer Institute, Adayar
- (5) Tata Memorial Hospital, Mumbai

Renal Transplantation for Renal Diseases : 1 lakh (Approx.)

Available at

- (1) Medical College ,Kozhikode
- (2) Medical Trust Hospital, Kochi, Kerala
- (3) Komaranchath urology and Renal Transplantation Centre, Ernakulam, Kerala

- (4) Sree Ramakrishna Hospital, Coimbatore, Tamil Nadu
- (5) Kovai Medical Centre, Coimbatore, Tamil Nadu
- (6) K.G. Hospital , Coimbatore, Tamil Nadu
- (7) Christian Medical College, Chennai, Tamil Nadu
- (8) Government Medical College, Chennai, Tamil Nadu
- (9) Apollo Hospital, Chennai, Tamil Nadu
- (10) K.J. Hospital, Chennai, Tamil Nadu
- (11) Vijaya Hospital, Chennai, Tamil Nadu
- (12) Tamil Nadu Hospital, Chennai
- (13) Chennai Kaliappa Hospital, Chennai
- (14) Stanley Medical College, Chennai
- (15) Lady Wellington Hospital, Chennai
- (16) St. Johns Hospital, Bangalore, Karnataka
- (17) Lakeside hospital, Bangalore, Karnataka
- (18) Bangalore Kidney Foundation, Bangalore
- (19) Manipal Hospital, Bangalore
- (20) Kasturba Hospital, Manipal
- (21) Ramiah Neurology and Urology Centre, Bangalore
- (22) Nizams Institute of Medical Sciences,Hyderabad
- (23) Sree Venkateswara Institute of Medical Sciences, Thirupati, Andhra Pradesh
- (24) Osmania Medical College, Andhra Pradesh
- (25) Apollo Hospital, Hyderabad

- (26) Medinora, Hyderabad
- (27) K.E.M. Hospital, Mumbai
- (28) Jaslok Hospital, Mumbai
- (29) Hinduja Hospital, Mumbai
- (30) Armed Forces Medical College, Pune
- (31) All India Institute of Medical Sciences, New Delhi
- (32) National Institute of Kidney Science and Research, Ahamedabad
- (33) National Kidney Centre, Nadiad, Gujarat
- (34) Sanjay Gandhi Institute, Lucknow
- (35) P.G.I.M.E.R., Chandigarh
- (36) Banaras Hindu University, Varanasi
- (37) Gauhati Medical College, Gauhati
- (38) Woodlands Nursing Home, Kolkata

VI. CANCER TREATMENT

Electronic beam Therapy for breast, head and neck and skin tumours : 20,000

Available at

- (1) Cancer Institute, Adayar
- (2) Apollo Hospital, Chennai
- (3) Tata Memorial Hospital, Mumbai
- (4) A.I.I.M.S., New Delhi
- (5) Kidwai memorial institute of Oncology, Bangalore

- (6) Tamil Nadu Hospital, Chennai
Bone marrow transplantation for lymphoraticular
and Haemological malignancy : 5 to 6 lakh

Available at

- (1) C.M.C. Vellore
(2) Tata Memorial Hospital, Mumbai
(3) Apollo Hospital, Chennai
(4) A.I.I.M.S., New Delhi

! ANNEXURE II

[See Article 254 A]

THE KERALA GOVERNMENT SERVANTS MEDICAL ATTENDANCES RULES, 1960

1. Name and address of Patient :
2. Whether employed, if so details such as
 - (a) Pay and Scale of Pay :
 - (b) Office in which employed :
3. Residential address of the patient :
4. Place at which the patient fell ill :
5. Whether Hospitalised or not :
6. If hospitalizes whether in Govt. Hospital/Private Hospital with name of the Hospital :
7. If advised hospitalization outside the State the Hospital where the patient is admitted first. State the reason for outside hospitalization :
8. Details of permission granted for outside treatment :

Signature of Authorised Medical Attendant.

9. (i) Remarks of Unit Chief/Head of the Department.
- (ii) Remarks of Superintendent of Hospital.

Counter Signature of D.M.E/D.H.S

! Addition C.S.No.01/2014 [G.O.(P) No. 69/2014/Fin., Dated 17/02/2014]

CHAPTER X**DEPOSITS****Introductory**

267. In connection with the transaction of public business the Government receive moneys deposited with them for various purposes by or on behalf of various public bodies and members of the public, and afterwards account for them by repayment or otherwise. Any department of the Government may receive such deposits; a large number of them relate to the revenue administration or the administration of justice. In relation to certain classes of deposits, e.g., Deposits of Local Funds, the Government's function is merely that of a banker ; in connection with certain other classes, e.g., Civil Deposits, they also control the administration of the money.

The Government sometimes decide to set aside sums from the revenues of a year or a series of years to be accumulated as a 'Fund', the balance at the credit of which is held as a deposit and expended on specified subjects. They also receive contributions from other sources to some such funds which they administer.

The transactions relating to money of the kinds described above are accounted for in the "Deposit Section" of the Government accounts.

This Chapter deals with "Civil Deposits" which include the classes of deposits closely connected with the administration of various Government departments and controlled by the Government.

Classes of Civil Deposits

- 268.** "Civil Deposits" include—
- (i) Revenue Deposits.
 - * (ii) Security Deposits.
 - (iii) Civil Courts Deposits.

*Insertion C.S.No.2/76 [G.O.(P) No. 30/76/Fin., Dated 19/01/1976]

- (iv) Criminal Courts' Deposits.
- (v) Personal Deposits.
- (vi) Forest Deposits.
- (vii) Public Works Deposits.
- (viii) Trust Interest Funds.
- (ix) Deposits for work done for public bodies or private individuals.
- (x) Unclaimed Provident Fund Deposits.
- (xi) Deposits for Government loans.
- (xii) Deposits of Government Commercial undertakings.
- (xiii) Deposits in connection with elections.

Revenue Deposits

269. The following kinds of deposits come under this head :

*Deleted

1. Sale proceeds of land sold for arrears of revenue and the prescribed commission recovered from the defaulters payable to the auction purchaser.
2. Receipts of estates under attachment or about to be sold for arrears of revenue, and deposits made by persons who apply for sales of immovable properties to be set aside. [Kerala Revenue Recovery Act, 1968 (Act 15 of 1968)].
3. Compensation for land acquired under the provisions of the Land Acquisition Act.
4. Fees for the survey of waste land till the land is sold in each case.

*Deletion C.S.No.2/76 [G.O.(P) No. 30/76/Fin., Dated 19/01/1976]

5. Money received on account of all estates irrespective of their value, pending final disposal under the orders of the competent authority.
6. Sale proceeds of articles sold under the terms of Treasure Trove Act (India Act VI of 1878).
7. Money remitted by postal money order on account of advance payment of refunds of revenue or refunds of deposits but returned by the Post Office as unclaimed (*See* Rule 218 of part V of the Kerala Treasury Code).
8. Pensions remitted by postal money order but returned by the Post Office as unclaimed.
9. Sale proceeds of wrecks which are the property of the State Government.
10. Sale proceeds of land or other property sold which are not at once paid to the land-holder concerned.
11. Deposits for lands to be acquired for public bodies or individuals.
12. Sums of money tendered by private persons or corporate bodies as rewards for detection of crime or other good work.
13. Amount of closed Savings Bank Account pending payment for want of heirship certificate, etc.
14. Commission fee deposited in connection with forest or other cases.
15. Undisbursed amounts of the final contract certificates except those of the Public Works, one month after the certificates have been passed for payment and with the sanction of the Head of the Department concerned.
16. Deposits of Jenmikaram collections.

Note:— Other deposits may be accepted under the orders of the Accountant General or the District Collectors.

*Deleted

*Deletion C.S.No.12/79 [G.O.(P) No. 930/79/Fin., Dated 05/11/1979]

17. Security deposits of the mining leases and prospecting licence holders of the Geological Department.
18. Undisbursed amount of subsidy for dewatering operation of Punja land due to the legal heirs of the contractors who die before payment.
19. Deposits remitted towards preliminary expenses by applications for mining leases as required under clause 2 (b) of rule 22 of the Mineral Concession Rules, 1960.
20. Amount due to cultivators towards cost of paddy and rice refused to be accepted by them.
21. Cost of grain due to a dealer when his business is transferred to another dealer consequent on the cancellation or suspension of his business.
22. The Malikhana Allowances returned by the Post Office unpaid.
23. Arrears of rent due to Sreepadam Palace and collected from the landholders of Sreepadam Villages.
- †24. All moneys received in the progress of execution of decrees under rule 81 of the Kerala Co-operative Societies Rules framed under the Kerala Co-operative Societies Act, 1969.

!269A. The following transactions relating to all non interest bearing deposits (other than those pertaining to Public Works Department) are included under this head.

1. Earnest money deposit made by intending tenderers in all departments are credited to security deposits. No previous authority of a departmental officer is necessary, but the depositor must state the designation of the officer in whose favour he makes the deposit and that designation must be stated on the receipt given by the Treasury.

†Insertion C.S.No.10/76 [G.O.(P) No. 332/76/Fin., Dated 26/10/1976]

! Insertion C.S.No.2/76 [G.O.(P) No. 30/76/Fin., Dated 19/01/1976]

2. Initial deposits made by intending bidders at auction sales.

Note:— Selling officers are authorised to receive the initial depositors return those of unsuccessful bidders at the close of the day's sale and remit to the Treasury the initial and further deposits made by successful bidders. The gross transactions should however be included in the Government account— *See* Rule 6 (2) (h) of Part I of the Kerala Treasury Code. Deposits of unsuccessful bidders which are not returned at the close of each day's sale will be remitted into the Treasury.

3. Security deposit received from the lessees of the usufructs of the Government trees or compounds.
4. Security furnished in cash by a Government servant or a contractor (except in the Public Works Department) and not converted into an interest bearing form of security. (*See* Articles 304 and 305).
5. Deposits made by the students of the Survey Schools.
6. Security deposits for revenue under M.V. Act, 1939].

Civil Courts' Deposits

270. This head comprises deposits ordered by the High Court, the District Judges, Sub Judges and District Munsiffs and the Panchayat Courts, and includes the following items:—

1. Sale proceeds of intestate property.
2. Moneys received in Civil Courts for the service of summonses, for batta of witnesses and for other similar purposes.
3. Fees for printing copies of judgements pending payment to the printers.
4. Sums received in Civil Courts in satisfaction of decrees.
5. Stamp fees for succession certificates, pending orders on the application [Section 379 of the Indian Succession Act, 1925 (Act XXXIX of 1925)].

Note:— When a succession certificate is granted, the court concerned should issue a cheque payable to the Treasury Officer for the amount representing the value of the court-fee stamps which the Court desires him to supply in Exchange. On receipt of the cheque, the Treasury Officer should supply the court-fee stamps required and adjust their value to the debit of “Civil Courts’ Deposits” and credit of “Sale of court-fee Stamps”.

6. Amount attached by Civil Courts from salaries.
7. Travelling allowances of the Examiner of Questioned Documents and his staff collected in advance from private parties.

Criminal Courts’ Deposits

271. This head includes the following items:—

1. Compensation fines and costs due to injured party and not to the Government in both appealable and non-appealable cases. In cases subject to appeal they should be kept in deposit till the period allowed for presenting the appeal has elapsed, or if an appeal be presented, till it is decided; and then they should be paid to the rightful claimant, if claimed or continued in deposit till they lapse under the ordinary rule.

2. Sale proceeds of unclaimed perishable property.

Note:— If unclaimed property be sold because it is perishable and cannot be kept, or for the benefit of the owner, the proceeds should be held for six months in deposits.

3. Moneys received in Criminal Courts for service of summonses, for batta of witnesses and for other similar purposes.
4. Copying fees.
5. Sale proceeds of property attached for evading warrants— for two years.

6. Receipts relating to attached disputed property, till it is restored (Section 146 of the Criminal Procedure Code).
7. Travelling allowances of the Examiner of Questioned Documents and his staff collected in advance from private parties.
8. Surplus sale proceeds of unclaimed impounded cattle for 3 months. [See Section 16 of the Kerala Cattle Trespass Act, 1961 (Act 26 of 1961)].

Note:— In the case of distrained cattle, the sale proceeds should be kept in deposit pending confirmation of the sale.

Personal Deposits

272. This head includes the transactions on account of the following:—

1. Kakur Estate Fund.
2. Mathilagom Fund.
3. Sripandaravagai Fund.
4. Devaswom Fund.
5. Palace Funds.
6. Hindu Religious Charity Fund.
7. Treasury Cash Orders.
8. Funds collected by the irrigation Block Boards.
9. Cash property of prisoners in Jails at convenient intervals. They should not be held long by the Jail Department.
10. District Cattle Pound Funds.
11. Wards' Estates and attached Estates.
12. Official Receivers' and Official Assignees' Deposits.

13. Police Funds.
14. Anti-Tuberculosis Fund.
15. Co-operative societies under liquidation.
16. Cash deposits of patients in Government Hospitals (Cash receipts other than cash deposits towards hospital stoppages).
17. Caution money collected by Government institutions such as Colleges, Hostels, Agricultural and Commercial Schools, the Public Library, etc.

Note:— Other personal deposits made by Government servants in their official capacity may not be accepted without the special sanction of the Government for opening a banking account with the Treasury.

Public Works Deposits

273. (See also Article 73 of Kerala Account Code Vol. III).

This head comprises transactions of the following classes:—

1. Cash deposits received from contractors as security including percentage deductions made from their bills.
2. Deposits for work to be done.
3. Sums due to contractors on closed accounts.
4. Miscellaneous deposits including (until clearance) all items of receipt the classification of which cannot at once be determined or which represent accounting errors awaiting adjustment.

Trust Interest Funds

274. Transactions relating to interest on Trust items held by the Treasurer of charitable Endowments or on account of Miscellaneous Trusts are recorded under this head.

Deposits for work done for Public Bodies or Private Individuals

- 275.** These deposits are made with the Government by local or other bodies financially independent of the Government to cover the payment of compensation for land which the Government propose to acquire for such bodies under the Land Acquisition Act.

Unclaimed Provident Fund Deposits

- 276.** Amounts standing to the credit of subscribers to Provident Funds under the control of Government are transferred to the head 'Unclaimed Provident Fund Deposits' at the end of a year if they have remained unclaimed for a period exceeding six months (Government have allowed Government employees retiring from service to retain their credits in Provident Funds for six months with interest) from the date they become payable. Before such transfer the Head of Department shall be consulted to ascertain the whereabouts of the subscriber or his claimants and information failing, the intention to transfer the credits to unclaimed Provident Funds deposits' shall be notified in the gazette.

Deposits for Government Loans

- 277.** This head is operated temporarily whenever the Government raise a loan in the open market.

Forest Deposits

- 278.** The transactions of the following classes come under this head :—
1. Cash deposits received from contractors as security including percentage deductions made from their bills.
 2. Deposits for work to be done.
 3. Sums due to contractors on closed accounts.
 4. Other miscellaneous deposits.

Deposits of Government Commercial Undertakings

279. The transactions under this head are similar to those done by the Civil Departments under the head “Revenue Deposits”.

Deposits in connection with Elections

280. Deposits of candidates standing for elections to the State Legislature and Parliament and deposits on challenged votes received in connection therewith come under this head.

General Principles and Rules

281. (a) The treasury should not credit any amount under a deposit head without the formal sanction of the competent authority. As a general rule, no amount should be credited under a deposit head if it can be properly credited to some other known head in the Government account. The Treasury or Sub-Treasury Officer should see that this rule is strictly followed and make representations to the court or other authority ordering the acceptance of a deposit, if he considers that the amount should be credited under some other head of account.

In particular, the following items should not be treated as deposits but should be credited, on receipt, to the departmental head of account most nearly concerned, in accordance with the authorised procedure:—

1. Revenue paid to the Government on account of a demand not yet due.
2. Land revenue and cesses collected in one taluk on account of another.
3. Receipts for which full particulars are not available.

Note:— These should be credited as miscellaneous receipts and adjusted to the proper head subsequently, if necessary.

4. Any pay, pension or allowance or part thereof on the ground of the absence of the payee or for any other reason except to the extent indicated in items (13) and (28) of Article 269.

5. Fines realised in cases in which an appeal is pending except to the extent indicated in Article 271.
6. Refunds whether of stamp or other receipts.

Note:— Such amounts can be drawn only on the appearance and on the receipt of the person entitled to them after the production of due authority; on no account may they be charged on the receipt of an official and lodged in deposit pending demand.

7. Sale proceeds of unclaimed property, except to the extent indicated in Article 271.
8. Initial receipts of less than one rupee and balances of deposits due for refunds of less than one rupee, except when they are credited to a deposit head under the orders of a Court or received in connection with the acquisition or sale of land.
9. Sale proceeds of Government property, rights, etc., such as land, buildings, building site, lease of fishery and fines levied for unauthorised cultivation or appropriation of land in the Revenue Department.
10. Sale proceeds of minor forest produce, fuel, sandalwood, etc., in the Forest Department.
11. Tree tax, registration fees on Arrack Shops and kisth amount of Excise shops in Excise Department.
12. Fines out of which rewards are payable.
13. Rewards of informers.
14. Advances made by land-holders to pay the surveyors engaged in the partition of their estates.

- (b) No transactions other than cash transactions may be accounted for in the deposit section of the Government Account. Security deposits received from contractors, etc., in forms other than cash, and jewels or other property received for safe custody and return in kind should be brought on to the special registers prescribed for the purpose. They should not be credited as revenue or brought on to the deposit register, even though their value is stated in money (*See Article 287*).
- (c) No money tendered as Personal Deposits by private individuals or by Government servants acting otherwise than in their official capacity and no funds of quasi-public institutions, even though they are aided by the Government, may be accepted for deposit in a treasury except under an order of the Government.
- (d) The procedure to be followed by Government servants in paying moneys received as deposits into the treasury or the bank and subsequently withdrawing them, when necessary, for repayment to the depositors or other persons entitled to them is prescribed in the Kerala Treasury Code.

Lapse of Deposits to the Government

282. In certain circumstances deposits lapse to the Government and are credited to the Government under the appropriate revenue head of account. The following rules specify these circumstances :-

1. *Revenue Deposits.*— Deposits not exceeding five rupees unclaimed during the whole of a financial year, balances not exceeding five rupees in each case of deposits partly repaid during the year, then closing, and all deposits unclaimed for more than three complete financial years should be credited to the Government at the close of March in each year. For the purpose of this rule, the age of a deposit or the balance of a deposit not yet repaid should be reckoned from the date of the original deposit and not from the date of the last repayment.

Exception 1:— The security deposits of the mining leases and prospecting license holders of the Geological Department will not lapse during the currency of the lease deed.

Exception 2 :— In the case of security deposits for granting permits to tourist motor vehicles, the amount deposited will be allowed to remain under “Revenue Deposits” even after three years. After the applications for permit are considered by the State Transport authority, the entire amounts deposited by the unsuccessful applicants will be refunded to them and if any refund from the security deposit becomes necessary in the case of a permit holder, a refund bill will be issued.

2. *Civil Court’s Deposits:*— The lapsing of these deposits to the Government is governed by the rules issued by the High Court in this behalf.
3. *Criminal Court’s Deposits:*— These deposits lapse to the Government in the same manner as “Revenue Deposits”— item (1) above.
4. *Forest Deposits:*— These deposits lapse to Government in the same manner as “Revenue Deposits”— item (1) above.
5. *Personal Deposits:*— (a) *Official Receiver’s Deposits.*— The lapsing of the deposit is governed by Rule XXXII of the Kerala Insolvency Rules, 1959 made under section 83 of the Insolvency Act, 1955 (Kerala Act II of 1956).

Exception.— In the case of certain deposits such as caution money taken from students, apprentices, etc., the time-limit for lapse will be as indicated in the respective rules requiring those deposits.

- (b) *Cash deposits of patients in Government Hospitals:*— (cash receipts other than cash deposits towards hospital stoppages.)
- (c) Deposit Accounts not acknowledged by the Administrators and not operated by them for more than three financial years.

(d) *Other Personal Deposits*:— The balances in the Personal Deposit Accounts other than the accounts of those mentioned in items (a) and (b) above do not lapse to Government. However Personal Deposits Accounts administered by the Government Officials, which are created by debiting the Consolidated Fund except such accounts which are created by any law or Rule having the force of law* and the money order Personal Deposit Accounts opened for payment of money order pension should be closed at the end of each financial year by minus debit of their balances to the relevant service heads in the consolidated fund, and personal deposit accounts being opened next year, again, if necessary in the usual manner.

These deposits lapse to Government if they remain unclaimed for more than three complete financial years.

6. *Public Works Deposits*:— These deposits lapse to the Government in the same manner as “Revenue Deposits”- item (1) above, *except* that the age of a Public Works Deposits or the balance of a Public Works Deposit not yet repaid should be reckoned from the date when the deposit or the balance, as the case may be, first becomes repayable.
7. *Deposits of Government Commercial Undertakings*:— These deposits lapse to Government in the same manner as Public Works Deposits.

282A. A deposit credited to the Government under Article 282 should only be repaid with the previous sanction of the Accountant General. He will authorise payment on being satisfied:-

- (1) that the item was really received ;
- (2) that it was credited to the Government as lapsed;

*Insertion C.S.No.4/87 [G.O.(P) No. 426/87/Fin., Dated 08/05/1987]

- (3) that it is claimed by a person who might have drawn it before it lapsed; and
- (4) that the competent departmental authority has signed the refund application and furnished the necessary certificates as to the claimant's identity and title to the amount (*See* also Article 37).

****Note:**— A deposit, the detailed account of which is kept at the Treasury may be refunded without the sanction of the Accountant General. The Treasury Officer shall, before authorising refund in such cases, ascertain that the item was really received and is traceable in his records, was carried to the credit of Government as lapsed and was not paid previously and that the claimant's identity and title to the money are certified by the Officer signing the application for refund.

**Addition C.S.No. 4/85 [G.O.(P) No. 450/85/Fin., Dated 06/08/1985]

CHAPTER XI

LOSSES OF PUBLIC MONEY OR PROPERTY

Securities and general principles for fixing and enforcing responsibility

General

- 283.** The Government will hold a Government servant personally responsible for any loss sustained by the Government through fraud or negligence on his part, and also for any loss sustained through fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence (*See* also Article 8).

The cardinal principle governing the assessment of responsibility for such losses is that every Government servant should exercise the same diligence and care in respect of all expenditure from public funds under his control as a person of ordinary prudence would exercise in respect of the expenditure of his own money (*See* also Article 40).

An officer's honest errors of judgement involving financial loss may be deserving of condonation if he can show that he has done his best upto the limits of his ability and experience. Where, however, an officer is dishonest, careless or negligent, in the duties entrusted to him, and causes loss to Government, the case is clearly one for punishment and enforcement of personal liability.

Rules to be observed in cashing bills or in remitting money from one office to another

- 284.** A Government servant who has to arrange for public moneys to be carried from one place to another by a messenger should take all reasonable precautions to prevent any loss in transit due to misappropriation of the moneys by the messenger or any other cause. He should pay due regard to all relevant factors including the status of the messenger employed and the

distance over which the moneys have to be carried. As far as possible, he should use for this purpose only permanent Government servants whom he knows to be reliable. When the amount to be carried is considerable, he should not entrust it to a single low-paid subordinate.

The following rules should be observed in cashing bills or in remitting money from one office to another.

- (1) Generally only persons (peons, clerks, etc.) of proven reliability should be engaged in the transmission of Government moneys.
- (2) Peons may be permitted to carry amounts upto † 50,000.
- (3) Above † 50,000 upto 1,00,000 one class III employee and a peon may be engaged.
- (4) If the amount is above † 1,00,000 one supervisory officer and a peon may be engaged.

Note 1:— Officers may use their discretion as to the persons to be employed for the purpose. New recruits should not however be employed.

Note 2:— Special arrangements should be made whenever necessary for the transmission of large amounts of cash involving 2,00,000 or more. Officers should use their discretion in the matter, taking into consideration the kind of vehicle engaged and the distance to be covered. If departmental vehicles are available they should be used for the purpose. If police escort is considered necessary, it may be obtained on requisition to the police authorities concerned.

Note 3:— *If more than one person is engaged for encashment of bills with reference to the above rules, the bill should be endorsed in favour of the person belonging to the higher/highest grades among the persons

†Substitution C.S.No.1/96 [G.O.(P) No. 526/96/Fin.,Dated 06/08/1996]w.e.f. 06/08/1996.

*Insertion C.S.No.5/76 [G.O.(P) No. 158/76/Fin., Dated 07/06/1980]

so engaged. The drawing officer may engage persons specified against a higher monetary limit for encashment of bills falling within a lower monetary limit. They may engage persons falling within a lower monetary limit against a higher monetary limit, only when the sanctioned strength of the members of the staff of the office does not permit him to satisfy the above rules. In such cases, the necessity of such an endorsement should also be certified in the bill by the drawing officer. The services of the Executive Officers may also be utilised in office where there are no categories of employees mentioned in the previous sub-paragraph.

Note 4:— @The above provision do not apply to remitting of cash and other valuables to and from the Treasuries which are always to be with police escort and for which the provisions of the rules in Part VI of Kerala Treasury Code Vol. I shall apply. However, the above provisions should be observed by the Treasury Officers for the drawal of imprests from the Bank and the remittance of imprest balance into the Bank, if no police escort is provided for such withdrawals and remittances.

- 285.** One important method by which the Government endeavour to minimise the risk of losses and ensure that it shall be possible to recover the amount of any loss that may be sustained is (1) by taking of adequate Fidelity Insurance covers in respect of posts to which the custody or handling of Government cash or stores is assigned and (2) by taking adequate security from contractors who supply stores or executive works for the Government.

SECURITY DEPOSITS

Fidelity Insurance - Government Servants

- 286.** The amount of security required for each security post to be covered by Fidelity Insurance should be fixed with due regard to the circumstances and local conditions in accordance with the rules contained in the departmental

@ Substitution C.S.No.3/83 [G.O.(P) No. 19/83/Fin., Dated 9/11/1993]w.e.f. 15/07/1982.

code or manual concerned and the relevant special orders of Government, if any. Where no definite orders or rules already exist Government servants in charge of offices will be responsible for reporting to their superior officers, and the latter to Government, as to the necessity or otherwise for security being taken in any particular case and the Government will determine the amount of the security to be obtained with due regard to the circumstances of each case.

The amount should be fixed at a sum equal to the maximum amount which the holder of the post ordinarily has in his hands at any one time. The Head of the Office should see that the amount of cash or valuables left in the hands of the Government Servant holding such post is not more than the amount fixed for that particular post to be covered by Fidelity Insurance.

All Heads of Departments will forward to the State Insurance Officer, the details of the posts for which Fidelity Insurance covers are necessary, the amounts of the policies etc. On receipt of such details the State Insurance Officer will issue policies in each case. The premium on such policies will be paid by the respective departments from their contingencies. The Head of the Department will see that the insurance policies are kept alive.

- * Collective Fidelity Guarantee Insurance Policies will be issued covering all the employees in security posts in a department, if there are more than one such post in a department. In such cases the names of the employees, the names of the posts, the sum guaranteed for each post and the number of such posts in the department will be shown in the policy. Such policies will be for a period of 12 months and renewed from time to time.

A register for watch the timely remittance of premium towards the Fidelity policies taken collectively will be maintained in Form 43 (K.F.C Vol.II) by each department.

* Addition C.S.No.6/67 [G.O.(P) No. 96/77/Fin., Dated 16/03/1977]

Security Deposits—Contractors

287. Whenever a private person or firm contracts with the Government to supply stores or execute a work, he or it should, unless exempted by a competent authority, be required to give security for the due fulfilment of the contract and suitable provisions regarding the security should be incorporated in the agreement executed with reference to Article 140 (ii) and 181 a reference to the agreement should be recorded in the Register of Security Deposits. This Register should be in Form 43 except when some other form is specially prescribed in the rules or orders applicable to any department.

In all contracts entered into on the part of Government under which sums of money are payable by contractors, adequate security should be taken for sums being paid as they fall due. Where the circumstances are such that security cannot conveniently be furnished the contractors should be required to pay the sums due on the contract quarterly in advance; and the instalments on account of each quarter should be paid at least a month before the beginning of the quarter for which the advance payment is required. In default the contract should at once be cancelled and new arrangements made so that as far as possible Government may be protected from loss.

These orders apply not only to Government leases and contracts, but also to similar engagements on the part of local bodies, in cases which are not specifically provided for in the departmental rules. What has to be specially guarded against is the overlooking of the demand outstanding on account of contracts till the end of the year for which they are current, by which time heavy balances are liable to accrue and it may become impossible to effect full recovery and secure necessary adjustment.

Form of Security and Conditions on which they are accepted

288. The Security taken from a contractor should be in one of the following forms subject to the conditions noted against each, or partly in one and partly in another of these forms when this is specially permitted by the departmental authority authorised to accept the security.

*Forms**Conditions*

1. Cash.

The Government will pay no interest of any deposit held by them in the form of cash.

 2. Government Promissory Notes, Municipal Debentures, Port Trust Bonds or Bonds and/or Debentures issued by the Kerala Financial Corporation and Jenmikaram Payment (Abolition) Bonds

The securities should be accepted at 5 per cent below the market price or at the face value *which ever is less*, and should be duly endorsed in favour of the prescribed authority in accordance with the rules the Government Securities Manual. Public Works and Forest Contractors who furnish security in this form should be required to endorse the securities in favour of the Executive Engineer in the Public Works Department and the Divisional Forest Officer in the Forest Department respectively.
- Note:*— Contractors who furnish security in the form of Government Promissory Notes may endorse the security in favour of Assistant Engineers also in the Public Works Department.
3. Stock Certificates of the Central or State Government.

These should be accepted at 5 per cent below the market price or at the face value *whichever is less*. The person who furnishes these certificates as security should transfer them to the

prescribed authority (in the name of his office) by registration in the books of the Public Debt Office and produce evidence of such registration before the certificate are accepted as security deposits. Similarly when the certificate has to be returned to the person who has furnished it, the authority concerned should effect the retransfer by registration in the Public Debt Office.

4. National Savings Certificates, Government of India 12 years National Plan Savings Certificates and 10 Year Treasury Savings Certificates

These securities should be accepted at their surrender value.

5. 12 Years National Defence Certificates and 10 Year Defence Deposit Certificates.

These Securities should be accepted at their surrender value.

6. Treasury Savings Bank Deposits

Contractors and foremen of chitties may open accounts in the Treasury Savings Bank and pledge their pass books in the name of the departmental authority which takes the security, under the Treasury Savings Bank Rules, *See* Appendix 3 to the Kerala Treasury Code. The deposits may be in the name of the depositor, who should, however, sign a letter of agreement to the Savings Bank binding himself not to draw the money without

the sanction of the Government Officer to whom the security is pledged and authorising the Savings Bank to pay the money to that Officer if required.

7. Post Office Savings Bank Deposits

A pass book for a deposit made under Rule 45 (b) of the Post Office Savings Bank Rules may be accepted as security provided that the depositor has signed and delivered to the Postmaster a letter in the prescribed form, as required by Rule 45 (f) of these Rules. Alternatively the contractor who furnishes security may offer security in the form of cash with a request that it be deposited in the Post Office Savings Bank in the name of the pledgee (departmental authority which takes the security) in accordance with Rule 45 (g) of the Post Office Savings Bank Rules (*See* Article 290).

8. Post Office Cash Certificates

The Certificates should be formally transferred to the pledgee with the sanction of the Head Post Master in accordance with Rule 5 of the Post Office Cash Certificate Rules, and should be accepted at their surrender value at the time of tender.

9. Deposit Receipts of Recognised Banks and Co-operative Societies approved by Government for the purpose

(i) The deposit receipt should be made out in the name of the pledgee *or* if it is made out in the name of the pledgers the Bank should certify on if that the deposit can be withdrawn only on the demand or with the sanction of the pledgee ;

(ii) The depositor should agree in writing to undertake any risks involved in the investment ;

(iii) The Bank should agree that, on receiving a signed treasury chalan and a withdrawal order from the pledgee in respect of the deposit or any part of it, it will at once remit the amount specified into the nearest treasury along with the chalan and send the treasury receipt to the pledgee ;

(iv) the responsibility of the pledgee in connection with the deposit and the interest on it ceases when he issues a final withdrawal order to the depositor and sends an intimation to the Bank that he has done so.

Note 1:— The Deposit Receipts of the following Co-operative Banks will be accepted as security and earnest money deposits of Government contractors, without any limit and without obtaining counter-securities from the Banks.

1. The Kerala State Co-operative Bank.
2. The Thiruvananthapuram District Co-operative Bank.
3. The Kollam District Co-operative Bank.
4. The Alappuzha District Co-operative Bank.
5. The Kottayam District Co-operative Bank.
6. The Ernakulam District Co-operative Bank.
7. The Thrissur District Co-operative Bank.
8. The Palakkad Co-operative Central Bank, Limited.
9. The Malabar Co-operative Central Bank, Limited.
10. The Kannur District Co-operative Central Bank, Limited.

11. *Thiruvalla East Co-operative Bank Limited.
12. *Cranganore Town Co-operative Bank Limited.
13. *Ottappalam Co-operative Urban Bank Limited.
14. *Kottayam Co-operative Bank Limited.
15. *Tirur Co-operative Urban Bank Limited.
16. *Calicut Co-operative Urban Bank Limited.

Note 2:— Deposit receipts of the following Banks produced by contractors for Departmental work and made out in the name of the pledgee will be accepted as valid only if the Bank concerned lodges with Government sufficient Government Securities to cover the amount of the receipts with a margin of 5 per cent on the market value.

- (1) The Indian Overseas Bank
- (2) The South Indian Bank.
- (3) The Bank of India

In the case of deposit receipts of the Reserve Bank of India, the State Bank of India, the State Bank of Travancore, the Kerala State Co-operative Bank, the Cochin Central Co-operative Bank, Thrissur, the condition relating to 5 per cent margin is not applicable.

Note 3:— Alternatively, security deposits given under the Bank Guarantee Scheme (details of which are given in *Appendix 9*) may also be accepted

Note 4:— Individual Deposit Receipts or guarantees of approved scheduled Banks upto 5,000 (Rupees five thousand only) furnished as Earnest Money Deposits of contractors will be kept outside the purview of the Bank Guarantee Scheme and can be accepted by the Departments of the

*Insertion C.S.No.1/86 [G.O.(P) No. 65/86/Fin., Dated 15/01/1986]

Government. The following Scheduled Banks have been approved for the purpose of accepting their individual Deposit Receipts or Guarantees upto 5,000 (Rupees five thousand only) as Earnest Money Deposits of contractors without obtaining any counter-security from the Banks subject to a limit of Rupees one lakh for each Bank at any time.

NAME OF BANKS

1. Bank of Madura.
2. Canara Bank.
3. Central Bank of India.
4. Indian Bank.
5. Indian Overseas Bank.
6. South Indian Bank.
7. State Bank of India.
8. State Bank of Travancore.
9. State Bank of Mysore.
10. Nedungadi Bank.
11. Syndicate Bank.
12. Bank of Baroda.
13. Bank of India, Bombay.
14. Canara Banking Corporation, Udipi.
15. Devkaran Nanjee Banking Company.
16. Punjab National Bank.
17. Union Bank of India, Bombay.
18. United Commercial Bank, Calcutta.

19. The Vijaya Bank Ltd., Mangalore.
20. The Catholic Syrian Bank Ltd., Trichur.

For the purpose of reviewing whether the ceiling limit has been exceeded, the Banks will send to the Finance Department, at the end of January every year consolidated lists of pending Fixed Deposit Receipts or Guarantees upto 5,000 issued by them towards Earnest Money Deposits of contractors during the previous year along with the certificates that the limit of 1 lakh was not exceeded at any time during the previous year.

The State Bank of India and the State Bank of Travancore are exempted from the ceiling limit of One lakh.

Forms

10. Other forms of Security specifically approved by the Government for acceptance in any particular department, eg., Mortgages on real property and personal security in the Revenue Department.

Conditions

Security in any such form should be accepted in the particular department concerned only in accordance with the rules and conditions laid down in the relevant Departmental Code or Manual or in special orders of the Government.

- #11. Investment in the Bhadratha Social Security Scheme

The Security coverage will be confined only to the actual amount initially invested by the depositor, as indicated in the Bhadratha certificate.

Note 1:— When a work is executed on the piece-work contract system, security may also be taken in the form of percentage deductions made from the contractor's bills (*See Article 179*).

Note 2:— Before accepting a Government Promissory Note as security, the officer accepting it should see that the Note is not torn or damaged or crowded with

writing, as otherwise it requires to be renewed, that the transfer endorsements made thereon are in proper order, and that there is no reason to question the signature of the endorser. Ordinarily if the signature is in English, it should agree letter for letter with the endorser's name as spelt in the transferring endorsement. He should also see that the chain of the endorsements on the Note is complete, that is, that the persons or officers who endorse the Note away are the same as those in whose name it already stood or to whom it has been endorsed. An endorsement signed "for" any other person is invalid unless it is supported by a Power of Attorney.

If there is any doubt about the regularity of endorsements, the depositor may be required to have the Note renewed in his own name.

Endorsements to or by any person "in trust for" any other, or as 'trustee of' anything are also invalid. All words relating to the trust must be expunged under the initials or signature of the person in whose endorsement they occur. Endorsements written upon a piece of paper attached to a Note are also invalid.

If all the transfer columns on the reverse of a Note are used up, the Note should not be accepted as it would not be possible to re-transfer the same in favour of the depositors when the security is released. The endorsement should be unconditional.

289. Security furnished in cash by a contractor may be converted at the cost of the depositor, into one (or when specially permitted, partly into one and partly into another) or the interest bearing forms of security mentioned in items (2) to (9) in the preceding article, provided—

- (i) that the depositor has expressly requested in writing that this be done; and
- (ii) that the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement of bond.

Cash actually received or recovered may be converted into an interest bearing form of security in the manner described above, even when it forms part of a deposit which is being paid in instalments and has not yet been realised in full. Percentage deductions made from a contractor's bill held as security for the due fulfilment of a contract should not, however, be converted into any other forms of security unless a departmental rule or order makes special provision for such conversion.

Post Office Savings Bank Deposits

290. The following procedure should be observed when cash tendered as security is to be deposited in the Post Office Savings Bank:—

- (i) The Government servant who takes the security (the pledge) should send a letter to the Postmaster through the person who has to furnish the security explaining the nature of the security and requiring the Postmaster to receive the deposit and issue the pass book in his (the pledgee's) name "On account of the security of A.B. (the person pledging)". The person who is to furnish the security should present the letter at the Post Office with the requisite amount in cash and savings Bank index card in the prescribed form signed at the foot by the pledgee.
- (ii) The Postmaster will deliver the Savings Bank pass book to the person pledging the security. The latter should transmit it without delay to the pledgee, and the pledgee should give him a receipt for it in the prescribed form.

Registration of Security Bonds

291. The registration of a security bond is compulsory if security is furnished in the form of immovable property. When security is furnished in any other form, registration of the security bond is optional and it need not be registered unless in any particular case the Head of the Department considers that the Government interest would be prejudiced by not registering it. In all cases

where registration is considered necessary, it should be done at the expense of the Government.

Custody of Securities and Security Bonds

- 292.** Treasury and post office savings bank pass books, fidelity bonds and security bonds or agreement should be kept in the safe custody of the departmental authority which takes the security.

All the treasury and post office saving bank pass books should be sent to the Treasury and Post Office respectively as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.

Government Promissory Notes, Stock Certificates, National Savings Certificates, National Plans Savings Certificates and Treasury Savings Certificates, Municipal Debentures and Port Trust Bonds deposited as security should be lodged for safe custody with the District Treasuries. The Government officer who receives the Notes, etc., will, after entering them in a register in Form 45, forward them in registered cover to the District Treasury Officer. With each despatch of the Notes, etc., a covering list in duplicate in Form 46 should be sent, one copy of which will be signed and returned to the Government Officer who forwarded the Notes, etc.

Note:— A receipt should invariably be furnished to the depositor when the Notes, etc., are received and brought on this register. The receipt may be in the same form as the register but with the first four columns only. The receipt should be surrendered by the depositor when the Notes etc., are returned to him. The return of the Notes, etc., should at once be noted in the register which should be kept in the personal custody of the departmental authority who accepts the security.

A departmental authority which accepts a deposit receipt of a bank mentioned in item (9) of Article 288 as security should retain the receipts in its safe custody.

The depositor should receive the interest, when due direct from the bank on a letter from the pledgee authorising the bank to pay it to him.

Periodical Verification of all Securities

- 293.** Every departmental authority should verify periodically, and at least once a year in May all securities which it has taken in various forms in respect of certain posts and from contractors and report the result to the immediate superior authority.

This rule applies to all forms of security, including personal security or security in the form of immovable property. In verifying personal security, a departmental authority should satisfy itself as the solvency of the surety, and in verifying security in the form of immovable property, it should see that the actual market value of the property is not less than the amount of security required.

The articles deposited in the Treasuries for safe custody should be verified at least once a year by the Officer who deposited them. For this purpose the articles deposited in Treasuries should be taken back, their contents verified and re-deposited (if necessary) once in a year. Verification should also be made whenever there is a change of incumbent or change of designation or change of jurisdiction of the Officer who deposited the articles for safe custody.

Annual Valuation of Government Promissory Notes, etc.

- 294.** When a contractor has furnished any security in the form of Government Promissory Notes or Government Stock Certificates or Municipal Debentures or Port Trust Bonds, the departmental authority which received the securities and sent them for safe custody should ascertain in May of each year whether their value, who valued at the market price of May 1st of that year or the face value *whichever is less* in each case, is still sufficient to cover the amount of security required. If the total value of the securities deposited by a contractor, as ascertained at this annual valuation, falls short of the amount of security

required plus 5 per cent by 100 or more, the departmental authority should at once call on the depositor to furnish additional security to the extent of shortage. No securities should be returned to any depositor on account of an increase in their value as ascertained at this annual valuation unless (i) the securities have appreciated so considerably that securities of the face value of 100 or more could be withdrawn and the remaining securities (valued as prescribed above) would still be sufficient to cover the amount of security required *plus* 5 per cent to provide against fluctuations, *and* (ii) the depositor submits a written request for the return of the securities that could be so withdrawn.

295.(a) *Repayment of Security Deposits.*— Without the special orders of the competent authority, no security deposit should be repaid or re-transferred to the depositor or otherwise disposed of, except in accordance with the terms of his security bond or agreement. A departmental authority on returning any security to a depositor should invariably obtain his acknowledgement duly signed and witnessed. When an interest bearing security is returned or retransferred, the acknowledgement should set-forth the full particulars of the security.

The percentage deduction from bills which are held as additional security, will be released by the officer competent to pass the final bill at his discretion, after the successful completion of the work, retaining only such amounts as he may consider necessary to cover the liabilities, if any, of the contractor.

(b) *Repayment of cash deposited in the Post Office Savings Bank.*— When an amount lodged in the Post Office Savings Bank as a security deposit under Article 288 is no longer required, the departmental authority to which it is pledged (pledgee) should obtain from the person who pledged the security the receipt originally granted to him for the pass book or a fresh receipt duly signed and witnessed. Such receipts should be duly numbered and filed, and the numbers should be entered in the Register of Security Deposits.

After obtaining a proper receipt, the pledgee should deliver the Post Office Savings Bank pass book to the person who pledged the security and furnish him with an application in the form prescribed by the Postal Department for the withdrawal of the balance at the credit of the account together with the interest due on it. The pledgee should sign the application and enter the name of person who pledged the security as that of the messenger or agent entitled to receive payment. The person who pledged the security will then be able to withdraw the amount due to him from the Post Office Savings Bank.

- (c) *Adjustment of a claim against a Security Deposit lodged in the Post Office Savings Bank.*— When the pledgee has a claim on behalf of the Government against a security deposit account pledged to him in the Post Office Savings Bank [in accordance with Rule 45(f) or (g) of the Post Office Savings Bank Rules] at a Post Office which has direct transactions with the treasury and the amount of the claim is to be credited to the Government, he should send the pass book to the Post Office with the usual application for withdrawal duly signed by him and with the words “To be adjusted by transfer in the Government accounts to the credit of the..... Department (State)” written in red ink across it. The Post Office will make the necessary entries in the pass book and send the pledgee a treasury voucher for the amount withdrawn. When the pledgee has more than one security deposit account pledged to him at the Post Office Savings Bank and applies for the withdrawal of moneys from more than one such account on the same day, the Post Office will issue only a single treasury voucher covering all the withdrawals. If the pledgee does not receive the treasury voucher by the next day after that on which he sends the application, he should call for it from the Post Office. On receipt of the treasury voucher, the departmental authority which applied for the withdrawal should verify the entries, countersign it and forward it to the Treasury or Sub-treasury Officer as soon as possible in accordance

with the procedure prescribed in this connection in the Kerala Treasury Code (*See* Rule 110 of the Kerala Treasury Code).

If the Post Office at which the security deposit account in the Post Office Savings Bank has been opened has no direct transactions with the Treasury, the pledgee should apply to the Post Office for the withdrawal of the amount required in the ordinary manner and on receipt of the amount should remit it into the treasury like any other departmental receipt.

When, after a transfer or payment, a pass book shows any balance in favour of the depositor the Postmaster will return it to the pledgee. When the account is closed by a transfer or payment, the Postmaster will not return the pass book to the pledgee, but will deal with it in accordance with the Post Office Savings Bank Rules.

Note 1:— Government officers should see, before releasing or returning securities, that all claims of Government against the depositor are completely satisfied. It is not advisable to keep securities for a longer period than is absolutely necessary; all claims should as a rule be settled within one year from the expiry of the period of deposit. Release notices should be issued as soon as the liabilities of depositors are settled even if the security accounts are at that time under attachment by civil courts.

Note 2:— Where the security consists of the title deeds of immovable property and the bond has been registered, a reconveyance of the property may be executed at the end of one year and registered in due course.

Security Deposit of a Private Employer of a Government Servant on Foreign Service

- 296.** When a Government servant is to be transferred to foreign service under a private employer, the Government may require the employer to deposit before the transfer is sanctioned, security equivalent to three months' pay of the Government servant in foreign service. The security should consist of either.

- (i) cash paid into the nearest Government Treasury as a “Revenue Deposit” (See Article 269) or
- (ii) securities of the Central Government or the State Governments in the form of promissory Notes or Stock Certificates endorsed or transferred in favour of the Government, or
- (iii) A Treasury Savings Bank Deposit, the pass book for which is deposited with and pledged to the head of the office of the Government servant concerned.

A Treasury Savings Bank pass book so pledged should be kept, in the safe custody of the authority to which it is pledged; securities of the Central or the State Governments in the forms of Promissory Notes and Stock Certificates should be lodged for safe custody with the District Treasury. The security deposit should be returned to the private employer after the Government servant’s period of foreign service expires and the claims of the Government and the Government servant against the private employer have been settled.

Note:— The term “Private employer” used in this Article will not include within its scope the Central Government, other State Government, Municipalities, Universities and other Local Bodies, in the State.

LOSSES

Report of Losses

- 297.** When any fact indicating that defalcation or loss of public moneys, *[erroneous or irregular issue of cheques] stamps, opium, stores or other property has occurred or that a serious account, irregularity has been committed come to the notice of any Government servant, he should inform the head of the office immediately. If it appears to the head of the office *prima facie* that there has been any such occurrence which concerns his office or in which a

* Added C.S.No.4/80 [G.O.(P) No. 366/80 /Fin., Dated 12/06/1980]

Government servant subordinate to him is involved, he should send a preliminary report immediately to the Accountant General and through the proper channel, to the Head of the Department. The Head of the Office should simultaneously take necessary action to ensure the safety of the relevant documents. On receipt of the information the Head of the Department should report the matter to the Government without delay. These reports should be sent even when the person responsible for a loss has made it good. Reports regarding a loss by way or damage to immovable property belonging to the Government should be sent in accordance with the special provisions of Article 302.

The preliminary report to the Accountant General may be either a copy of the report to the Head of the Department or relevant extracts from it showing, so far as information is available at the time, the exact nature of the defalcation or loss and the circumstances which made it possible.

After sending the preliminary reports, the Head of the Office should investigate the matter fully without delay and take all necessary further action—*See* Article 303 and 305. As soon as the investigation is complete, he should send a complete and detailed final report to the Accountant General and through the proper channel, to the Head of the Department, describing the nature and extent of the loss or account irregularity and the circumstances (including any breach or neglect of an existing rule) which made it possible, and stating whether any amount lost has been recovered and, if not whether it is possible to recover it in any way. The report should also state what disciplinary action has been taken, or is recommended, against the Government servants responsible and what steps have been taken, or are recommended with a view to prevent the recurrence of any such loss or account irregularity. The Head of the Department should submit a final report to the Government giving full information on all these points and, when necessary, making his recommendations.

When a petty loss not exceeding 300 does not appear to involve an embezzlement, a serious account irregularity or any other important feature requiring detailed investigation and consideration, or concern the Reserve Bank, the preliminary and final reports prescribed in this Article need only be sent to the authority competent to write off the loss or deal with it otherwise.

Note :— Any loss in respect of stores occurring otherwise than in the ordinary course or an accounts of fair wear and tear should be treated as a loss to the Government within the meaning of this Article— *See* also Article 155 and 301.

Losses with which the Reserve Bank, etc., are concerned

- 298.** If the Accountant General becomes aware, in any manner of any loss to the Government which the Reserve Bank of India may possibly be held to be liable to make good the Government whether it relates to operations conducted by the Reserve Bank or its agents on Government account or to any other matter, he will immediately call for such further information as he may require regarding it. On receipt of this further information, which must be obtained without delay, he will, at once make a full report to the Government. If there is any doubt or dispute as to the facts of the liability, the Government will arrange with the authorities concerned for a Government Servant and an officer of the Reserve Bank (and an officer of the State Bank of India if the loss relates to an operation effected through its agency) to be appointed as soon as possible to carry out a joint investigation of the facts, while they are fresh, and make a full report together with, if possible a recommendation for an amicable settlement. If they are unable to make any such joint recommendation, their report should at least clear the ground as far as possible, so that a stated case may be referred, if necessary, to an arbitrator or a legal authority. This investigation will be under taken at once and independently of any departmental or police enquiry.

Losses of Cash due to acceptance of Counterfeit Coins

- 299.** Losses of cash due to acceptance of counterfeit coins in State treasuries should not be debited to Government in any case without their specific approval.

Write off Losses

300. † Write off is the relinquishment of claims after exhausting all possible means of recovery. Irrecoverable losses of stores and removal of the value of obsolete stores and stock from the accounts are also finally disposed of through write off (*See* Articles 81 and 82 of the Kerala Account Code Vol.I). The power to write off irrecoverable value of stores delegated to certain Heads of Departments is subject to the condition that the loss does not disclose a defect of system, the amendment of which requires the orders of Government. The order of the competent authority should also be obtained for writing off from any relevant value of commercial accounts that are maintained, any irrecoverable amount relating to a loss connected with a building, land or equipment or to unprofitable outlay on a work. The Government have empowered the authorities mentioned in the Book of Financial Powers to sanction such writes off subject to the limits and conditions mentioned therein.

† Every Head of Department should submit annually on or before the first of June to the Accountant General, a statement showing all the amounts written off which were sanctioned by himself or any other competent authority under his control during the preceding financial year. The statement should show the total amount written off under each class and should include a brief explanation of the circumstances leading, to the write off].

Note:— In general losses sustained by the Central Government in State treasuries through the negligence or culpability of the staff paid for by a Government in any State and *vice versa* should be borne as they occur i.e. by the Central Government if the loss occurs, in connection with Central transactions and, by the State Government, if it is on account of State Transactions.

In cases where recoveries are made in cash, e.g., by deductions from pay or otherwise, from the persons responsible for a loss, the entire amount

† Substitution C.S.No.1/81 [G.O.(P) No. 184/81 /Fin., Dated 27/03/1981]

recovered should be credited to the Government which under the above arrangement would bear the loss for this purpose. Recoveries made indirectly, e.g., by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash. Where the staff is paid for by one Government and the loss is borne by another Government a copy of the orders regarding the action taken against the persons responsible for the loss should be communicated by the former to the latter.

Loss of Stores

301. All losses in respect of stores should be duly recorded in the stock accounts and the formal sanction of the competent authority should be obtained for writing them off or dealing with them otherwise, even when no formal correction or adjustment in the accounts is necessary. Losses due to depreciation should be analysed and recorded under the following heads, according as they are due to:—

- (1) normal fluctuation of market prices;
- (2) fair wear and tear ;
- (3) lack of foresight in regulating purchases, or
- (4) neglect after purchase.

Losses not due to depreciation should be grouped and recorded under the following heads:—

- (1) losses due to theft ;
- (2) losses due to neglect, and
- (3) losses due to calamities such as fire or flood.

The provisions of Article 297 apply to all losses mentioned in this Article except items (1) and (2) under losses due to depreciation. The rules regarding the disposal of obsolete, surplus and unserviceable stores are contained in Articles 153 to 157.

Note:- When a contractor or a departmental employee fails to return any Government tools, their value, including the appropriate centage charges, should be recovered from him.

Damage to Immovable Government Property

302. When a loss occurs by way of damage to any immovable property belonging to the Government (including buildings, communications and irrigation works) due to any calamity such as fire or flood or to any cause other than fair wear and tear, the Government servant in immediate charge of the property should report the matter at once to his immediate superior and a preliminary report should be sent through the proper channel without delay to the Head of the Department, who will report the loss to the Government. When the cause of the loss has been fully investigated and it has been decided whether or not the property should be restored, the Head of the Office concerned should send a final detailed report to the Head of the Department and at the same time an abstract of it in Form 47 to Accountant General. The Head of the Department should send a final detailed report to the Government when he proposes that the Government should write off the loss, recommends that the Government should take disciplinary action or applies for funds to be specially provided to meet the cost of restoration of the property.

When a petty loss not exceeding 300 does not appear to involve any important feature requiring detailed investigation and consideration, the preliminary and final reports prescribed in this Article need only be sent to the authority competent to write off the loss or deal with it otherwise.

In cases of loss by way of damage to any immovable property belonging to the Government, the value of the damaged portion need not be written off the accounts, if the restoration of the damaged portion is commenced within the period of two years from the date of damage.

All river conservancy works are treated as repair works and consequently losses by way of damage to such works will not reduce the capital value of

any Government property and so need not be formally written off the accounts. The preliminary and final reports prescribed in this Article should, however, be sent in respect of any such loss when it exceeds 1000. Any such loss not exceeding 1000 need only be reported to the authority competent to sanction the restoration of the damaged work.

**General Principles and Procedure for Fixing and Enforcing
Responsibility for Losses**

303A. The following general principles should be followed in enforcing the personal responsibility of the Government servant or servants concerned for a loss sustained by the Government through fraud or negligence on his part or on the part of any other Government servant to the extent he contributed to the loss by his own action or negligence and of any person for a loss sustained by the Government on account of a criminal offence committed by him:—

- (1) Whenever there is reason to suspect that the Government have sustained a loss on account of fraud or any other criminal offence on the part of any person or negligence (which includes a financial irregularity) on the part of any Government servant, the Head of the office or other appropriate administrative authority should investigate the matter full without avoidable delay. In order to avoid the relevant documents being tampered with by the time an enquiry is instituted, the Head of the Office, should take immediate steps to ensure the safety, of those documents. When necessary, the administrative authority may ask the Accountant General to furnish all vouchers and other documents in his possession that may be relevant to the investigation. If the investigation is so complex as to require the assistance of an expert audit officer, the administrative authority should report the facts to the Government and request them to obtain the services of an audit officer to assist in the investigation. If the Government depute an audit officer for the purpose, the administrative

authority and the audit officer will be personally responsible, within their respective spheres, for completing the investigation expeditiously.

- (2) Whenever it appears likely that recourse may be had to judicial proceedings in connection with a loss sustained by the Government, the administrative authority should take competent legal advice at once. If there is a reasonable suspicion that a loss sustained by the Government is due to the commission of a criminal offence, the procedure prescribed in Articles 304 and 305 should be followed.
- (3)
 - (a) Whenever an administrative authority holds that a Government servant is responsible for a loss sustained by the Government, it should always consider both whether the whole or any part of the loss should be recovered from him in money and whether any other form of disciplinary action should be taken. In deciding the amount to be recovered, it should consider not only the circumstances of the loss but also the Government servant's financial position, since the penalty should not be such as to impair his future efficiency.
 - (b) Whenever a loss is held to be due to fraud on the part of a Government servant or servants, every endeavour should be made to recover the whole amount lost from the guilty persons. If the failure of a superior officer to exercise proper supervision and control has facilitated the fraud, he should be called strictly to account and suitably dealt with after carefully assessing his personal responsibility in the matter, e.g., by recovering from him in money a suitable proportion of the loss, or by stopping his increments or reducing the pay.
 - (c) Whenever any Government property or equipment is lost, damaged or destroyed on account of the carelessness of a Government servant to whom it is entrusted (e.g., a police-man's rifle, a factory motor, lorry or an Engineer's instruments), the appropriate administrative authority should always consider whether the amount of the loss sustained by

the Government should not be recovered in full up to the limit of the Government servant's capacity to pay.

Note:— Interest at ! 18 per cent per annum or at such rate as fixed by Government from time to time should be charged after the liabilities are determined and from the time a written demand is made, on the amount of liability fixed against delinquent officers involved in defalcation cases, the interest so charged being not lower than !15 per cent per annum in any event.

- (4) (a) In cases where a competent authority holds that a Government servant is responsible for a loss sustained by the Government and orders that any amount should be recovered from him and he is about to retire from service, the amount should be recovered as far as possible by deduction from the last pay and allowances or leave salary due to him. If the amount due to Government exceeds the amount payable to the Government servant, the excess shall be recovered from his claim for death-cum-retirement-gratuity after giving the officer a reasonable opportunity to explain. If the amount proposed to be recovered exceeds the death-cum-retirement-gratuity, the excess over death-cum-retirement-gratuity can be recovered from the arrears of pension, if any, due to the officer if written consent is obtained from him as pension (as distinct from death-cum-retirement-gratuity) enjoys the protection of the 'Pension Act'. A written consent is valid only to the extent it covers the amount of pension earned by him till the date of such written consent.
- (b) If, however, the liabilities could not be finalised but could be estimated at the time of retirement, either the estimated amount of the outstanding dues plus 25 per cent thereof should be withheld from death-cum-retirement-gratuity or a surety bond or cash deposit not exceeding the estimated amount of the outstanding dues plus 25 per cent thereof should be accepted before releasing pension and death-cum-retirement gratuity

! Addition C.S.No.03/2013 [G.O.(P) No. 565/2013 /Fin., Dated 18/11/2013]

- (c) If disciplinary proceedings are being continued against an officer under the Service Rules on the date of retirement, only a provisional pension should be sanctioned to him withholding however, the entire death-cum-retirement-gratuity due to him.
- (d) In cases where the liabilities could not be estimated the pension and death-cum-retirement-gratuity will be released provisionally after withholding from the death-cum-retirement gratuity the amount noted below:

- | | |
|---|--|
| (1) Officers in charge of cash or stores | The full amount of death-cum-retirement gratuity. |
| (2) Gazetted Officers other than those in (1) above | 10 per cent of the death-cum-retirement gratuity or 2,000 whichever is higher. |
| (3) Non-Gazetted Officers other than (1) | 10 per cent of the death-cum- retirement gratuity or 600 whichever is higher. |

In all cases where the liabilities could not be assessed and fixed before retirement of the Government servants, efforts should be made to assess and adjust the recoverable dues within a period of one year from the date of retirement of the Government servant concerned. If in any case, the liability could not be assessed and adjusted within one year, the amount withheld from the death-cum-retirement gratuity or the surety bond or cash deposit accepted under paragraph (c) or (d) above will be released. Disciplinary action shall be taken against the officers responsible for the failure to assess and adjust the liabilities within the prescribed period.

- (e) If in any case the amount withheld from the death-cum-retirement gratuity or the cash deposit, or the surety bond taken from the officer is not adequate to cover the liabilities finally fixed, action should be taken against him under the Service Rules to make up the loss by withholding, withdrawing or effecting recoveries from

the pensions sanctioned. If action under the Service Rules is not possible due to the expiry of the time limit prescribed for such action or due to any other reason, the retired officer will be proceeded against through a Civil Court for recovering the pecuniary loss caused to Government.

- (f) When a retired Government servant whose pension has already been sanctioned is held to have caused a loss to the Government by fraud or negligence while in service and it appears likely that the amount could be recovered by bringing a suit against him, the matter should be reported to the Government for orders. If in any particular case, it is not found feasible to take action against a retired Government servant in regard to a loss sustained by the Government on account of any fraud or negligence found to have been committed by him while in service, this should not be made an excuse for absolving any other Government servants who are also responsible for the loss and are still in service. Similarly, the fact that it is not possible to fix responsibility on the officials who initiated or acquiesced in the initiation of any irregularity resulting in loss to Government will not exonerate those who subsequently acquiesced in the continuation of the irregularity. It is the duty of all Government officials to look after the financial interests of Government and Government will hold their officers responsible for such irregularities, not only those who originated them but also those who subsequently permitted their continuance.

303B. The following general principles should be followed in fixing monetary liabilities so far as the Government servants are concerned :

- (i) It should be carefully noted that personal monetary liability would arise only when pecuniary loss is sustained by Government. Irregularities in the maintenance of accounts or in the sanction of expenditure would not involve monetary liability as long as no loss to Government is caused.

Distinction should be drawn between objections involving loss to Government and other objections in an audit report. The latter will not constitute monetary liability and will call for other forms of disciplinary action wherever justified.

- (ii) For the purpose of fixing liability, losses may be grouped under the following categories:—
- (a) Personal dues e.g., excess pay and allowance drawn, arrears of house rent payable, balance of advances repayable such as Motor Car Advance, House Building Advance, Mosquito Net Advance, etc.
 - (b) Physical loss of cash or stores.
 - (c) Loss or extra expenditure arising out of administrative lapses e.g., payment of demurrage charges, payment of surcharge (Final) on electricity bills and Radio Licence fees, expenditure incurred in excess of one's powers not ratified by the competent authority, purchases effected in violation of Stores Purchase Rules resulting in extra expenditure, printing charges to private firms in excess of approved rates, sanctioning posts in schools in excess of the limits prescribed, irregular grant of fee concessions, stipends, etc., loss of revenue due to wrong assessment of claims becoming time-barred, etc.

Recovery in cash is called for in respect of categories (a) and (b). In regard to category (c), cash recovery should ordinarily arise only if mala fides are proved. The term "malafides" may be defined in this context as a state of mind where the Officer may be deemed to have acted with the intention to be benefited directly or indirectly by such action. In other cases falling under category (c), it should be seen whether the types of irregularities previously pointed out have been repeated. If the irregularities have been repeated or are of a serious nature or magnitude, the question of taking other forms of disciplinary

action if the officer concerned is still in service or of reducing pension under the Service Rules if already retired, should be considered.

- (iii) In cases of loss/infructuous expenditure, where more than one person is involved e.g., in the case of loss of stores, apart from the direct responsibility of the store-keeper the question of responsibility of the supervising officer/officers having control over stores will also arise. In such cases the degree/extent of personal responsibility of each individual should first be fixed strictly with reference to his duties and responsibilities and the extent to which he neglected them. The fact that a Government servant has been misled or deceived by a subordinate will, in no way mitigate his personal responsibility since every government servant should be familiar with the financial rules laid down by the Government and exercise a specially strict and close control over his subordinates in regard to the use of Public Funds and the maintenance of proper accounts. Having fixed the personal responsibility of each individual in the above manner, cash recovery/other forms of disciplinary action should be ordered with reference to such responsibility. In ordering cash recovery, the Government servant's financial position should also be taken into consideration. In cases where it is not possible to recover the share so fixed from one or more individuals due to their death or for other reasons the question may be taken up for obtaining sanction from the competent authority for the loss to be written off. It should however, be ensured that the necessity for a write off should not arise for want of timely and adequate action to fix personal responsibility and the amount to be recovered from each individual.

Departmental enquiries regarding frauds, etc., in which Government Servants are Involved

- 304.** The general rule is that departmental proceedings should be instituted at the earliest possible moment against all the Government servants involved in any loss sustained by the Government on account of fraud, embezzlement or

any similar offence, and conducted with strict adherence to the rules upto the point at which prosecution of any one of them begins. At that stage it should be specifically considered whether it is practicable to carry on the departmental proceedings against any of the others any further without waiting for the result of the prosecution; if it is, they should be carried as far as possible but not, as a rule, to the stage of finding and sentence in the criminal proceedings. If the accused is convicted, the departmental proceedings against him should be resumed and formally completed. If the accused is not convicted, the departmental proceedings against him should be dropped unless the authority competent to take disciplinary action is of the opinion that the facts of the case disclose adequate ground for taking departmental action against him. In either case, the proceedings against the remaining delinquents should be resumed and completed as soon as possible after the termination of the proceedings in court.

The departmental proceedings contemplated in the preceding paragraph are those regulated by the Kerala Civil Services (Classification, Control and Appeal) Rules, 1960. When action is taken under the Kerala Public Servants (Inquiries) Act, 1963 (Act 31 of 1963), this ordinarily takes the place of a criminal prosecution as regards the person or persons accused, but the procedure as regards other persons involved against whom the Act is not employed should be in accordance with the instructions given in the preceding paragraph.

Notwithstanding anything contained in Article 301 to 303 and in the foregoing paragraphs, recovery proceedings as contemplated in the Kerala Public Accountants Act, 1963 (Act 37 of 1963) should invariably be taken against the persons involved in any loss sustained by Government on account of fraud, embezzlement or any similar offence and conducted with strict adherence to rules till the loss involved is realised completely.

Prosecution for Embezzlements of Public Moneys or Property

305.(a) Whenever the Head of an Office finds that there is a reasonable suspicion that a criminal offence has been committed in respect of any public moneys or properties belonging to Government or institutions under the control of the Government (including moneys or properties of co-operative societies), he should as a general rule report the matter at once to the Police and simultaneously inform the District Collector and Additional District Magistrate and the Head of his department that he has laid an information before the Police.

However, in cases, of defalcation/embezzlement of public money or properties in which Government servants or public servants are involved and where the amount or the value of the properties involved is 5,000 (Rupees five thousand only) or more belonging to State Government (including moneys or properties of co-operative societies) they should be reported immediately to the Local X-Branch Vigilance Division instead of to the ordinary Police.

The Police/Local X-Branch Vigilance Division should then keep the Government servant who laid the information and the District Collector and Additional District Magistrate informed of the action take in the matter.

For the purpose of this rule the term 'Public Servant' will have the meaning assigned to it under the explanation to Section 161 of the Indian Penal Code as amended by the Kerala Criminal Law Amendment Act, 1962 (27 of 1962).

- (b) When the case is heard by the court, the Head of the Office concerned should see that all the witnesses serving in his department and all documentary evidence in the control of his department are punctually produced. He should also appoint a Government servant of the department to attend the proceedings in court and assist the prosecuting staff.
- (c) If prosecution for an offense of this kind results in the discharge or acquittal of any person, or in the imposition of any sentence which appears to be inadequate, the Head of the Office concerned should at once send a full statement of the facts of the case to the District Collector and Additional

District Magistrate; if the District Collector and Additional District Magistrate consider that further proceedings should be taken in revision or appeal, he should proceed as he would in any other case and should keep the Head of the Office concerned informed regarding the further proceedings. A special order of the Government is necessary for filing an appeal against an acquittal.

- (d) The Head of the Office concerned should submit, in addition to the reports prescribed in Articles 297, 303A and 303B prompt reports to the Government through the proper channel at each stage regarding:—
- (i) the commencement of the investigation by the Police/Local X-Branch Vigilance Division;
 - (ii) the decision to prosecute in any particular case ;
 - (iii) the result of any prosecution;
 - (iv) the decision to proceed further in revision or appeal in any case; and
 - (v) the result of any proceedings in revision or appeal.
- (e) Notwithstanding anything contained in the preceding portion of this Article, the Head of the Office concerned may, when he considers it to be desirable refer any matter through the proper channel for the orders of the Government before taking action.

CHAPTER XII

LOCAL FUNDS

Introductory

- 306.** The transactions of local funds (as defined in Article 3) are not included as such in the Government account, except in so far as their cash balances are deposited with the Government under the rules and accounted for under the deposit head “Deposits of Local Funds” within the Public Account. The Government’s function in regard to such deposits is that of a banker (*See* Chapter X of this Code and Part VIII of the Kerala Treasury Code).
- 307.** Some of the important classes of local funds are :-
- (1) District Funds.
 - (2) Municipal Funds (ie., the moneys of Municipal Councils governed by the Municipal Acts).
 - (3) Kerala State Road Transport Corporation Working Fund.
 - (4) Village Panchayat Fund i.e., the moneys of panchayats governed by the Kerala Panchayats Act, 1960 (Act 32 of 1960).
 - (5) Kerala State Electricity Board Working Fund.
 - (6) Market Committee Fund.
 - (7) Library Fund.
- 308.** Local bodies (as defined in Article 3) perform functions closely allied to those of the Government and receive aid from the Government in the form of grants and loans for certain purposes. This Chapter refers to the rules relating to some of the financial transactions between the Government and the local bodies.

Grants to Local and Other Bodies

- 309.** The payment of grants to local and other bodies, e.g., grants for the maintenance of roads, is governed by the general or special orders of the Government in regard to such grants.

The Government may by general or special orders specify the various items of grants that are payable to local and other bodies on account of certain fines realised by Courts and credited to the Government. The grant on account of these fines should be drawn, and paid in the manner indicated in the Kerala Treasury Code (*See* Rule 196, Chapter III, Part V).

Loans to Local Bodies

- 310.** Rules relating to the execution of work on behalf of local bodies by the Public Works Department are contained in Articles 31 to 33 of the Kerala Account Code, Volume III and Chapter 16 of the Kerala Public Works Account Code. The detailed procedure to be followed in connection with borrowing by local bodies from the Government is laid down in the Kerala Local Authorities Loans Rules, 1965 (*See* also Article 235.)

Charges recoverable from Local Bodies

- 311.(a)** When the Government agree to render a service to, or incur a charge on account of a local body, the estimated amount of the charge or cost of the service should ordinarily be recovered in advance in accordance with the principle laid down in Article 34. In exceptional cases, however, the Government may authorise the special arrangements detailed in Article 34.
- (b)** Any amount due to the Government by a local body and remaining unpaid, including any amount overdue for payment in respect of a loan, should be recovered at the earliest opportunity in the manner indicated in Article 35.

Time-limits for claims by Local Bodies

- 312.** A local body should prefer its claims for any amount which the Government have sanctioned for payment to it not later than the latest date specified by the Government for the payment or, if the Government have not specified

any such date in respect of a particular payment or class of payments, within six months, from the date on which the local body receives the orders of the Government authorising the payment [*See* also Article 55 (c)].

In the case of water supply and drainage schemes or other works for which the Government have promised a grant on the post-payment system, the local body concerned should prefer its claims for the grant within six months of the execution of the work (or instalment of the work, where the work is executed and paid for in separate instalments) unless the local body has been definitely informed that the Government will consider the claim only after provision has been included for the purpose in the budget, in which case the claim for the grant should be preferred within six months of the execution of the work or within one month of the date of receipt of information that provision is available in the budget, whichever is later.

Arrear Claims of Local Bodies

- 313.** A claim preferred by a local body after the latest date specified for it should not be paid without specific sanction of Government in each case. In the case of statutory grants, the Government will summarily reject every arrear claim which is made after the expiry of three years subsequent to the year in which the claim fell due, and in the case of non-statutory grants and other amounts due by the Government, they will summarily reject all arrear claims (*See* also Article 60).

Note:— In the case of items of revenue collected by the Revenue Department on behalf of local bodies, the payment will be sanctioned by such authorities as may be specified by the Government from time to time.

CHAPTER XIII**MISCELLANEOUS SUBJECTS****Introductory**

- 314.** This chapter contains the financial rules relating to certain miscellaneous subjects, which do not either fall within the scope of or have not been fully dealt within the other chapters of the Code.

Allocation of Expenditure between Capital and Revenue

- 315.** Expenditure on the public service falls into two broad divisions of expenditure on revenue account and expenditure on capital account. The latter is called briefly capital expenditure or capital outlay.
- 316.** Expenditure of a capital of a nature is broadly defined as expenditure incurred with the object of either increasing concrete assets of a material and permanent character, or of extinguishing or reducing recurring liabilities, such as those for future pensions by payment of commuted value. Expenditure on a temporary asset cannot ordinarily be considered as expenditure of a capital nature.
- 317.** Expenditure of a capital nature as defined above, incurred upon a scheme or project may not, however, be classed as capital expenditure in the Government accounts unless the classification has been expressly authorised by general or special orders of Government. Ordinarily such classification will not be permitted unless—
- (i) It is essential for the exhibition of financial results of any special service or undertaking on the basis of generally accepted commercial principles, or in some other conventional manner, either that the cost of the service or undertaking may be ascertained or that the full implications of any policy may be clearly demonstrated, or

- (ii) The expenditure involved is so large that it cannot reasonably be met from ordinary revenue.

Note:— The term ‘ordinary revenues’ is applied to revenue derived from taxes, duties, fees, fines and similar items of current Government income including extraordinary receipts, if any, as distinct from receipts that are of a capital or debt, deposits and banking character.

318. When it has been decided by Government that the expenditure on a scheme for the creation of a new or additional asset should be classed as capital expenditure, and that separate capital and revenue accounts should be kept of such a scheme, the allocation of expenditure to capital and revenue should be determined in accordance with such detailed rules as may be prescribed by Government according to the circumstances of the department or undertaking in which the expenditure is incurred (Vide also Appendix I to Kerala Account Code, Vol. III). The following are the main principles applicable to the treatment of the expenditure in the estimates and accounts:

- (i) Capital bears all charges for the first construction and equipment of a project as well as charges for intermediate maintenance of the work while not yet opened for service and bears also charges for such further additions and improvements as may be sanctioned under rules made by competent authority.
- (ii) Subject to clause (iii), revenue should bear all subsequent charges for maintenance and all working expenses. These embrace all expenditure on the working and up-keep of the project and also on such renewals and replacements and such additions, improvements or extensions as under rules made by Government, are debitable to the revenue account.
- (iii) In the case of works of renewal and replacements, which part-take both of 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 of formulae or under special orders of Government, may be debited to capital. Where under special orders of Government a Depreciation or Renewals Reserve Fund is established for renewing assets of any commercial department or undertaking, the distribution of expenditure on renewals and replacements between capital and the fund should be so regulated as to guard against over capitalisation on the one hand excessive withdrawals from the fund on the other.

Expenditure on account of reparation of damage caused by extraordinary, calamities, such as flood, fire, earthquake, cyclone, etc., should be charged to capital, or to revenue or divided between them in such way as may be determined by Government according to the circumstances of each case.

- (iv) Capital receipts in so far as they relate to expenditure previously debited to capital, accruing during the process of construction of a project should be utilised in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule or order of Government, they should never be credited to the ordinary revenue account of the department or undertaking.

- 319.** Expenditure debitable to capital will be booked under the appropriate capital head of accounts prescribed within or outside the revenue account, according as the funds required to meet such expenditure are provided from ordinary revenues or from other sources including borrowed money.

Except under special orders of Government, no expenditure previously met from ordinary revenue may be transferred to a capital head outside the revenue account.

Interest on Capital

320. Except in special cases regulated by special orders of Government, interest at the rates specified below should be charged in the accounts of all commercial departments or undertakings for which separate capital and revenue accounts are maintained within the Government accounts. The charge should be calculated on the direct capital outlay to the end of the previous year plus half the outlay of the year itself, irrespective of whether such outlay has been met from ordinary revenues or from other sources.

- (i) For capital outlay met out of specific loans raised by Government, at such rate of interest as may be prescribed by Government, having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them.

Note:— By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite intimation is given at the time of the raising of the loans that for the purpose of accounts they are to be regarded as specific loans.

- (ii) For capital outlay provided otherwise at the average rate of interest to be determined each year.

321. When under any special order of Government charges for interest during the process of construction of a project are temporarily met from capital, the writing back of capitalised interest should form the first charge on any capital receipts or surplus revenue derived from the project when opened for working.

Work done for another Government or State

322. The Head of a department is responsible for seeing that no work (unless it is negligible in amount) is done by his department for another Government without obtaining a definite ruling from the Government as to whether charge should be made for it or not.

Rules regarding charges on account of the maintenance and up-keep of Government motor cars and motor boats

323.(a) Charges for the maintenance and up-keep of a car or boat supplied to a Government servant other than the Ministers and the Speaker of the Legislative Assembly at the public expense will be borne by the Government servant and by the Government respectively, in the manner indicated below, the general principle being that the Government servant using the car or boat shall bear those of its running expenses which are largely dependent as regards amount on carefulness of management and which affect the continued efficiency of the conveyance:—

- (i) The Government servant using the car or boat shall pay the cost of petrol, tyre renewals, minor repairs and renewals, lubricants and illuminants, as well as all occasional storage charges and all petty charges incurred otherwise than at the periodical overhauling and annual varnishing.

Note:— Minor repairs and renewals are those which cost less than 50 or are not connected with the prescribed periodical overhauling. Provided that, if a new component costing more than 15 is used in connection with a minor repair or renewal the Government servant shall be entitled to charge to Government its actual cost but not any workshop charges on account of the examination of the defective car or boat and the setting up of the new part.

- (ii) All other charges shall be paid by Government including wages of chauffeur and cleaner, the cost of uniform of the chauffeur, and all charges incurred in connection with the annual varnishing and the periodical overhauling.
- (b) Charges relating to the maintenance and repairs of motor cars and boats supplied for the use of the Ministers and the Speaker of the Legislative Assembly are regulated by the provisions contained in the Kerala Payment of Salaries and Allowances Act, 1951 (Act 15 of 1951) and Amendment Act, 1968 (Act 2 of 1968) and the rules made thereunder.

Register of Motor Cars and Motor Boats

324.(a) A register (Log Book) in Form 48, 48A and 48B will be maintained by all offices and departments maintaining Government owned motor cars, buses, lorries, jeeps, station wagons, vans and motor boats.

Where suitable register in other form is already maintained in accordance with Government Orders, the Head of the Department may authorise its continuance if he considers it more suitable and convenient than the form of the register prescribed above.

Note:— The Controlling Officers will during their inspections, satisfy themselves that log books are maintained by officers having the custody and charge of vehicles and that the petrol, etc., purchased have been accounted for in terms of the kilometres run.

(b) A certificate in the following form should be recorded by the drawing officer in a Contingent Bill containing a claim for petrol and/or oil:-

“I have examined the log books for the period ending
and I certify that the motor vehicles have been used on authorised journeys and that they have run the prescribed number of kilometres per litre. Recoveries have been effected wherever they are due in accordance with the rules and credited in chalan No dated”

The Treasury Officers are authorised to reject the bills which do not contain the above certificate.

Insurance of Government Property

325. Government properties may be insured against risks in transit such as loss, damage, etc., (*See also Article 146*).

Note:— The Government do not however insure Government motor cars and motor boats except sea-going fishing boats for which the risk of damage is high. But when they supply a Government motor car or motor boat

for the use of an officer, in so far as the officer using the car or boat is responsible for damage, etc., it is the officer's business to protect himself against the risks involved in the use of the car or boat by insurance at his own cost.

The Transfer of Government Land from one Department to another

326.(a) The transfer of Government lands with improvements thereon, from one department to another shall be ordered by the District Collectors and the Board of Revenue as shown below:-

- | | | |
|------|---------------------|---|
| (i) | District Collectors | Upto a limit of 2 acres in each case, provided the market value of improvements, if any, thereon does not exceed 2,500. |
| (ii) | Board of Revenue | Above 2 acres upto a limit of 5 acres in each case, provided the market value of improvements, if any, thereon does not exceed 5,000. |

Note 1:— The above powers shall not be exercised by the District Collectors and the Board of Revenue in the case of transfers of Government lands within the Corporations or the Municipalities of the State or within the Reserve Forests.

Note 2:— When the land in the possession of one department is to be transferred to any other Department, such transfer should be made by the Collector or the Board of Revenue, as the case may be, in consultation with the departments concerned.

- (iii) All cases not covered by the above rules should be submitted to Government for orders.
- (b) (1) When any Government land with improvements thereon or any building is transferred from one Service Department to another under the State Government, the transfer shall be made free of charge.

- (2) When any Government land with improvements or buildings in the possession of one Service Department is transferred to another Service Department or a branch of any Service Department for a specific purpose of starting any industry or commercial undertaking of a remunerative nature, it shall be competent for the Government, to order the collection of market value of the lands and improvements transferred to such Service Department or a branch of the Service Department, according to the merits of each case.
- (3) When any land with improvements thereon or any building is transferred from or to a Commercial Department, the full market value thereof or the book value whichever is higher should be charged.
- (4) The value of lands, improvements and buildings transferred to a Commercial Department under rule (3) or to a Service Department or branch of a Service Department under rule (2) shall be fixed by the District Collector adopting the principles of valuation accepted under Land Acquisition Act and Rules.
- (5) The classification of the sale proceeds of Government lands and buildings shall be regulated in accordance with the provisions contained in the Schedule I to the rule 39 of the Kerala Account Code, Volume I.
- (6) Adjustment of accounts due by one Department to another under these rules shall ordinarily be made by book transfer, except when such adjustments do not suit the method of accounts or of business adopted by the receiving Department. An invoice duly accepted by a competent authority of the Department receiving the lands, etc., and furnishing full classification of the debit head shall be forwarded to the Accountant General for effecting the necessary adjustments in this behalf.
- (7) Payments in cash shall be required in all cases where a Department of the Government transfers State lands to quasi-Government institutions like

the Kerala State Electricity Board, the Kerala Financial Corporation, etc. If any separate funds have been constituted for such Boards inside or outside the public account, the value of the lands transferred shall be debitable to such funds, unless the Government by general or special order give directions to the contrary.

- (8) When the purposes for which the land was transferred to the Service or Commercial Departments as the case may be, under rules (2) and (3) has ceased, or in the event of such land or portion thereof not being required any further by such Department or Institution, such land or portion thereof shall revert to Government and the amount of compensation, if any, payable to such department shall be fixed by the Collector of the District in which the land is situated, provided that in no case such compensation shall be fixed in excess of the value realised under rules (2) and (3) as the case may be.

Pro forma accounts relating to Government Commercial Undertakings

- 327.** When the operation of a department include undertakings of a commercial or quasi-commercial character, and the nature and scope of the activities of the undertakings are such as cannot suitably be brought within the normal system of Government account, the head of the undertaking should be required to maintain such subsidiary and *pro forma* accounts in commercial form as may be agreed between Government and the Accountant General. The methods and principles in accordance with which such accounts are to be kept, including *inter alia* the basis to be adopted for valuation of assets and for allocation of expenditure between capital and revenue accounts and the extent to which the provision should be made in those accounts for bad debts, depreciation and other forms of indirect charges, e.g., cost of management and supervision, audit charges, interest on capital expenditure, etc., will be regulated by orders and instructions issued by Government in each case. Where the commercial accounts are maintained for the purpose

of assessment of the cost of an article or service, the head of the undertaking should see that adequate regulations are framed with the approval of Government in order to ensure that the cost deducted from the accounts is the accurate and true cost. He should also arrange to obtain the orders of Government regarding the nature and form of subsidiary accounts and statements, if any, which should be appended to the appropriation accounts of each year, and submit such accounts and statements to the Accountant General on such date as may be required by him.

Other Pro forma Accounts

- 328.** *Pro forma* accounts of regular Government workshops and factories will be kept in accordance with the detailed rules and procedure prescribed in the departmental regulations. The Accountant General may be required by Government to prepare *pro forma* accounts of irrigation navigation, embankment and drainage works and of Government residential buildings in accordance with the instructions contained in Chapter 21 of the Central Account Code, Volume IV.

Service Funds

- 329.** Rules regulating the General Provident Fund account of Government servants are contained in the General Provident Fund (Kerala) Rules, the State Provident Fund (Travancore) Rules, the General Provident Fund (Cochin) Rules and the General Provident Fund (Madras) Rules. Rules relating to the State Life Insurance Fund (Official Branch) are available as separate Government Publication.

Treasury Savings Bank

- 330.** The object of the Government in establishment of Treasury Savings Bank Scheme is to provide a ready means for the deposits of savings and so to encourage thrift. Savings Bank is not to be used for the purpose of keeping a current account and the Director of Treasuries (Secretary to the Savings Bank) is empowered to close accounts, or in the case of accounts opened on behalf of minors to stop the receipt of further deposits, should he have

reason to believe that the accounts are being used for a purpose for which Savings Bank is not intended.

The procedure relating to transactions in the Savings Bank in Government treasuries is detailed in Appendix 3 of the Kerala Treasury Code.

Endowments for Scholarships, Prizes, etc.

- 331.** If any person informs a Government servant that he proposes to place funds at the Government's disposal for use as an endowment for the grant of a scholarship or prize, etc., the Government servant should report the matter to the Government through the proper channel for orders. The Government will then take action, if necessary under the Charitable Endowments Act, 1890 (India Act VI of 1890). The Examiner of Local Fund Accounts has been appointed as the Treasurer of Charitable Endowments for the State.

Application for and Grant of Leave

- 332.** Rules relating to the submission of applications for and grant of leave, supplementing those contained in the Service Rules are as below:—

- (a) *Gazetted Officers.*—Applications should be forwarded to Government by Heads of Departments through the Audit Office which will submit it to Government with the necessary certificate regarding the title to the leave applied for.

Whenever the Heads of Departments themselves are competent to sanction the leave, a certificate should be obtained from the Audit Office as regards the admissibility of the leave and then the leave sanctioned.

In the case of officers having statutory functions such grant of leave should invariably be communicated in the form of a notification and published in the Gazette. Copies of sanctions should be sent to the Audit Office also for information.

- (b) *Non-Gazetted Officers*.— Applications should be submitted to the authority competent to sanction the leave.

Note:— These rules apply to leave other than casual leave.

- (c) Every application for leave (other than leave for which production of Medical Certificate is prescribed) of a Gazetted Officer which requires the sanction of Government, should reach Government not less than a month before the date from which the leave is required. Similarly, every application for an extension of leave to a Gazetted Officer should reach Government not less than two weeks before the date of the expiry of the leave already granted. Ordinarily, no Gazetted Officer, who has applied for leave or for an extension of leave, and to whom such leave or extension of leave has been granted by Government, will be permitted to cancel any portion of such leave or extension of leave. Strong grounds must be urged for failure to comply with the above rules in cases where this becomes absolutely necessary.
- (d) The Head of a Department should not refuse to forward to the Government the leave application of a Gazetted Officer, in a case in which the Government alone can grant the leave applied for. No Head of a Department has the right to curtail the discretion of the Government in regard to the grant (or refusal) of leave to an officer to whom the Government alone can grant or refuse such leave. All applications for leave by a Gazetted Officer should, therefore, be submitted to the Government, in cases in which the leave applied for is a kind which the Government alone can grant. This does not, of course, take away from the Head of a Department the discretion of recommending to the Government to refuse the leave applied for in any case.

Custody of Valuable Documents

333.(1) The several documents to be dealt with may be broadly classed under the following heads:—

- (a) Securities deposited with a Government Officer *ex-officio*.

- (b) Those which relate to some permanent arrangement affecting Government interests, to which Government is a party, such as deeds of building purchased by Government and bonds executed by persons making permanent endowments.
 - (c) Those which relate to agreements executed by contractors, agreements for agricultural and other loans.
 - (d) Documents presented by parties for particular purposes, viz., registration, or in the course of judicial or other proceedings, before Government officers and all other classes of valuable documents not specifically referred to above.
- (2) (i) As regards (a) Securities in Trust, the statutory rules on the subject should be strictly followed.
- (ii) Documents in the possession of the head of an office coming under (b) should be sent to the Chief Secretary to Government for safe custody as soon as practicable after the order for record is passed on them by the proper authority, an office copy thereof being retained if necessary for reference.
 - (iii) Documents comprised under (c) will ordinarily have to be retained by the respective Heads of Departments or District Collectors or District Treasury Officers or other Officers representing Government in the transactions till they are finally disposed of.
 - (iv) The procedure regarding papers falling under (d) is to be governed by statutory rules or departmental orders. Where no such rules or orders exist the Heads of Departments should prescribe the best arrangement possible for the safe custody of all such valuable documents with the approval of Government wherever necessary.
 - (v) In all offices, a register of valuable documents in the form given below should be maintained and the receipts and disposals noted therein with the initials of a responsible officer. The documents should be

preserved in safes or other receptacles intended to keep valuables coming into the possession of the officers concerned.

Serial No.	No. and date of letter with which received	From whom received	Particulars	Initials of Head of Office	Officer to whom made over	Initials of Officer	How disposed of	Initials of Head of Office
1	2	3	4	5	6	7	8	9
Register of valuable received in the office of.....								

- (vi) The articles deposited for safe custody in Treasuries should be verified by the Officer who deposited them at least once in a year. For this purpose, the articles deposited in Treasuries should be taken back, the contents verified and re-deposited (if necessary) once in a year. Verification should also be made whenever there is a change of incumbent or change of designation or change of jurisdiction of the officer who deposited the articles for safe custody.

- (vii) Officers who conduct inspection of Offices, should scrutinise the register of valuable documents and satisfy themselves that the entries therein are correct and up-to-date and that the rules regarding the safe custody of such documents are observed.

Service Books

- 334.** A record of services of every Government servant should be maintained in accordance with the Service Rules applicable to each case. The Accountant General will maintain the record for gazetted Government servants in the “History of Services” which he compiles. The head of each office should maintain the record for each non-Gazetted Government servant working under him in a service book (or service roll). When an employee is transferred to another office, his service book should be sent to the head of the office to which he is transferred and not made over to him, nor should it be given to him when proceeding on leave. When non-Gazetted Officers are officiating in gazetted appointments, their service book should be kept by the head of the office to which each such officer permanently belongs, but when they are confirmed in such appointments their service book should be forwarded to the Accountant General’s Office for record.

Register of Books and Periodicals

- 335. (a)** All books and periodicals received in an office will be entered in a register in Form 19.
- (b)** Every officer upon receiving charge of an office to which a library or collection of books, etc., for official use is attached must satisfy himself as to the State of the library and the books, etc. Unless otherwise reported, it will be assumed that he received the library or the books, etc., in good order and he will be held thenceforth personally responsible for any defect.
- (c)** All books appearing in the register of books or catalogue of the library on the last date of March of every year should be counted and examined by the

heads of offices or institutions concerned or by one of their Gazetted Assistants. A certificate to this effect should be furnished by the head of each office, on the 15th of April every year along with the acknowledgement for the amount of permanent advance in Form 8 (A) (*See* also Article 97).

Erasures

- 336.** A Government servant should on no account erase or overwrite an entry in any cash book, account register or schedule. If he finds it necessary to make a correction he should cancel the incorrect entry neatly in red ink and insert the correct entry. Whenever a Government servant makes any correction or interpolation in any such document, he should request the head of office to authenticate it by writing his dated initials against it [*See* also Rule 210 (c), Part V of the Kerala Treasury Code].

Supply of Forms

- 337.** Standard forms prescribed for use by Government offices including the forms prescribed in this Code, the Kerala Treasury Code and the Kerala Account Code will be available for issue from the Printing Department. The forms should be obtained by indents on the Superintendent, Government Presses, Trivandrum in accordance with the rules for the supply of forms.

Destruction of Official Records connected with Accounts

- 338.** A competent authority may destroy official records from time to time subject to the careful observance of the relevant rules contained in the departmental code or manual and of any other relevant orders of the Government. The following rules apply generally to the destruction of records (including correspondence) connected with accounts.

- (a) The following should on no account be destroyed:—
- (i) Records connected with expenditure which is within the period of limitation fixed by law;

- (ii) Records connected with expenditure on projects, schemes or works which have not been completed, even though the expenditure is not within the period of limitation fixed by law;
 - (iii) Records connected with claims to service and personal matters affecting Government servants who are still in service ;
 - (iv) Orders and sanctions of a permanent character until revised ;
 - (v) Cash Book and Classified Ledger, Stock Register of Furniture (Stores), etc., and Treasury Remittance Books ;
 - (vi) The list showing details of records ordered to be destroyed; and
 - (vii) Lapsed lists of Judicial Deposits.
- b) The following records should be preserved for not less than the periods specified against each item :-
1. Pay bills and when maintained separately
acquittance rolls for pay and allowances
(other than travelling allowance) of
Government servants for whom no Service
Books or Service Rolls are maintained 35 complete years
 2. Pay bills and when maintained separately
acquittance rolls for pay and allowances
(other than travelling allowance) of
Government servants for whom Service
Books or Rolls are maintained 35 complete years
- Note* :— These should be preserved for such time as may be considered necessary beyond this period if the acquittance rolls of the period are not forthcoming.
3. Pay bills and when maintained separately
acquittance rolls of last grade Government
servants 45 complete years

- | | | | |
|--|---|---|-----|
| 4. | Register of contingent expenditure | 5 | do. |
| 5. | Contingent bills | 5 | do. |
| 6. | Detailed budget estimates of an office | 5 | do. |
| 7. | Travelling allowance bills and acquittance rolls relating there to | 3 complete years | |
| 8. | Pension cases (including the service books and leave accounts attached to them) in which invalid or compensation pension have been sanctioned | 25 years or 3 years after the death of the pensioner | |
| 9. | Other pension cases (including the service books and leave accounts attached to them) | 5 years after the retirement of the Government servants concerned. | |
| <i>Note 1:</i> — Service books and other papers relating to a claim for gratuity should be retained until the claimant attains 55 years of age, or dies, whichever is earlier and also until final orders have been passed on the claim. | | | |
| <i>Note 2:</i> — In regard to service books of officials who have ceased to be Government servants, <i>See</i> instructions under Rule 142 of Part III of K.S.R. | | | |
| <i>Note 3:</i> — In the case of pension/gratuity, the service books/service rolls should be finally retained in the office in which the officer was serving at the time of retirement. | | | |
| 10. | Statements of monthly progressive expenditure and correspondence relating to any discrepancy in figures | 2 complete years *or until the process of reconciliation of departmental figures with the accounts figures is finally completed whichever is later. | |

* Addition C.S.No.8/80 [G.O.(P) No. 521/80/Fin., Dated 21/08/1980]

- | | | |
|-----|--|-------------------|
| 11. | Mortality returns of pensioner | 5 complete years. |
| 12. | Counterfoils of receipt books and used Cheque books | 6 do. |
| 13. | † Treasury chalans (treasury receipts for remittances to the treasury) | 6 do. |
| 14. | Service stamps accounts | 3 do. |
| 15. | Register of personal and other advances | 10 do. |
| 16. | Sub-vouchers not sent to the audit office | 5 complete years. |

Note:— The sub-vouchers relating to Secret Service Expenditure may be destroyed after the prescribed period of preservation only if the administrative audit has been completed and the audit certificate issued by the nominated controlling officer.

- | | | |
|-----|---|---|
| 17. | Register of Recoveries | 40 complete years. |
| 18. | † [Court Deposit Registers | 20 years from the year following that in which the items have been lapsed or in the case of works and personal deposits from the year following that in which the accounts have been closed]. |
| 19. | Counterfoils of Court Warrants for deposit repayments | 5 complete years |
| 20. | Security Registers | 40 do. |

† Substitution C.S.No.9/77 [G.O.(P) No. 408/77/Fin., Dated 24/10/1977]

- (c) When the Government have prescribed a minimum period after which records of a particular kind may be destroyed, Heads of Departments and other officers authorised in this behalf may order in writing the destruction of such records in their own and subordinate offices on the expiry of that period. Before the head of an office allows any pay bills or acquittance rolls to be destroyed he should take care to satisfy himself that the procedure in regard to the maintenance and verification of service books prescribed in the Service Rules has been strictly followed in regard to those pay bills or acquittance rolls.
- (d) The Head of a Department is competent to sanction the destruction of such other records in his own office and the offices subordinate to him as he considers to be useless, but he should forward a list of such records as properly appertain to the accounts audited by the Indian Audit Department to the Accountant General and await his concurrence in their destruction before ordering them to be destroyed.
- (e) Heads of Departments should prepare a comprehensive list of such of the records as are due for destruction in their own offices, and also get similar lists from those of their subordinates at the appropriate time. The records may then be ordered to be destroyed in the presence of a responsible officer and the record-keeper. The records may be destroyed by burning. If it is decided to sell useless records as waste paper, care should be taken to see that every page is torn into small pieces before it is disposed of by sale. Gazettes, books and periodicals which are no longer required should, however, be sold intact, as waste paper.
- (f) Every head of an office should see that lists showing full details of all records destroyed from time to time are properly prepared and retained permanently.

Reports of Deaths of Pensioners

- 339.** Every executive authority of a Municipal Council or City Corporation and Village Officer should report immediately to the disbursing officer concerned the death of any person who was residing within his jurisdiction and drawing a Government pension, whether civil military, political or of any other kind. Pension Disbursing Officers should supply these authorities with lists of the pensioners residing within their respective jurisdiction. Whenever any pension remains undrawn for three months, the disbursing officer should immediately ask the Municipality/City Corporation or Village Officer concerned inform him at once whether the pensioner is still alive or not.

On receipt of intimation of the death of a Civil pensioner the disbursing officer should report the particulars immediately to the Accountant General.

CHAPTER XIV**DELEGATION OF UNION FUNCTIONS TO THE STATE
GOVERNMENT BY CONSENT OF THE STATE**

340. The Government are primary concerned with State transactions to which the rules in the foregoing chapters apply. The Government also exercise certain functions in relation to Union subjects under powers delegated to them. These functions fall under the following categories:—

- (i) Statutory and other executive functions entrusted by the Central Government to the Government and their Officers with the Government's consent [Article 258 (1) of the Constitution of India].
- (ii) Functions imposed by Acts of the Parliament upon the Government and their officers [Article 258 (2) of the Constitution of India].

The transactions relating to these functions are regulated by the rules and orders issued from time to time by the Central Government and embodied in the “General Financial Rules of the Central Government” or other Central Government Codes and Manuals.

The Budget Manual contains a summary of the general instructions issued for the guidance of estimating officers and others in regard to the estimates of revenue and expenditure relating to the Union subjects and the control of such expenditure.

ANNEXURE

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ANNEXURE

ANNEXURE I

Sl.No. Existing Heads of Account

Revised Heads of Account

1. 65A—Administration of Justice,
(C) Fees, Fines and forfeitures
Other Receipts

2. 268— Miscellaneous General
Services
—Other Expenditure—
Allowances to the members of
the Ruling Family, Travancore—
Pensions

3. 229,—Land Revenue—
Other Expenditure—
Other Miscellaneous charges.

4. 766—Loans to Govt. Servant
etc. —Other Advances—
Advance for the Purchase of
furniture to Junior I.A.S.
Officers.

5. 766— Loans to Govt. Servants
etc. —Other Advances

- 0070—Other Administrative Ser-
vices—01 Administration of Justice –
101 Services and Service fees –
102 Fines and forfeitures –800
Other Receipts.
- 2075—Miscellaneous General Ser-
vices –800 Other Expenditure
–89 Allowances to the
Members of the Ruling Family,
Travancore-Pensions.
- 2029—Land Revenue
—800 Other Expenditure
—90 Other Miscellaneous charges.
- 7610—Loans to Govt. Servants etc.
—800 Other Advances—
93 (01) Advance for the purchase
of furniture etc. to Junior IAS
Officers.
- 7610—Loans to Govt. Servants, etc.
—800 Other Advances—
94 Warm Clothing Advances

6. 766— Loan to Govt. Servants,
etc.,
(d) Festival Advances
- 7610—Loan to Govt. Servants, etc.
—800 Other Advances
—99 Festival Advances/Onam
Advances.
7. 677— Loan for Education, Art
and Culture
- 6202—Loan for Education, Sports,
Art and Culture—
01 General Education
—201 Elementary Education
—202 Secondary Education
—203 University
and Higher Education
—205 Language Development
—600 General
—800 Other Loans
— General
—02 Technical Education
—104 Polytechnic
—105 Engineering/Technical Colleges
and Institute
—800 Other Loans for Technical
Education
03 Sports and Youth Services
—800 Other Loans for Sports and
Youth Services
04 Art and Culture
—800 Other Loans for Art
and Culture.

ANNEXURE

8. 766— Loans to Govt. Servants,
etc—
Other Advances—
Advance for the purchase of
Mosquito Nets for the
Gazetted and Non-Gazetted
Officers.

9. 306—Minor Irrigation

10.706— Loans for Minor
Irrigation, Soil Conservation
and Area Development, by
operating the Sub head
Deduct— A m o u n t
transferred to other heads of
account.

11.850 Civil Advances—
Other departmental advances

7610—Loans to Govt. Servants etc.
—800 Other Advances
—98 Advances for Purchase
of Mosquito Nets for the
State Service Officers.

2702—Minor Irrigation—
01 Surface Water
—102 Lift Irrigation
—001 Direction and Administration
—800 Other Expenditure
02 Ground Water
—005 Investigation
—103 Tube Wells
80 General
—799 Suspense
—052 Mechninery and Equipments
—005 Investigation

6402—Loans for Soil and Water
Conservation 102 Soil Conservation

8550— Civil Advances
—101 Forest Advances
—102 Revenue Advances

- 103 Other Departmental Advances
- 104 Other Advances

- 12. Cost of boundary Marks recoverable from Land Holders, below 850 Civil Advances, Revenue Advances — Advances for Survey Operations
 - 8550—Civil Advances
 - 102 Revenue Advances
 - 99 Advances for Survey Operations

- 13. 850— Civil Advances— Revenue Advances — Advances for Survey Operations — Cost of boundary Marks recoverable from Land holders.
 - 8550—Civil Advances
 - 102 Revenue Advances
 - 99 Advances for Survey Operations
 - (05) Cost of boundary Marks recoverable from Land holders.

- 14. 029— Land Revenue— Other receipts— Receipts in connection with Survey and settlement operations.
 - 0029—Land Revenue
 - 600 Other Receipts
 - 99 Receipts in connection with Survey and settlement operations.

- 15. 229— Land Revenue Survey and settlement operations
 - 2029—Land Revenue
 - 101 Land Revenue Collection charges
 - 102 Survey and settlement operations
 - 103 Land Records
 - 800 Other Expenditure
 - 795 Irrecoverable Loan written off

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N.B.—This index deals only with the rules in the several chapters of this volume and does not cover the appendices or the forms. It has been compiled solely for the purpose of assisting references and no expression used in it should be considered as in any way interpreting the rules.

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