

DEFENCE ACCOUNTS DEPARTMENT



सत्यमेव जयते

OFFICE MANUAL PART-II

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CONTROLLER GENERAL OF DEFENCE ACCOUNTS
NEW DELHI**

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Disclaimer: The Manual is intended for guidance of officers and staff of the Department and should not be quoted in correspondence with offices outside the Department. Nothing in this Manual will be held to supercede any standing rule or order of Government of India with which it may be at variance.

PREFACE

This Manual contains detailed and updated instructions for the conduct and disposal of the work, dealt with in the Offices of Regional PCsDA/CsDA. It also applies to other Principal Controller's/Controller's Offices where no separate instructions have been laid down in their respective Manuals.

2. This Manual is a Departmental publication. The instructions contained in the Manual are supplementary to the Rules in the Civil and Defence Audit and Account Codes, Defence Procurement Manual, Fundamental and Supplementary Rules, Pay and Allowances Regulations, Financial Regulations, etc,

3. Any additions or alterations which may be necessary to the Manual will be notified periodically by the CDA (Army) with the prior approval of the CGDA. The provisions contained in this Manual should be in conformity with the existing provisions of Office Manual Part I and their amendments, if any from time to time.

4. This Edition supersedes the 2001 Edition.



New Delhi
Date: 29 .09.2014

Vandana Srivastava
Controller General of Defence Accounts

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CHAPTER- I
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OBJECTIVES

1. Objectives of Record Section are:-
 - (i) To eliminate delays by prompt distribution of inward dak and prompt dispatch of outward dak.
 - (ii) To contribute to the efficiency of office by maintaining an upto date library.
 - (iii) To ensure efficient and upto date "Records Management".

DUTIES

- 1A. The duties of this section are:-
 - (i) to receive, register and distribute inward dak and to prepare weekly outstanding lists
 - (ii) to dispatch outward dak;
 - (iii) to maintain the office library;
 - (iv) to indent for, receive and distribute stationery and forms and to keep an account of the stock of stationery and forms held in its charge;
 - (v) to receive, list arrange in a methodical manner, and preserve/records in the record room to destroy time-expired records;
 - (vi) to procure, distribute and correct Books of Regulations, Army Instructions, Army Orders, etc.;
 - (vii) to arrange for printing of forms, etc.

INWARD DAK

Receipt, opening and sorting

2. The Records Section will take delivery of all post addressed to the office including local dak received through messengers. The addresses on all covers will be examined by the AAO/SO (A) or a senior Auditor to make sure that the covers are meant for the office. Unregistered covers will be opened by one or more MTS in the presence of the dak sorter. Registered covers will be opened by a Clerk under the supervision of the AAO/SO (A). In opening covers, care will be taken to see that the contents are not damaged.

The contents of each cover will be carefully taken out and each document will be stamped with the office date stamp. The AAO/SO (A)

Record Section, will ensure that the stamp is not put in the body of a letter etc., or in any other place which is likely to obliterate its contents.

The AAO/SO (A) will collect inner covers marked secret or confidential, enter the particulars thereof (viz., number, date and office of dispatch as noted on the outside of such covers) in a transit book kept for the purpose, and personally hand over the transit book along with the covers to the officer-in-charge of the Administration Section, who will initial against the entries in the transit book in token of receipt of the covers.

3. The dak will be sorted out into separate trays for the various Sections, letters and bills being kept separate. Arrangements will be made for scrutiny of the dak by the Section representatives to ensure that all documents allotted to their respective Sections correctly pertain to them. Any letters, etc., incorrectly sorted will be transferred on the spot by mutual agreement with other section representatives. Disputes, if any, regarding the particular Section to which a letter pertains will be decided by the Officer-in-Charge of the Record Section.

Any communication addressed to an outside party, but wrongly received in the Office will be transmitted to the correct party under advice to the sender by the Record section either by registered or unregistered post, as the case may warrant.

4. The attendance of dak sorters and of the Section representatives may be regulated at the discretion of the PCDA/CDA, with due regard to hours and frequency of postal deliveries at the station.

Registration

5. Letters - After the sorting has been done, all letters (including those received by registered post) will be diarized Group-wise for each section separately by the Record Section in I.A.F. (C.D.A.) - 239 in duplicate. Only the number and date of the communication and the party from whom it has been received will be entered in the diary. Two or more diaries may be opened for a section where the receipt is large. However, the total number of ordinary letters is noted section wise before its distribution.

6. Bills- All bills (including those received by registered post) will be diarised Group-wise through computer vide Office Automation System (wherever available) for each Section separately. The DAK ID for each bill will be generated by the System and the bills will be distributed to the respective sections along with the top-list indicating the DAK ID numbers generated during the registration process. The Record Section will invariably verify that enclosures are attached to bills and make suitable remarks where necessary enclosures will also be checked by the Section representatives.

Note: - *All bills irrespective of their nature will be received only in the Record section of the PCsDA/CsDA office and will be sent to the respective section after being duly diarised. Under no circumstance should any bill be received by any section direct.*

7. Valuable documents- Valuable documents, viz., G.P. notes, fixed deposit receipts, post office cash certificates, cheques, drafts, sheet rolls, long rolls, medical history sheets, records of service, indemnity bonds, insurance policies, court attachment orders and other documents of a legal nature, will be diarized in duplicate in a separate "Register of Valuable Documents" keeping loose sheets below the pages of Register.

8. Armed Forces signals:- These will be diarised in I.A.F. (C.D.A.)- 239 in a separate register in duplicate.

9. Reminders and complaints:- Reminders and complaints, whether marked as such or in the form of a letter, will be collected by the Record section from the dak and sent to the C.D.A., J.C.D.A. and the Officer-in-Charge of the section concerned. On receipt back, they will be diarised in duplicate in I.A.F. (C.D.A.)-239 in two separate registers, one for the reminder and the other for complaints.

10. Special dak - Important communications from the Government of India, C.G.D.A., Army Headquarters, etc., will be sent to the C.D.A., J.C.D.A. and D.Cs.D.A. for perusal. On receipt back, they will be diarised in duplicate in I.A.F (C.D.A.)-239 in a separate register. All covers received from the Office of the CGDA New Delhi are handed over to AN Section for its diarsing and distribution.

11. Top secret, secret and confidential dak:- As top secret papers must at all times and in all stages remain in the personal custody of the Officer dealing with them, these papers are invariably required to be addressed by name to the Officer for whom they are intended. Top secret letters and documents received by an officer other than the Head of the Office will be brought to the latter's notice for any direction or orders he may consider necessary in each case. He will have them diarised in a separate diary. The diarizing will be done in such a manner that the contents of the letter, documents are not disclosed.

The diary in respect of all top-secret documents and letters should be submitted for perusal by the Head of the Office every month.

All secret and confidential covers brought to the D.C.D.A. or the officer-in-charge of the Administration section by the AAO/SO (A), Record Section (or a reliable individual nominated by him) will be opened by the D.C.D.A./Officer-in-charge, Administration Section personally and the communication contained therein will be shown to the C.D.A., J.C.D.A. and DCsDA concerned (except any letter held back by the C.D.A. from circulation). The confidential letters of general interest will be shown to all D.Cs.D.A., as well. These letters will then be passed to the officer-in-charge, Administration Section for diarizing and distribution to the Officers-in-charge concerned.

Secret and confidential covers intended for the PCDA/CDA personally will be handed over to him by the officer-in-charge of the Administration section.

12. Demi-official communications:- Demi-official letters addressed to the PCDA/CDA and the Addl.CDA/J.C.D.A., will be diarised and distributed by the Administration section.

DISTRIBUTION

13. (i) Special dak, signals, reminders and complaints will be handed over together will duplicate diary sheets to officer-in-charge of the sections concerned and their initials obtained.

(ii) Secret and confidential letters will be handed over personally by the officer-in-charge of the Administration section (or a reliable AAO/SO (A) or clerk selected by him) to officers-in-charge of the sections concerned, whose initials, will be obtained in the diary registers.

(iii) Valuable documents mentioned in Para 7 will be handed over to the cashier or the AAO/SO (A) of the section concerned, whose initials will be taken in the register.

(iv) Other dak along with duplicate copies of the diary sheets will be handed over to the senior AAO/SO (A) of the section concerned, who will arrange to send the dak to the respective officer-in-charge of the Groups. After the dak has been seen by the latter, the senior AAO/SO (A) will hand it over to the group AAO/SO (A) concerned along with the duplicate copies of the diary sheets.

(v) Letters, etc., once accepted by the section representatives at the time of scrutiny of dak or disputed letters marked by the Officer-in-Charge Record section to be received by a particular section vide Para 3 will not be returned to the Record section. Such documents may be transferred by the particular section directly to the section concerned by mutual agreement.

14. The number of times the dak is to be distributed daily in the sections will be dependent on the frequency of postal deliveries and will be fixed by the PCDA/CDA.

MARKING DISPOSAL

15. Disposal of letters, etc., will be marked in the section records under the initials of the dealing clerk concerned (or the general clerk attached to the AAO's/SO (A) group) The AAO's/SO (A) of the section will note the numbers maintained by the Administration Section for secret and confidential letters.

PREPARATION OF OUTSTANDING LISTS

16. The outstanding lists in respect of secret and confidential dak will be prepared weekly on every Friday by the Administration section in duplicate, separately for each section. These lists will show all receipts up to the previous Friday still undisposed off. One copy will be passed on to the section concerned for marking of outstanding items in the Administration Section. The lists will be returned to the Administration Section showing against each item, whether the disposal has been marked in the diary register or whether the receipt is still outstanding.

The Administration section will intimate to Record section the total number of secret and confidential letters outstanding against each section.

As regards letters other than secret and confidential, the outstanding list will be prepared by each section and submitted to the officer-in-charge for information. The total number of letters outstanding for more than one week on every Friday will be intimated by all sections to the Record section every Monday. The date of receipt of the oldest letter will also be intimated.

The Record Section will compile a consolidated weekly report for the whole office showing, for each section, the number of letters, etc. outstanding separately under each category i.e., special confidential, secret, reminders, complaints, bills, etc. This report will be submitted to the PCDA/CDA, every Wednesday or earlier.

17-19. BLANK

OUTWARD DAK

Dispatch

20. In relation to outward dak, the Record section will:-

- (i) Dispatch all outward letters, signals and registered and insured parcels;
- (ii) maintain dispatch registers and record therein the total number of envelopes sent by ordinary post and other necessary particulars, e.g., numbers assigned and addressed in respect of letters, etc., sent by registered post; and
- (iii) keep stock of service labels and maintain a stamp account in respect of service labels used in dispatching letters. etc.

21. Important letters dispatched by ordinary post will also be recorded in the dispatch register like those sent by registered post, if the officer-in-charge of the section concerned considers it necessary and makes a request to this effect on a separate slip.

22. Secret and confidential covers are treated as "important" and even when they are not sent by registered post, they should be entered in the dispatch register.

The dispatch of confidential correspondence may be made through the ordinary office dispatch register, but entries therein should afford no clue with respect to the contents of the documents and should refer only to the entries in the confidential register.

A register for the dispatch of secret and top secret correspondence would be maintained by the PCDA/CDA or Officer-in-Charge of the Administration Section and this register should be kept under lock and key.

Papers bearing security classification dispatched from the office should be placed in double covers, the inner one (which should be sealed) only being marked "secret" or "confidential" and superscribed with the name or designation of the addressee and the number and date of the communication enclosed therein, on the top left hand corner, and the designation of the office of origin in the bottom left hand Corner, the outer one should be addressed in the ordinary manner.

Secret correspondence transmitted between section or officers in the Main Office should pass from hand to hand by personal delivery or be sent in sealed covers or locked boxes.

23. Full particulars of valuable documents (such as those mentioned in Para 7) issuing from the office will be recorded in the dispatch register. Where considered necessary, a separate dispatch register in respect of valuable documents may be maintained. The dispatcher should initial in ink in the transit books through which such documents are sent to the Record Section by other Sections.

24. A pigeon hole will be allotted in the Record section for each addressee with whom communications are regularly made. On receipt of fair copies in the Records section, they will be sorted into their appropriate pigeon holes. The pigeon holes will be cleared and the letters, etc., dispatched daily.

25. All covers will be neatly addressed and endorsed with full signature of the dispatcher and designation of the office of issue on the left hand bottom corner. In most cases, it will be found convenient to use cyclostyled slips bearing full addresses of offices, formations, etc., to which communications are frequently dispatched. Different letters for the same addressee should normally be sent in one cover.

26. Scheduled Dispatch Services (S. D. S.) facilities, if available, should be utilized to the extent convenient. In dispatching covers other than those sent through Army Courier Service, care should be taken to see that the correct amount of postage is used for each cover which will be weighed where necessary.

27. BLANK

Postage

28. Primarily the Remotely Managed Franking Machines are being used for dispatch work wherein credit is being recouped by the post office

concerned on demand. In case of non-functioning/ non-availability of Franking Machine service labels are also being used for dispatch work. Service labels should be kept in the custody of the AAO/SO (A) under lock and key. He will issue them to the dispatchers in bulk as required and keep an account of all such issues. When it is necessary for the AAO/SO (A) to replenish the stock of service labels, a contingent bill (I.A.F.A.-115) with a requisition (I.A.F.Z.-2094) in duplicate, will be prepared and sent to the cashier for entry in the register of office contingent expenditure (I.A.F.A.-481) and transmission to the Miscellaneous Section for issue of a cheque in favour of the local treasury officer for the value of service labels required. This cheque will be sent by the AAO/SO (A) with the requisition to the treasury where the service labels will be issued. The cheques for service labels will be issued by AN-Pay Section.

29. The postage account will be maintained in the dispatch register (I.A.F.Z-2016). The amount of postage on each registered cover in respect of the communications recorded in the dispatch register will be entered in the column provided for the purpose and totalled daily. At the close of the day, the other envelopes sent by ordinary post will be counted and their numbers and the value of stamps used entered in the manner indicated below:-

No. of envelopes	Value of stamps on each		Amount	
	Rs.	P.	Rs.	P.
40				
10				

30. The surprise check of postage account will be exercised once in a month by an AAO/Section Officer (A) detailed for the purpose by the Officer-in-charge Admin Section, by actual counting of stamps in hand and affixed on all stamped covers before sending them to the post and stock balance as per Stock Register.

31. The total value of stamps expended on each date will be worked out and the progressive totals carried forward to the end of the month when the monthly postage account will be made up as follows:-

Balance on the 1st	Rs. P.	Expended during the	Rs P
		month of.....	
Received during	Rs. P	Balance in hand on	Rs. P
the month of	
Total

When the above postage account is made up, the dispatcher will submit it to the AAO/SO (A) who will verify the balance of stamps in hand as shown in the register, with the actual stock. The account will then be submitted to the officer-in-charge of the Record section for examination and signature.

LIBRARY

32. In order to have a single trustworthy source of information by which all copies of the Regulations can be checked, a central library of Books of Regulations will be maintained for reference. One copy of every current Book of Regulations, including Departmental Codes and Manuals, Handbooks, Tables, Army Lists, Gazettes and Files of letters received from the various Departments of the Government of India, C.G.D.A. and Army, Naval and Air Headquarters, will be placed in the library and kept up-to-date. All Army Instructions, Army Orders and other orders will be connected and cross-referenced. One copy of every previous edition of Regulations and Handbooks, etc., should also be kept for future reference in order that old questions may be decided with the aid of the Rules that were in force at that time. The books, etc., will not be removed from the library (except when required by an officer who will obtain them on requisition) but will be available for consultation in the library at any time by all members of the office.

33. The Officer-in-charge of the Record Section will be responsible for seeing that all books in the library are catalogued and that the catalogue is kept up-to-date. Every Officer, on assuming charge of the Records Section, will satisfy himself as to the state of the library. Unless, at the time of taking over charge, it is reported that the books are out of order or that any volumes are missing, it will be assumed that library was received in good order and the officer will henceforth be personally responsible for any defects.

STATIONERY AND FORMS

Supply of stationery

34. An annual indent on S.O. 154 for articles of stationery required for use during the following year will be sent so as to reach the Controller of Printing and Stationery, Kolkata, on or before 2nd January of each year. The indent will be prepared in accordance with the scales given in Appendix "B" of the "Rules for the Supply and Use of stationery Stores", care being taken to regulate demands with reference to stocks in hand and actual requirements for the ensuing year.

Supplementary indent for any articles of stationery required later during the year may be sent to the Controller of Printing and Stationery, necessity for the additional supply being fully explained in a separate covering letter.

35. On receipt of a consignment of stationery, the contents of each parcel will be carefully verified by the AAO/SO (A), Record Section. Any deficiencies, surpluses or defects will be reported to the Controller of Printing and Stationery without delay.

36. Sub-offices of PCsDA/CsDA such as Local Audit Offices, Pay Accounts Offices, etc., are not authorized to place indents direct on the Controller of Printing and Stationery. They will submit their indents on I.A.F.Z.-2278 quarterly in advance through the PCDA/CDA to the stationery depot which serves the area in which they are stationed, in accordance with the Army/Command Order regarding the submission of such indent. These indents will be checked by the Record Section and after countersignature passed on to the stationery depot concerned.

Local purchase of stationery

37. Local Purchase of stationery items may be made as per the extant orders provided by the Govt. vide General Financial Rules 2005 and DFPR-1978 as amended by the Govt. from time to time. All cases of local purchase of stationery, printing, binding etc. will be regulated as per the provisions laid down in Delegation of Financial Powers, Rules 1978 as amended from time to time.

Bills for stationery purchased locally will be scrutinized by the sanctioning authority to ensure that the prices charged are reasonable and that the cost of the articles so purchased is correctly debitable to the stationery head. Thereafter the bills will be forwarded to the PCDA/CDA concerned, for payment quoting the number and date of the sanctioning authority's letter.

Stationery account

38. A monthly account of receipt and issue of each article of stationery will be kept by the stationery clerk on Form S-41, on the lines indicated in volume II of this Manual. An AAO/SO (A) from another section of the office will be deputed half yearly by the PCDA/CDA to audit the stationery register and to verify by actual counting the stock balances as shown in the register. He will initial the balances of all articles in token of such verification. Surprise checks will be exercised by the officer-in-charge of the Record section at least twice a year. The orders of the PCDA/CDA will be taken if any surpluses or deficiencies are discovered.

Custody and issue of stationery

39. All articles of stationery will be kept under lock and key in a suitable place where no deterioration can occur.

40. Stationery will ordinarily be issued to the office establishment once a month on demands (O.F. 1615) signed by AAO/SO (A) of sections, who will ensure that the demands are restricted to actual requirements and are within the scales laid down in the stationery regulations.

41. On receipt of stationery demands from sections, they will be checked by the stationery clerk and any articles in excess of the scale authorized will be reduced to the correct scale. The demand will then be submitted through the AAO/SO (A) to the Officer-in-charge of the Record section for passing orders for the issue to be made.

42. Pen-knives, rulers and other articles of a durable nature will not be issued unless the old ones are returned or unless it can be satisfactorily explained why they are not forthcoming.

43. When individuals are transferred from one section or office to another, the AAO/SO (A) of the section concerned is responsible to ensure that all pens, pencils, etc. are handed over for the use of the relieving individuals.

44-53. BLANK

Supply of Forms

54. Estimates of annual requirements of all forms from the various sections of the office will be obtained by the 'Record' Section in sufficient time to admit of a consolidated indent being prepared on IAFZ- 2002 and sent to the Manager, Govt. of India Forms Store, Kolkata on the due date, after check with reference to consumption during the past year and stock in hand.

55. Indents for forms received from sub-offices such as Pay Accounts Offices, L.A.Os., Accounts section of M.E.S. formations, etc., will be checked and after countersignature passed on for direct compliance to the authorities as under:-

(i) Indent (I.A.F.Z.-2279) for forms other than those of C.D.A. series.	To be submitted quarterly in advance to appropriate stationery depot.
(ii) Indent (I.A.F.Z.-2002) for forms of C.D.A. series	To be submitted annually to the Manager, Government of India Store, Kolkata.

Custody and issue of forms

56. The clerk in charge of forms will be responsible for the safe custody and maintenance of a sufficient stock of all forms. An account of L.P.C. books, military credit notes, and imprest holder's requisitions will be maintained in the register on I.A.F. (C.D.A.)-250. In the registers the receipt and issue of each form will be shown and the closing balance worked out at the end of each month. The registers will be checked by the AAO/SO (A) of the Record section and submitted to the officer-in-charge monthly.

RECORDS AND RECORD ROOMS

General

57. The sections having records due for deposit in the record rooms will make arrangements to have them bound (see office Manual, Part I) and after binding will send them together with a list thereof to the AAO/SO (A) of the Record Section. On receipt of such records, and after verification with the covering lists, the record room clerk will enter particulars of the records in "Index of Records" IAFB (CDA)-244 and assign a number to each volume. The stage at which the current records in sections are to be transferred to

the record room will depend on the nature of the files maintained and is left to the discretion of the PCDA/CDA.

58. The records of sections and sub-sections deposited in the record room will invariably be kept distinct and separate Racks will be numbered consecutively and detailed lists of the records kept in each rack maintained by the clerk Officer-in -charge of the record room. A label showing the nature of records on each shelf will be pasted on the shelf, or a card giving the information will be hung in front of the shelf.

59. In arranging the records, it will be found advisable, whenever this is possible, to arrange them in chronological order with the volumes placed in numerical order.

60. The Officer-in-charge of the record room will be responsible to see that-

- (i) all records under his charge are duly indexed and labeled;
- (ii) no files, registers or documents of any kind lie on the floor,
- (iii) a proper up-to-date register is kept of all records issued to and received back from section;
- (iv) indents and requisitions for records are promptly complied with.
- (v) regular calls are made for the return of records issued to sections:
- (vi) the records and racks are kept clean and free from dust and are not damaged by vermin or white-ants;
- (vii) no smoking or naked lights are allowed in the record room; and
- (viii) the water and sand buckets provided as a fire precaution are kept filled and the water in the buckets is changed periodically.

Preservation and destruction or disposal of records

61. The instructions to be followed for the preservation and destruction or disposal of records, including old editions of books of regulations are laid down in Office Manual I. The periods for which the various kinds of records are to be kept are laid down in **Annexure A, B,C,D, E & F** to this Chapter.

BOOKS OF REGULATIONS

Supply of Books of Regulations, Army Instruction, Army Orders, etc.

62. The supply of Books of Regulations, Codes, Army Instructions, Army Orders, etc., is arranged by the Controller General of Defence Accounts to whom any variation in requirements should be intimated.

63. In arranging for the supply of periodicals issued in or out of India, endeavors should be made to procure them at the cheapest possible rates. The cost will be met from the office contingent grant.

Receipt and distribution of books, etc.

64. Books of Regulations, Codes, etc., received for use in the Office will be stamped with the office stamp in such a way that the impression cannot be easily cut out or removed.

65. The books, corrections slips, Army Instructions, Army Orders, etc., will be entered by the Record section in a distribution register (I.A.F. (C.D.A.)-225) and they will be made over to the officers, sections, etc., according to their authorized distribution, acknowledgments being obtained in the register.

66. PCDA/CDA will arrange for sets of all necessary Codes, Regulations, Manuals, etc., to be provided for each officer/section of the Main Office and for each sub-office. The responsibility for the custody, maintenance and correction of the publications will devolve on the officers actually holding the books and they will be required to hand them over to their successors when transferred or otherwise vacating their posts.

67. On receipt of the books in the sections they will be further marked on the edge with the name of the section and, in brackets, the task number of the assistant to whom allotted, e.g., if 6 copies of any books regulation are given to the Pay Section, these will be marked "Pay section AAO/SO (A)" or "Pay section (Task No. 1) "Pay section (Task No. 2)", etc., as the case may be.

68. The books will be distributed amongst the AAOs/SOs (A) and clerks of the section concerned under the orders of the officer-in-charge, a register showing the distribution being maintained in the personal custody of the AAO/SO (A) in the form given in Volume II of this Manual.

The signature of the AAOs/SOs (A) and the clerks concerned will be obtained and they will be responsible for the safe custody of the book or books until they are handed over or returned. Unless any special arrangements are made for pasting in correction slips they will also be responsible that the books are kept corrected up-to-date. In the register a number of pages should be allotted for recording the books in charge of the AAO/SO (A) and of each assistant so as to allow plenty of space for subsequent transfers of books. In the event of loss of book the individual responsible for the loss will be required either to arrange for the replacement of the book or to pay five times the cost of the book. An undertaking to this effect should be obtained from the S.A.S. candidates, before any books are issued to them on loan.

Corrections to Books of Regulations, etc.

69. It is a matter of great importance that all Books of Regulations, Codes, etc. should be kept corrected up-to-date. Uncorrected copies of Regulations, etc., are liable to result in erroneous decisions being given and are, therefore, worse than useless. In order that the correction of regulations, codes, etc., may be carried out regularly and systematically, the following procedure will be followed:-

- (a) The Officer in charge of the library will be responsible to see that the numbers of correction slips corresponding to the numbers of books on charge are correctly distributed to officers serving in the Main Office (except the C.D.A. and J.C.D.A.) Local Audit officers, officers-in-charges, Pay Account Officers, AAOs/SOs (A) of Sections and Accounts section of M.E.S. formations and that they are acknowledged by the recipients. The Books of Regulations, codes and Manuals, etc., held on charge of the C.D.A. and J.C.D.A. are to be kept corrected by the Officer in charge of the library.
- (b) the work of keeping the books of other officers corrected (properly linked and cross-referenced) will be allotted to one or more record clerks employed in the sections and will be closely supervised by the officers themselves.
- (c) When correction slips are received, they will be immediately distributed to all concerned, a sufficient number being retained by the Officer in charge of the library to correct the books of the C.D.A./J.C.D.A., Probationer officers, examination stock and the library copies of books. The particular book to be corrected will be collected by the Officer in charge of the library and the corrections inserted by the Record Clerk(s). A note in the manuscript will be made by the clerk, officer-in-charge of the library in each book corrected, showing the number of the list of corrections pasted in and the date of pasting. The actual pasting in of the correction slips will be checked by the Officer-in-charge of the library and the books returned to the officers concerned.

Note: *The Officer-in-charge of the library will be responsible for the custody, maintenance and correction of books of probationer officers and examination stock, PCsDA/CsDA may, however, at their discretion get the correction slips pasted in the books of examination stock either under arrangements made by them or by the candidates to whom the books are issued on loan. In the latter case the corrections will be handed over to the candidates with the books.*

- (d) Local Audit officers, officers-in-charge of Pay Accounts Offices, AO/AAO (GE) BSO of M.E.S. formations and AAO of section will make suitable arrangements for pasting corrections to the books of regulations on their charge and will be personally responsible to ensure that they are kept corrected up-to-date.

- (e) The clerk in-charge of the library will bring to the notice of the officer in charge of the Record section any case in which a sufficient number of correction slips has not been received or any other deficiency in their supply.
- (f) Officers are advised to keep their copies of books of Regulations and Departmental Codes and Manuals under lock and key, when not actually in use, and to hand them over personally to the Record clerk responsible for correcting them when they are required for correction. The designation of the officer to whom the books pertain should be prominently marked on each book and in the case of personal copies, the name of the officer to whom they belong.
- (g) The record clerk attached to a section will be responsible to see that copies of Army Instructions, Army Orders, etc., are promptly and correctly placed in the covers for such orders of officers serving in the main office. He is also responsible to keep Army Instructions, etc., properly linked and cross-referenced.

PRINTING

Forms

70. Standard and special forms included in the publication "Classified list of Army Books and Forms and Forms used by the Defence Services, India" are issued on gratis by the manager, Government of India Forms Store, Calcutta. Special forms of a permanent nature, not included in the "Classified List" will be printed at the expense of the State only with the prior sanction of the Director of Military Regulations and Forms. When time permits, such forms, etc., will be sent to the Director of Military Regulations and Forms, who will arrange for their printing.

Every effort will, however, be made to utilize standard Forms with modification, if this is possible, instead of incurring additional expenditure on special forms.

Note: *Index cards and cards used in filing systems and cabinets will be treated as forms and their local purchase covered by the rules governing the local printing of forms. No colored cards will be purchased locally unless it is absolutely essential to do so.*

Miscellaneous printing

71. In the case of miscellaneous printing, the work in most cases is sanctioned for printing in State or Government of India Presses. Where work is done in a private Press, the procedure for local purchase outlined in GFR -2005 will be followed.

72-73. BLANK

CLEARANCE OF STORES CONSIGNED BY RAIL TO PCsDA/CsDA OFFICES

73A. The Record Section will be responsible to see that stores consigned to PCDA/CDA's offices by rail are taken delivery of promptly to avoid demurrage charges. For this purpose a representative of the office will be detailed to contact the railway authorities along with the railway receipts. If the package is not ready for delivery the signature of the railway authority will be obtained on the railway receipt. In case the package is in a damaged or broken condition the representative will promptly report to the AAO/SO (A) of the 'Record' Section, who will arrange to take open delivery. When consignment is not received within a reasonable time full particulars thereof will be reported to the railway authorities for necessary investigation. Until the stores are actually taken delivery of the AAO/SO (A) of the record Section will ensure that the railway receipts for stores are securely under lock and key. In order to keep a record of Railway receipts for stores consigned by rail to PCsDA/CsDA offices and to watch their prompt clearance, a register will be maintained in the Record section on the lines indicated in volume II of this Manual.

ANNEXURE "A"

(Referred to in Para 61)

Statement showing the periods on the expiry of which various classes of record may be destroyed

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
1. Abstract.			
	(1) Abstract of material (N)	5 years	
	(2) Miscellaneous abstract (N)	5 years	
	(3) Abstract of receipts & charges (N)	2 years	
	(4) Abstract of cutter shop leather (AF)	2 years	
	(5) Abstract of demand and return notes (Fy.)	2 years	
	(6) Abstract of foundry cost Statements (Fy.)	2 years	
	(7) Abstract of labour including H form 9 (Fy.)	2 years	
	(8) Abstract of receipt & issues of components (Fy.)	2 years	
	(9) Abstract Material including H Form 10 (Fy.)	2 years	
	(10) Abstract overhead (Fy.)	2 years	
	(11) Abstract T.V. (Fy.)	2 years	
2. Accounts.			
	(1) Accounts, camp, miscellaneous	5 years	
	(2) Accounts, capital and revenue (financial review)	For ever	As financial reviews are not prepared at present the 3 years available copies should be retained as permanent record.
	(3) Accounts, cash military farms.	3 years	
	(4) Accounts, civil and military, central adjusting (inward and outward)	5 years	
	(5) Account, current, London (inward)	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(6) Account, current, London (outward)	5 years	
	(7) Account, military treasure chest	5 years	
	(8) Accounts, priced, (all kinds) with receipt and issue vouchers	5 years	
	(9) Accounts, priced with schedules of depots and manufacturing establishments	5 years	
	(10) Accounts, stores, military farms	3 years	
	(11) Accounts, training grant	1 year	
	(12) Accounts annual chronometer (N)	2 years	
	(13) Accounts annual dead stock of dockyards and Naval Establishments (N)	3 years	
	(14) Accounts capital and revenue expenditure of dockyards 9N)	For ever	
	(15) Accounts, manufacture (N)	5 years	
	(16) Accounts monthly coal and water of dockyards (N)	3 years	
	(17) Accounts production (N)	5 years	
	(18) Accounts, quarterly sale of dockyards (N)	3 years	
	(19) Accounts monthly victualling stores (N)	2 years	
	(20) Accounts, annual, printed, ordnance and clothing factories (Fy.)	For ever	
	(21) Accounts, cash (A.F.) with schedules, vouchers and office copies of punching media. (Imprest "M" 'T.A.' & Stores Section and DE & J series)	3 years from the date of the accounts are finalized	
	(22) Accounts, cash , I.N. Ships and Establishment (N)	6 years from the date of the accounts are finalized	
	(23) (a) Accounts, Field	6 years from the	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	Cashier Cash and other ancillary documents.	date of the accounts are finalized	
	(b) S&S Imprest Account and ancillary documents		
	(24) Form 'D' issued to officers and their families.	3 ½ years.	
	(25) Accounts indirect expenditure with vouchers and documents (Fy.)	2 years	
	(26) Accounts, Inward Settlement	10 years	
	(27) Accounts, Outward Settlement	10 years	
3.	Acquittance rolls for pay and other allowances paid to the establishment of the Defence Accounts Department.	6 years except the bills for June and December which should be Kept for 35 Years	
4.	Agreement form of labour (Fy.)	2 years	
5.	Allocation of idle machines, lists of (Fys)	2 years	
6.	Appeal files	5 years	
7.	Auction sale lists periodical (Fy.)	2 years	
8.	Balances on outstanding extracts list of (Fy.)	2 years	
9.	Back Sheets (mechanical) Ledger posting sheets (manual) (Fy.)	2 years provided no discrepancy exists between PSA & PSL Balance.	
10. Balance Sheets			
	(1) Balance sheet, annual of tannery, curriery and cutter shop (Fy.)	3 years	
	(2) Balance sheets, monthly of cutter shop transactions (Fy.)	2 years	
	(3) Balance sheets, quarterly of cutter shop transaction (Fy.)	2 years	
	(4) Balance sheet, timber (Fy.)	3 years	
11. Bills			

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(1) Bills, contingent including Medical reimbursement claims	3 years	
	(2) Bills contractors for cost of coal, suppliers to Defence units/formations (Fy.)	5 years from the date of passing bills.	
	Note: Contractors bills against this item do not include Disbursement Vouchers mentioned at item 1 and 5 of Sl. No 120 of this Annexure (i.e. the ASC and MES Contractors bills for which retention period of 10 years will remain unchanged)		
*	(3) Bills pay civilian Gazetted Officers and establishment	6 years	Pay bills for June and December should be retained for 35 years
	(4) Bills overtime allowance (Fy.)	3 years	
*	(5) Bills Night duty allowance (Fy.)	6 years	Bills for June & December should be retained for 35 years as these claims are preferred through wage rolls.
	(6) Sy. Bills for reimbursement of Tuition Fees (Fy.)	3 years	
	(7) Bills, Railway (Railway Claims)	5 years	
	(8) Bills, travelling allowance (including L.T.C. bills)	3 years	
	(9) Local Purchase Bills	5 years	
	Note: The retention period in respect of contractors bills and local purchase bills is subject to the following conditions :		
	(a) The retention period is counted from the date when the final bill against the common supply order has also been finalized to facilitate linking of all previous bills on the same supply order, if necessary.		
	(b) The bills under dispute/arbitration/litigation will be retained beyond the above mentioned retention period till the finalization of the case.		
	(c) All advance payment bills including 90% / 95% payment will not be subjected to above retention period which will count from the date of payment of final adjustment claim.		
12. Books and Regulations etc.			

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(1) Army instructions, 1 Copy	10 years	One copy each to be retained for 50 years by PCDA (Pension)
	(2) Army Staff List	25 years	
	(3) Annual Army List	25 years	
	(4) Army Orders 1 copy	10 years	One copy each to be retained for 50 years by PCDA (Pension)
	(5) Civil Lists, all	Current as well as the previous list may be retained.	
	(6) Classification Hand Book of Receipts and Charges, one copy	110 years	
	(7) History of Services of officers serving in civil department	Current as well as the previous may be retained.	
	(8) Gazette of India, Parts I and II, one copy	25 years	
	(9) Gazette of India other parts with extraordinary, one copy	3 years	
	(10) List of units	Until the next copy is received.	
	(11) Master Note Book	10 years	
	(12) Old books and regulation, codes manuals and pamphlets, one copy of each edition.	30 years	One copy to be retained by the PCDA (Pension) for 75 years.
	(13) Postal Guide (India)	1 year	
	(14) State Gazettes one copy	1 year	
	(15) Seniority list of officers (Defence Accounts Department) one copy	10 years	One copy to be retained in the CGDA's Office for 40 years
	(16) Seniority list of SO (A)/AAO (Defence Accounts Department), one copy	10 years	
	(17) Seniority list of Selection Grade Clerks (Defence Accounts Department), one copy	10 years	
	(18) Seniority list of other	10 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	clerical and class IV servants (Defence Accounts Department), 1 copy		
	(19) Special roster for Class III & IV employees of D.A.D.	10 years	
	(20) Service Book	10 years after death or 5 years after retirement or 5 years from the date of final settlement of terminal benefits for those individuals who resign or are retrenched, removed or dismissed.	Before destruction it should be ensured that pension/provident fund cases have been finalized.
	(21) Telegraph Guide	1 year	
	(22) Navy Fleet orders	10 years	One copy of each to be retained for 50 years by the P.C.D.A. (Pension)
	(23) Navy instructions	10 years	
	(24) Navy lists one copy	110 years	One copy of each to be retained for 25 years by the P.C.D.A. (Pension)
	(25) Drafting orders (N)	5 years	
	(26) Air Force instructions on copy (A.F.)	10 years or till such time a compendium is published.	One copy of will be retained for 50 years by the P.C.D.A. (Pension)
	(27) Air Headquarters organization memoranda one copy (A.F.)	Permanent	To be reviewed after 30 years for further retention.
	(28) Air Headquarters, administrative instructions one copy (A.F.)	-do-	
	(29) Air Headquarters routine orders part IV, one copy (A.F.)	-d0-	
	(30) Air Force Orders, one copy (A.F.)	10 years or till such time a compendium is	One copy to be retained for 50 years by the

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
		published.	PCDA (P)Allahabad
	(31) Air Force Lists	10 years	One copy to be retained for 25 years by the PCDA(P)Allahabad
	(32) Air Headquarters Equipment Accounting Instruction (A.F.) one copy.	Permanent	To be reviewed after 30 years for further retention.
	(33) Air Headquarters cash and Pay Accounting Note (A.F.) one copy	-do-	
	(34) Daily Commissioned and Warrant List (N)	6 years	
13.	Budget analysis and Stipulation (Fys.)	3 years	
14. Broad Sheets			
	(1) Broad Sheets, all funds	45 years	
	(2) Broad Sheets, trust interest fund	5 years	
15. Cards			
	(1) Cards cost and abstracts (A.F.)	2 years	
	(2) Cards cost closed (Fy.)	2 years	
	(3) Cards, day workers (A.F.)	2 years	
	(4) Cards, piece workers, summary (A.F.)	2 years	
	(5) Cards, production (A.F.)	2 years	
	(6) Cards, production ledger closed (Fys.)	2 years	
	(7) Cards scale Audit (A.F. officers)	5 years	
	(8) Time Cards for Industrial employees (N)	35 years	
16	Cash Books	10 years	
17.	Cash Requisition files	To be bound with pay bills.	
18.	Cash, security deposits, files (Stores)	35 years	
19.	Certificate form of disbursements (Fy.)	3 years	
20. Cheques			
	(1) Cheques cancelled.	3 years (a) 5 years 'D'	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(2) Files of	section copy (b) 10 years	
	(3) Schedule III	accounts section copy	
	(4) Cheques paid, files	5 years excluding the year of issue.	
21.	Children's allowance claims, file (Pension claim)	50 years	
22.	Claims received other than pay and pensions, files of	5 years	
23.	Claims returned unpassed, files of	3 years	
24.	Claims of Children Education Allowance (Fy.)	6 years	Claims for June and December should be retained for 35 year as these claims are processed through wages bills
25.	Casualty report absentee memos (Fys)	1 years	
26.	Casualty report (i.e. attendance) (Fys)	1 years	
27.	Miscellaneous rejected pension and gratuity, claims	5 years	
28.	Compilations detailed	5 years	
29.	Completion certificate (N)	5 years	
30.	Component demand and return notes (Fy.)	2 years	
31.	Contract register (N)	10 years	
32.	Contract agreements (MES)	10 years	This period is to be reckoned after the date of payment of final bill except in cases of disputed contractor's bills which should be retained until 3 years after finalization of dispute.

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
33. Correspondence			
	(1) Circulation, memoranda file	1 year	
	(2) (a) Confidential papers regarding officers and other members of the establishment including confidential reports and character rolls.	2 years after the date of death or 5 years after the date of retirement have become non-effective.	
	(b) Correspondence files regarding confidential reports/character rolls.	Not exceeding 3 years.	
	(3) Correspondence regarding supply of stationery and forms	1 year	
	(4) File of applications for employment in the Defence Accounts Department	1 year	
	(5) Letters from Government of India Ministry of Defence (Finance) and C.G.D.A. conveying sanctions or decisions or other orders of a permanent nature and correspondingly the original letters or representations from Cs.D.A. etc., on which such sanctions, decisions and orders are initiated.	For ever	All other correspondence to and from Government of India MoD.(Finance) or C.G.D.A. will be dealt with under item 33 (7).
	(6) Section files of Government, C.G.D.A.'s A.H.Qrs., letters etc, other than those mentioned at 5 above	10 years	
	(7) Ordinary correspondence	5 years	(1) Correspondence leading to the grant of Pensions etc. are filed with personal cases which are retained for same the period as pension claims. (2) Files

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
			containing papers leading to decisions may be kept for ten years.
	(8) Personal cases of civil pensioner (Pension claims)	To be retained for the same period as pension claims.	
	(9) Personal cases of Military officers regarding the grant of retiring disability (including family pensions)	25 years or 5 years after the death of the pensioner, whichever is later.	
	(10) Personal cases of civilians or military pensioners maintained in the audit sections containing the PPOs and other correspondence.	15 years from the date the pensioner is struck off the pension establishment or 5 years after the payment of life time arrears whichever is earlier.	In the case of pensioner in whose cases joint notifications were issued, the period of retention relates to the family pension holder, if any.
	(11) Rejected family pension files of JCOs/ORs etc.	10 Years	
	(12) Rejected disability pensions files of JCOs/ORs etc.	20 years	
	(13) Personal cases of contractors (Stores)	10 years	
	(14) Personal cases of staff and departmental Officers	10 years after death or 5 years after retirement.	
	(15) (a) Personal files of officers and other establishment of the Defence Accounts Department.	Before actual destruction it should be ensured that pension/provident fund cases have been finalized. 10 years after death or 5 years after retirement.	
	(b) Personal files of Deputationists	5 years after resignation, 10	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
		years from the date of reversion to their cadre posts.	
	(16) Correspondence files regarding Security deposits of Contractors (ASC)	10 years	
	(17) Correspondence files regarding Security deposits of Store Keepers (ASC)	10 years	
	(18) Subject files	35 years	
	(19) Personal cases of I.O.D.P. Fund and G.P. Fund (Fy.)	10 years after death or 5 years after retirement.	
	(20) Record of service of Commissioned Officers	5 years after all action relating to final allocation of an officer's pension has been taken.	
	(21) Entertainment and discharge memoranda (Fy.)	2 years	
	(22) Lists showing men working on more than one gang (Fy.)	2 years	
34.	Credit notes, Military counterfoils etc.	3 ½ years	
35.	Nominations, all funds	Follow the period prescribed for ledger cards and final payment vouchers.	See remarks against item No.57 (2)
36.	Defect list (N)	5 years	
37.	Demand and return notes (Fys)	2 years	
38.	Demand and return notes summaries of (Fys)	2 years	
39.	Draft S.W.O. completed (Fys)	2 years	
40.	Electric Power Statement (N)	5 years	
41.	Extracts (Fys)	3 years after the completion of the jobs to which they pertain.	
42.	Earnings, Summary of, piece and gang workers (Fy.)	2 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
43. Estimates			
	(1) Annual forecast budget estimates	2 years	
	(2) Budget estimates (printed)	3 years	One copy to be retained in library for 5 years.
	(3) Cases pertaining to budget estimates	3 years	
	(4) Detailed budget estimates	3 years	
	(5) Distributed budget estimates	3 years	
	(6) Revised estimates	3 years	
	(7) Estimates (Fy.)	Permanent till revised.	
44.	Forms requisition for, files of	1 year	
45.	Forms, Loose leaves of diary register, files of	1 year	
46.	Fund deduction, certified list of	5 years	
47.	Fund Schedule	3 years	No schedule will be destroyed by EDP Centre (or other Accounts officer responsible for maintaining the fund account) before the expiry of one year after the issue of the annual accounts and the receipts of acknowledgement therefore.
48.	Personal jackets of subscriber	(A)	(A) As all correspondence leading to final payment of fund accumulation are filed in the personal case files of the subscribers concerned, these should be

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
			retained for the same period as the nomination forms vide item 35 ibid.
49.	Gratuity rolls (IAFY 1945)	50 years	
50.	History sheets (Fy)	For ever	
51.	Indemnity (IAFA-297)	10 years	
52. Indents			
	(1) Indents, cash (requisition)	5 years	
	(2) Indents for railway warrants and credit notes	1 year	
	(3) Indents, monthly stationery files of	1 year	
	(4) Indents placed by N.H.Qrs on public undertakings, like BEL (N)	15 years	
53.	Inspection Notes (Fy.)	2 years	
54.	Inventory list and connected voucher (Fy.)	2 years	
55.	Invoices Foreign	1 year after verification of stores and settlement of all discrepancies.	
56.	Invoices, Spear gear (N)	2 years	
57. Journals and ledger			
	(1) Defence ledger	10 years	
	(2) (A) Ledger cards and final payment voucher.		
	(I) Where payment have been made to persons other than subscribers		
	(a) Minors	25 years	These will be retained for 30 years in cases where payments were made prior to 01.04.64
	(b) To persons other than minors		
	(i) Not in accordance with the nominations of the subscribers.	25 years	
	(ii) In accordance with the nominations of the subscribers.	5 years	These will be retained for 6 years in cases

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(II) Where payments have been made to subscribers	5 years	where payments were made prior to 01.04.64
	(B) Vouchers pertaining to non-refundable parts/final withdrawals from Provident Funds	5 years	
	(3) Expense ledger (MES)	10 years	
	(4) Rent assessment ledger (MES)	20 years	
	(5) Revenue ledger (MES)	3 years	
	(6) Job ledger (MES)	30 years	
	(7) Abstract ledger (N)	5 years	
	(8) Cost ledger (N)	5 years	
	(9) Revenue ledger (N)	5 years	
	(10) Building ledger (Fy)	15 years	
	(11) Component ledger (Fy.)	5 years	
	(12) Depreciation Fund ledgers (Fy)	10 years	
	(13) Machinery ledger (Fy)	15 years	
	(14) Principal journal (Fy)	5 years	
	(15) Principal ledger (Fy)	5 years	
	(16) Ledger, Imprest Holders (AF)	6 years from the dates the accounts are finalized.	
58.	Lighting and buoying in the Persian Gulf "Negrchus" , files of (N)	5 years	
59.	Loss statements	3 years	
60.	Master card IODP and IOFWP Fund (Fy)	45 years	
61.	Money warrant files (N)	10 years	
62.	Muster and pay books (N)	35 years	
63.	Naval prize money (N)	50 years	
64.	Numerical return and nominal roll files	5 years	
65.	N.P. and P.M. summaries of (Fy)	3 years	
66. Orders			
	(1) Command, Area, Sub-Area and Station orders	3 years	
	(2) A.S.C. Orders Printed	6 years	
	(3) Instructional, books orders by section, files of	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(4) Office orders (establishment) (fair copies)	10 years	
	(5) Part I Office Orders	15 years	One copy to be retained for 50 years in library.
	(6) Office procedure orders, files of one copy	5 years	
	(7) Dockyard order files (N)	5 years	
	(8) C.E. Orders (N)	5 years	
	(9) Work orders books and files (N)	5 years	
	(10) Work orders, completed, list of (Fy)	2 years	
	(11) D.O. Pt.II Oder (DSC) (AF)	2 years	
67.	Over time notes (Fy.)	1 year	
68.	Personal occurrence report (AF)	1 year	
69.	Part II orders of Military forms	3 years	
70. Passes			
	(1) Passes, gate (labour and materials) (Fy)	1 year	
	(2) Passes, leave (Fy)	1 year	
71.	Pensions, arrears, claims of, files of	3 years	
72.	Pension circulars, one copy	For ever	
73. Pension claims (where pension has been sanctioned) or D.P.Cs.			
	(1) All claims relating to the grant of service/ disability/family/mustering out pensions, review of disability pension, continuance of family pension, (2 nd life award) Children allowance, family gratuity and gallantry awards together with supporting documents and the draft P.P.Os.	50 years from the date of last PPO bound in a particular volume.	
	(2) Pension claims under the rules in the C.S.R. new pension rules and extraordinary pension rules.	60 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
74. Nomination and Family Pension Cases etc. under liberalized pension rules.			
	(1) Pension cases	12 years after retirement/death in service of the Govt. servant, as the case may be in all cases.	
	(2) The nominations whether these relates to Gazetted or non-Gazetted Govt. servants.		
	(a) If the gratuity and /or family pension are paid to minors.	30 years	
	(b) To other than minors		
	(i) Not in accordance with the order in which nominations have been made	30 years	
	(ii) In accordance with the order in which nomination has been made.	6 years after the payment of Death-Cum-retirement gratuity or the last installment of the family pension has been made.	
75.	Pension journals (with vouchers) Pension payment Schedules(with vouchers)	5 years	
76.	Pension payment orders	75 years	
77.	Pensions, revised rates of intimations of (Pension claims)	To be retained for the same period as pension claim.	
78. Personal cases/Commutation Applications (JCOs/ORs/NCOs)			
	(a) Files pertaining to cases where commutation stands notified in a commutation PPO.	5 years after issue of commutation PPO.	
	(b) Files pertaining to cases where commutation application is rejected.	50 years	
	(c) Files pertaining to closed cases {other than those catered for at (a) (b) above}	5 years.	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
79.	Pension schedules of advances of files of	3 years	
80.	Pensioners, Chelsea, file of abstracts of payment to	3 years	
81.	Prices and wages in India	1 year	
82.	Printed memos regarding receipts for interest on G.P. Notes (IAFZ-2140)	10 years	
83.	Printed memos regarding refund of security deposits (IAFZ-2141)	10 years	
84.	Punching media and relevant vouchers for the period from 01.04.47 onwards (Fy)	Not fixed	As these documents may be required for the purposes of Test Audit by the Audit party from Pakistan if and when the visit of such a party materializes no punching medium voucher or any other documents in respect of which punching media were prepared should be destroyed even when time expired.
85.	Punching media for labour (Fy.)	1 year	
86.	Progressive service head compilation (N)	5 years	
87.	Rate Book (Admiralty) (N)	10 years	
88.	Rate Book (Admiralty) (N)	10 years	or till the publication of New Rate Book/ Rate list.
89.	Rate list for clothing and mess traps (N)	3 years	
90.	Rate Forms (Fy)	Permanent till revised	
91.	Receipts of post office	1 year	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	registered letters, etc files of		
92.	Receipts for stores issued by MES to contractors	5 years	
93.	Receipts of telegrams sent, files of	1 year	
94.	Receipts book, counterfoils of (MES)	1 year	
95.	Receivable order book	2 years	
96.	Record, day and piece workers (Fy)	2 years	
97.	Records of 'except' components drawn on assembly orders (Fy)	2 years	
98.	Recovery claim file (N)	3 years	
99. Registers (Audit)			
	(1) Appropriation audit register	3 years	
	(2) Audit Progress register	1 year	
	(3) Audit register of contingent charges	5 years	
	(4) Audit register of officers	35 years	
	(5) Audit register of pensions	15 years	
	(6) Audit register of Bengal Military and Orphan Fund IMSFP and IMW and ORs Fund Pensions	For ever	
	(7) Audit register of Madras Military Fund, Madras Medical Fund and Bombay Military Fund Pensions.	12 years	
	(8) Audit register of travelling charges	5 years	
	(9) Pre-Audit bill register	5 years	
100.	Register of rejected pension etc. claims	For ever	
101. Registers (miscellaneous)			
	(1) Bill diary register	1 year	
	(2) Bill payment register	5 years	
	(3) Coal bunker check register	3 years	
	(4) Daily attendance register (establishment)	1 years	
	(5) Demand register	3 years	5 years in respect of GP Fund

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
			Demand Register
	(6) Despatch register (letter and objections)	1 year	
	(7) Despatch register (cheques)	3 years	
	(8) Family allotment register	5 years	
	(9) Family register	For ever	
	(10) Half-margin register	3 years	
	(11) Index register G.P Fund IOFWP Fund IODP Fund	Permanent	
	(12) Inter-Departmental schedules register	5 years	
	(13) Register of Index to house building advance	25 years	
	(14) (a) Leave register (Estt) Earned (b) Leave register (Estt.) Casual	3 years 1 year	
	(15) Register of valuable documents	5 years	
	(16) Register of important documents	5 years	
	(17) Register of secret documents	5 years	
	(18) Register of confidential letters	5 years	
	(19) Objection register	3 years	
	(20) Progress register, interdepartmental transactions	5 years	
	(21) Rebate register	5 years	
	(22) Register of acknowledgements (including Money order receipts and Acknowledgements)	5 years	
	(23) Register of allotment of petty supplies	5 years	
	(24) Register of amounts sanctioned by audit officer of and above and the rank of Sr. AO/AO	3 years	
	(25) Register of advances for motor cars and other	6 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	conveyances		
	(26) Register of Blank cheques	5 years	
	(27) Register of books of regulations in stock and in use.	Until the next register is opened which should contain all current items of the previous register.	
	(28) Register of book-binding	3 years	
	(29) Register of capitation allowance to widows and orphans	20 years	
	(30) Register of cash assignments	3 years	
	(31) Register of cash receipts (IAFA-616)	5 years	
	(32) Register of dead stock articles	3 years	
	(33) Register of deposits and advances repayable	6 years	
	(34) Register of emergent advances	3 years	
	(35) Register of Europe invoices	5 years	
	(36) Register of events	50 years	
	(37) Register of financial irregularities	3 years	
	(38) Register of financial sanctions for fresh expenditure	5 years	
	(39) Register of gratuity (IAFA-514)	15 years	
	(40) Register of ground rent	50 years	
	(41) Register of half yearly balance	3 years	
	(42) Register of histories of Regimental Funds services of civilian officers paid from the Defence Service Estimates	50 years	
	(43) Register of income-tax	3 years	
	(44) Register of LPCs issued	3 years	
	(45) Register of IPCs books	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	received and issued		
	(46) Register of military exchange accounts	3 years	
	(47) Register of miscellaneous non-recurring charges	5 years	
	(48) Guard files of payment issues	6 years	
	(49) Register of payment issues	10 years	
	(50) D.P. Sheets (to be retained by Controllers)	3 years	
	(51) Register of watching acknowledgements in respect of 100 per cent advance payments made by D.A.G, (I&S) to contractors	3 years	
	(52) Register of pension contributions	15 years	
	(53) Register of permanent advance	4 years	
	(54) Register of receipt and distribution of corrections, orders and periodicals	1 year	
	(55) Register of receipt and issue of forms	2 years	
	(56) Register of receipt of cheque	5 years	
	(57) Register of regimental and other loans	10 years	
	(58) Register of fraudulent use of railway warrants/ credit notes (Fy)	3 years after finalization of all the items noted in the register.	
	(59) Register of sanctioned tenders	10 years	The period is to be reckoned after the dates of payment of final bill except in cases of disputed contractor's bill in which case the documents should be retained until 3

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
			years after finalization of the dispute.
	(60) Register of security deposits	45 years	
	(61) Register of specimen signature	5 years	
	(62) Register of temporary withdrawals and their recoveries (Funds)	5 years	
	(63) Register of valuables	3 years	
	(64) Subscribers List	40 years	
	(65) Register of grants (MES)	3 years	
	(66) Register of approvals and technical sanctions (MES)	5 years after sanction have expired	In regard to Major Projects costing over Rs.10 lakhs the Admin approval & Technical sanction should be retained for a further period of 5 years.
	(67) Register of daily Payments and D.P. Sheets	3 years	
	(68) Register of Inspection reports	5 years	
	(69) Register for the working contracts	5 years	
	(70) Register of objections waived	3 years	
	(71) Register of objections to insufficient or irregular sanctions	5 years	
	(72) Register of commutation of pension I.A.F (C.D.A. - 63	5 years	
	(73) Skeleton List with receipt and issue vouchers	5 years	
	(74) Scale audit register	5 years	
	(75) Register of losses (N)	5 years	
	(76) Register of recovery claims (N)	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(77) Register of ships (N)	5 years	
	(78) Register of transfer entries (N)	5 years	
	(79) I.L.A.C. register (N)	5 years	
	(80) Register of showing cash losses (N)	5 years	
	(81) Increment register (Fy)	2 years	
	(82) Leave register (Fy)	2 years	
	(83) Register of demand and return notes (Fy)	2 years	
	(84) Register of extracts (Fy)	2 years	
	(85) Register of sale voucher (Fy)	2 years	
	(86) Register of warrants (Fy)	2 years	
	(87) Register of identification symbols (Cash account A.F. units)	6 years	
	(88) Register of receipt and disposal of cash accounts (A.F. units)	3 years	
	(89) Register for watching expenditure against allotments against local controlled beads (A.F.)	3 years	
	(90) Register of miscellaneous advances	5 years	
	(91) Register of provisional payments	3 years from the date of finalization of all items entered in the register.	
	(92) Register of defect list (N)	5 years	
	(93) Register of I.N. ships placed at the disposal of local Government and survey work carried out (N)	3 years	
	(94) Capital account register (N) (a) Building (permanent and temporary) (b) Plant and Machinery	15 years	
	(95) Audit register of pensioners	15 years	
	(96) Audit cards relating to	15 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	Pensioners no more on the Pension establishment		
	(97) Annual establishment returns		Returns received up to 1962-63 may be retained for 40 years
	(98) Register of initials of SO (A)/AAO	10 years	
	(99) Register of Telegrams/ Signals/Reminders	1 year	
	(100) Numbering register of cheque slips	1 year	
	(101) Register of Railway Receipts	3 years	
	(102) Register of Records	1 year	
	(103) Register of time expired Records	5 years	
	(104) Register of Attachment	10 years	
	(105) Register of Nomination Forms	45 years	
	(106) Register of Insurance Policies	5 years	After all the Policies are reassigned
	(107) Register of Trunk Calls	3 years	
	(108) Register of Typewriters, Duplicators and other Machines	15 years	
	(109) Increment stoppage Register	45 years	
	(110) Register of Disciplinary action cases	45 years	
	(111) Register of volunteers for transfer to various stations	5 years	
	(112) Register of identity Passes	Until a New register is opened carrying forward all current items.	
	(113) Register of Temporary Record clerks and class IV servants	5 years	
	(114) Register of Infructuous expenditure	5 years	
	(115) Register of extra payments to be exhibited	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	in the Appropriation Accounts		
	(116) Messing charges Register (IAFA-518)	5 years	
	(117) Register of files	Until a new register is opened carrying forward all the current items.	
	(118) Register for watching progress of Test Audit objections	5 years	
	(119) Register of Leave Accounts of individuals lent to other Departments/Governments	10 years	
	(120) Register of Leave, Passage/Pensions contributions in r/individuals lent to other departments/Govt.	10 years	
	(121) Register showing control nos. of Guard files.	3 years	
	(122) Register of Registers	Until a new register is opened carrying forward all the current items.	
	(123) Register of CEA paid to civilians paid from D.S.E.	3 years	
	(124) Register of OTA paid to Defence civilians paid from D.S.E.	3 years	
	(125) Register of Final withdrawal from GP/IOFWP Fund	5 years	
	(126) Register of watching final settlements of Fund Accounts	2 years	
	(127) Register of payments of withdrawals from G.P. Funds to Finance Policies	Till all the policies are re-assigned.	
	(128) Register of Fictitious	3 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	code head noticed in Punching Media		
	(129) Register of Training Grants Accounts	3 years	
	(130) Imprest C.R. Stock Book Register	5 years	
	(131) Special register for payments made by CDA on Spl. Direction of Ministry	3 years from the date of finalization of all items in the register.	
	(132) Register for watching progress of expenditure against allotments of Misc. expenditure (DAD)	3 years	
	(133) Special demand Register recording transaction relating to grant of loans to Co-operative Societies	30 years	
	(134) Register showing necessary information regarding receipt of Hindi letter/Documents	2 years	
	(135) Contributory Provident Fund Register	45 years	
	(136) I.O.D.P. Fund Register	45 years	
	(137) Register of Budget Estimates	5 years	
	(138) Register of Mortgage Bonds	6 years	
	(139) Register of Provisional Credits/Debits to Suspense Account	6 years	
	(140) Register of Trust Interest Fund	3 years	
	(141) Register of Advances for House Building	6 years	
	(142) Register for settlement of claims pertaining to preparation period	Permanent (until all claims pertaining to preparation period are settled)	
	(143) Security Duty Register	2 years	
	(144) Register for Recording and Watching return of	10 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	Contract Agreements and Bills sent for Arbitration		
	(145) Register of overtime allowance (DAD)	3 years	
	(146) Register for Grant-in Aid	5 years	
	(147) Register for warm clothing allowance	5 years	
	(148) Register for Table Fan Advances	10 years	
	(149) Register for D.C.R. gratuity and family pension	Permanent	
	(150) Register for watching Superannuation list of individuals	5 years	
	(151) Inward claim Register	5 years	
	(152) Register for C.P. Vouchers where 90% advance payment is made	5 years	
	(153) Outward claims Register	3 years	
	(154) Register for scheduling to LAOs, CP Vouchers received from PAOs	5 years	
	(155) Register (Guard File) showing recovery of inspection charges carried out by T.D.Es in respect of stores, indented by indenters other than Defence Services.	3 years	
	(156) S&S Imprest Register	5 years	
	(157) Register for watching handling over/ taking over reports of UA (MEOs)	5 years	
	(158) Register of Advances (Suspense)	5 years	
	(159) Register for allotment of Funds for non-budget works	5 years	
	(160) Register of Contracts	6 years	
	(161) Register of Critical Review	40 years	
	(162) Register of vouchers	10 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	sent to Technical Examiner		
	(163) Register showing result of Scrutiny of Contracts	5 years	
	(164) Register of acknowledgement for central purchase of stores where 5% balance payment is made without consignee's receipt	5 years	
	(165) Audit register of Cash Accounts of Remount Depots & Farms	5 years	
	(166) Register regarding payment of excise duty on Rum	12 years	
	(167) Register of Sale Accounts (IAFA-707)	5 years	
	(168) Register of invoices of imported stores from the United Kingdom	5 years	
	(169) Register of Service Books (Non-gazetted personnel)	Permanent	To be reviewed after 30 years
	(170) Money order check Register	5 years	
	(171) Register of expendable stores	5 years	
	(172) Peons Liveries Register	5 years	
	(173) Register of repairs to Bicycles	10 years	
	(174) Register of Acquittance Rolls	5 years	
	(175) Register of personal number	Permanent	
	(176) Control register	Until a new register is opened carrying forward all current items.	
	(177) Register of recording payments of advances of final withdrawal from G.P. Fund for meeting expenses on a/c of higher education, House Building	45 years.	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	and marriage purpose.		
	(178) Register of Supplementary Pay Bills (DAD Estt.)	10 years	
	(179) Register of Medical reimbursement claims	5 years	
	(180) CGDA/Important letters Diary	10 years	
	(181) Inward Diary Register	1 year	
	(182) Register of Books and Regulations etc. distributed within a section	Until a new register is opened which should contain all the current items of the previous register.	
	(183) Register of Temporary Sanctions	3 years	
	(184) Register of losses (Cash & Stores)	5 years	
	(185) Instructional/ Section Order Register	10 years	
	(186) Register of loss statement not finalized within six months (cash /store losses AF)	1 year after all the loss statements are finalized.	
	(187) Register showing the items for inclusion in A.A.C.	3 years	
	(188) Register for stores issued to Foreign Govts. (AF)	5 years	
	(189) Stock Book of Articles purchased out of Amenity grant(AF)	10 years	
	(190) Register showing transfer of stores to AMD Kanpur (AF)	5 years	
	(191) Linking of AOG invoices Register (AF)	5 years	
	(192) Register of vouchers selected for personal check (issue linking) (AF)	5 years	
	(193) Register of vouchers selected for personal	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	linking (receipt linking) (AF)		
	(194) Register for watching receipt and return of L.P. and C.P. vouchers etc. from and to CDA (AF)	2 years	
	(195) Register of CRVs in r/o items received from UK/USA under Military Aid Programme (AF)	2 years	
	(196) Reconciliation statement showing the disposal of vouchers scheduled to consignee LAOs (AF)	2 years	
	(197) Inter Service adjustment Register	5 years	
	(198) Inward schedule Register (AF)	5 years	
	(199) Register of Auditable documents Permanent	Permanent. To be reviewed after 30 years	
	(200) Register of voucher Load/ SSRCs (AF)	5 years	
	(201) EL Entitlement Register	2 years	
	(202) Festival Advance Register	1 year	
	(203) Register for working out 10%of cases for scheduling to LAOs in r/o posted out Airmen (AF)	5 years	
	(204) Register for review of Local allowance by AAO /SO(A) and LAO (AF) on sampling basis (AF)	3 years	
	(205) Misc. payment register i.e. payments made other than through Pay Bills like G.P. Funds advances, Cycle advances etc.	3 years	
	(206) Conference Register	5 years	
	(207) Reconciliation Register (AF)	5 Years	
	(208) Register of wages of	35 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	Industrial employees Part I & II (N)		
	(209) Register for Receipt and Disposal of Bank Scrolls	10 years	
	(210) Register of MROs	10 years	
	(211) Register for recording Receipt of Schedules of Payments and schedules of Receipts	10 years	
	(212) Register for watching Reconciliation and clearance of the Suspense Heads Code 0/020/80 0/020/81 0/020/82 0/020/83	10 years	
	(213) Register of Reserve Bank Deposit Accounts	10 years	
	(214) I.D.S. Register recording receipt of treasury receipt (P)	10 years	
	(215) Register of charged Expenditure	3 years	
	(216) Register for fixed charges (Fy)	Permanent	
	(217) Control Register for ledger posting (Fy)	2 years	Provided no discrepancy exists between PSA & PSL balance.
	(218) Register of unorthodox balance (Fy)	2 years	
	(219) Linking Register (Fy)	5 years	
	(220) Register for depreciation (Fy)	3 years	
	(221) Register of payment of CEA to IES (Fy)	5 years	
	(222) Register of IES (Fy)	35 years	
	(223) Register of individual piece work and day work cards (Fy)	5 years	
	(224) Register of payment of injury pay (Fy)	5 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(225) Register of review of primary document (Fy)	5 years	
	(226) Industrial employees grant register (Fy.)	5 years	
	(227) Register of Profit + Loss of Ind. and Gang piece work rates (Fy.)	5 years	
	(228) Register of Boy artisan (Fy.)	5 years	
	(229) Register of Gratuity claims (IES) (Fy)	15 years	
	(230) Register of scales/trades showing the authorized and actual strength (Fy)	5 years	
	(231) Register of No. of IES enrolled and discharged monthly together with corresponding load in the Fy (Fy)	5 years	
	(232) Register of sanction in r/o recurring Charges (Fy.)	5 years	
102	Reports and returns		
	(1) Appropriation reports	3 years	
	(2) Audit Reports	3 years	
	(3) Audit and appropriation reports one copy	10 years	
	(4) DO Part II files	5 years	
	(5) Inspection reports rendered by LAOs	3 years	
	(6) Pension reports	25 years	
	(7) Preliminary reports of receipts and charges	3 years	
	(8) Progress reports submitted to C.G.D.A. files of	1 year	
	(9) Return calendar of	1 year	
	(10) Returns sent out, office copies of	1 year	
	(11) Test audit reports with objection statements	5 years	
	(12) Returns of recoveries (electric)	1 year	
	(13) Returns of recoveries	1 year	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(water)		
	(14) Monthly expenditure returns (MES)	2 years	
	(15) Docking reports (N)	5 years	
	(16) Reports of work completed (N)	5 years	
	(17) Stock reports (N)	2 years	
	(18) Survey reports (N)	2 years	
	(19) Progress reports received from A.Os (Fy) file of	1 year	
	(20) Returns of gang workers (Fy)	2 years	
	(21) Reports and Returns files on various subjects of a less important nature, (e.g. Programmes of Local Audit, Mandays Statements, Arrears in Local Audit etc. (AF)	3 years	
	(22) Quarterly Progress Report regarding progressive use of Hindi	3 years	
	(23) Flight Returns including Govt. Sanctions thereon (AF)	5 years	
103	Ready use store demands (N)	5 years	
104	Rifles press bonus sheets (Fy)	2 years	
105	Rolls, annual, of men pensionable under civil rules	35 years	
106	Scrolls Debit/Credit	5 years	
107	Schedules		
	(1) I.D. Schedules with vouchers	5 years	
	(2) Schedules forwarding issue vouchers of stores	1 year	
	(3) Schedules of debit/credits to Remittances (MES)	1 year	
	(4) Schedules of debits/credits to Miscellaneous heads of	1 year	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	accounts (MES)		
	(5) Building schedules (Fy)	2 years	
	(6) Labour cost schedules of hides (Fy)	2 years	
	(7) Machinery schedules (Fy.)	2 years	
	(8) Schedules of stores receipts and issue vouchers (Fy)	2 years	
108	Staff permanent and temporary list of (Fy)	2 years	
109	Statements		
	(1) Late statement (Office estts.)	6 months after closure of the year	
	(2) Objections statements , Files of	3 years	
	(3) Verification statement, Files of	3 years	
	(4) Statement of items placed under objection (MES)	1 year	
	(5) Adjustment statement (N)	3 years	
	(6) Annual statement of work executed in the dock-yard one copy (N)	For ever	
	(7) Monthly statement of stores shipped (N)	3 years	
	(8) Overtime statement (N)	2 years	
	(9) Percentage of absentee statement of labour (N)	2 years	
	(10) Saw mill accounts, foundry accounts coal, oil and fuel statement (N)	5 years	
	(11) Statement of articles shipped on work order (N)	5 years	
	(12) Statement of income tax recovery from workmen (N)	5 years	
	(13) Annealing and pickling statement (I and II) (Fy)	2 years	
	(14) Budget and works expenditure statement (Fy)	3 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(15) Comparative statement of tenders (Fy)	2 years	
	(16) Comparative statement showing the difference between the estimates and actual value of manufactured articles issued to factory capital stock and other factories (Fy)	2 years	
	(17) Comparative statement of rates of different sorts of casting (Fy)	2 years	
	(18) Foundry cost statement (Fy)	2 years	
	(19) Printing statements (Fy)	2 years	
	(20) Daily summary staff. (N)	2 years	
	(21) Distribution statt. For inward vouchers received during the month (AF)	2 years	
	(22) Process cost statement (Fy)	2 years	
	(23) Production statement (A,B, and C) (Fy)	2 years	
	(24) Semi-manufacture statement (finished and unfinished) (Fy)	2 years	
	(25) Shop indirect expenditure statement (Fy)	2 years	
	(26) Statement of recoveries made from the factory establishment (Fy)	2 years	
	(27) Statement of special N.P. and P.M. charges in accordance with M of D formula for pricing of payment Orders (Fy)	2 years	
	(28) Statement showing disposal of surplus stores (Fy)	2 years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	(29) Statement showing open extract (Fy)	2 years	
	(30) Statement showing profit and loss on payment issue (Fy)	2 years	
	(31) Statement showing reasons for abnormal rise and fall in the rates on production accounts (Fy)	2 years	
	(32) Timber statement (Fy)	2 years	
	(33) Statement of closing balance monthly received from RBI Nagpur	5 years	
	(34) Statement water cost (Fys)	2 years	
110	Stationery account book	5 years	
111.	Store notes (N)	5 years	
112	Specimen certificates, of quantity in respect of stores received from USSR (N)	5 years	
113	Security deposit receipt (IAFA-299)	5 years	
114	Suspense summary (MES)	3 years	
115	Syllabus work orders, Part I (Fy)	For ever	
116	Transfer sheets with abstracts	3 years	
117	PM and numbering book and transfer entry No. Books files of	10 years	
118	Transit books and peon delivery books	1 years	
119	Treasury receipts files	3 years	
120	Vouchers		
	1) Disbursement vouchers (ASC Contractors bills) with supply orders, transport indents etc.	10 years	
	2) Pension disbursement vouchers	5 years	
	3) Transfer receipt/ issue/expense vouchers	1 ½ years	The vouchers relating to units and formation whose accounts

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
			are audited on an annual basis should be retained for a period of two years
	4) Store vouchers, priced stores and manufacture accounts	3 years	
	5) Disbursement vouchers (MES)	10 years	
	6) Adjustment vouchers (N)	5 years	
	7) Copies of letters, vouchers, rent bills, allotment rolls, etc. received by IRLA (AT) for test checking of debits/credits in the post audit of IRLS of Navy Officer and rating (N)	3 years	
	8) Issue vouchers of stores from dockyard indents and demand notes (N)	2 years	
	9) Return notes (N)	3 years	
	10) Other vouchers (N)	3 years	
	11) Yard issue notes (N)	3 years	
	12) Yard return notes (N)	3 years	
	13) Component manufacture vouchers (Fy)	2 years	
	14) Machinery vouchers (Fy)	2 years	
	15) Army issue voucher (AF)	3 years	
	16) F.600 (blue copies) and F.1358, LAOS (AF)	3 years	
	17) Receipt and issue voucher and M.I. Slips (Fy)	2 years	
	18) Transfer vouchers (Fy)	2 years	
	19) Transfer voucher affecting general indirect charges (Fy)	2 years	
	20) Paid voucher GP and other Provident Funds	45 years	
121	Warrants		
	1) Railway warrants	3 ½ years	

S. No.	Description of Records	Periods of Retention	Remarks
1	2	3	4
	counterfoils of (**)		
	2) Incomplete and untouched list of (Fy)	2 years	
	3) Manufacture warrants (Fy)	2 years	
	4) Material warrants (Fy)	2 years	
122	Work notes (N)	5 years	
123	Work order tabulation (Fy)	2 years	
124	Work books	1 year	
125	Working sheet showing classification of pension voucher (P)	5 years	

NOTE : 'N' denotes Navy.
'AF' denotes Air Force.
'Fy' denotes Factories.
(P) denotes Pension.

(**) **Notes:** Flat Rated Railways Warrant need not be retained for 3 ½ years but may be destroyed after completion of General Intelligent Scrutiny by Railway Audit Section provided no objection have come up during General scrutiny and subject to condition that adequate details of these vouchers would be kept separately as considered appropriate and after noting down relevant particulars in a TOP SHEET.

Annexure “B”

(Referred to in Para 61)

Statement showing the period on the expiry of which the records peculiar to the erstwhile CDA (ORs) may be destroyed

Serial No.	Description of records	Period of retention	Remarks
1	2	3	4

Included in Office Manual (Other Ranks) Part X

ANNEXURE “C”

(Referred to in Para 61)

Statement showing the period on the expiry of which the records peculiar to the PCDA (Officers) may be destroyed

Serial No.	Description of records	Period of retention	Remarks
1	2	3	4
1.	I.R.L.A.s (Officers)		
	(a) Officer’s retired released on attaining the age of Superannuation.	10 years from the date of final settlement of accounts.	
	(b) Officers released/retired from service due to reasons other than (a) above and released non regular officer such as SSC,EC, NCC, TA etc	35 years after their initial release.	
2.	Personal case files		
	(i) Documents which are of transitory nature and which are ancillary to the month’s salary bills.	5 years from the month to which it relates.	
	(ii) Documents of important nature relating to essential events in the officers official career.	5 years from the date on which officer retires or otherwise becomes non-effective.	
3.	Monthly Pay bills	5 years after the month to which it relates.	
4.	Authorisation slips	5 years after the	

Serial No.	Description of records	Period of retention	Remarks
1	2	3	4
		month to which it relates.	
5.	Broad sheets (Consolidation of compilation).	5 years after the month to which it relates.	
6.	Stamped receipts in respect of salary bills, cheques	One year after the month to which it relates.	

ANNEXURE 'D'**(Referred to in Para 61)**

Statement showing the period on the expiry of which the records peculiar to 'E.D.P.' Centre, may be destroyed

Sl. No.	Description of records	Periods of retention	Remarks
1	2	3	4
1.	Defence I.D. Schedules	1 year	
2.	Lists of outstanding items under Defence exchange accounts	3 years	
3	Defence exchange accounts	3 years	
4	Statements of paired items of Defence exchange accounts	1 year	
5	Work orders	1 year	
6	Punching Media	1 year	
7	Forwarding memo of punching media	1 year	
8	Sectional Compilation	3 year	
9	All India consolidated compilation of Defence Services Receipts and charges	3 years	
10	Consolidated compilation of R.D. & R. Heads	3 years	
11	Book compilation of R.D. & R. heads	3 years	
12	Analysis of all India compilation of Defence Services- Receipts and Expenditure by PCsDA/ CsDA	3 years	
13	Punched Cards	1 years	
14	Variation Statements Funds	3 years	
15	Statements of miscellaneous items, Funds	3 years	
16	D.W. Cards	1 year from end of financial year to which they	
17	I.P.W. Cards		
18	G.W. Cards		
19	Transfer Voucher		
20	Demand Notes		

Sl. No.	Description of records	Periods of retention	Remarks
1	2	3	4
21	Return Notes	relate.	
22	Tabulations	2 years	
23	Allocation sheets of labour (P5 forms)	2 years	
24	Work orders Labour and material	3 years	
25	Annual Consolidated abstract of progress Register between Defence Accounts Officer	Forever	
26	Alphabetical and Numerical registers of Provident Fund Accounts of subscribers	3 years	
27	Treasury lists	1 years	
28	Detailed compilation of voucher	1 year	
29	Registers		
	1) Unclaimed deposits register	Forever	
	2) Progress register of final payments funds	5 years	
	3) Register of officers and others on deputation	5 years	
	4) Stock register of Insurance Policies	45 years	
	5) Register for watching adjustment of amounts authorized for payment of A.F.P.P. Fund balances to Gorkhas form Imprest Accounts	5 years	
	6) Closed account register of final payments	45 years	
	7) Variation register	3 years	
	8) Control Register of progressive credit balance	3 years	
	9) Rates card register showing the progressive monthly amounts of deposits	3 years	
	10) Adjustment register for calculation of interest	3 years	
	11) Punching Media Register	1 year	
	12) Register of bonus for overtime work earned by Service staff of Hollerith (India)	3 years	
	13) Register of Machines utilization	3 years	
	14) Labour Punching Media Register	2 years	

Sl. No.	Description of records	Periods of retention	Remarks
1	2	3	4
	15) Material Punching Media Register	2 years	

ANNEXURE 'E'

(Referred to in Para 61)

Statement showing the period on the expiry of which the records peculiar to HAL work, may be destroyed

Sl. No.	Description of records	Periods of retention	Remarks
1	2	3	4
A. PAID VOUCHERS			
1.	Original copy of invoices held at 'D' Section	5 years	
2.	Duplicate copy of invoices pertaining to manufacturing projects	5 years from the date of close of the project after acceptance of the absorption a/c by Govt. whichever is later.	
3.	Duplicate copy of invoices of projects other than Manufacturing projects, such as ROH, supply of spares etc.	5 years after final payment.	
B. REGISTERS			
4.	Budget registers	2 years after closing of the register	
5	Demand controlling register Manufacturing	5 years after closures of the projects or acceptance of absorption a/c by G.O.I. whichever is later	
6.	Demand controlling register-repair/overhaul & supply of spares.	5 years after closures of the register.	
7.	Register of amount paid for Deferred revenue Expenditure.	5 years after closures of the projects or acceptance of absorption a/c whichever is later.	
8.	Register of Ways and Means Advances.	3 years after liquidation of advance	
9.	Register of License/Technical Fees/Royalty in r/o Manufacturing.	5 years after closures of the project.	
10.	Register of Indent, RMS/LRMS orders.	3 years after closures of the register.	
11.	Register of Firm and forecast repair task of Rotables etc.	5 years after closures of the task.	
12.	Register of purchase orders	5 years after closures of the register	

Sl. No.	Description of records	Periods of retention	Remarks
1	2	3	4
13.	Register of AOG paid invoices.	5 years	
14.	Register of recovery of hire charges of Aircraft given on loan to Chairman HAL	5 years	
15.	Register of Lost Time Hours.	3 years after closing of register.	
16.	IFDs payments register	3 years after closure.	
17.	Register of pairing of CPCs.	3 years from the date of closure of this register.	
18.	Register showing 90%, 95%, 10% , 5 % payments to M/s BEL & ITI.	5 years from the date of closure of this register.	
19.	Register of Advance Payment made to M/s HAL BEL.	5 years from the date of closure of this register.	
C. FILES/ JACKETS			
20.	All correspondence files except Manufacturing.	5 years	
21.	Corr. Files Manufacturing	5 years after closures of the projects or acceptance of absorption a/c whichever is later.	
22.	RMS/ LRMS/ INDENTS Files	10 years	
23.	Purchase Order Files	10 years	
24.	Jacket of Task List	5 years after closing of the Task	
25.	Budget notification Files	2 years	
26.	Audit Objection on IAF Stores files	5 years or after final settlement of objection whichever is later.	
27.	Inspection reports of M.O. File	3 years after settlement.	
28.	Files of Test Audit Objections	5 years after settlement	
29.	FCO Files	10 years	
30.	Price Catalogue File	20 years	
31.	Ex-gratia Payment/Wage Revision Files	2 years after acceptance of audit report by the Govt.	
32.	Cross mandating file	2 years	
33.	Store Audit Progress Report File	3 years	
34.	Operation Statements and Audit Reports thereon Corr. File	5 years	
35.	AAC Files	10 years	
36.	Draft Para Files	10 years	

ANNEXURE 'F'**(Referred to in Para 731)**

Statement showing the period on the expiry of which the records peculiar to IFA work, may be destroyed

Sl. No.	Files/Registers	Period of Retention	Authority
1A.	Shadow Files (for capital cases and capital cases following the revenue route)	10 Years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.
1B	Shadow Files (for Revenue Cases)	5 years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.
2	Shadow Files Register	10 Years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.
3	FC/UO No. Register	5 Years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.
4.	Qty Vetting /AON No. Register	5 years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.
5.	TPC/PNC Register	5 Years	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.

CHAPTER – II
ADMINISTRATION / ADMIN PAY SECTION

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OBJECTIVES

74. Objectives of Administration Section are:-

- (i) To look after various aspects of personnel management of the organization.
- (ii) To provide a healthy living and working conditions for officers and staff.

DUTIES

74A. This section deals with:-

- (i) General administration of the office and its sub-offices, including the requirement of establishment, recruitment, postings and transfers, confirmations, pay, increments, promotions, leave, conditions of service and retirement of officers and the establishment;
- (ii) Conduct and discipline;
- (iii) Annual Performance Assessment Reports;
- (iv) Departmental examinations;
- (v) Duty allowances;
- (vi) Maintenance of service documents;
- (vii) Office security and care of Office building, Furniture, Remotely Managed franking machines, Photocopiers, Fax machines and other machines, etc.;
- (viii) Diarisation and distribution of secret, confidential and demi-official letters and other communication received in the office;
- (ix) Preparation of pay bills of gazetted and non-gazetted personnel of the Office. (In certain offices, the pay bills of gazetted officers of the office are prepared by the Pay Section, as a matter of convenience);
- (x) Permanent advance and office contingent and miscellaneous expenditure;
- (xi) Custody, disbursement and accounting of cash;
- (xii) Maintenance of cash book and other allied registers;
- (xiii) Scrutiny and countersignature of travelling allowance claims of officers and establishment;
- (xiv) Preparation of pension claims of gazetted and non-gazetted staff of the office and all work in connection with the verification of their service;

- (xv) Bills on account of reimbursement of medical expenses;
- (xvi) Payment of advances of pay and travelling allowance, temporary advances and withdrawals from G.P. Fund;
- (xvii) Advances for the purchase of conveyances in respect of gazetted and non-gazetted staff;
- (xviii) Payment and recovery of leave salary and pension contributions in respect of persons lent to and from the Defence Accounts Department;
- (xix) Application for outside employment;
- (xx) Preparation of Budget estimates in respect of Locally Controlled Heads under Head 4(A) and (C) and cash requirement estimates of the Defence Accounts Department;
- (xxi) Control and distribution of Grant-in-Aid for amenities.
- (xxii) Application for subscribing to Postal Life Insurance;
- (xxiii) Maintenance and updation of the Personnel Information System.
- (xxiv) National Pension System (NPS) (erstwhile New Pension Scheme)
- (xxv) Formation of Resident Welfare Association in DAD Residential Complexes
- (xxvi) Regional Office Councils (ROC) and all subsequent actions
- (xxvii) Procedure concerning direct and indirect taxes

75. The detailed procedure relating to the subjects mentioned in items (i) to (vii) of Para 74A, is laid down in Office Manual, Part-I. The subject mentioned at item (viii) has been dealt with in the Chapter on 'Record' Section of this Manual. The procedure regarding the other items is given in the succeeding Paras.

PAY BILLS OF GAZETTED AND NON-GAZETTED PERSONNEL

76. The pay bills of officers and staffs of Defence Accounts Department are prepared by the AN-Pay section either individually or in a consolidated form for all officers serving at headquarters station and paid under the orders of the Group Officer-in-charge, AN Pay Section. The original pay bills bearing stamped receipts will be submitted to the Auditing PCDA/CDA by the 15th of the month following that in which they are paid and accounted. The Auditing PCDA/CDA will audit such pay bills in accordance with the general rules and the instructions laid down in Para, 183 and 184 of Defence Audit Code and **Annexure 'S' & 'T'**

The PCDA/CDA of the office in which an officer is serving, and not the Auditing PCDA/CDA, will be responsible for watching:

- (i) Recovery of the G.P. Fund advances and
- (ii) adjustment of claims such as house rent, electric charges, etc.

Cent per cent verification of adjustment of demands on account of rent etc. will, however be carried out by the auditing PCDA/CDA, to whom the demands are also communicated by the parties concerned.

77. BLANK

78. Arrears of pay, etc., will not be drawn in regular monthly pay bills, but in supplementary pay bills, with a quotation of the pay bills from which the charge was omitted or withheld. The supplementary pay bills will be entered in the register of supplementary pay bills which will be maintained in the form given in Volume-II of this Manual. Arrears of pay and allowances consequent on the grant of increment through I.A.FA.-456 may, however, be drawn in the regular pay bills, or through supplementary pay bill, as convenient.

In drawing arrears of pay and allowances, etc., care should be taken to ensure that the claims are not time-barred and, wherever necessary, sanction of the competent authority waiving the time limit is obtained with reference to Rule 264 (3) et seq., General Financial Rules, 2005 Part-I .

79. The number of regular monthly pay bills to be prepared every month for the different classes of establishment employed for different areas/sections is left to the discretion of the PCDA/CDA. The pay bills of staff who are about to retire, should, however, be drawn separately from the pay bills of the others for the last three months and sent immediately after payment to the "Auditing PCDA/CDA" to enable him to carry out the service verification without having to wait for the receipt of establishment pay bills in the usual course.

80. In preparing the establishment pay bills it should be seen that:-

- (i) The bill is prepared in the proper form and is drawn according to the sanctioned scale; that the substantive pay and other details is shown related to the substantive pay and pay of the officiating appointment and are shown below the names of the individuals with the abbreviation "N.I.D." (Next Increment Due); that the name of any person on leave, suspension and deputation as well as of the officiating person is shown in the bill as also in the absentee statement. The names of employees absent on leave taken by them need not be shown in the absentee statement. In such cases, the period of leave should be fully stated in the body of the pay bill against the names of the individuals concerned excepting those where no financial adjustments are involved;
- (ii) A last pay certificate is available in respect of an individual transferred from another establishment and that an income-tax statement in S. 98 is furnished with the last pay certificate where necessary. Where such a last pay certificate is not forthcoming, pay may be drawn provisionally in the pay bill on a

certificate from the individual stating the date up to which he was last paid, the rates of his pay and allowances and the demands outstanding against him. Steps will be taken simultaneously to obtain the last pay certificate and to adjust the provisional payments, without delay. The circumstances in which provisional payments can be made and the authorities competent to authorize such payments are given in Para 53, et seq., Defence Audit Code. In order to keep a proper and adequate watch over the finalization of provisional payment sections making such payments will maintain a register on the lines indicated in volume-II of this Manual.

- (iii) The dates of handing over and taking over charge are stated in the pay bill in the case of individuals transferred, with a view that the pay and allowances being correctly regulated. Joining time should also be checked in accordance with the Fundamental Rules;
- (iv) Recoveries of demands outstanding and rent charges, etc., are correctly and promptly effected.

Note: *In the case of miscellaneous vouchers, such as payment authorities, advises from AN/Pay Sections, for payment or recovery, received for adjustment in the pay bill, will be properly indexed (on a "top sheet") and kept in a jacket. All vouchers received up to the date of the closing of the pay bill will be adjusted and recorded in support of the pay bill together with a copy of the top sheet. The office copy of the top sheet will be filed in the proper file under the instructions of the SO (A) /AAO, to be used for any future reference, and one copy will be sent along with the bills and vouchers to the Auditing PCDA/CDA.*

- (v) In the case of court attachments, deductions are made strictly in accordance with the rules on the subject;
- (vi) Recoveries on account of income-tax, Postal Life Insurance premium, G.P. Fund subscriptions, etc., are correctly made;
- (vii) Payment of compensatory allowance is correctly regulated in accordance with the rules on the subjects;
- (viii) The arithmetical calculations of the bills are correct and the details worked up to the totals which should be shown in words as well as in figures. The totals should be invariably checked by the task holder;
- (ix) There are no erasures and that any alterations in the totals are attested by the officer-in-charge, Administration Section;
- (x) The charges are correctly classified;
- (xi) The transit pay and allowances, both ways, of an individual whose service are lent from one Government to another are charged to the borrowing Government (see Para. BI-1 D (ii) of Appendix-3 Defence Account Code);

- (xii) The names in the pay bills are arranged category-wise, viz., AAOs, SOs (A), Senior Auditors/Auditors, Clerks, etc., and alphabetically for each category;
- (xiii) All bills adjusted through the monthly pay bills (excluding bills in respect of contingent charges, G.P. Fund, and advances for the purchase of conveyances) are posted in the register of non-recurring charges; and
- (xiv) Notes of payment or recovery of any special items such as bonus, gratuity, etc., are made in the service records, etc.

81. The establishment pay bill will be prepared in quadruplicate by typing or through prescribed IT/EDP module (whichever is applicable). One copy will be used as the office copy, another for transmission to the "Auditing PCDA/CDA", the third to serve the purpose of an acquittance roll and the fourth to be used as the "working copy" for the following month. Where acquittance can conveniently be taken on the office copy of the pay bill only three copies need be typed instead of four. G.P. Fund schedules and certified lists of Postal Life Insurance premia and absentee statements, NPS should also be prepared simultaneously. The number of copies of the above documents to be prepared and their purpose are indicated below:-

- a) **G.P. Fund schedules-** The schedule will be prepared with reference to the Pay Bill for the month of March in duplicate on I.A.F.A. 803 by Admin Pay Section and will be forwarded to the CDA (Funds) Meerut. For the subsequent months viz. April to February only variation statements will be forwarded in the prescribed format to the CDA (Funds) Meerut. These documents will be utilized by the CDA (Funds) Meerut for posting the ledger accounts of the subscribers.
- b) **Certified lists of Postal Life Insurance Premia-** These lists will be prepared on I.A.F.A. 431 in triplicate. The original and duplicate copies of the lists will be forwarded to the Accounts Section. The Account Section will forward the original copies to the Director of Postal Life Insurance and retain the duplicate copies in support of the account. The triplicate copies will be kept with the office copy of the pay bill.

Note: *The G.P. Fund schedules and certified lists of Postal Life Insurance Premia and NPS Schedules should be carefully prepared and checked with a view to ensuring that the totals agree with the compiled actual and that the G.P. Fund account numbers , Postal Life Insurance policy numbers and Permanent Retirement Account Number (PRAN) are correctly and legibly quoted.*

- c) **Absentee statements-** Two copies of the absentee statements will be prepared on I.A.F.A. 455. The original copy will be sent to the "Auditing PCDA/CDA" to enable him to verify the correctness of the leave allowances admitted and the duplicate copy will be kept with the pay bill for future reference.

- d) NPS Schedules:** These schedules will be prepared with reference to the Pay Bill for the month in triplicate by Admin Pay Section and one copy each will be forwarded to the Principal Accounts Office (original copy), Audit PCDA/CDA (Duplicate Copy), & the office copy (third copy).

82. The establishment pay bill will have separate sheets or pages for each "disbursing unit" (i.e., each section of a PCDA/CDA's office or the whole office, according to the arrangements, obtaining for the disbursement of pay, so as to facilitate payment work), with a final "summary of the pages" at the end to obtain the final totals of the pay bills as a whole.

83. The totaling of entries in the pay bill and the G.P. Fund schedules and, the certified lists, of Postal Life Insurance premia and the NPS Schedules will be invariably done by the task holder.

84. Pay cheques of AAOs/SO (A) and Auditors / Clerks serving with M.E.S. formations, or in the Pay Accounts Offices, or on the staff of Local Audit Offices who have not migrated to ECS will be sent to the Garrison Engineer or the Officer-In-Charge, Pay Accounts Office, or the Local Audit Officer or AAO/SO (A) concerned together with the acquittance rolls on I.A.F. (C.D.A.)-347, which will be receipted and returned to the Administration Section immediately after the disbursement of pay. Undisbursed amounts, if any, may be retained up to the 10th of the month following that to which they pertain. The acquittance rolls and treasury receipts for the undisbursed amounts should be sent to the Administration Section to reach them on or before the 15th of the month following that to which they pertain.

Last Pay Certificates

84A. (a) In the case of officer of the Defence Accounts Department, the PCDA/ CDA from whose office an officer is transferred will issue a last pay certificate, in duplicate. The original will either be handed over to the officer concerned or sent to his new office. The duplicate last pay certificate together with the final pay bill and other documents and information to facilitate the checking of the last pay certificate will be sent, as expeditiously as possible, to the Auditing Controller. The latter will countersign the last pay certificate and forward it direct to the Auditing Controller of the officer to which transferred. He will also send the following documents to the new Auditing Controller along with the countersigned last pay certificates:-

- (i) in the case of Assistant Accounts Officers, a copy of the History of Services of the officers concerned completed in every way upto the date he was last paid, and
- (ii) in the case of officers of the Indian Defence Accounts Services, the record of events referred to in Para 117 of this chapter.

The pay, etc., issued to the officer by the new accounting C.D.A. on the authority of the original last pay certificate should be viewed as provisional until such times as the new "Auditing Controller" receives the countersigned last pay certificate and confirms the rate of pay, etc., in issue.

Note: - *If the transfer is between offices having the same Auditing Controller, duplicate copy of the last pay certificate will be retained by him.*

(b) All last pay certificates issued or countersigned by a Controller are required to be stamped with the last pay certificate seal maintained in each Principal Controller's/Controller's office in the custody of a gazetted officer. The seal should be affixed only at the time of issue or countersignature of the last pay certificate. The original and duplicate copies should be marked as such.

(c) All outstanding demands and other deductions should invariably be noted on last pay certificates. In the case of individuals liable to income tax, an income tax statement showing the rate of tax and the recoveries actually made upto date during each month of the financial year should be attached.

(d) The monthly rate at which the recoveries for motor car G.P. Fund, or cycle advances, etc. are to be effected should invariably be noted on the last pay certificate. The original amount of such an advances, the balance remaining due together with interest accrued in the case of an advance bearing interest, should also be specified. The dispatch number and date under which the last pay certificate is forwarded must be entered in the demand register (I.A.F.A.-590).

Note:- *When an officer is transferred from the payment of one audit office to the of another, a debit in respect of the balance of motor car, motor cycle or cycle advance remaining outstanding against the individual, should be raised against the party concerned in the month in which such transfer takes place. It should be seen that balance noted on the last pay certificate and that for which the debit is raised agree. And to that, the necessary debit has been raised should be made in the demand register under the initials of the AAO/SO (A). The mortgage bond, schedule of specifications, etc., kept in safe custody along with the duplicate copy of the last pay certificate and the necessary entry made in the register of mortgage bond.*

(e) Demands coming to notice after the issue of a last pay certificate must be promptly transferred or communicated as may be necessary, a record being made in each case in the demand register.

(f) To exercise a watch over the prompt issue of last pay certificates a register in I.A.F.A. (C.D.A)-70 will be maintained by each section in which entries will be made immediately on transfers to another audit area or department; etc., are notified or otherwise intimated to the audit office. The number and date of the last pay certificate issued should also be noted in the register which should be reviewed weekly by the AAO/SO (A) and monthly by the gazette officer.

Provisional Payments

84B. The circumstances in which provisional payments can be made and the authorities competent to authorize such payments are given in Para 53, et seq., Defence Audit Code. In order to keep a proper and adequate watch

over the finalization of provisional payment sections making such payments will maintain a register on the lines indicated in volume-II of this manual.

Terminal Balance

85. On their receipt in the section the acquittance rolls will be checked to ensure that the amount of the treasury receipt plus the amount disbursed agrees with the amount of the cheque. Any discrepancy will be promptly brought to the notice of the officer-in-charge, Administration Section, and necessary investigation made immediately.

Note: AAOs/ SO (A) and Auditors, Clerks serving with units and formations and on the local audit staff at the headquarters station of the PCDA/CDA may be paid at the headquarters office, if such a course is feasible.

- (i) An absentee is required to make his own arrangements for having his leave allowance remitted to him. If he desires his pay to be paid to another member of the establishment on his behalf, a simple or stamped receipt (signed and dated not earlier than the last day of the month for which pay is due) must be furnished, together with a letter authorizing payment to be made to another individual on behalf of the absentee. If the absentee so desires, his leave allowances may be remitted to him by money order at his own expense.
- (ii) In a similar manner, amounts other than pay and allowances e.g. G.P. Fund advances, Festival advance, Bicycle advance and other miscellaneous allowances may be authorized for payment by an absentee.

Terminal balance e.g. Final payment of G.P. Fund accumulations, gratuities etc., will, not be paid to another member of the establishment under this procedure.

86. In the case of transfer of a member of the establishment to the payment jurisdiction of another PCDA/CDA, his last pay certificate will be issued in duplicate. The original will be sent to the PCDA/CDA to whose payment jurisdiction the individual is transferred and the duplicate to his Auditing PCDA/CDA. Both the copies of the last pay certificate will be stamped with the special last pay certificate seal. As a precaution against the possibility of the original copy of the last pay certificate being used as the basis for the drawl of pay and allowances on a second time, it will be suitably defaced on its adjustment in the first pay bill.

87. The following documents and vouchers will be sent to the "Auditing PCDA/CDA" with the "audit copy" of the regular and supplementary pay bills:-

- (i) All office orders notifying casualties affecting the pay bill.

Note: In cases where as a matter of convenience Part-II orders are sent to the Auditing PCDA/CDA as and when they are published or at convenient intervals, they need not be sent again with pay bills.

- (ii) The prescribed list showing the increments adjusted during the month.
- (iii) An absentee statement on I.A.F.A-455 in respect of Group-C (including MTS) Government servants on any kind of leave (except casual leave) or a "no leave" certificate.
- (iv) Statement showing the leave salary calculations.
- (v) Bills claiming reimbursement of medical expenses.
- (vi) Certificate to the effect that the grant of house rent allowance during leave adjusted in the pay bills has been regulated under Supplementary Rules 6-B and 6-C.
- (vii) All payment authorities and debit memoranda with reference to which adjustments are made in the pay bill with a top sheet showing the list of vouchers attached in support (see note under Para 80(6)).
- (viii) Certificate of physical fitness in support of the first pay bill submitted for the pay of an individual.

Note: The Pr. CDA (Pensions) Allahabad will act centrally as the Auditing Controller for the post audit of Defence Accounts Department's Pay Bills, T.A. Bills, Contingent bills, etc. w.e.f. 1st April 1972 .However, CGDA may at any point of time entrust this item of work to any one or more the PCsDA/CsDA in public Interest.

(Amended vide CS 210/90)

The DAD Pay Bills, T.A.Bills, Contingent Bills of the Office of the Pr. CDA (Pensions) Allahabad, will, however, be post audited by the C.D.A. Patna.

PERMANENT ADVANCE

88. The amount of the permanent advance or Imprest in respect of a PCDA/CDA's Office is fixed by the C.G.D.A. to whom applications should be made for reduction or increase if necessity arises. The permanent advance sanctioned by the C.G.D.A. for a PCDA/CDA is exclusive of the amount of permanent advance required by their sub offices. In the case of Main Office the cash balance of the permanent advance will be in the custody of the cashier, who will be responsible for it. The cash balance should be verified whenever a transfer of the PCDA/CDA or the Officer-in-charge of the Administration Section takes place and it should also be checked at least once a month by the latter (Officer-in-charge Administration Section). The officer detailed by the PCDA/CDA for carrying out surprise cash check, under Para 99 of this manual will check these balances also. The above procedure for the custody, verification and check of the cash balance will apply mutatis mutandis to their sub offices also.

The items of office contingent expenditure which can be paid out of the permanent advance are laid down in the clauses (i) to (xv) of Para-92.

OFFICE CONTINGENT EXPENDITURE

89. The officer incurring the expenditure shall exercise the same vigilance in respect of contingent expenses as a person of ordinary prudence may be expected to exercise in spending his own money. He is responsible for seeing that the rules regarding the preparation of bills are observed, that the money is either required for immediate disbursement or has already been paid from the permanent advance, that the expenditure is within the available appropriation and that all steps have been taken with a view to obtaining additional appropriation if the original appropriation has either been exceeded or is likely to be exceeded. He will also ensure that the items of expenditure included in contingent bill are of obvious necessity and are at fair and reasonable rates, that previous sanction for any item requiring it is attached, that the requisite vouchers are all attached and are in order and that the calculations are correct.

90. A register will be maintained on I.A.F.A. 481 in which all charges on account of office contingent expenditure will be recorded under each head of expenditure, for which a separate allotment of funds has been made by the C.G.D.A. Each entry in the register will be initialed by the cashier or by the clerk concerned and by the officer-in-charge Administration Section.

91. In order to watch the progress of expenditure under each head as compared with the appropriation, a progressive total of all columns will be made monthly immediately after the monthly total, so as to include all payments under each head as also charges adjusted by book transfer from the commencement of the year up to the end of the last expired month. The monthly totals will be agreed with the printed compilation and any discrepancies will be explained by the cashier (or his assistant) to the officer-in-charge, Administration Section.

92. The nature of the charges to be met from the allotment for contingencies is given in Rule 98 to Government of India (Receipt & Payment) Rules, 1983. Certain common types of contingent expenditure are indicated below:-

- (i) Cost of articles purchased locally, such as dusters candles, matches, phenyl, etc.
- (ii) Conveyance charges for cashing cheques, mazdoor hire for shifting records, forms, stationery, etc.
- (iii) Postal charges on covers insufficiently stamped.
- (iv) Cost of books and periodicals.
- (v) Regulating charges of office clocks.
- (vi) Petty repair charges to bicycles, etc.
- (vii) Telephone charges.
- (viii) Charges on account of binding of records.
- (ix) Charges on account of purchase of or repairs, other than petty repairs, to office furniture, bicycles and furnishings.

- (x) Charges on account of hot and cold weather establishment, such as pay of waterman for coolers, cost of water posts, tumblers, signees, etc.
- (xi) Cost of liveries for Multi-tasking Staff.
- (xii) Charges for repairs to typewriters, calculating machines, etc.
- (xiii) Cost of service labels.
- (xiv) Cost of fire extinguishers, fire buckets, and other fire fighting equipments.
- (xv) Charges on account of pay and allowance of part time employees of "regular categories".

Charges on account of items (i) to (vi) are entered in the contingent register in black ink, if they are paid from the permanent advance, which is reimbursed as and when necessary by drawing on a contingent bill.

When bills on account of items (vii) to (xv) are received, they are signed or countersigned by the officer-in-charge of the Administration Section and the amounts of the bills entered in red ink in the appropriate columns of the contingent register. All bills and sub-vouchers will be cancelled when entering the charges in the contingent register and the item numbers in the contingent register enfacéd on each bill and sub-voucher, the entries being initialed by the cashier or by the clerk concerned and the officer-in-charge of the Administration Section.

NOTE: *When the work pertaining to binding of records, repairs to Office Furniture and recaning of chairs etc., is done on contract basis, regular contract agreements should be drawn up. Original copies of such agreement will be kept under lock and key in the personal custody of an Officer-in-charge 'Administration' Section. Duplicate copies thereof may be supplied to Cash Branch for payment of bills.*

93. Before contingent expenditure is incurred sanction of the Competent Authority i.e. DCDA/ ACDA (Admin.) or Addl. CDA or J.C.D.A. to whom powers have been delegated by the Pr.CDA/ C.D.A under different events (leave/ tour/ etc. of the officer who has been delegated powers under GFR, 2005& DFPR, 1978 & subsequent amendments, or the Sr. Dy. C.G.D.A. or Dy. C.G.D.A. or Sr. Asst. C.G.D.A. or Asst. C.G.D.A. (in the case of HQrs office) as the case may be) must be obtained.

As soon as the bills are preferred or the expenditure is incurred from Imprest the relevant sanction should be enfacéd "cancelled" noting there on the item number of the contingent register.

Envelopes insufficiently stamped will be enfacéd by the cashier with the word "cancelled".

94. PCsDA/CsDA, in the matter of incurring contingent expenditure are empowered to exercise all powers of Head of Department laid down in Schedule V of Delegation of Financial Powers Rules vide Govt. of India. Ministry of Finance (Defence) letter no. 13196/(1)/70/Acts/AN dated 03-07-1990.

Authority: Schedule-V of Delegation of Financial Power Rules, 1978 read with Govt. of India, Min. of Fin (def.) letter no. 13196/ (1)/70/Acts/AN dated 03-07-1990.

95. Petty cash bills should be collected and a cheque for the total amount for which cash payment is required in the month should be drawn in favour of the PCDA/CDA, from which payments to the parties concerned should be made in the usual manner.

CUSTODY, DISBURSEMENT AND ACCOUNTING OF CASH

General

96. The PCDA/CDA is especially responsible for seeing that there is adequate control over the section of his office which handles cash. The fact that the cashier (or other subordinate who handles cash) has given security or executed a bond does not reduce his special responsibility for ensuring that an effective system of control over the custody, disbursement and accounting of cash exists and functions. There should be continuous review of the arrangements for the expeditious disbursement of money, for the custody thereof, and for the prompt and correct disposal of undisbursed balances and of sums otherwise payable into the treasury. There should also be adequate reconciliation, preferably without previous notice, of cash balance with the accounts outstanding against the custodian of the balances. The PCDA/CDA should at irregular intervals satisfy himself that the system of supervision as prescribed in authorized Codes or special orders is observed properly and should remedy speedily the defects noticed, if any.

Similarly in the case of outstation offices, the local audit officer or the head of the office will ensure that an effective system of control exists over the custody, disbursement and accounting of cash in his office and that the system of supervision and safeguards as prescribed in regulations, authorized Codes or special orders are being properly observed.

Money belonging to non-public funds, if any, should under no circumstances be mixed up with office cash or kept in the same safe.

The payment in cash to the employees of the Defence Accounts Department should be discouraged. All the payments (pay and allowances, personal claims, etc.) should be made through SBI-CMP, e-payment and other electronic mode, which are safer and faster modes of transaction.

Procedure for drawl of cash for pay of establishment

97. One AAO/SO (A) and two Auditors/ Clerks will be deputed to accompany the Cashier to the bank to draw the Pay of the establishment. In the case of offices where the cash handled on pay day is over Rs. 1.5 Lakh (Rs. One Lakh Fifty Thousand), an Accounts Officer/Sr. Accounts Officer should be placed on overall supervision of the arrangements. The Cashier should invariably be placed on overall supervision of the arrangements. The

Cashier should invariably be accompanied by an Assistant or a MTS when he goes to the bank for encashment of cheques up to Rs 50,000/- on the day other than pay day. Similarly, for encashment of cheque exceeding Rs 50,000/- he will be accompanied by an AAO/SO (A) detailed for this purpose". The exact nature of the duties that are to be entrusted to the Sr.AO/ AO on such occasions will be prescribed through the medium of an office order. On receipt of the money, the pay of the establishment will be disbursed by the cashier assisted by the AAO/SO (A) and Auditors/Clerks, to the respective senior AAOs of sections for eventual payment to the men working in the sections and for return of the undisbursed amounts, if any, to the cashier with details on the same day. For this purpose the cashier will circularize to all sections two days before the date of payment a statement in which full details of cash required for disbursement is noted excluding those of the absentees. This enables the exact amount of cash being drawn from the bank and no heavy cash balances will be left at the close of the day.

(Amended vide CS 232/93 & 233/93)

When cash is drawn from the bank the PCDA/CDA will make arrangements for the provision of necessary armed (either military or civil police) escorts with a view to safeguarding Government money while in transit.

The above procedure will also apply mutatis mutandis to the sub-offices of the PCDA/CDA's offices.

Cash Book

98. A cash book will be maintained on I.A.F.A.-125 by the cashier under the supervision of the DCDA/ ACDA (Administration) or, if no such officer is functioning, the officer-in-charge, Administration Section. All cheques drawn in favour of the PCDA/CDA and all payments made out of the cash obtained by encashing such cheques will be accounted for in the cash book. Payment must be supported by the acquittances of the payees and other connected vouchers, if any. When payments of pay and allowances are made to members of the establishment on letters of authority furnished by them, such letters of authority together with the receipts should be pasted in the register of acknowledgements.

All entries in the cash book and the register of acknowledgements and all acquittance rolls will be initialed by the officer-in-charge, Administration Section. The cash book will be closed monthly and balanced, and submitted to the DCDA/ ACDA (Administration) or the officer-in-charge, Administration Sections, as the case may be. The undisbursed pay at the end of the month should ordinarily be refunded to Government by short drawl in the following month and should be reclaimed when actually required for disbursement. In cases where this procedure operates inconveniently, the amount of undisbursed pay may at the option of the PCDA/CDA, be retained for a period not exceeding three months provided proper arrangements can be made for the safe custody of the sums retained and heavy balances are not held.

In April each year, the cash book to the extent of one month's account, to be selected by the PCDA/CDA, will be audited by an officer of the IDAS rank specially detailed by him for the purpose.

99. The PCDA/CDA will also depute, at irregular intervals, an officer of the I.D.A.S. rank to conduct surprise checks of the actual cash in hand and as shown in the cash book. The officer will be selected by the PCDA/CDA himself and under no circumstances will the date and time of the check be made known to anyone except the officer selected to exercise the check. The results of the surprise check will be recorded in a manuscript register which will be kept in the safe-custody of the PCDA/C.D.A. personally. Any discrepancies found and irregularities discovered in the accounting of Government moneys will be immediately brought to the personal notice of the PCDA/CDA. If the irregularities are not explained to the satisfaction of the PCDA/CDA, he will institute such further investigations as may be considered necessary and will also simultaneously furnish a detailed report to the C.G.D.A.

Register of Cash Received

100. The register is maintained on I.A.F.A.-616. When a cheque, draft, money order, Indian Postal Order (RTI fee) or cash is received for credit to the Government, the relevant columns in the register will be filled in by the Cashier who will note the serial number of IAFA-616 both on covering memo and cheque / DD and register submitted to the Officer-in-Charge, Administration. Then, the person other than the Cashier i.e. Assistant Cashier after linking the Sl. No. of the register IAFA-616 (wherein the cheque/ DD has been entered) on both of cheques, and forwarding memo / covering memo will prepare the MRO (in the prescribed digital format) and where no Assistant Cashier has been appointed, this work may continue to be handled by the Cashier himself. Simultaneously handing over the above memo to the Audit Section concerned through the register, deposit the cheques/ DD into the Bank immediately and hand over the original MRO (indicated with 17 digits Military Index Number (MIN)) as received by the Bank to the Audit Section after obtaining the initials in the above register. On receipt of the receipted MRO, the Audit Section will immediately adjust it. The Cashier / Assistant Cashier while preparing the MRO will ensure full details of receipt money and name of the PCDA/CDA by whom the credit is adjustable are clearly written / typed in bold capital letters on the MRO for easy location of Duplicate MRO received in Account Section with credit scroll subsequently.

Note 1: *The Military Index Number (MIN) should be noted in the cash register before forwarding to the section concerned / PCDA/ CDA for adjustment.*

Note 2: Money received through Money Order in cash on the above account will, however, be accounted for in the Public Fund Account Cash Book. A record of such cash received will be kept in the Register of Cash viz. IAFA-616 also and its disposal watched in the manner prescribed above.

(Para 100 substituted vide CS 209/90)

SCRUTINY AND COUNTERSIGNATURE OF TRAVELLING ALLOWANCE/LTC CLAIMS OF OFFICER AND ESTABLISHMENT

101. The grant of travelling allowance to the personnel of the Defence Accounts Department is governed by Supplementary Rules. Before the claims are countersigned, the following checks will be exercised by the controlling officer:-

- (i) The claims have been preferred in the prescribed form and all items and certificates printed thereon have been duly completed.
- (ii) The authority for the move has been quoted.
- (iii) A certificate regarding the use of (a) Government transport, (b) free accommodation and (c) free messing facilities and State hospitality, has been endorsed on the bill in the case of temporary moves.
- (iv) Travelling allowance bills of individuals of Group C including Multi-tasking staff, who have claimed rail fare by mail/express train, are endorsed, with a certificate to the effect that the journey was actually performed by mail/express train. In the case of claims relating to journeys other than on transfer, the Controlling Officer should also certify on each claim that the journey was performed by mail/express train in the public interest.
- (v) Scrutiny of the necessity, frequency and duration of journeys and halts for which travelling allowances is claimed.
- (vi) Scrutiny of the distances entered in travelling allowances bills, including distance from the fixed point to the railway station and vice-versa.
- (vii) The rate of mileage allowance claimed is applicable to the class of accommodation to which the Government servant is entitled under rules and that a certificate is given by the individual that such class of accommodation has actually been used by him and the railway or steamer fares claims have been paid by him.
- (viii) Claims for the cost of transporting personal effects are supported by proper receipts and vouchers and that the cost claimed does not exceed the authorized limit.

Note: The controlling officer is, however, empowered to waive production of receipt in special cases where he is satisfied that the expenditure to the extent claimed has actually been incurred and is reasonable and correct.

- (ix) Moves of the families and/or luggage have taken place within the prescribed time limit.

Note: Applications for relaxation of time limit under Government's Decision No.1 under S.R. 116 are received by the PCDA/CDA within two months of the individual's move and the applications specify whether the relaxation is required for the family or personal effects or both.

- (x) There is no tendency to abuse the option of exchanging daily allowance for mileage allowance.

- (xi) Wherever higher rate of road mileage is claimed a certificate is furnished in the following Proforma:-

"I certify that I did not perform the road journeys for which mileage allowance has been claimed at the higher rates prescribed in Rule 46 of S.R. by taking a single seat in any public conveyance (excluding a steamer) which plies regularly for hire between fixed points and charges fixed rates. I also certify that the journey was not performed in any other vehicle without payment of its hire charges or incurring its running expenses".

Note: Controlling officer should not permit the drawl of higher rates of road mileage to a Government servant who performs journey by road, otherwise that on transfer, by taking more than one seat in a public conveyance unless compelling circumstances exist, e.g. if a Government servant has valuable records which he must keep with him, etc.

- (xii) Travelling allowance claims of stenographers, personal assistants and Multi-tasking staff are supported by a certificate regarding particulars of their journeys from the gazetted officer under whose instructions the journeys were performed.

- (xiii) When an individual is transferred from station A to station B and then to station C within a period of 6 months of transfer from station A, sanction of the Government of India exist for admitting family travelling allowance to the individual from station A to station C.

Audit checks on TA/LTC Claims may be dealt with as per the procedure outlined in Para 650 to 650B of this Manual.

PREPARATION OF PENSION CLAIMS AND VERIFICATION OF SERVICE

102. As soon as an individual completes the first year of his permanent service, the Administration Section will prepare a verification statement (I.A.F.A. 357) for the first year of his permanent service as well as of any

qualifying service prior to his permanent appointment and forward it to the "Auditing PCDA/CDA" concerned for verification of service, rates of pay, leave, etc., from the audited pay bills, and return duly completed in all respects. If temporary and/or officiating service rendered prior to the date of permanent appointment (claimed as qualifying for pension in terms of Chapter-III of CCS (Pension) Rules, 1972) is verified by the 'Auditing PCDA/CDA', he should specifically endorse on the verification statement that the question whether this service counts for pension or not would be decided by the pension sanctioning authority at the time of retirement of the individual concerned. On receipt back of the verification statement duly verified, it should be appended to the individual's service book.

In the case of pre-1938 entrants who have opted out of the liberalized pension rules promulgated in Government of India, Ministry of Finance, O.M. No. F. 3(1)- Est. (Spl.)/47 dated 17th April 1950 or who have elected para.2 (c) of Government of India, Ministry of Finance, O.M. NO. F.3(16)/Est. (Spl.)/50, dated 2nd January 1951 the period of temporary service rendered prior to confirmation need not ordinarily be verified unless the counting of the temporary service towards increased pension or death-cum-retirement gratuity is claimed by the individual in terms of Chapter III of CCS Pension Rules 1972.

103. To avoid delay in the sanction of pensions, it is essential that the period of qualifying service is verified by the audit officers concerned and the Pr. C.D.A. (Pension) Allahabad in advance of the anticipated date of retirement. Action in connection with such verification in all cases where retirement can be foreseen, viz., retirement on superannuation or retirement just before superannuation, should be taken two years before the anticipated date of retirement of a Government servant. For this purpose, a statement of service on I.A.F.A.-357 will be made out from the service book (which must be completed up to date) in respect of the service which forms part of the last three years preceding the anticipated date of retirement. If an individual has served during the last three years of his service in more than one audit area, separate statements of service on I.A.F.A. 357 should be prepared for each audit area. The statements of service on I.A.F.A 357 will then be forwarded to the "Auditing PCDA/CDA" concerned for verification of the service from the audited copies of the pay bills

103A. The Officer-in-charge, Administration Section should be formally nominated as the special officer responsible for initiating action in due time regarding completion of pension records and documents. He should ensure that in every six months i.e. on the 1st January and 1st July, a list (in the Performa given in Annexure-I) of gazetted and non-gazetted staff, who will attain the age of superannuation 12 to 18 months hence is prepared and submitted to him. He should also see that a formal application for pension from Government servants are submitted to him at least one year in advance of the date of their anticipated retirement on the form as prescribed in Annexure-H appended to this Chapter.

As soon as the list referred to in Para 103A above has been prepared or intimation is received about the death or invalidment of a Government

servant, a check list in the Performa given in Annexure-J to this chapter should be started for each such case. A note of the items in respect of which complete information etc. is not available should be made column 1 of the progress statement (Annexure-K to this chapter) and necessary steps initiated simultaneously to collect the missing information or to complete the necessary formalities. A watch on their finalization should be kept by noting the progress made in Column 2 of the progress statement at weekly or other suitable intervals.

104. In cases of retirement which cannot be foreseen, e.g., sudden invalidment of an individual being found unfit for field service or further service of any kind under the State, the procedure will be as follows:-

- (i) The medical report (I.A.F. (Med.)-8) will be examined to ensure that it bears the thumb and finger impressions of the individual and is complete in all respects.
- (ii) The invalidment will be notified in an office order and a copy of the same forwarded to the Pr. C.D.A. (Pensions) Allahabad.
- (iii) Pages 1 and 2 of the pension application (I.A.F.A.-356) will be completed as far as possible.
- (iv) Statement of service on I.A.F.A.-357 will be made out from the service book in respect of the last three years of service and the same will be forwarded to the "Auditing PCDA/CDA" concerned for verification of service.
- (v) The individual will be asked to furnish a declaration in terms of CCS Pension Rules, 1972 for anticipatory death-cum-retirement gratuity; a photograph in passport size (this requirement is not essential in the case of gazetted officers); specimen signature or thumb and finger impressions in the case of those who are not able to sign their names in English, Hindi or the official regional language duly attested; address after retirement, and the name of the treasury from which payment of anticipatory pension and death-cum-retirement gratuity is desired. The individual should be warned that delay in furnishing these documents and information would cause delay in the grant and payment of anticipatory pension and death-cum-retirement gratuity. On receipt of these documents and information, they should be passed on to the Pr. C.D.A. (Pensions) Allahabad immediately.

105. The "Auditing PCDA/CDA" will ensure that the verification statements (I.A.F.A.-357), referred to in Para-102, 103 and 104, contain particulars of leave (other than casual, and earned leave) availed of by the individual concerned or a certificate is endorsed to the effect that no such leave was availed of by the individual.

If for any reason the first year's service cannot be verified by the "Auditing PCDA/CDAs" as mentioned in Para-102, the verification of service should be done from the local records, if available. If they too are not

available, the individual may be called upon to furnish a certificate of his service which should be corroborated by collateral evidence from two contemporary Government servants who should, inter-alia, state the capacity in which they themselves were working. This procedure will be adopted only at the instance of the Pr. C.D.A. (Pensions) Allahabad.

106. The documents indicated in Annexure 'R' will be forwarded to the Pr.CDA (Pensions), Allahabad by concerned Admin Section through AN Pay section dealing with Pay & Allowances of DAD not later than six months before actual date of retirement of Government servant and in the Family Pension cases.

107. (i) In the case of Non-Gazetted officers (including those officiating in Gazetted appointments) the nomination papers for Death-cum-Retirement gratuity and family pension will, after countersignature by the head of the office, be kept in a separate confidential file in the safe custody of the D.C.D.A. (AN) or A.O. (AN) of the office where the individual is serving at the time of making the nomination. The details of nomination (viz., the serial no. of the file in which the nomination papers are filed, the name and relationship of the nominee(s)) will be entered in the service book over the signatures of a Gazetted officer, Simultaneously an endorsement 'Entered in the service book' will also be made in the nomination papers and attested by the Gazetted officer who signs the service book. The nomination papers will not be transferred on the transfer of the Government servant to another PCDA/CDA's office, but will continue to be retained by the office where the nomination was made. If and when a fresh nomination in amendment of the previous one is made from a new office, the new office will call for the previous nomination papers from the previous office for necessary action. The papers so called for will be filed in the new office.

(ii) A register of nomination forms will be maintained in which the serial number of the file (where the nomination papers are recorded) and the name of the person making the nomination will only be indicated. If and when any nomination papers are transferred to another PCDA/CDA's office [on requisition by the latter as indicated in (i) above] or to the Pr. C.D.A. (P) Allahabad, when a casualty occurs, a proper entry to that effect will be made in the register.

Note: *Nomination papers for death-cum-retirement gratuity and family pension in respect of persons holding substantive Gazetted appointments will be kept by the Auditing PCDA/CDA.*

108. BLANK

109. In the case of permanent establishment who die while in service and who have a qualifying service of more than 5 years to their credit, a claim for death gratuity is submitted to the Pr. C.D.A. (Pension) in IAFA-356.

110. In the case of an individual who dies while in service and who has qualifying service for family pension, application in form-'F' together with the documents mentioned in Annexure- 'R' will be forwarded by the Administration Section to the Pr. C.D.A. (Pensions), Allahabad for necessary action.

111. Immediately after final payment of the effective pay is made, the last pay certificate together with the income-tax statement, if any, of the individual transferred to the pension establishment, duly completed and stamped with the last pay certificate seal, will be sent to the Pr. C.D.A. (Pensions) Allahabad.

Recovery of Government Dues:

Note: *It is imperative that every effort should be made to settle and recover Government dues from the Government servant concerned by the date of his retirement. With a view, however to obviating delay in sanctions to pensions pending recovery of any outstanding Government dues e.g. over issue of pay, allowances or leave salary, outstanding recovery on account of house rent, advances for conveyance, house building or other purposes and any other dues the precise amount of which has yet to be assessed, any of the following courses may be adopted:*

- (i) *The retiring Government servant may be asked to furnish a surety of a suitable permanent Government servant. If the surety furnished by him is found acceptable the payment of his pensions or gratuity or his last claim for pay etc. and the issue of last pay certificate should not be withheld. A form of the bond to be signed by the surety is prescribed in Annexure-L to Chapter II of this manual.*
- (ii) *If the retiring Government servant is unable or unwilling to furnish a surety, a suitable cash deposit may be taken from him or the gratuity as may be held in case the conditions specified in the Ministry of Personnel, Public Grievances & Pensions, Deptt. Of Pension & Pensioners Welfare OM No. 20/16/1998-P&PW (F) dated 11th July, 2013 are found satisfied.*

BILLS ON ACCOUNT OF REIMBURSEMENT OF MEDICAL EXPENSES

112. All bills for charges on account of medical attendance and treatment will be countersigned by the controlling authorities who are empowered to countersign travelling allowance bills.

It is the duty of the controlling officer to scrutinize carefully before signing or countersigning a claim in respect of medical expenses that the claim is genuine and is covered by the rules and orders on the subject, and that the charges claimed are supported by necessary bills, receipts, and certificates, etc., as stipulated by the Government from time to time. The controlling officer is also empowered to disallow claims which do not satisfy these conditions. When bills are passed, payment will be made by inclusion of the amounts in the pay bills or otherwise, as found feasible.

ADVANCES OF PAY AND TRAVELLING ALLOWANCE ON TRANSFER

113. Advances may be made to a member of the establishment under orders of transfer up to an amount not exceeding one month's pay which he is in receipt of immediately before transfer, or the pay that he will be entitled to after transfer, whichever is less, plus the travelling allowance to which he may be entitled under the rules in consequence of the transfer. Such advances may be sanctioned by the PCsDA/CsDA or the under mentioned authorities when the powers are delegated to them by the PCsDA/CsDA:-

- (i) Addl. CDA/ J.C.D.A.
- (ii) D.C.D.A. (Administration) in the offices of 'Command PCsDA/CsDA.
- (iii) Next senior most officers in the offices of PCsDA/CsDA of the Junior Administrative Grade of the I.D.A.S., in the absence of the latter from their headquarters.

When an advance is granted to a temporary Government servant a surety bond (reproduced as Annexure-D to the chapter on Pay Section) should be obtained from a permanent Government servant.

Applications for advances of pay on transfer will be made in the form prescribed for the purpose. These, after check and payment enforcement by the Administration Section will be entered in the demand register, and passed to the Pay Section for payment in the normal manner.

Applications for advances of travelling allowance will be prepared likewise and they will be paid by the Admin. Section entrusted with the duty to audit and make payment of such claims and noted in the demand register of that section.

ADVANCES FROM G.P. FUND

Final withdrawals

114. Applications for final withdrawals from General Provident Fund permissible under orders issued from time to time (e.g. to meet the cost of higher education, for house building purposes and marriage expenses) will be received and dealt with under the orders in force.

Temporary withdrawals

114A. Applications for advances from the G.P. Fund from members of the establishment of the PCDA/CDA's office will be dealt with by the Administration Section. Such applications should be made in the prescribed form (specimen given in Annexure-"B" to this chapter) duly supported by the relevant certificates and other required documents. It will be verified from the latest annual statement of accounts submitted in support of the application that the amount applied for is at the credit of the subscriber. If an advance is already outstanding against a subscriber, or if the subscriber, having discontinued subscription, has been withdrawing money from his credit balance for paying insurance premia, the facts will be verified from the

records in possession of the office and the exact balance standing to the credit of the subscriber worked out before payment of the temporary advance is made. Doubtful cases will be referred to the CDA (Funds), Meerut for further information before payments are authorized. When submitting such applications to the competent authority for sanction of the advance, the officer-in-charge, Administration Section will record a definite recommendation as the amount of advance recommended for sanction and the number of installments in which it should be recovered. In sanctioning advances from the GP Fund, the general principles enunciated in the GPF (Central Services) Rules should be kept in view.

115. The amount of advance sanctioned, and other particulars will be noted in a demand register for watching recovery thereof. The advances paid during a calendar month are required to be intimated to the CDA (Funds), Meerut, for posting in the respective ledger accounts of individuals concerned. They will therefore be noted as and when they are paid in form 'B' (specimen given in Annexure 'D' to this chapter) and at the end of the month, a fair copy of this form will be sent along with the monthly recovery schedules.

Note 1: *Authorities competent to sanction advances from the G.P. Fund are indicated in Appendix "B" of the G.P. Fund (Central Services) Rules.*

Note 2: *When recommending or sanctioning applications for a second or third advance when any portion of the first advance is outstanding or for an advance before 12 months have elapsed since the complete repayment of the last advance, full reasons for recommending or sanctioning the advance should be stated, and the provisions of Finance Department, Government of India letter No. F.18(3)-RII/41, dated 21st March 1941 (reproduced in Annexure "E" to this chapter) should be kept in view.*

116. In addition to the rules governing the grant of advances from the GP. Fund as laid down in the G.P. Fund (Central Services) Rules the following general principles should ordinarily be observed when sanctioning advances but they may be relaxed at the discretion of the sanctioning authority in exceptionally deserving cases:-

- (i) A subscriber should not be allowed to withdraw from the Fund a sum that will reduce his credit balance to an amount less than one month's current pay, except during the first three years of his joining the fund.
- (ii) Except in cases of absolutely unforeseen expenditure accompanied by very special hardships, no subscriber should be permitted to withdraw from the Fund more than one-third of the amount standing to his credit on the date when the advance is sanctioned.
- (iii) In cases other than those referred to in clause (ii) above, a subscriber should not be allowed to withdraw from the Fund a sum which is more than half of the amount standing to his credit on the date when the advance is sanctioned.
- (iv) Should occasion arise necessitating an application for a further advance before an advance already made has been fully repaid, such

further advance should only be sanctioned subject to the provision that the amount standing to a subscriber's credit is not reduced below two-thirds (in a case falling under clause (ii) above) and one-third (in a case falling under clause (iii) above), of the amount standing to his credit when the original advance was made.

SERVICE BOOK AND LEAVE ACCOUNTS FOR OFFICERS OF DEFENCE ACCOUNTS DEPARTMENT

117. Service Book and leave accounts of all the SAOs/AOs and IDAS Officers will be maintained in the Service Book form by the respective PCDA/CDA except for PCDA/, and all Gazette Officers serving in CGDA's Office itself, which will be maintained by the CGDA's Office.

The Service Book of aforesaid officers will be audited by the LAOs responsible for audit of Service Books of non gazette staff.

(Amended vide CS 217/91)

118. The history of services of Sr.AO/AOs of the Defence Accounts Department is maintained by the PCDA/CDA in the form of a register. The register should also contain a summary of leave etc. taken by the Sr.AOs/AOs during their previous service.

On transfer of an officer from one PCDA/CDA to another PCDA/CDA, the Service Book of the officer will be forwarded to the PCDA/CDA. Duly completed upto date and verified in all respects.

(Amended vide CS 217/91)

119 to 120. BLANK

ADVANCES FOR THE PURCHASE OF CONVEYANCES

General

121. These advances fall under two categories, viz.

- (i) Advances for the purchase of motor conveyances;
- (ii) Advances for the purchase of bicycles.

The PCsDA/CsDA prepare estimates in respect of their requirements on account of the above mentioned advances and submit the same to the Controller General of Defence Accounts on the dates prescribed in the Defence Account Code.

The allotment sanctioned by the Government of India under (i) above is centrally controlled by the Controller General of Defence Accounts. The allotment in respect of (ii) above is distributed by the Controller General of Defence Accounts among the various PCsDA/CsDA who sanction the advances within the limits of the funds allotted to them. Any unexpended balance of the allotment is reported by the PCsDA/CsDA. to the C.G.D.A. in February of each year.

122. The general rules regulating the grant of advances for the purchase of conveyances are contained in Rule 15 to 20 of Compendium of Rules on advances to Government Servants, 2005.

Motor Cars

123. Applications for advances will be submitted to the C.G.D.A. together with a certificate from the applicant to the effect that he neither has, nor is likely to have, financial embarrassments such as would interfere with the due repayment of the advance applied for, if sanctioned. The PCDA/CDA while forwarding the application will state if any Government advance is outstanding against the individual.

124. (a) The total amount to be advanced to a Government servant should not exceed Rs. 1,80,000/- (Rs. One Lakh Eighty Thousand or Eleven month basic pay) for the first occasion and Rs. 1,60,000/- (Rs. One Lakh Sixty Thousand or Eleven months basic pay) on the second and subsequent occasions or the anticipated price of the car, whichever is the least. If the actual price paid is less than the advance taken, the balance must be forthwith refunded to Government. The individual to whom an advance is sanctioned should certify on the bill on which the advance is drawn either that the advance is not being drawn for a conveyance which has already been purchased and paid for, or that the advance claimed in the bill is not more than the minimum amount required to meet the balance of the price of the conveyance, if the conveyance has been paid for in part.

(Amended vide CS 211/90 & CS 124/90)

Note: *Advances should, as a general rule, be based on the pay of Officer concerned. As, however the C.G.D.A., at his discretion is empowered to sanction advances on the basis of the pay of the posts held, PCsDA/CsDA may forward such applications to the C.G.D.A. together with their recommendations.*

(b) The amount of advance granted to a Government servant for the purchase of Motor Car, shall be recovered from him in such number of equal monthly installments as he may elect, however, not exceeding 200 in any case. The Government servant may at his option repay more than one installment in a month. It will commence with the first issue of pay after the advance is drawn. The authority sanctioning an advance may, however, permit recovery to be made in a smaller number of installments if the Government servant receiving the advance so desires.

(Amended vide CS 224/91)

(c) Simple interest at the rate fixed by the Government for the purpose will be calculated on the balance outstanding on the last day of each month and the amount of interest calculated in this manner will be recovered in one or more installments. Each such installment being not appreciably greater than the installments by which the principal was recovered. The recovery of interest will commence from the month following that in which the repayment of the principal has been completed.

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

(d) Prior approval of the Competent Authority is necessary to the sale of car purchased with the aid of an advance which, with interest accrued has not been fully repaid. In the following cases, however, such a sanction is not necessary:-

- (i) When a Government servant proceeds on leave (not being earned leave not exceeding 120 days).
- (ii) When a Government servant retires from service.
- (iii) When a Government servant is transferred to an appointment, the duties of which do not render the possession of a motor car necessary.

If a Government servant wishes to transfer such a car to other Government servant who performs the duties of a kind that renders the possession of the conveyance necessary, he may be permitted under orders of Competent Authority to transfer 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.

(e) In all cases in which a car is sold before the advance received for its purchase from Government with interest has been fully repaid, the sale proceeds must be applied so far as may be necessary, towards the repayment of such outstanding balance, provided that when the car is sold only in order that another car may be purchased, the authority sanctioning the sale may permit a Government servant to apply the sale-proceeds towards such purchase, subject to the following conditions:-

- (i) The amount outstanding shall not be permitted to exceed the cost of the new car.
- (ii) The amount outstanding shall continue to be repaid at the rate previously fixed.
- (iii) The new car must be insured and mortgaged to Government as required by the rules.

125. A Government servant who draws an advance for the purchase of a motor car is expected to complete his negotiations for the said purchase, and pay finally for the car, within one month of the date on which he draws the advance; failing such completion and payment, the full amount of the advance drawn, with interest thereon for one month, must be refunded to Government. This condition should always be mentioned in letters sanctioning such advances.

126. A Government servant shall, before he draws an advance for the purchase of a motor car, execute an agreement in Form II of the Compendium of rules on advances to Government Servants, 2005, if the advance is granted to him under Rule 17, or in Form III, if the advance is

granted to him under Rule 18. On completing the purchase of a motor car, he shall also execute a mortgage bond in Form IV and/or Form V, as the case may be, hypothecating the motor car to the President as security for the advance.

Note: *Where only one advance is sanctioned, i.e., for the purchase of a motor car or for the payment of customs duty or where only one advance is sanctioned for both the purchase of a motor car and the payment of customs duty, the mortgage bond should be executed in Form IV with the necessary changes. Where an advance for the payment of customs duty is sanctioned, after the motor car has been purchased with an earlier advance, a bond in Form V should be executed.*

127. When an advance is drawn, the PCDA/CDA should furnish to the "Auditing PCDA/CDA" a certificate that the agreement in Form- II or III as the case may be has been signed by the Government servant drawing the advance and that it has been examined and found to be in order. The PCDA/CDA should see that the conveyance is purchased within one month from the date on which the advance is drawn.

The mortgage bonds should be kept in the safe custody of the PCDA/CDA when the advance has been fully repaid, the bond should be returned to the Government servant concerned, duly cancelled, after obtaining a certificate from the "Auditing PCDA/CDA" as to the complete repayment of the advance and interest.

128. (a) The car must be comprehensively insured against full loss by fire, theft or accident. Insurance on owner driven or other similar qualified terms is not sufficient for the purpose of this rule. Insurance policies at a reduced rate of premium may, however, be accepted as adequate in the case of motor cars where the owner of the car undertakes to meet the first Rs.50/- or so of a claim preferred against an insurance company in the event of an accident.

(b) Such insurance should be effected as soon as a vehicle is purchased and before it is brought into use.

(c) The PCDA/CDA will obtain from the Government Servant drawing the advance, a letter in Form to the Insurance Company with which the motor car is insured to notify to them the fact that Government is interested in the insurance policy secured. In cases where a fresh policy is issued every year by the Insurance Company, it would be necessary to repeat the process referred to above. In cases, where the Insurance Company does not issue fresh policy every year and the original one in which the clause as in already stands inserted, is renewed, it is not necessary to repeat the process of obtaining from Government servants letters in form for onward transmission to the Insurance Company. It should however, be ensured that the original policy has been renewed by the company and the relevant clause already stands included in the original policy and that the Government servant has insured the vehicle for an amount not less than the outstanding amount of the advance plus interest thereon.

(d) Contravention of these orders will render the Government servant liable to refund the whole of the amount advanced with interest accrued, unless good reason is shown to the contrary. The amount for which the conveyance is insured during any period should not be less than the outstanding balance of the advance with interest accrued at the beginning of that period and the insurance should be renewed from time to time until the amount due is completely repaid. If at any time and for any reason, the amount insured under a current policy is less than the outstanding balance of the advance, including interest already accrued, the Government servant should refund the difference to Government. The amount to be refunded must be recovered in not more than three monthly installments.

Personal Computer

128A. An advance for the purchase of Personal Computer may be sanctioned subject to mutatis mutandis to the conditions laid down in Paras 121 to 128 except that the amount of the advance will not exceed Rs. 80,000/- for the first occasion and Rs. 75,000/- for the second and subsequent occasions or the anticipated price (excluding custom duty if any) whichever is less. The amount of advance including interest accrued thereupon will be recovered in 150 installments.

However Rs 30,000/- or anticipated price (excluding custom duty if any) whichever is less, may be granted for employees whose pay in the pay band (i.e. band pay) is not less than Rs. 8,560/-(band pay under RPR, 2008) and who are not eligible for motor car advance.

Motor Cycles

129. An advance for the purchase of motor cycle or "Scooter" may be sanctioned subject to mutatis mutandis to the conditions laid down in Paras 121 to 128 except that the amount of the advance will not exceed six months basic pay or Rs. 30,000/- for the first occasion and five months basic pay or Rs. 24,000/- on the second and subsequent occasions or the anticipated price of the motor cycle, whichever is the least and the advance will be recovered in maximum 70 monthly installments.

Bicycles

130. The Government servants (including MTS) may be granted an advance for the purchase of a bicycle to the extent of Rs 3000/-or the anticipated price of the bicycle inclusive of sales tax whichever is less. The rate of this advance shall be increased by 25% whenever the Dearness Allowance payable on revised pay structure under RPR, 2008 goes up by 50%.

131. Advances shall not ordinarily be granted within three years of a previous advance for the same purpose, unless satisfactory evidence is produced by the Government servant concerned to the effect that the cycle purchased with the help of the earlier advance has been lost or has become unserviceable.

132. The advance will be granted only where the individual's grade pay is not exceeding Rs. 2800/- under Revised (Pay) Rules, 2008.

133. When advances are granted to Government servants (including MTS) the following additional conditions must be fulfilled:-

- a) The surety of a permanent Government servant must be produced before an advance is sanctioned.
- b) The sanctioning authority must satisfy itself that the Government servant is likely to continue in service till such time as the advance is completely recovered.
- c) In the event of a temporary Government servant being discharged before the advance is completely recovered the remaining balance of the advance must be recovered in one lump sum before discharge.

134. The grant of the advances is subject to the conditions laid down in the form of agreement reproduced as Annexure "C" to the chapter on the Pay Section. The surety bond (reproduced as Annexure "D" to the chapter on the Pay Section) duly completed and signed by a permanent Government servant if the applicant is a temporary Government servant will be submitted with every application of cycle advance.

135. Immediately after an advance has been paid, the recipient of the advance will be called upon to produce the receipt of the firm from which the cycle has been purchased. Purchase should be made within one month of the date on which the advance is drawn, failing which the individual will be liable to refund the full amount of the advance to Government. The PCDA/CDA should satisfy himself that the whole of the amount advanced was expended in purchasing the cycle. Any amount advanced in excess of the actual purchase price of the cycle should be refunded to the Government forthwith.

Note: Ordinarily the purchase should be made from or through known cycle-dealers. In special cases, receipts from private individuals if otherwise in order may also be accepted in audit, but the sanctioning authority should ensure that the concession is not abused.

136. The advance will be recovered in **thirty (30)** equal monthly installments. The recovery will commence with the first issue of pay after the advance is drawn. The bicycle advance is interest-free with effect from 1st October 2008.

(Amended vide CS 211/90)

House Building Advances

136A. The following categories of personnel are eligible for house building advances (See note (2) below):-

- a) Permanent Central Government servants.

- b) Central Government servants not falling in category (a) above who have, rendered at least 10 years continuous service, provided:
- (i) They do not hold a permanent appointment under State Government; and
 - (ii) The sanctioning authority is satisfied that they are likely to continue in the service of the Central Government at least till the house for which the advance is sanctioned is built and/or mortgaged to Government.

Application on the prescribed proforma for advance from those eligible, will be submitted to the C.G.D.A. Detailed rules regarding the grant of such advances are contained in the pamphlet, "Rules to regulate the grant of advances to Central Government servants for building etc., of houses", issued by the Ministry of Urban Development.

Note 1: *In cases where both husband and wife happen to be Central Government servants and eligible for the grant of advance, it shall be admissible only to one of them.*

Note 2: *Application for advances may be entertained for constructing a new house (including acquisition of a suitable plot of land for the purpose from such eligible Central Govt. servants who have in view (but not in actual possession) a developed plot of land on which construction can commence immediately on receipt of the loan.*

LEAVE SALARY AND PENSION CONTRIBUTIONS IN RESPECT OF PERSONS LENT TO AND FROM THE DEFENCE ACCOUNTS DEPARTMENT

137. The general rules regarding the incidence of leave salary and pensionary charges are laid down in Section-B, II and III respectively of Appendix-3 to Defence Account Code. These rules are applicable mutatis mutandis to individuals lent from and to the Defence Accounts Department.

138. The following special points should be borne in mind:-

(i) Individuals on Foreign Service

Both leave salary and pension contributions are recoverable from the borrowing Department in respect of personnel on Deputation to Foreign Service irrespective of the fact whether the deputationists are pre-1931 or post 1931 entrants. The leave salaries and the pension contribution will be borne by the Defence Accounts Department.

(ii) Deputation to State Governments or other departments of the Central Government including Ministry of Defence (Finance).

(a) Incidence of leave salaries

Leave salary contributions are recoverable from the borrowing Government / Department only in the case of individuals who are governed by the Central Government Revised Leave Rules or similar rules issued by other departments which make calculation of leave in relation to the period of duty impracticable. The actual leave charges in these cases will be borne by the Defence Accounts Department.

In the case of Government servants governed by other Leave Rules, no leave salary contributions are recoverable but the leave charges are required to be borne by the borrowing department to the extent of leave earned during service under that Department.

(b) Incidence of pensionary charges

No pension contribution are recoverable from the borrowing department/ Government either in the case of pre-1931 or post 1931 entrants but the pension will be apportioned between the different Governments on the basis of the length of service as defined in Section B-IV Appendix-3, Defence Account Code,.

139. The rates of leave salary and pension contributions where recoverable in the above cases are prescribed in Appendix 2 referred to in of Supplementary Rules to Fundamental Rules read with FR 116 & 117 as amended from time to time. The leave salary contribution will be calculated at the appropriate rate on the total period of service rendered in the borrowing department less any period of leave granted while so employed and will be based on the actual pay drawn during that period.

140. The particulars regarding the salary drawn by the deputationists and the period of leave (other than casual leave) granted to them will be called for from the borrowing departments concerned and necessary debits raised against them through the exchange accounts. In respect of individuals who are on deputation to other departments of the Government of India State Governments contributions should be recovered from the borrowing departments/ Governments at the end of the service of the individuals with those departments/ Governments or at the end of the financial year, whichever is earlier and the adjustment made in one lump sum. The debits in the Exchange Account should also be supported by a certificate to the effect that the amount charged has been calculated according to the rules. Contribution for leave salary and pension in respect of individuals who are on Foreign service are, however, recoverable from the Foreign employers every month in accordance with S.R. 307 and Para 131, Defence Audit Code. As regards the leave salary paid for the period of leave taken by the deputees, it is a charge against the Defence Accounts Department and original debits on the account will be passed on by the borrowing department.

141. For the purpose of watching adjustment/recovery of leave salary and pension/fund contributions, a register in I.A.F. (C.D.A.)-164 will be maintained wherein the full particulars of deputationists will be noted as soon as the orders notifying the deputation are received. The amount of

leave salary and pension contribution debited against / recovered from the borrowing Government/ Body & Corporation etc., together with the voucher number of the punching media, etc. /number and date of the treasury receipt, will be entered in this register.

Note: *In the case of I.D.A.S. officers on deputation or Foreign Service to other Departments, Governments, Bodies, Corporation, etc. for whom leave salary and pension contributions are payable, the C.D.A. (Army) Meerut, will be centrally responsible for raising debits against the Civil Accountant General concerned in the case of offices on deputation to other Departments, Governments, etc., and for effecting cash recoveries in the case of officers on Foreign service to Corporation, Bodies, etc.*

In the case of an officer of the emergency cadre of the I.D.A.S. who contributes to the Contributory Provident Fund, the C.D.A. (Army) Meerut will also be responsible for adjustment/recovery of the Government's share of the contributions and the interest and the interest charges in respect thereof for the period the officer remains on deputation/Foreign service.

142. An annual statement (in duplicate) showing the Defence Accounts Departments staff on deputation to other departments (including Ministry of Defence (Finance) as on the 1st July of each year will be rendered by the PCDA/CDA concerned to his "Auditing PCDA/CDA" in the proforma given in Annexure "F" and "G" to this chapter so as to reach him by 10th July of each year. A certificate as to whether or not leave salary and pension contribution are in recovery in all cases, where necessary from the borrowing department in accordance with the rules in Appensix-3, Account Code, Volume-I, should also be furnished in the statement.

The "Auditing PCDA/CDA" will verify whether the recoveries of leave salary and pension contributions are being properly effected in all cases where such recoveries are to be effected and whether there is any delay in such recovery. To enable the "Auditing PCDA/CDA" to carry out this verification it will be necessary to indicate in the remarks column of the statement the rate at which recoveries are being effected in respect of each individual and the period up to which recoveries have been effected on the date of the submission of the return. Cases where recoveries are not effected or where incorrect recoveries are being effected will be included by the "Auditing PCDA/CDA" in his objection statement against the PCDA/CDA concerned and their final settlement watched by him in the usual manner. After taking necessary action as above, one copy of the statement together with his remarks, if any, will be forwarded by the "Auditing PCDA/CDA" to the C.G.D.A. so as to reach him by the 10th of August each year.

APPLICATIONS FOR OUTSIDE EMPLOYMENT

143. All applications from the permanent and quasi-permanent establishment for employment outside the department will be forwarded to the C.G.D.A. with recommendations for further action. The application should invariably be supported with a copy of the advertisement, etc., for the post applied for, and a written undertaking from the applicant as to

whether he is or is not willing to resign his job in the department in case he is selected for the job applied for. The applications will be forwarded to the C.G.D.A. in all cases irrespective of whether the undertaking is in the affirmative or otherwise. Even in a case where the nature of duties is similar to those in the department, but the scale of pay offered is very much in excess of the individual's present emoluments and he is in possession of no special qualification warranting a preferential treatment, the C.G.D.A. may insist on resignation in the event of the individual's selection.

Application from temporary establishment will be forwarded to the party concerned by the PCDA/CDA direct.

Application for part time services elsewhere (such as participating in a radio broadcast of the nature other than those of a purely literary, artistic or scientific character) and receiving remuneration therefore will in all cases be forwarded to the C.G.D.A. for orders.

Applications from permanent and quasi-permanent staff for employment under Foreign Embassies and Foreign Governments will not be entertained.

It will be seen that the cases are covered with the instructions laid down in the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training OM No. 28011/1/2013-Estt (C) dated 23rd December, 2013.

PREPARATION OF BUDGET ESTIMATES IN RESPECT OF LOCALLY CONTROLLED HEADS UNDER HEAD 4-A AND 4-C AND CASH REQUIREMENT ESTIMATES OF THE DEFENCE ACCOUNTS DEPARTMENT

Estimates under locally controlled head

144. The following estimates are prepared in the PCDA/CDA's office for the locally controlled heads pertaining to the Defence Accounts Department:-

- (i) Travelling and outstation allowances. (Under Main Head 4-A "Travelling and outstation allowances").
- (ii) Miscellaneous expenses. (Under Main Head 4-C "Miscellaneous expenses").

The estimates will be dispatched so as to reach the C.G.D.A. on the dates shown below:-

Estimates	To be sent by PCsDA/CsDA so as to reach the C.G.D.A. by
1 Preliminary Report for the current year	25 th July
2 Preliminary Revised Estimates for the current year	15 th October

3	Revised Estimated for the current year (i.e., corrections to Preliminary Revised Estimates).	1 st December
4	Forecast Estimates for the ensuing year	20 th October
5	Budget Estimates for the ensuing year (i.e., correction to Budget forecast).	1 st December
6	Modified Appropriation	20 th February

Note: Major changes, if any, to item 3 and 5 will be intimated by PCsDA/CsDA so as to reach the C.G.D.A. not later than 5th January.

145. The estimates will be prepared on I.A.F.A. 211 and other forms prescribed by the C.G.D.A. or the Financial Adviser, Defence Services, as the case may be. The estimates will be framed strictly in accordance with Rules 101 to 104, Financial Regulations, Part-I. The following procedure will be followed in watching the progress of expenditure:-

- (i) The audit section concerned (Transportation Section in the case of travelling and outstation allowances and Miscellaneous Section in the case of miscellaneous expenses) will be responsible to watch the progress of expenditure with reference to their allotment registers and compiled actual.
- (ii) The audit sections concerned will send a monthly report to Administration Section showing the expenditure during the month, the progressive total expenditure and balance available.
- (iii) The cashier will compare the monthly report from Miscellaneous Section with his contingent register and make any necessary corrections.
- (iv) Administration Section will keep an overall watch over the allotment and will take action if necessary, to ask for additional funds from the C.G.D.A. or to surrender excesses as per the anticipated expenditure and available allotment.
- (v) After closing March Supplementary account every year, the audit sections concerned will furnish a report to Administration Section showing the original appropriation, modified appropriation and actual expenditure. After scrutiny, Administration Section will consolidate and submit the report to the C.G.D.A. explaining the reasons for the variations between the modified appropriation and the actual expenditure.
- (vi) A statement showing separately the progressive total of expenditure incurred on tours of offices of the main office and other transportation charges to the end of each month will be forwarded to the C.G.D.A.'s office so as to reach that office not later than the 10th of the following month.

Cash Requirement Estimates

146. Cash Requirement Estimates are prepared in the PCDA/CDA's office in respect of the provision required to be made under the Heads S.- "Deposits and Advances- Advances Repayable" and O.- "Loans and Advances by the Central Government advances to the Government Services" for payment of loans and advances to member of the Defence Accounts Department.

The estimates should be dispatched so as to reach the C.G.D.A. on the dates shown below:-

Estimates		To be sent by PCsDA/CsDA so as to reach the C.G.D.A. by
1	Budget Forecast for the ensuing year.	As per dates decided by the CGDA
2	Preliminary Revised Estimates for the current year.	15 th November
3	Budget Estimates for the ensuing year.	As per dates decided by the CGDA
4	Revised Estimates for the current year.	15 th December
5	Modified Appropriation for the current year (i.e., correction to Revised Estimates for the current year).	5 th February

147. Although no hard and fast rules can be laid down for the preparation of the Cash Requirement Estimates, they are generally based on the compiled actuals for the first six months of the current year and the last six months of the previous year. The figures thus arrived at are suitably modified taking into account the compiled actual of the previous year as a whole, and any extraordinary or abnormal transaction or facts known at the time which are likely to affect the requirements.

CONTROL AND DISTRIBUTION OF WELFARE GRANT-IN-AID

148. A per capita grant-in-aid is sanctioned by the Government for the Welfare of establishment. The grant-in-aid is primarily intended to stimulate self-help and esprit-de-corps and for the provision of amenities or of recreational or welfare facilities, but does not cover within its scope any compassionate objects such as death benefits. On receipts of the allotment, allocation will be made at the discretion of the PCDA/CDA amongst the main office and sub-offices.

The recreation clubs, etc., for which sub-allotments have been made will claim from Administration Section the amount allotted on a contingent bill duly supported by the relevant vouchers. The Administration Section will

maintain separate account for each allotment and sub-allotment in order to watch that the total of the allotment is not exceeded.

The account for the entire expenditure out of the grant-in-aid will be audited annually by the local audit officer or by an officer appointed for the purpose by the PCDA/CDA the audit should be conducted to see inter-alia that the amount of the allotment is spent on the objects for which it is sanctioned and that it is spent only on the basis of actual requirements and that the expenditure met out of this grant is supported by receipts and vouchers.

APPLICATION FOR ADMISSION TO THE POSTAL LIFE INSURANCE

149. On receipt of an application from a member of the establishment for admission to the Postal Life Insurance the application should be scrutinized to ensure that it is complete in all respects and that the applicant is eligible to subscribe to the Postal Life Insurance Fund according to the Postal Life Insurance Rules and other Government orders on the subject. An extract of page-1 of the service book will then be forwarded to the officer under whom the individual is working for attestation by the Government servant in his presence. After receipt back of the extract duly attested, the same will be attached to the application form and the certificate on it will be completed under the signature of the D.C.D.A. (Administration) or the Officer-in-charge, Administration Section. The application form accompanied by an audit certificate certifying the eligibility of the applicant to subscribe to the Fund will then be forwarded to the medical officer concerned as indicated below fixing a date for medical examination, simultaneously informing the individual also that he should present himself for medical examination.

(i) For insurance upto Rs. 1000/-	A medical licentiate employed in a Government or municipal dispensary nearest to the place of duty of the proposer.
(ii) For insurance upto Rs. 2000/-	A medical graduate employed in a Government or municipal dispensary nearest to the place of duty of the proposer.
(iii) For insurance above Rs. 2000/-	Civil surgeon of the district.

On receipt of the intimation from the postal authorities for recovery of subscription the amount of the monthly subscription will, with effect from the due date, be recovered from the pay of the individual through the monthly pay bills.

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CARE, CUSTODY, REPAIR & MAINTENANCE OF DAD BUILDINGS

154. Office and Residential accommodation have been constructed out of DAD Works Budget in various stations. Care, Custody, Repair and maintenance of these buildings are the responsibility of the MES vide Govt. of India Min. of Defence letter No. 170-15 (1)/78/AN/XVIII/864/US/D(W-I) dated 03-10-1980 (reproduced as Annexure 'M' to this chapter).

The procedure to be followed in this regard is enumerated in above letter. While MES will be required to maintain the Register of Permanent buildings for the above purpose, PCsDA/CsDA concerned should also maintain the Register of permanent building and keep it posted up to date in liaison with the G.E. At the time of taking over the building by MES, PCDA/CDA's representative will be associated with the preparation of inventory of the building including its fixtures and a copy of the inventory made should be kept on record along with the Register of Permanent buildings, maintained by the PCDA/CDA. Annual physical verification of the buildings including its fixtures and fittings as per the inventory will be carried out by the PCDA/CDA and a certificate that annual physical verification has been carried out should be kept on record and annual certificate to this effect rendered to CGDA's office.

Funds for the repairs/maintenance of the buildings including internal Electric installation and road will be projected by the G.E. computed on the basis of various scales laid down by the Govt. from time to time.

PCsDA/CsDA should scrutinize the demands projected by the GE to ensure that it covers the entire requirements of the PCsDA/CsDA

Once the funds required are allotted, depending upon the progress of work, the PCDA/CDA concerned may release the funds to the Command PCDA/CDA concerned that will be responsible for the payment through; AAO (GE)/ Cs. D.A. should decide the priorities about the repair/maintenance work to be carried out by the M.E.S. in terms of Para 225 et. Seq. RMES (1986 Edition) and keep a monthly watch over the expenditure out of the maintenance grants and ensure that the repair/maintenance works indicated by him to the GE have been carried out properly. MES authorities should be asked to render monthly report on the repair/maintenance work undertaken during that month together with the expenditure incurred thereon. The monthly progress report rendered to the C.G.D.A's office should include the report on repairs/maintenance service also.

The repairs/maintenance services comprise normally, petty repairs and periodical services. Petty repairs would cover, patch repair to cement plaster to walls in addition to the other day to day maintenance of the Residential buildings based on the complaint received from the occupants of the residences. Periodical Services cover internal and external lime washing (White or tinted) distemper, Tarring and oiling and it should be carried out as per the periodicity laid down in Table 'G' RMES (1986 Edition). A register of PSMB should also be maintained by the PCsDA/CsDA

ALLOTMENT, OCCUPATION/VACATION OF DAD RESIDENTIAL ACCOMMODATION

154A. Allotment of all DAD Residential accommodation in the station will be made by a duly constituted QCM. A copy of the allotment letter and monthly occupation/vacation reports will be rendered to the respective AAO BSOs/GEs doing revenue work to regulate recovery of License Fee. All cases of retention of Government accommodation will be decided by the Estate Officer as per the extant orders and the recovery of damage rate of License Fee if any, will be intimated to the respective AAO BSOs/ GEs doing revenue work for its prompt recovery. The occupancy/ vacancy position of allotment of DAD pool residential accommodation will be rendered on Half Yearly basis as per Annexure Q to this chapter.

MONITORING OF CAT/ COURT CASES

154B. A register for monitoring the progress of each Court case from filing of application (counter- affidavit) to the implementation of judgment or filing of review application or SLP (Special Leave Petition) is maintained in prescribed format and the following reports are rendered to the HQrs Office:

- (a) A monthly report on contempt notices/ petitions.
- (b) A quarterly report showing the details of cases where the Court judgment was not implemented;
- (c) A quarterly report for monitoring of court cases
- (d) A report on nomination of Nodal Officers for monitoring of CAT/ Court cases at various CAT Benches/ Courts; and
- (e) A monthly report of Court cases where the DAD (CGDA/CDA) are the respondents in a soft copy.

ISSUE OF IAF (CDA-13)

154C. The IAF (CDA-13) should be used only for cases of fresh cheques in lieu of those lost in transit or returned unpaid due to expiry of the prescribed currency period or dishonored by the bank due to any other reason with the prior approval of PCDA/CDA/Add.CDA/ Jt.CDA. These forms should be kept under the personal custody of Group Officer (Administration) who should ensure that these forms are issued only for genuine purpose and the requisition from the concerned Group Officer duly supported by an approved Office Note.

At the end of each month, the payment of Bills made through DV Numbering Register will be counterchecked with the bills noted in the bill diary sheets and IAF (CDA-13) register with nominated Group Officer so that cases of un-authorized payment, if any, made through DV numbering Register are detected. Any discrepancy in this regard will be immediately reported to the Jt.CDA/Add.CDA/PCDA/ CDA through Group Officer.

A certificate to the effect that this counter check has been carried out including the results thereof will be submitted to the PCDA/CDA by the 10th of following month by each section.

MAINTENANCE AND UPDATION OF THE PERSONNEL INFORMATION SYSTEM (PIS)

154D. All the offices are required to accord paramount importance and take timely actions for the maintenance and updation of the Personnel Information System (PIS) in respect of all categories of employees of Defence Accounts Department as the PIS would form the basic data for the personnel administration in the Department.

NATIONAL PENSION SYSTEM (NPS)

154E. Govt. of India, Ministry of Finance, Deptt. of Expenditure vide their OM No.F.No.1)T(2)/2003/TA/19 dt.14.1.2004 & 4.2.04 have introduced a New Defined Contribution Pension Scheme replacing the existing System of Defined benefit Pension System. The National Pension System (erstwhile New Pension Scheme) came into operation w.e.f. 1.1.2004 and is applicable to all new entrants to Central Govt. service except to Armed Forces joining Govt. service on or after 1.1.2004.

Features:

1. The National Pension System will work on defined contribution basis and will have two tiers – Tier I and Tier II
2. Tier-I is mandatory for all Govt. servants joining Govt. service on or after 1.1.2004. In Tier I, Govt. servants will have to make a contribution of 10% of his Basic Pay, DP and DA which will be deducted from his salary bill every month by the PAO concerned. The Govt. will make an equal matching contribution. Tier I contribution will be kept in a non-withdrawal Pension Tier I account.
3. Tier II will be optional and at the discretion of Govt. servants. Tier II contributions will be kept in a separate account that will be withdrawal at the option of Govt. servant. The scheme of voluntary contribution under Tier II will not be made operative during the period of interim arrangement and therefore no recoveries will be made from the salaries of the employees on this account.
4. The existing provisions of Defined Benefit Pension and GPF would not be available to new Govt. servants joining Govt. service on or after 1.1.2004.
5. An independent Pension Fund Regulatory and Development and Authority (PFRDA) will regulate and develop the pension market.
6. A Govt. servant can exit at or after the age of 60 years from Tier I of the Scheme. At exit, it would be mandatory for him to invest 40% of pension wealth to purchase an annuity (from an IRDA regulated Life

Insurance Company), which will provide for pension for the life time of the employee and his dependent parents/ employee. In case of Govt. servants who leave the scheme before attaining the age of 60, the mandatory annihilation would be 80% of the pension wealth.

7. Recoveries towards Tier I contribution will start from salary of the month following the month in which the Govt. servant has joined service. Therefore, no recovery will be effected for the month of joining.
8. All entrants/appointees joining service will have to fill the paper application form and submit the same to NSDL (National Securities Depository Limited) through PAO for generation of PRAN (Permanent Retirement Account Number) and dispatch of PRAN kit.
9. PRAN is to be recorded in the service documents of subscriber and also on the LPC in the event of transfer along with the month up to which contribution has been recovered.
10. Separate pay bills are required for new entrants who joined service on or after 1.1.2004.
11. Recovery made on account of individual contribution and equal matching Govt. contribution will be complied to relevant code heads as under;
 - 00/016/04: Individual contribution
 - 00/016/05: Govt. matching Contribution (As plus receipt with corresponding/respective charge heads i.e. service heads)

RESIDENT WELFARE ASSOCIATION IN DAD RESIDENTIAL COMPLEXES

154F. Over a period of time, the Defence Accounts Department has created many residential complexes across the country to meet the accommodation needs of our officers and staff. Considerable funds are also being spent on maintenance of these residential complexes every year. In order to enhance the living experience of residents in the DAD residential complexes and to involve active participation of the residents for conducting various welfare / cultural activities, the Resident Welfare Associations in DAD Residential Complexes have been formed. The various instructions in this regard have been formulated vide HQrs important circular No. AN/XII/ 18001/IV PP dated 01.11.2011 excerpts of which are given at Annexure “U” to this chapter.

REGIONAL OFFICE COUNCILS AND ALL SUBSEQUENT ACTIONS

154G. Almost all Government establishments employing a sizeable number of persons have a officially, recognized employees union or a staff associations; who are further affiliated to larger bodies like the Central Government Employees Association. D.A.D. itself has an All India Defence Accounts Employees Welfare Association which has branch offices in all PCDA/CDA offices. Staff has its opportunity of democratically electing representatives to represent their interest and grievances. Association or

Union, however, represents one aspect. The other aspect is the management view. To provide an opportunity for meeting of these two divergent views and evolving a common approach, we have the J.C.M. system wherein the employee find representation through staff association and interact with the executive.

The JCM procedure is a graduated series of steps arranged in a hierarchy of increasing complexity and involvement. The various issues/grievances are discussed from the frontline officer to the HQrs (3rd level ROC) and National level (JCM) and the union representatives.

The Scheme caters for all the Central Govt. Civil Employees except Group A, B employees and employees of Union Territories and Police Personnel.

The jurisdiction of the JCM Council includes matters relating to conditions of service and work, welfare of employees and improvement of efficiency & standard of work provided that;

1. In regard to recruitment, promotion and discipline, consultation will be limited to matters of general principle; and
2. Individual cases will not be discussed.

The scheme provides for setting up of JCM councils at National Level, Departmental (Ministry), Headquarters of the Department (CGDA) and Regional Office Council (CDA). Matters which are within the competence of HQrs should not generally be discussed at the meeting held at lower levels (office councils). Also the subjects which are outside the competence of Heads of regions/offices should not generally be brought up for discussion at that level, e.g. revision of Pay & Allowances; Curtailment of prescribed duty hours; Change in regard to principles governing promotion; Regulating seniority and departure from the rules made by Govt.

Regional Official Council (IV Level)

This Council is constituted at Regional Office Level viz. PCsDA/ CsDA and will consist of Members from official and staff side and will look after the grievances of the particular region.

The various instructions regarding scope and functions, composition of councils, etc., are issued by the Government of India/HQrs office from time to time, which govern the activities related to the area.

The annual membership subscription is to be recovered by the DDOs through check off system in the pay for the month of July, on the basis of the consent note exercised by the members in April every year. Consent from given in April will remain valid till altered/changed and revision can be exercised only in April every year to be effective from July of that year. The deduction of subscription of not less than one rupee per month can also be made from the pay rolls on monthly basis. The distribution of seats in IV level Regional Office Council is made as per the instructions contained in

the CGDA, New Delhi important circular No. AN/VI/17003/I/VII/Orders dated 2nd January, 2006.

PROCEDURE CONCERNING DIRECT AND INDIRECT TAXES

154H. The growing economy has made it imperative to widen the tax net. Accordingly, the Government of India has taken steps for monitoring and control of the various areas and made it mandatory to file periodical (monthly/ quarterly/ annual) returns, both online and in paper form, to the Income Tax Department. The primary responsibility for this purpose has been assigned to the DDO's and the PAO's. Accordingly, the actions to file the returns and also for issue of necessary tax deduction certificates, in sync with the instructions issued by the Government from time to time, should be meticulously followed. Similar actions are also required to be taken by the offices for the activities relating to Service Tax, Central Excise, VAT, EPF/ESI deductions, etc.

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RIGHT TO INFORMATION ACT

154J. The Right to Information Act-2005, No.22 of 2005 was published on 21st June 2005 for general information in the Gazette of India. Consequent upon implementation of RTI Act-2005, A cell called RTI cell has been set up in all PCsDA/ CsDA offices.

(1) Objectives:- To provide all assistance to CPIO/First Appellate authority to "provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authority, in order to promote transparency and accountability in the working of every public authority.

(2) Functions of RTI Cell: The RTI Cell will perform the following functions:-

- (i) The Cell will be a single reference point to receive RTI applications, appeals, and decisions of the Central Information Commission in respect of RTI cases handled by the cell.
- (ii) The Cell will maintain proper record of all applications, and appeals received by it and allot a separate control number on receipt of every RTI application along with prescribed fee under the Act. RTI Cell will collect information from concerned Section of PCsDA/CDA Office.
- (iii) The Cell will gather the information from concerned sections of the PCsDA/CDA Office. On receipt of the same from concerned section the information is transmitted to the RTI applicant under the

signatures of CPIO (Nominated by the PCsDA/CDA) or the First Appellate Authority as the case may be. Sought information under no circumstances will be furnished directly by the section to the RTI Applicant.

- (iv) The Cell will segregate applications and appeals pertaining to life and liberty and forward the same to the concerned CPIO without delay so that they can be responded within the time frame specified in the Act.
- (v) The Cell will transfer the applications not pertaining to the PCDA/CDA's Office.
- (vi) Rendition of Reports and Returns.
- (vii) Maintaining list of Central Public Information Officers, First Appellate Authorities and link officers.
- (viii) RTI Cell will examine that correct fee (by correct mode) has been received.
- (ix) RTI Cell will ensure that information sought under RTI Act 2005 is provided within stipulated time frame.
- (x) Dealing with applications addressed to first Appellate Authorities and Central Public Information Officers will be handled only in RTI Cell.

(3) Designation of CPIOs/CAPIOs and Appellate Authorities:-

Every Public Authority shall designate as many officers as the Central Public Officers, as the case may be in all administrative units or offices under it as may be necessary to provide information to persons requesting for the information under the RTI Act, 2005 and also to designate an officer at Sub Offices as Central Assistant Public Information Officer to receive the applications for information or appeals under RTI Act-2005 for forwarding the same forthwith to the CPIO or First Appellate Authority as the case may be. The DCDA/Jt.CDA/ Addl CDA may be nominated CPIO for the office headed by Pr. CsDA/PCsA(Fys)/CsDA/CsFA and the next higher administrative authority above the CPIO will be Appellate Authority and in case of Sub-Offices, the Officer I/C or Head of Office of the sub-offices may be appointed as CAPIO (Central Assistant Public Information Officer.)

(4) Action on RTI Applications :

- (i) On receipt of a request under Section 6 of RTI Act-2005 CPIO may seek the assistance of the officer in terms of Section 5(4) & 5(5) of RTI Act-2005 if he or she considers it necessary in proper discharge of his or her duties.
- (ii) CPIO on receipt of request under section 6 shall as expeditiously as possible and in any case within thirty days of the receipt of request either provide the information on payment of such fee as may be

prescribed or reject the request for any of the reasons specified in section 8 & 9 of RTI Act-2005.

(5) Transfer of Application:-

- (i) Where Transfer of application is to be dealt in accordance of Provisions of Section 6(3) of RTI Act.
- (ii) Where a person makes request to a public authority for information and part of which is available with that public authority and the rest of the information is scattered with more than one other public authorities in such cases the PIO of the public authority receiving the application should give information relating to it and advice the applicant to make separate applications to the concerned public authorities for obtaining information from then. If no part of the information sought is available with it but is scattered with more than one other public authorities, the PIO should inform the applicant that information is not available with the public authority and the applicant should make separate applications to the concerned public authorities for obtaining such information. It may be noted that the Act requires the supply of such information only which already exists and is held by the public authority or held under the control of public authority. It is beyond the scope of the Act for public authority to create information. Collection of information, parts of which are available with different public authorities, would amount to creation of information which a public authority under the Act is not required to do. At the same time, since the information is not related to any one particular public authority, it is not the case where application should be transferred under sub section 3 of section 6 of the Act. It is pertinent to note that sub section (3) refers to 'another public authority' and not 'other public authorities'. Use of singular form in the Act in this regard is important to note.

Note: *If the details of public authorities who may have the information sought by the applicant are available with the PIO, such details may be provided to the applicant.*

- (iii) If a person makes an application to a public authority for some information which is the concern of a public authority under any State Government or the Union Territory Administration, the CPIO of the public authority receiving the application should inform the applicant that the information may be had from the concerned State Govt /UT Administration. Application in such a case, need not be transferred to the State Government/UT Administration.

(6) Information Act does not include answers to the question like 'Why':-

“The definition of information cannot include within its fold answers to the question "why" which would be same thing, as asking the reason for a justification for a particular thing. The public information authorities cannot

expect to communicate to the citizen the reason why a certain thing was done or not done in the sense of a justification because the citizen makes a requisition about information. Justifications are matter within the domain of adjudicating authorities and cannot properly be classified as information."

(7) Only Existing Information will be provided:

Only such information can be supplied under the Act which already exists and is held by Public Authority or held under the control of the Public Authority. The Public Information Officer is not supposed to create/ interpret/ derive information or to solve the problems raised by the RTI applicants or to furnish replies to the hypothetical questions.

(8) Disclosure of Personal Information under the RTI Act-2005:-

The performance of an employee/officer in an organization is primarily a matter between the employee and the employer and normally those aspects are governed by the service rules which fall under the expression '*personal information*', the disclosure of which has no relationship to any public activity or public interest. "On the other hand, the disclosure of which could cause unwarranted invasion of the privacy of that individual." Such information could be disclosed only if it would serve a larger public interest.

(9) Clarification regarding format in which the information should be supplied under the RTI Act-2005:

In some cases the applicants expect the PIO to give information in some particular proforma devised by them on the plea that sub -section (9) of Section -7 provides that an information shall ordinarily be provided in the form in which it is sought . It need be noted that the sub section simply means that if the information is sought in the form of photocopy, it shall be provided in the form of photocopy and if it is sought in the form of a floppy, it shall be provided in that form subject to the conditions given in the Act etc. It does not mean that the PIO shall re-shape the information.

Right to information makes it clear that a citizen has a right to get the material, inspect the material, take notes from the material, take the material in the form of diskettes etc. The PIO is required to supply such material to the citizen who seeks it. The Act, however, does not require the PIO to deduce some conclusion from the material and supply the conclusion so deduced to the applicant. The PIO is required to supply the material in the form as held by the public authority and it is not required to do research on behalf of the citizen to deduce anything from the material and then supply it to him.

(10) Payment of Fee and Cost:-

- (a) Application Fee** - An application under sub section (1) of Section 6 of the Act shall be accompanied by a fee of rupees ten and shall

ordinary not contain more than five hundred words, excluding annexure, containing address of the CPIO and that of the applicant. Provided that no application shall be rejected only on the ground that it contains more than five hundred words.

(b) Fee for providing information- Fee for providing information under sub-section (4) of section 4 and sub-section (1) and (5) of Section 7 of the Act shall be charged at the following rates, namely :

- (i) Rupees two for each page in A-3 or small size paper
- (ii) Actual cost or price of a photography in large size paper
- (iii) Actual cost or price for samples or models
- (iv) Rupees fifty per diskette or floppy
- (v) Price fixed for a publication or rupees two per page of photocopy for extracts from the publication
- (vi) No fee for inspection of records for the first hour of inspection and a fee of rupees 5 for each subsequent hour or fraction thereof
- (vii) So much of postal charge involved in supply of information that exceeds fifty rupees.

(c) Exemption from Payment of Fee:- No fee under rule 4 shall be charged from any person who is below poverty line provided a copy of the certificate issued by the appropriate Government in this regard is submitted along with the application.

(11) Mode of Payment of Fee: - Fees under these rules may be paid in any of the following manner, namely:-

- (a) In cash, to the public authority or to the Central Assistant Public Information Officer of the public authority as the case may be against a proper receipt
- (b) By demand draft or bankers cheque or Indian Postal Order payable to the Accounts Officer of the public authority
- (c) By electronic means to the Accounts Officer of the public authority if facility for receiving fees through electronic means is available with the public authority.

(12) Timely Intimation about payment of additional fee under RTI Act-2005:

While there cannot be any hard and fast rule about when exactly the intimation about the photocopying charges should be conveyed to the information seeker, it is implied in the prescribed timed limit that the demand for photocopying charges must be made soon after the RTI application is received so that the information seeker has time to deposit the fees and receive the information within the prescribed thirty days period. If the information sought is not voluminous or is not dispersed over a large

number of files, computation of the photocopying charges should not be a time consuming task. As soon as the RTI application is received, the holder of the information should decide about how much information to disclose and then calculate the photocopying charges so that the CPIO can immediately write to the information seeker demanding such fees.

(13) Appeals

- (i) Any person who does not receive a decision within the stipulated time period or aggrieved by a decision of CPIO may within 30 days from expiry of such period from the receipt of such a decision prefer an appeal to First appellate authority (officer who is senior in rank to the CPIO). First Appellate authority may also admit appeal after the expiry of period of 30 days if he or she is satisfied that the applicant was prevented by sufficient cause from filing the appeal in time.
- (ii) A second appeal against the decision of First Appellate Authority shall lie within ninety days from the date on which the decision should have been made or was actually received with the Central Information Commission.

(14) Penalties:-

- (i) Section 20 of RTI Act provides the provisions of penalty in cases where the Central Information Commission at the time of deciding any complaint or appeal is of the opinion that the CPIO has without any reasonable cause, refused to receive an application for information or has not furnished information within the time specified under sub section (1) of section 7 or malafidely denied the request for information or knowingly given incorrect incomplete or misleading information or destroyed information which was the subject of the request or obstructed in any manner in furnishing the information, it shall impose a penalty of two hundred and fifty rupees each day till application is received or information is furnished so however, the total amount of such penalty shall not exceed twenty five thousand rupees:
 - (a) Provided that the CPIO shall be given a reasonable opportunity of being heard before any penalty is imposed on him:
 - (b) Provided further that the burden of proving that he acted reasonably and diligently shall be on the CPIO.
- (ii) CIC may also recommend for disciplinary action against the CPIO under the service rules applicable to him if it is of the opinion that CPIO without any reasonable cause and persistently failed to receive an application for information or has not furnished information within the time specified under sub section (1) of section 7 of RTI Act-2005.

(15) Reports and Returns:-

The provisions of Section 25 of RTI Act-2005 and Orders issued from time to time on the subject may be complied with for rendering Reports and Returns.

HINDI CELL

154K. Hindi Cell functions under Admin Section and are assigned with the task to encourage the officers and staff of PCsDA/ CsDA Offices to do maximum correspondence in Hindi, implementation of Official Language Hindi, conduct Hindi workshops, provide assistance for translation of the drafts and instructions in Hindi, carry out inspection of various Sections to monitor the compliance of laid down percentage of work in Hindi and submit reports and returns to the CGDA. The work procedure regarding of Hindi Cell is laid down in the “MANUAL REGARDING THE USE OF OFFICIAL LANGUAGE HINDI” published by Department of Official Language, Ministry of Home Affairs, Govt. of India.

PROCEDURE RELATING TO THE DISPOSAL OF ATTACHMENT ORDERS AND PROHIBITORY ORDERS

154L. (1) Immediately on receipt of an attachment order in a Controllers office it will be verified whether the individual, whose salary is to be attached, is in the audit control of that controller. If he is, the particulars of the attachment order will be noted in the demand register. The original orders, duly accepted, will then be returned to the court from which it was received and the duplicate sent for information and return to the Paying Officer of the office in which the individual whose pay is to be attached is serving, or in the case of the individual in staff or department employ, to the Head of the formation concerned. If the individual is not serving in the audit area of the Principal Controller/ Controller, the order will at once be either transferred to the Principal Controller/ Controller, if known, under whose audit will at once be either transferred to the controller, if known, under whose audit control the individual is and the court informed accordingly, or if the audit officer is not known, returned to the court with a suitable endorsement. The receipt of and correspondence, etc. relating to attachment order should be treated as confidential.

(2) The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in section 60(1) of the Code of Civil Procedure, 1908, as amended by the Code of Civil Procedure (Section Amendment) Act, 1937 and further modified by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937. The following are extracts of the relevant provision of the Section:

60 (I) *The following property is liable to attachment in execution of a decree provided that the following particulars shall not be liable to such attachment Namely:-*

(i) *The salary of any public officer to the extent to the first Rs. 100 and one half of the remainder of such salary;*

Provided that, where the whole or any part of the portions of such salary liable to attachment has been under attachment, whether continuously or intermittently for a total period of 24 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) *Any allowance forming part of the emoluments of any public officer..... 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 officer..... while under suspension.*

Explanation 2:-

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

Explanation 3:-

In clause (I) "Appropriate Government" means.... (i) as respects any person in the service of Central Government...the Central Government; and (ii) as respects any other authority, other servant of the Government or a servant of any State Government.

Note 1:- *The maximum amount attachable by a civil court is to be calculated as under:-*

If the total gross emoluments earned by the Government servant are represented by X, and the allowances declared to be exempt from attachment and, if the Government servant is under suspensions, any subsistence grant or allowances made to him, are represented by Y the net amount attachable if any, is X-Y50.

Note 2: *Any deductions which may have to be made on account of subscription to provident funds recognized by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.*

(3) Cases may occur in which judgment debtors do not submit their pay bills or do not sign the acquaintance rolls in order to evade payment on account of an attachment issued by a court of law. In such circumstances the pay of the judgment debtor may be drawn in satisfaction of the attachment order subject to the restrictions laid down in (2) above, and the amount remitted to the court concerned. The amount of the pay drawn should be charged in the pay bill or the acquaintance roll as the case may be, as an authority for the charge, and the court's receipt for the amount recorded in the usual manner.

(4) Recoveries will, in the case of salaried individuals, be made monthly at the time of disbursement of their salary. In the case of contractors, the amount of the order will be stopped from the payments made to them under the terms of the contract, or where such payments are not due, from the amount of the security deposits, when such deposits fall due for payment.

The recoveries in both cases will neither appear as an item of credit in the public accounts, nor be included in the compiled figures. The enfacement on the vouchers will clearly show how the net amount of the salary should be disposed of.

(5) Remittance in satisfaction of decrees by civil courts, other than those in Punjab and Delhi, will be made by postal money order; in case, however, where the amount attached is payable to a civil court in the same station in which the accounts officer disbursing the individual's pay is located, payment may be made by cheque. In the case of civil courts as Kolkata, Mumbai, Pune and Chennai also, cheques may be issued without charge.

(6) In the case of the civil courts in Punjab and Delhi, the following procedure will be observed:-

- (i) **Prohibitory orders issued by the Judges, small causes courts at Shimla, Amritsar and Delhi:** The amount recovered will be paid in cash or remitted by money order to the court;
- (ii) **Other courts:** If the Government servant whose salary has been attached is employed in and draws his salary from an office which is located at the same station as the court issuing the attachment order, the amount deducted should be credited direct into the local treasury as a civil receipt under the Head "Revenue Deposits". In cases, however, where the stations are different, the amount will be remitted by money order. In every case the remittance, either by cheque, cash or money order will be supported by a statement giving full particulars of the amount remitted.

(7) When sending to civil court money deducted from the salary of the Government servant under an attachment order, the disbursing officer should remit to the court only the amount realized under the attachment orders less the remittance charge. A disbursing officer is, therefore, not entitled to deduct from the salary any amount in excess of that stated in the attachment order for the purpose of meeting remittance charge.

(8) Attachment orders will be acted upon according to the date on which the salary is first attached (also see Para 517 (iv) of Chapter VII to this Manual). Where the attachable portion of an individual's salary is already being withheld and remitted to a court in pursuance of a previous and unsatisfied order of attachment, any order of attachment received, will be returned forthwith, to the court issuing it with a full statement of all the particulars of the existing attachment.

According to Section 73, Civil Procedure Code, the claims of all decree holders sharing in the ratable distribution of the "assets" have to be satisfied from the recoveries against a particular attachment order in the process of

recovery. The effect of this section is that although an attachment order may be for X rupees, X+Y rupees will have to be recovered against that attachment order so as to satisfy all the decree holders. An attachment order cannot, therefore, be regarded as fully liquidated until the claims of all the decree holders sharing in the rateable distribution have been satisfied. Since normally information is not available in Controller's offices of cases in which the provisions of section 73 Civil Procedure Code have been invoked, the attaching order in the process of recovery, that the attachment order in question would be fully satisfied with the recovery of the last installment due according to the amount specified on it, and the recovery of the attachment order (if any) next in order of priority can be commenced only after receipt of the confirmation.

(9) When an individual against whom an attachment order is on record is transferred to the payment of another audit officer in India, full details of the order of attachment will be communicated simultaneously with the issue of the last pay certificate and an acknowledgement obtained.

(10) If after the receipt of an attachment order an individual proceeds on leave and takes an advance of pay; such amount as is authorized will be withheld from the advance towards the order of attachment, but installments of the amount of court attachment thus recovered will be paid into the court only monthly as pay falls due.

(11) The recovery of amounts, intimated through attachment orders will be watched through the demand register. The duty of watching and ensuring that recovery in respect of attachment orders is duly made devolves on the auditors and the AAO/SOs (A) and they will be held responsible for any delay in the adjustment of demands.

The demand register should invariably be consulted before making monthly payments.

(12) Payments made in satisfaction of any judgment, decree or award of any court or arbitral tribunal are to be treated as Charged Expenditure on the Consolidated Fund of India. Such payments will be made as and when occasion arises by drawing advances out of the Contingency Fund of India and covered subsequently by a supplementary Appropriation obtained from the Parliament. It will be ensured that payments in respect of such transactions are made only after sanction for drawing advances from contingency Fund of India has been obtained.

ANNEXURE 'A' & 'C'

'BLANK'

ANNEXURE-"B"

(Referred to in para-114A)

General Provident Fund Application for Advance

1. Name and designation of the applicant (with account number and G.P.F. account number).
2. Pay.
3. Credit balance in the Fund (the latest annual statement of G.P.F. account to be attached in original).
4. Amount of advance applied for (contingent bill attached).
5. (a) Reasons.
(b) Whether they could be foreseen or not.
(c) Date fixed for the function.
6. Sanctioning authority.
7. (a) Authority.
(b) Whether special sanction necessary.
8. Number of advances drawn during the last five years with details:
 - (1) Amount of advance.
 - (2) Pay at the time of sanction of the advance.
 - (3) Credit balance at the time of sanction of the advance.
 - (4) Month in which is advance was finally recovered.
 - (5) Authority sanctioning the advance.
9. Amount available for sanction under clauses (ii), (iii) and (iv) of Para 116 of this manual.
10. Number of equal monthly installments in which the advance is recoverable and the amount of each installment.
11. C.G.D.A.'s recent orders on similar or parallel cases.
12. Remarks.

CERTIFIED THAT:

1. The advance is required for the _____. There is no other source to meet the expenditure for which the advance has been applied for.
2. I am free from debt and no other Government advance is outstanding against me.
3. I neither have nor likely to have financial embarrassment which would interfere with due repayment of the advance applied for if sanctioned.

Details of the expenditure to be incurred on the occasion:-

- 1-
- 2-
- 3-
- 4-

Signature of the Applicant

ANNEXURE "D"

(Referred to in para-115)

G.P. FUND ACCOUNTS

(From for intimating payment of advances, etc., from the Fund)

Date on which paid	Name of Subscriber	Rank, appointment etc.	Department Corps, etc.	No. of installments of recovery	PCDA/ CDA	Serial no. of subscriber	Code No.	Amount advances
1	2	3	4	5	6	7	8	9

ANNEXURE "E"

(Referred to in note 2 to para-115)

[Copy of Finance Department Letter No.F 18(3) R.II/41, dated 21st March, 1941 from the under Secretary to the Government of India to all Chief Commissioners, etc. Received with Financial Adviser, Ministry of Finance No. 2685-E dated 5th November 1941].

SUBJECT- Interpretation of Rule 15* (1) (c)(ii) of the General Provident Fund (Central Service) Rules, (*The corresponding Rule in G.P.F. (D.S.) is 14 (1) (c) (ii).

Since some doubt appears to exist as to how the expression "amount already advanced" in Rule 15(1) (C) (ii) of the General Provident Fund (Central Services) Rules should be interpreted, I am directed to say that expression should be taken as referred to the first advance that may be granted not exceeding two-thirds of the amount admissible under clause (C) (i). Thus, under clause (c) (ii), if a subscriber who had already been granted an advance not exceeding two-thirds of the amount admissible under clause (c) (i) applies for a second advance (not exceeding the limit specified in that clause) within twelve months of the final repayment of the first advance or while it is still current, the authority who sanctioned the first advance will be competent to sanction the second advance without a reference to higher authority. It is possible that the sum of the two advances may not exceed two-thirds of the amount admissible under clause (c) (i) and that the individual subscriber may apply for a third advance within twelve months of the final repayment of two previous advances or while one or both of them is still current. I am to say that in such a case, it would be necessary for the original sanctioning authority to seek the sanction of the next higher administrative authority to the grant of the third advance.

2. The expression "amount already advanced" in Rule 12(C) of the Contributory Provident Fund Rules (India) should be similarly interpreted.

ANNEXURE "F"

(Referred to in para-142)

Statement showing the particulars of the Defence Accounts Department Staff who are on deputation to other departments as on the 1st of _____ 2000.

AAOs/SOs (A)

Serial No.	Name	Serial No. in the roster	Department and office to which deputed	Date from which proceeded on deputation (date struck off)	No. and date of office order notifying the deputation	Post held in the borrowing department	Scale of pay and other extra allowances during deputation	Remarks
1	2	3	4	5	6	7	8	9

ANNEXURE "G"

(Referred to in para-142)

Statement showing the particulars of the Defence Accounts Department Staff who are on deputation to other departments as on the 1st of _____ 2000.

Sr.Auds./Auds./Clerks

Serial No.	Name	Account No.	Department and office to which deputed	Date from which proceeded on deputation (date struck off)	No. and date of office order notifying the deputation	Post held in the borrowing department	Scale of pay and other extra allowances during deputation	Remarks
1	2	3	4	5	6	7	8	9

--	--	--	--	--	--	--	--	--

Annexure “H”
(Referred to in Para 103A)
Formal Application for Pension

From

To

Subject: Application for sanction of pension.

Sir,

I beg to state that I am due to retire from service with effect from the..... my date of birth being.....I therefore request that steps may kindly be taken with a view to the pension and gratuity, admissible to me being sanctioned by the date of my retirement. I desire to draw my pension from.....Treasury.

2. I hereby declare that I have neither applied for ,nor received, any pension or gratuity in respect of any portion of the service qualifying for this pension and in respect of which pension and/or gratuity is claimed herein nor shall I submit an application hereafter without quoting a reference to this application and the orders which may be passed hereon.

3. I enclose herewith:-

(i) two specimen signature of mine, duly attested;

(ii) two copies of passport size photograph, also duly attested;

(iii)two slips each bearing my left-hand thumb and finger impressions*

4. My Present address is.....and my address after retirement will be.....

(Signature)

Designation

Dated.....

* This is required only in the case of persons who are illiterate and cannot sign their names.

Note:*Any subsequent change of address should be notified to the head of office*

ANNEXURE "I"
(Referred to in Para 103A)

List of officers employed in the office/Department _____ as on 1st January, 20 __ 1st/July, 20 __ who are due for superannuation between 1st January to 30th June / 1st July to 31st December of the next official year.

(To be sent to the concerned Audit authorities by the 31st January/ 31st July, at the latest).

Serial No.	Name of officer	Date of birth	Appointment held in officiating capacity, scale of pay, etc.	Appointment held in substantive capacity, scale of pay, etc.	Date of Superannuation	If on extension of service, the date of expiry of the present extension	The No. & date of communication with which attention of the officer has been invited	Whether the officer has made a formal application for pension if so, the date of receipt of such application
1	2	3	4	5	6	7	8	9

ANNEXURE "J"

(Referred to in para-103-A)

Check List

PART-I

PENSION/GRATUITY AND DEATH-CUM-RETIREMENT GRATUITY

1. Name of the Government servant
2. Date of birth
3. Date of first appointment to Government service
4. If service under Government is not continuous, date from which continuous service commenced
5. Date retirement
6. Debits of qualifying service:-

From _____ To _____
Period

Y M D

- (i) Temporary continuous service qualifying under CCS Pension Rules, 1972
- (ii) Temporary service qualifying
- (iii) Quasi-permanent service
- (iv) Permanent service

Total qualifying service _____

7. Type of pension applied for (e.g. superannuation, retiring, invalid or compensation pension).
8. Pension Rules by which governed.
9. Does a valid option for the above rules exist?
10. Has the officer completed the prescribed length of qualifying service etc., entitling him to retire on the type of pension applied for?
11. Emoluments drawn during the last three years service.
 - (a) (I) Did the officer draw a special pay or a personal pay in any of the appointments held by him during the last three years?
 - (ii) If so, do orders of Government exist to count them for pension under Art. 486 (I) & (j) C.S.R.
 - (b) (I) Was the officer drawing any officiating pay during the last three years counting for pension under Art. 486 (h) C.S.R.?
 - (ii) If so, has the Audit Officer been consulted about the conditions of the article referred to being satisfied.
 - (c) (I) Is the officer entitled to count a portion of his officiating emoluments for pension under Art. 487 (B) C.S.R. ?
 - (d) In respect of any period of leave taken during the above period, have the necessary declarations from the competent authority been

obtained to the effect that had the Government servant not proceeded on leave he would have continued to draw the emoluments mentioned at (a), (b) and (C) above.

- (e) Average emoluments counting for pension
(f) Emoluments counting for gratuity/death-cum-retirement gratuity
- 12.** (a) Verification of service:
(I) Does the service book contain the annual certificate of benefit of service?
(II) Has the Audit officer recorded the necessary certificates of verification of the second page of IAFA 356?
(b) Verification of any 'unverified' portions of service:
In respect of the service not verifiable from service records:-
(I) Has the service in another office/other office been attested by the head (s) of the office(s) concerned?
(II) In the absence of necessary attestation has the statement of the applicant and the collateral evidence been obtained and accepted by the competent authority
- 13.** Foreign Service.
(I) Was the officer ever in Foreign Service? If so, where and for what periods or duly recovered?
(II) Have pensioner contributions in aspect of the periods of Foreign service been duly recovered?
- 14.** Military Service:
(I) Does the officer have any periods of military / war service to his credit?
(II) If so, the details thereof and the extent to which they qualify for civilian pension
- 15.** Suspension:
Was the officer ever under suspension and do orders already exist regarding the counting of the period (s) of suspension for purposes of pension?
- 16.** Leave:
Periods of leave with allowances or without allowances, if any, which do not count for pension
- 17.** Documents to be forwarded:
Is the list of enclosures referred to in Form 26 complete?
- 18.** (I) Are any Government dues of the categories (a) to (d) below recoverable from the Government servant? If so, steps taken to recover them.
(a) Over-drawn pay and allowances
(b) Any advances (e.g. motor car advance) outstanding
(c) Arrears of house rent
(d) Miscellaneous
(ii) Have steps been taken to recover from the Government servant (a) any liveries issued to him (b) C.G.H.S. Card.
(e) Secret Box keys or (e) Library books

- 19.** Formalities to be observed for the grant of pension/gratuity other than superannuation pension/gratuity:-
- (a) Compensation pension/gratuity
 - (I) Was the permanent post held by the Government servant abolished ?
 - (II) Was any equivalent post not offered?
 - (b) Invalid pension/gratuity:
Has the certificate in the form prescribed. been obtained?
 - (c) Retiring pension/gratuity:
 - (I) Has the resignation of the officer been accepted by the competent authority/ have orders of retirement been passed by the appropriate authority after following the prescribed procedure?
 - (II) If the officers is governed by the Liberalized Pension Rules was the requisite notice of 3 months given to the officer by the appropriate authority/did the officer give the requisite notice of 3 months (vide Para 2 (2) of the Finance Ministry OM No. 3(1) Est. (Spl.) 47 dated 17-04-1950).
- 20.** Amount of pension admissible
- 21.** Amount of gratuity/death-cum-retirement Gratuity admissible.

ANNEXURE 'K'
(Referred to in Para 103-A)

Progress Statement

Item No. of the check list

Action taken

Position as on-

Item No.

Of the check list-

Action taken:

Position as on-

Position as on-

ANNEXURE "L"

(Referred to in Note to Para 111)

Form of Surety Bond

In consideration of the PRESIDENT OF INDIA (hereinafter called the 'Government' which expression shall include his successors and assigns) having agreed to settle the final accounts of Sri/Smt. _____ without production of 'No Demand Certificate' from the Director of Estates I hereby stand surety (which expressions shall include my heirs, executors and administrators for payment by the said _____ of rent and other dues in respect of residence now allotted to him by Govt. and also for any residence that may be allotted or that was allotted to the said _____ from time to time by Government and also for any residence that may be allotted or that was allotted to the said _____ from time to time by Government. I, the surety, further agree and undertake to indemnify the Government against all loss and damage until delivery of vacant possession of the above-said residence is made over to the Government.

I hereby also stand surety for any amounts that may be due by the said _____ to Government by way of over-payment of pay, allowance, leave salary, advances for conveyance, house – building or other purposes, or any other dues.

The obligation undertaken by me shall not be Discharged or in any way affected by an extension of time or any other indulgence granted by Government to the said _____. This guarantee shall remain enforce till:-

- (i) The 'NO demand certificate' is issued by the Director of Estates in favour of the said _____ and
- (ii) The Head of office in which the said _____ was last employed and in case he/ she was drawing pay and allowances on Gazetted Government servants bill forms in concerned audit officer has/have certified that nothing is now due to the Government from the said _____

The stamp duty on this instrument shall be borne by the Government
Signed and delivered by the said surety

At

This day of

In the presence of: Signature of the Surety

1- Signature

Address & occupation of witness:

2- Signature

Address & occupation of witness

Certified that Sri/Smt. _____ is a permanent Government servant

Signature of the Head of the Deptt. or the office in which the surety is employed

ANNEXURE "M"
(Referred to in Para 154)

No. 17015 (1)/78/AN-XVIII/864/US/D (W-1)
Government of India
Ministry of Defence,
New Delhi-1,
Dated the 3rd October, 1980

To

The Chief of Army Staff,
New Delhi.

Subject: Care, custody, repair and maintenance of DAD Buildings and revenue functions relating thereto, by the Military Engineer Services.

In accordance with the provisions contained in this Ministry's letter No. B/45809/Q3W (Policy)/1285/SO-II/D(W-I) dated 6th August 1974, Military Engineer Services are to Plan and execute the works of Defence Accounts Department, as Agency Services, without levy of department charges. The question whether the care, custody, repair and maintenance of the DAD buildings/roads should also be entrusted to the same Agency or not, has been under consideration of this Ministry. The President is pleased to decide that as a corollary to the construction of buildings (both office and residential) for the Defence Accounts Department, the Military Engineer Services should also undertake the work relating to care, custody, repair, maintenance of all DAD building/roads, whose expenditure is met out of Civil Estimates. M.E.S. will carry out these services as Agency Services and no departmental charges will be levied.

2. As in the case of Work Services, the expenditure on repairs/maintenance of DAD buildings/roads also is a charge against Civil Estimates. The following procedure will be followed in respect of incurring of expenditure and reimbursement thereof:-

- (i) After completion of a project by the MES on behalf of the Defence Account department or by any other agency to whom the work has been entrusted b the DAD, the buildings will be taken over by the MES on their charge for proper maintenance, as per Para 381 et seq. R.M.E.S. (1968 Edition). However, a separate register for DAD Buildings will be maintained for this purpose.
- (ii) The C.G.D.A. will place at the disposal of M.E.S at the beginning of the financial year through the respective command Cs.D.A., the total funds for the expenditure on repairs/maintenance for the buildings (including internal electrical installations) furniture and roads computed on the basis of the percentages/rates mentioned in this Ministry's letter No. 13(37)/72/D (W-I) dated 10-04-1975 which will be deemed as a ceiling limit for that financial year.

- (iii) M.E.S. will carry out the repairs/maintenance in accordance with the provision of Para 225 et seq. R.M.E.S. (1968 edition), by meeting the expenditure out of the funds placed by the DAD for this purpose which will be account for under the DAD Civil Head
- (iv) All special repairs/minor works to D.A.D. buildings/roads will, however, be carried out by the M.E.S. after necessary Admin Approval is accorded by Ministry of Defence (Finance)/ C.G.D.A.
- (v) The procedures prescribed in the matter of works expenditure enunciated in this Ministry's letter No. B/45809/Q3W (Policy)/97/US/D(W-1) dated 28-06-1979 will apply mutatis-mutandis in the case of repairs/maintenance also.

3. The proposal for entrustment of the work relating to "revenue functions in respect of D.A.D. buildings separately held on the charge of the M.E.S. has also been considered and the President is pleased to decide that the Military Engineer Services will also undertake all the functions relating to "revenue" as enjoined in Chapter VIII D.A.D. buildings, except in relation to allotment of quarters and recovery of license fees, which will be done by the officers of the Defence Accounts Department and no departmental charges will be levied for such functions. The license fee recovered by the respective offices under whose employment the occupants of the quarters remain for the time being in force, will be credited to the Revenue Account of Civil Estimate as notified by the C.G.D.A.

4. This issue with the concurrence of Ministry of Defence (Finance) vide their UO NO. 557/S/S80 of July 1980.

Yours faithfully,

Sd/-

(SITAL SINGH)

Under Secretary to the Government of India

Copy to:

The C.G.D.A., New Delhi-25 copies

The D.A.D.S., N. Delhi, Cs.D.A.-All Commands, Asst/Dy. DADS.,

QMG's Branch/QEW (Policy)-75 copies

E-in-C's Branch/E2A

DFA (W)-2 copies/AFA (C)

D(Qtg), D(Land), D(Budget)

ANNEXURE- 'N', 'O' and 'P'

‘BLANK’

ANNEXURE "Q"
(Referred to in Para 154-A)

BY SPEED POST
NO.AN/XVIII/18007/1/Vol.30
Office of the CGDA,
West Block-V
RK Puram, New Delhi-110066
Dated: 26-07-1999

To,

- (i) The PCDA (P) Allahabad
- (ii) All CsDA

Subject: Occupancy / Vacancy Position of allotment of DAD Pool Residential Accommodation on half yearly basis.

It is requested to furnish the following information, station wise, regarding allotment of quarters in DAD Residential Colonies (DAD Pool) under your organization so as to reach HQrs. Office latest by 30-07-1999. The subsequent report will be due on half yearly basis showing the position of occupancy/vacancy of all DAD residential quarters as on 31st Dec. and 30th June of each year so as to reach this HQrs. on 10th Jan and 10th July of each year positively. This may please be noted in your Report & Return chart.

S. No.	Information Required	Type of Quarters A,B,C,D, E, E1	Total	Remarks
1.	No. of quarters constructed at the station			
2.	No. of quarters allotted to DAD employees as on 31 st Dec/30 th June each year.			
3.	No. of quarters re-appropriated with purpose & authority under which quarters re-appropriated			
4.	No. of quarters lying vacant as on 31 st Dec/30 th June.			
5.	No. of eligible applicants (DAD employees) in waiting list for allotment			
6.	Priority Date for allotment of each type of quarters.			
7.	No. of quarters allotted to other Central Govt. employees vis-à-vis type			

	of quarters with name of the Deptt. and authority.			
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Sd/-
(VINAY SAHNI)
DY. CGDA (ADMIN)

Annexure 'R'

(Referred to in Para 110)

1. Data Sheet.
2. Daily PT.-II OO notifying date of retirement.
3. IAFA 356 (Pension Application).
4. Photograph /Joint Photograph duly attested.
5. Slip containing specimen signature/thumb impression of the claimant.
6. Slip containing specimen signature/thumb impression of the spouse.
7. Govt. contribution resumption certificate.
8. Details of family members of Govt. servant under family pension scheme 1964.
9. Nomination for death/retirement gratuity.
10. Statement showing non qualifying service.
11. PCDA(P) audit report regarding counting of former service if any .
12. Commutation application.
13. Certificate to the effect that no judicial/departmental proceedings have been instituted have been instated/ are pending against the individual.
14. Identification marks of the individual.
15. Identification Marks of the spouse.
16. Detailed calculation sheet.
17. Govt. sanction laying down the terms and conditions of permanent absorption in a PSU/Autonomous body in pro-rata pension cases.
18. Sanction of competent authority for grant of pension of gratuity of both at full or reduced rate in cases of retirement on disciplinary grounds.
19. No demand certificate.
20. Supporting documents for the demands if any.

Annexure 'S'

(Referred to in Para 76)

Instructions for the Post Audit of Pay bills of Officers of the Defence Accounts Department

1. The post audit of pay bills of officers of the Defence Accounts Department will be conducted by the "Auditing PCDA/CDA" in accordance with the general rules and instructions laid down in Defence Audit Code and Part I of this annexure.
2. The pay bills will be audited in full with reference to those last audited, and the events and orders noted therein (See Para. 6 below).
3. Where the rates of pay and allowances in both the last audited pay bill and the pay bill under audit are identical and within the sanctioned scale, they will be regarded as correct, so far as the pay bill under audit is concerned. However, if any changes and/or orders are noted against the name of an officer on the last audited pay bill (see Para. 6 below) the correctness of the rates of pay and allowances claimed by or for that officer will be verified with reference to these orders.
4. Alterations in the rates of pay and allowances will be traced back through the intervening pay bills to the bill in which they originated and it should be verified that the alterations have been given effect to from the correct date.
5. All paid bills for the year will be recorded by months in a single case file guard file for easy reference.
6. Brief notes of events and order affecting the emoluments of an officer will be kept in the last audited pay bill against the name of the officer concerned, as soon as these are notified in the gazette of India, etc., and it should be seen at the time of next pay bill is selected for full audit that effect has been given to these orders, etc.
7. It will be seen at the time of issue of last pay certificates that the rates of pay and allowances claimed in the "final bills" in respect of officers transferred, retiring, etc., are correct. Similarly, the terminal emoluments of temporary officers claimed through supplementary pay bills should be audited in full.
8. The clearance of objections will be watched through the objection register (I.A.F.A.-473).
9. Recovery of TA/DA/LTC advance will made promptly from the pay and allowances of the individual upon receipt of intimation from Transportation Section. Intimation of recovery should also be conveyed to the Transportation section

Annexure 'T'

(Referred to in Para 76)

Instructions for the Post Audit of pay bills non-Gazetted Establishment of the Defence Accounts Department

1. The monthly pay bills of the establishment of the Defence Account Department will be submitted to the "Auditing PCDA/CDA" by the 15th of the month following that in which the bills are paid and accounted for. Disbursing PCDA/CDAs will ensure that there is no delay whatever' in submitting the pay bills to the "Auditing PCDA/CDA's for post audit.
2. (a) The pay bills of non-gazetted establishment will be audited by the "Auditing PCDA/CDA's to the extent of 33 1/3 percent of the pay bills, i.e. one month in each quarter will be subjected to post audit. For the remaining months absentee statements will be subject to audit. It will be seen that they are correctly reflected in the relevant pay bills.

(b) To facilitate the work of the auditor, the office of the disbursing PCDA/CDA will indicate against each entry in the absentee statement in the left margin, the serial and the folio number of the corresponding entry in the pay bill.

(c) The particular month's pay bill to be subjected to audit will be selected by the section officer after all the pay bills of the quarter have been received.

(d) The audit of the pay bills will be spread over two months and objections where necessary issued against the PCDA/CDA concerned.

(e) The progress of audit will be watched through the objection register (I.A.F.A.-473).
3. The detailed procedure for audit laid down in Part I of this Annexure will be generally observed. The entries in the pay bill selected for audit will also be checked against those in the last audited pay bill. In the event of there being any discrepancy between the two, it will be traced back to the intervening pay bill where it first originated and verified with the office order, increment statement, etc.
4. All demands and recoveries of demands (whether occurring in bills subject to audit or in those not taken up for audit) will be posted in the demand register.
5. A brief statement of the result of audit will be forwarded to the C.G.D.A. by the "Auditing PCDA/CDA" in cases where the pay bills show gross carelessness in their preparation.

Annexure 'U'

(Referred to in Para 154F)

Excerpts from CGDA letter No. AN/XII/18001/IV PP Dated 01.11.2011

**DEFENCE ACCOUNTS DEPARTMENT RESIDENTS WELFARE
ASSOCIATION**

1. OBJECTIVES:

- (a) To enhance the living experience of residents of the complex
- (b) To foster a spirit of mutual help and goodwill among the inhabitants of the colony in general, and the members of the Association in particular, thereby, promoting communal harmony and national integration.
- (c) To secure the complex from any type of trespassing, to make efforts in enhancing general amenities and cleanliness, afforestation, interaction with authorities on any environmental aspects and for this purpose, represent the interest of the residents before appropriate authorities.
- (d) To undertake all such other lawful acts, deeds or things including Sports and Cultural activities as are incidental or conducive to the attainment of any or all of the above objects including the general welfare of the employees and their families.
- (e) To promote welfare and socio-economic activities.
- (f) The Managing Committee will set development targets in the areas defined under the objectives and may review on half-yearly basis to assess the achievements of targets. This will be called the Annual Development Plan of the Association.

2. MANAGING/ EXECUTIVE COMMITTEE :

- (a) President - (One post)
- (b) Vice- President – (One Post)
- (c) Secretary - (One post)
- (d) Treasurer - (One Post)
- (e) Members - (Three Posts)
 - (i) Cultural and Sports Activities
 - (ii) Upkeep of maintenance, Security & environment
 - (iii) Lady Member - Representative of women & children

3. FORMATION OF MANAGING/ EXECUTIVE COMMITTEE:

- (a) All office bearers and members of the Managing Committee will be elected simultaneously.
- (b) The office-bearers and members of the Managing Committee shall hold the office for two years. However, they shall continue until fresh elections are held. (Note: Those persons who are due to retire within this period would not be eligible to contest the election.)
- (c) No office-bearers i.e., President, Vice-President, Secretary and Treasurer shall hold any of these offices for more than two terms continuously (Block years) i.e., for a period of 4 (four) years. He/She may continue in the Managing Committee in any other capacity.
- (d) A member of the Managing Committee may, however, seek office after a lapse of one term (two years) to any of the above mentioned FOUR posts.
- (e) The committee shall meet once a month. A notice of 3 (three) days shall be necessary to call an ordinary meeting whereas no notice shall be necessary for an emergent meeting.
- (f) Every member present and voting in the Managing Committee shall have one vote, provided in the case of equal division of votes, the President shall have casting vote.
- (g) The committee shall be responsible for the day-to-day management of the affairs of the Association and shall have the power to incur expenditure within the funds available with the Association for conducting the activities of the Association. It shall not go in debts or take loans for conducting its activities.
- (h) Area Welfare Officer {GO (AN)} shall, at the appropriate time, in consultation with the Managing Committee shall appoint a RETURNING OFFICER from among the members of the Association for holding the annual elections, provided that such member shall not himself be taking part or contesting in the said elections (in case of absence of a consensus between the Managing Committee and the Area Welfare Officer about the appointment of a Returning Officer the matter will be referred to the Estate Officer (PCDA/CDA) whose decision in this regard will be final). No such person who held an executive post in the last Managing Committee will be eligible to be appointed as Returning Officer.
- (i) The Managing Committee shall have the right to accept or reject the resignation(s) of office bearers/members. Area Welfare Officer shall make appointment to fill vacancies caused either due to resignation or any other reasons.

4. MEMBERSHIP:

- (a) Every person allotted residential accommodation in the complex shall be enrolled as a member of Association and shall have to pay SUBSCRIPTION *fee*.
- (b) The minimum subscription *fee* will be Rs. 50/- per month which can be enhanced, if required, to suit the local conditions.
- (c) Proper receipts will be issued to the members in token of having received the subscription. The signatures of the members shall be obtained on the office copy/ counterfoil of the receipt book in token of having received the receipt.
- (d) The Subscription should be paid monthly and promptly. A penalty @Rs. 5/- per month may be collected from members over and above the subscription for late payment upto first six months and @Rs. 10/~per month beyond thereafter.
- (e) The list of members defaulting payment of subscription shall be intimated to the Area Welfare Officer on quarterly-basis. The membership of all members shall be reviewed by the Managing Committee within one month of the beginning of the next official year. Membership can be-revived only after payment of all arrears on account of subscription or other dues outstanding against the member.
- (f) The Managing Committee in consultation and with consensus of members may raise the funds or charge additional subscription from members for any individual games, events, activity or function of the Association.

5. SOURCE OF INCOME:

The source of income of the Association shall be:-

- (a) Subscriptions from the occupants of the residential complex
- (b) Grants received from any other source.

CHAPTER-III
ACCOUNTS SECTION

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OBJECTIVES

155. Objectives of Accounts Section are:-

- (i) To provide accounting and financial information to executive authorities for the performance of their Managerial functions.
- (ii) To provide timely and accurate figures to Govt. for preparation of financial accounts of the Defence Services.

DUTIES

155A. The work in Accounts Section may be broadly divided into the following categories:-

- (i) Preparation of compilation schedules from Punching Medium and supporting vouchers in respect of Remittance heads.
- (ii) Maintenance of Debt Head Registers.
- (iii) Settlement of transactions under the Defence Proforma Accounting procedure.
- (iv) Reconciliation of the balances as per monthly statement of closing balances of R.B.I. with the balances worked out in the books of the PCsDA/CsDA.
- (v) Watching clearance of the outstandings in respect of suspense heads under the Defence Proforma Account "Remittance into Banks/Treasuries", "Cheques and Bills, Pay Accounts Offices Electronic Advices", "Reserve Bank Suspense Classified/unclassified / Public Sector Bank Suspense etc."
- (vi) Accounting and adjustment of transactions relating to D.A.D. Receipts and Expenditure.
- (vii) Adjustment of Defence transaction arising in England and adjustable in India and payments in India on behalf of U.K. Govt. by the Defence Accounts Officers.
- (viii) Processing of transactions relating to Exchange Accounts between Controllers of Defence Accounts.
- (ix) Preparation and submission of Budget Estimates for which Defence Accounts Department is responsible.
- (x) Watching progress of expenditure against allotments in respect of Locally Controlled Heads, and rendition of monthly statements of expenditure to the local controlling authorities and checking of budget estimates received from them.
- (xi) Banking of regimental funds.
- (xii) Appropriation Reports.
- (xiii) Review of compilation.

- (xiv) Maintenance of Defence Ledger.
- (xv) Preparation of Review of Balances in respect of Defence and D.A.D.
- (xvi) Preparation of annual statement of expenditure under Head "2049- Interest on other obligations".
- (xvii) Checking of Journal Entries for updating ledger balances.
- (xviii) Maintenance of accounts in respect of Indian Ordnance Department Provident Fund.

PREPARATION OF SCHEDULES FROM PUNCHING MEDIA AND SUPPORTING VOUCHERS IN RESPECT OF REMITTANCE HEADS

156. Compilation schedules (IAFA-725) should be prepared in duplicate by the Scheduling Group from the duplicate copies of Punching Media and supporting vouchers in respect of "Remittance Heads" received from various Audit Sections and should be handed over on daily basis to the Group responsible for the issue of advice to the Reserve Bank of India, Central Accounts Section, Nagpur and maintenance of the schedules handed over to the Settlement Account Group should be reconciled by the Scheduling group with the figures appearing in the printed compilation.

MAINTENANCE OF DEBT HEAD REGISTERS

General

157. The general rules under which amounts are compiled under Debt heads are contained in Chapter 16 of Defence Account Code. Details of amounts compiled under the following Debt heads will be recorded in the registers referred to below.

I-Deposits

- (a) Field Deposits (IAFA-525)
- (b) Miscellaneous Deposits (IAFA-525)
- (c) Trust Interest Fund (IAFA-292)
- (d) Unclaimed Deposits in the Provident Fund Account (IAFA-523)
 - (i) G.P. fund.
 - (ii) D.S.O.P. Fund
 - (iii) Contributory Provident Fund.
 - (iv) A.F.P. Provident Fund.
 - (v) D.S.P. Fund.
 - (vi) I.O.F.W.P. Fund.
 - (vii) Naval Dockyard Workmen's Provident fund.
 - (viii) Other Miscellaneous Provident Fund.

II-Advances

- (a) Permanent Advances (IAFA-197)
- (b) Advances-Field Cashier's Account (IAFA-195).
- (c) Advances-Adjustable in CDA's Office (IAFA-195)
- (d) Other Advances-Repayable (IAFA-195)
- (e) Miscellaneous Advances (IAFA-195)
- (f) Advances-Pay Accounts Office (IAFA-195)
- (g) Special Advances (IAFA-195)
- (h) Imprest Holder's Advances (IAFA 195)

III-Suspense Accounts

- (a) Credit and their clearance (IAFA-525)
- (b) Debits and their clearance (IAFA-195).

IV-Loans and Advances by the Central Government.

- (a) Loans to Local Funds, Private Parties etc. (IAFA-200)-
 - (i) Regimental and other loans-Defence.
 - (ii) Miscellaneous loans and Advances to displaced Personnel (IAF (CDA) 51)
- (b) Loans to Government Servants etc.
 - (i) House Building Advances
 - (ii) Advances for the purchase of Motor conveyances.
 - (iii) Advances for the purchase of Other Motor conveyances.
 - (vi) Advance for purchase of computers.

Posting of Registers

158. The registers will be posted with reference to the particulars in compilation schedules (IAFA-725) received from the AO/AAO, M.E.S. and in the disbursement vouchers, which are returned by Disbursement Section to the audit section through Accounts Section, or in the case of transfer entries from the particulars noted in the office copy of the punching medium, or in the case of I.D. schedules (Civil or Defence) from the particulars noted thereon and from supporting vouchers, if any. The Accounts section will post the necessary entries direct into the registers concerned. The voucher numbers (both for original and adjusting items) should be quoted in the column for "particulars" of the registers. Separate pages should be allotted in the registers for each section to facilitate agreement with the compiled actuals. If, while posting the registers, a voucher is found to have been incorrectly classified by the audit section, that section should immediately be informed, so that the error may be set right by means of a transfer entry punching medium in the same month's accounts, if possible. Detailed instructions regarding the posting of these register will be bound in the printed forms themselves and in Volume II of this manual.

159. The postings in the registers will be made for each section separately and a summary will be prepared at the end of the month showing the total

figures under each Head collectively for all sections. These will be agreed with the compiled actual shown in the printed R.D and R Heads compilation and will be initialled by the AAO/SO (A) in token of his having carried out the above verification.

If, in any particular case, there is a difference between the totals of the postings in the register for any month and the total compiled actual for the same month, the details of the compiled figures for the section affected should be called for at once by Accounts Section from EDP Centre concerned, and the difference reconciled immediately. If a voucher is found to have been incorrectly compiled by EDP Centre, the audit section concerned should be asked, in consultation with EDP Centre, to rectify the error by means of a transfer entry punching medium in the following month's accounts. Errors, if any, affecting March Supplementary accounts should, however, be rectified (before the account of the year are closed) through the accounts for March (Supplementary) Corrections.

160. In opening each register, for each financial year, the balances outstanding in the previous year's register will be brought forward in detail after the previous year's accounts are finally closed and each item thus brought forward will be verified by the AAO/SO (A). The totals of the balances for the previous year must agree with the figures shown as outstanding under each head in the Review of Balances and will be initialed by the AAO/SO (A) in token of verification.

161. When a deposit is repaid, transferred or confiscated, the amount will be entered in the appropriate column against the relevant entry in the register, and the number and date of the voucher on which payment is made, the number and date of the I.D. schedule through which the deposit is transferred or the number and month of the transfer entry in respect of confiscation, will be noted in the remarks column of the register. The total of the repayments, transfers and confiscations will be agreed with the amounts shown in compiled actuals and initialled by the AAO/SO (A).

162. At the close of the accounts of the year, the total credits and debits for the year, and the balances at the end of the year under each head will be agreed with the total credits, debits and balances as recorded in the Defence Ledger [I.A.F. (C.D.A.)- 361-A].

Recovery of advances

163. The recovery of an advance will commence from the first month's pay drawn after its receipt. The duty of effecting recoveries devolves primarily upon the audit sections concerned and they will be held responsible if recoveries are not regularly effected and compiled to the proper head. Monthly recovery schedule pertaining to interest bearing advances will be received in Accounts Section from Audit Section for the posting of recovery in Debt Head Register (DHR). The Accounts Section will bring to the notice of the audit sections monthly, as soon as the registers have been completely posted, all cases in which recoveries have not been regularly effected.

Calculation of interest

164. On all interest-bearing advances, interest will be charged at the rate prevailing at the time such advances are taken, and will be calculated on the balances outstanding on the last day of the month. The amount of interest thus calculated will be recovered in one or more installments after the principal has been repaid; and the installments of interest should not be appreciably greater than the installments by which the principal was recovered. The balances outstanding on the last day of the month will be entered in red ink below the credit for the recovery made in each month.

165. When an individual against whom an advance is outstanding is transferred to the payment of another audit officer, the amount of interest due from him will be calculated by the audit section concerned and verified by Account Section before being noted on the last pay certificate of the individual. The amount of interest noted on the Last Pay Certificate will also be noted in the register against the entry concerned.

Acknowledgement of advances

166. Acknowledgement of all balances outstanding on 31st March will be obtained annually by Account Section from all individuals against whom advances are outstanding and noted in the remarks column of the registers against each entry.

Suspense account

167. Receipts and payments which cannot, in the absence of full particulars, be allocated to any head of account or when the heads to which the transactions are likely to be adjusted are not known, will be compiled to the Head "Suspense Account" vide Para 286 of Defence Account Code. In order to watch the clearance of the transactions under this head, two separate Broad Sheets, one for credits and their clearance and the other for debits and their clearance will be maintained on I.A.F.A.-525 and I.A.F.A.-195 respectively.

Mortgage bond register

168. When a charge for an advance for the purchase of a motor car, motor cycle, Computer in the compilation, the Account section will see if the mortgage bond, or other prescribed documents or declaration, in respect of the advance has been received and recorded in the mortgage bond register (I.A.F.A.-505).

In case of an advance for building a house all original documents such as mortgage deeds, title to land/property etc. are to be obtained from the Government servant, who received the advance, by the Head of the Department who sanctioned the advance and are to be kept in safe custody by him. In the case of Personnel of the Defence Accounts Department these documents will, however, be recorded in the Mortgage Bond Register (I.A.F.A.-505) and kept in safe custody by Accounts Section of the CDA's Office.

169. If the requisite bond or other prescribed documents or declaration referred to in Para 168 has not been received, it will be obtained from the individual concerned through the audit section concerned. Immediately, on

receipt of mortgage bonds etc. in Accounts Section from the Audit Section, the necessary particulars will be recorded in the several columns of the register and the bond will be kept under lock and key in the personal custody of the Officer-in-charge, provided that where the bond is only a copy and also not a classified document it may similarly be kept with the AAO/SO (A) concerned. Where the bonds, deed etc. are classified documents they will be kept with the Officer-in-Charge, irrespective of whether they are original or duplicate copies.

170. In the case of motor car or motor cycle advances, it will be seen that the conveyances are kept properly insured until the advances are fully liquidated. The information regarding the date up to which and the amount for which insured will be obtained by the audit section and communicated to Accounts Section for posting in the register. Account Section will remind the Audit Section in case the particulars of the renewal of the insurance policy are not received in time.

171. As soon as an individual has fully repaid the advance granted to him with interest due thereon, the mortgage bond or other prescribed document or declaration will be returned to him and then necessary entries made in the register under the initials of the officer-in-charge of the section.

172 and 173. BLANK.

PROCEDURE REGARDING ADJUSTMENT OF TRANSACTIONS RELATING TO DEFENCE PROFORMA ACCOUNTS

General

174. The transactions which are settled through the Defence Proforma Account are mainly of the nature specified below:-

- (i) Remittance into banks and Treasuries on Military Receivable Orders.
- (ii) Remittance to Defence Services from Banks and Treasuries i.e. cheques drawn on Banks and Treasuries.
- (iii) Transactions originating in Defence Books which are adjustable against the balances of the Railways, Posts and PAOs, Deptt. of Supply New Delhi/Kolkata/Mumbai/Chennai
- (iv) Transactions originating in the Books of Railways, Posts & Telegraphs and Deptt. of Supply New Delhi/ Kolkata/Mumbai/Chennai and due for final adjustment in the Defence Accounts.

(Amended vide CS 208/90)

175. The general rules applicable to Defence Proforma Accounts and the detailed procedure regarding adjustment of transaction relating thereof are contained in Chapter 6 and 7 of Defence Account Code.

Defence Transactions at Bank Treasuries

Coverage Revised Scheme

176. The revised procedure of reporting, accounting and reconciliation of transaction which is based on the concept of "One PAO - One Focal Point Branch" as introduced in the case of CBEC, CBDT and DMA in Civil Ministries where it has proved to be operationally successful is being extended to Ministry of Defence with effect from 01-10-93. Under the revised procedure, all the existing dealing branches of the authorized banks will continue to handle the transactions of the Ministry of Defence in the usual way. The Defence Accounting Circle and the respective DDOs will continue to be in account with the same bank branches, as hitherto fore. These dealing branches will be linked, for the purpose of reporting, the newly designated "Focal Point Branch" of the nominated bank functioning at the Centre where the Defence Accounting Circle is situated. The nominated public sector banks should therefore designate a branch as the "Focal Point branch" at the place where the concerned Defence Accounting Circle is located or nearest to such location. In selecting the branch, care will be taken to ensure that this branch is nearer to the place of office of the concerned Defence Accounting Circle so that unnecessary correspondence could be avoided and better rapport established. For efficient discharge of the functions, the "focal point" branch should be equipped with the facilities of Fax/E-mail and adequate staff. The revised procedure is outlined in the following paragraphs. A list of Defence Accounting Circles and DDOs with the focal point branches/dealing branches attached to them is furnished in Annexure 'F'. In the case of Defence transaction, in view of the special cheque drawing powers enjoyed by their cheque Drawing Officers, the dealing branches will prepare the scrolls Defence Accounting Circle-wise and render the scrolls along with the supporting documents to the concerned focal point branch of the bank located in the respective Defence Accounting Circle Centre.

Note 1: *It may be noted that Defence Pensions transactions under the scheme of payment of Defence Pensions by Public Sector Bank which are at present being accounted for by Pr.CDA (Pensions) Allahabad should be kept out of the purview of the scheme.*

Note 2: *In the case of banks which have less than ten branches handling the Ministry's work in a particular accounting circle, no focal point branch needs to be set up by that bank at the PCDA/CDA Centre. In such cases, the dealing branches of the concerned bank will act as sub-agents of SBI/Associate Banks and directly report the transactions to the focal point branch of SBI/Associate Banks at the respective PCDA/CDA Centre.*

Dealing branches

The dealing branches will continue to maintain the accounts of the Drawing & Disbursing Officers/PCsDA/CsDA and prepare daily payment and receipt scrolls (Annexure 'G' and 'H' respectively) in quadruplicate, separately for each account holder. Each day's scroll will be given a running

serial number for the accounting year from 1st April to 31st March, separate serial numbers being given to daily scrolls. These serial numbers on the scrolls will bear prefix Def (E) as the case may be for Payments and Def (R) as the case may be for the receipts relating to Ministry of Defence. The serial number of the entry in the scroll will be recorded on the corresponding cheques/challans for purpose of identification. After the books of the branch have been balanced with references to the total of the day's scrolls, two copies of the scrolls along with the relative challans/ paid cheques will be sent by them to the designated focal point branch (and not to the Defence Accounting Circle) with a forwarding memo (Annexure 'I') on a day-to-day basis. One copy of the scroll will be sent by them direct to the concerned DDO. The fourth copy of the scrolls will be retained by the branches for their record.

Note:

(i) *In case of Defence transactions, the cheques issued will bear the name of Defence Accounting Circle with the relevant code number in order to facilitate easy identification and sorting of the cheques at the dealing branches. Care will be taken by branches:-*

- (a) *to sort out the documents Defence Accounting Circle-wise.*
- (b) *to prepare Defence Accounting Circle-wise scrolls.*
- (c) *Transmit the scrolls to the focal point branch of the bank functioning at the Centre where the Defence Accounting Circle to whom the transactions pertain is located.*

(ii) *With effect from 1.10.93, the branches will not report/furnish any documents direct to the concerned Defence accounting Circle. No monthly statements will also be prepared by the dealing branches. They will also not report the transactions to their Head Office/Link Cell directly. However dealing branches will report as hitherto all the transactions for and up to 30.9.93 with RBI, CAS. Nagpur as hitherto.*

Focal point branch

The focal point branch, in addition to acting as a dealing branch as at present, will be responsible for prompt and accurate accounting of the transactions reported to it daily by all the dealing branches linked to it.

Submission of scrolls and documents to the Defence Accounting Circles

The Focal Point branch will receive from dealing branches linked to it, two copies of the scrolls along with paid cheques/challans, attached to the original scroll. It will separate the original and duplicate copies of the scrolls and subject them to careful scrutiny for accuracy. It will consolidate the transactions of the various dealing branches including its own and prepare Main Scroll in triplicate (Annexure 'J') giving the totals of all accounts separately for which scrolls have been received from each branch. Two copies of the Main Scroll along with the original copy of the scroll and the relative instruments received from various dealing branches will be forwarded to the concerned Defence Accounting Circle on day-to-day basis. The duplicate copy of the scrolls without any instruments received from the

dealing branches will be stitched and retained by the focal point branch for its record. Simultaneously the aggregate of receipts and payments arrived at in the Main Scrolls will be incorporated in a daily memo (Annexure 'K') and the same will be reported to its link cell at Nagpur on a day-to-day basis (GAD, Bombay in the case of SB). While furnishing the daily memo, in Annexure 'K' to the Link Cell/SBI, GAD Bombay the focal point branch should furnish a certificate to the effect that necessary scrolls, paid cheques/challans etc. have already been submitted to concerned Defence Accounting Circle office. The report may be sent through FAX/ e-mail if the amount is Rs. one lakh and above. A 'nil' advice should be sent where there are no transactions to report. The Main scroll submitted to the Defence Accounting Circle as well as the memo/nil advice to the Link Cell should bear a serial number in consecutive order for the year from 1st April to 31st March. The Defence Accounting Circle, on receipt of copies of Main Scroll and supporting documents, will certify and return the duplicate copy of the Main Scroll within 24 hours to the focal point branch after verification. The Focal Point branch should keep a watch on the prompt receipt of the certified copy of the Main Scroll from the Defence Accounting Circle. The Focal Point branch should ensure that:-

- (i) The mistakes/discrepancies pointed out by the Defence Accounting Circle are rectified after proper verification through error scroll, where necessary, as per the prescribed procedure.
- (ii) The copies of the Main Scroll duly verified by the Defence Accounting Circle are kept on its record.

Submission of Certificates in lieu of challans/paid cheques or duplicate copy of scrolls lost/misplaced in transit

(a) Since the challans/paid cheques are important documents evidencing payments into/ withdrawals from Govt. Account, utmost care has to be exercised by dealing/focal point branch to ensure that no challans/paid cheques are lost/misplaced while handling the documents. However, in the event of loss/misplacement of documents during transit, the focal point branch should obtain the certificate in lieu of challan/paid cheque in the form Annexure 'L' & 'M' respectively from dealing branch and attach with scroll. The certificates should be serially numbered and the number indicated against the entry in relevant scroll. The scroll of the dealing branch should not be included in the Main scroll unless it is supported by such certificates.

(b) Similarly in the event of loss/or misplacement of scroll along with documents during the transit, the focal point branch should obtain duplicate copy of the scroll along with certificates in lieu of challans/paid cheques and include them in the Main scroll.

(c) If the lost/misplaced challans/paid cheques/scrolls are recovered subsequently, they should be sent to the Accounting Authority through a covering letter citing reference to the corresponding certificates/scrolls. The

scroll/documents should be marked "for record and not for accounting" so as to avoid double accounting.

Methodology to be followed for adjustments of wrong debits/credits

The mistakes/discrepancies in scroll, resulting on account of erroneous entry of debit/credit, will be rectified by withdrawal of erroneous credit or debit by minus credit or minus debit, as the case may be, and not by passing contra debit/credit adjustments by the banks. The methodology for adjustments to be carried out through error scroll is illustrated hereunder:-

- (i) The focal point branch will incorporate the Receipts and Payments figures of the dealing branches, as they appear on the branch scroll viz. either minus or plus in the Main scroll and the aggregate receipts and Payments figures, either minus or plus, arrived at in the Main scroll should be reported to RBI, CAS for settlement.
- (ii) For the purpose of inter-branch settlement the minus "Receipt" may be treated as "Payment" and the minus "Payment" as "Receipt" and the branch account may be debited and credited respectively.
- (iii) When the overall Receipt and Payment transactions arrived at in the Main scroll reveal a minus figure, it/they should be reported as such. However, for the purpose of inter-branch adjustments/settlements, the minus Receipts and minus Payment may be taken as Payments and Receipts respectively. An illustration of the minus adjustment is furnished below:-

Illustration: A branch of a bank had effected Receipt transactions of Rs. 1,54,000 and Payment transactions of Rs. 2,60,000 on 5th March in respect of PAO 'B'. These transactions had been wrongly reported as 5,14,000 (R) and 6,20,000 (P). Corrections were carried out by the bank on 9th March. The receipt and Payment transactions of PAO 'B' at that branch on that date were Rs. 48,00,000 (R) and Rs. 78,00,000 (P).

Adjustment entries would appear in the scroll as under:-

Particulars in the Error Scroll

	R	P
Correct transaction of 5 th March	1,54,000	2,60,000
Withdrawal of wrong figures reported earlier	(-) 5,14,000	(-) 6,20,000
These minus figures will be adjusted in the days' scrolls (Receipts or Payments as the case may be) on 9 th March as flows:-		
	R	P
Total transactions of the day (as shown in the respective scrolls)	48,00,000	78,00,000
Adjustments of errors as shown in error scrolls	(-) 3,60,000	(-) 3,60,000
	(+)	(+)
	44,40,000	74,40,000

Submission of Date-wise Monthly Statement (DMS)

The Focal point branch will also prepare in quintuplicate, the Date wise Monthly Statement (DMS) Annexure 'N' and submit four copies thereof to the concerned Defence Accounting Circle for verification latest by 3rd of the following month, retaining the fifth copy as office copy. Two copies of the monthly statement will be returned by the Defence Accounting Circle duly verified to the 'Focal Point' branch within 3 days of receipt thereof. Out of the two certified copies so received by the branch, one copy will be retained by the focal point branch and the other will be forwarded to its Link Cell at Nagpur so as to reach the latter by 10th of the following month. In case of State Bank of India, however, the Focal Point branch will send one copy of the certified DMS to SBI, Govt. Accounts Department, Worli Mumbai by 10th of every succeeding month.

The 'focal point branch will be responsible for reconciliation of accounts with the respective Defence Accounting Circle and settle any discrepancy pointed out by it. The adjustments on account of discrepancies/errors pointed out by the Defence Accounting Circle will be incorporated in a separate error scroll and reported to the concerned Defence Accounting Circle/Link Cell (or SBI, GAD, Mumbai as the case may be) for accounting.

Out of the two copies, original copy of DMS will be retained by the Defence Accounting Circle for its record and the duplicate copy duly verified sent to the Principal Accounts Officer so as to reach his office latest by 8th of the following month.

As regards code number for "Focal Point" branches, no separate code number is being allotted. The "Focal Point" branches may use their respective Inter-Branch Reconciliation (IBR) code numbers.

Link Cell accredited bank at Nagpur (other than SBI)

The Link Cell of the bank at Nagpur on receipt of the daily advices/ FAX/ e-mail from the various "Focal Point" branches will decode them and send them as per daily Memo (Annexure 'O') to RBI Central Accounts Section, Nagpur who will settle the accounts and simultaneously generate daily statements. Two copies of the relative daily statements will be sent by CAS, Nagpur to Link Cell of the bank which will retain one copy and return the other to CAS duly verified. Link cell will maintain Defence Accounting Circle-wise records of transactions/adjustments made. Link Cell will verify the data in the statement, as furnished by CAS, with reference to branch memos/advices. Discrepancies, if any, will be pointed out to CAS, Nagpur for rectification in the subsequent statement. CAS, Nagpur will also generate on behalf of link cells of the banks monthly statements, showing transactions Defence Accounting Circle-wise and date-wise (Annexure 'P' and (2) Defence Accounting circle-wise and Bank-wise(Annexure 'Q'). Three copies of the Defence Accounting Circle-wise statement will be forwarded, to the Link Cell by CAS, out of which one copy each of the statement will be furnished to the Defence Accounting Circle and CGDA by the link cell by 5th of the following month retaining the remaining copy for its record. As regards Defence Accounting circle-wise and bank-wise statement, one copy of the statement will also be furnished to the link cell by CAS. Link cell will

also prepare separate statements (Annexure 'R') for the adjustment of errors/discrepancies reported by the 'focal point' branches and furnish them to CAS, Nagpur for adjustment in the Defence Accounting Circle's Accounts. CAS will process them Defence Accounting Circle-wise on the computer and furnish two copies to Link Cell. One copy will be retained by it and the other will be returned to CAS, Nagpur duly verified.

SBI, GAD, Mumbai

On receipt of daily memoranda/ Fax/email in respect of transactions from various focal point branches, the SBI, GAD, Mumbai will consolidate the position and report the consolidated figures (Receipts and Payments separately) to RBI, CAS, Nagpur for eventual settlement. While reporting the consolidated figures to RBI, CAS, Nagpur SBI, GAD will also furnish a certificate to the effect that the relative scrolls, documents etc. have been submitted by its focal point branches to the concerned Defence Accounting Circles.

SBI, GAD, Mumbai will also prepare 4 copies of monthly settlement statement as per Annexure 'S' and forward 3 copies thereof to the RBI, CAS, Nagpur for verification before 5th of the succeeding month. RBI, CAS after verification of the monthly totals of receipts and payments settled with it will forward one copy to CGDA, one copy to SBI, GAD and retain one copy of their record.

SBI, GAD Mumbai will also prepare 5 copies of monthly settlement statement Defence Accounting Circle-wise furnishing dates of transactions (Annexure 'T') and forward one copy each to the CGDA, RBI, CAS, Nagpur concerned Defence Accounting Circle and focal point branch and retain the fifth copy for their record.

SBI, GAD, Mumbai will also prepare monthly settlement statement in duplicate as per Annexure 'U' and forward one copy thereof to the CGDA.

Self-Monitoring

Link cell at Nagpur/SBI, GAD, Mumbai will also receive a copy of the certified DMS for its 'Focal Point' branch latest by the 10th of the following month. On receipt thereof, the Link cell/SBI, GAD should compare entries of receipts and payments in respect of each Defence Accounting Circle, with reference to the amounts put through as shown in Annexure 'P'/'T'. In case it finds that the amount as shown in the DMS and as appearing in Annexure 'P'/'T' differs, it should adjust the differences in the date of each transaction. This will ensure settlement of accounts on self-reconciliation basis. In doing so, it should keep a note of the corrections in the DMS so that, if later, the same discrepancy is pointed out the "Focal Point" branch at the instance of the Defence Accounting circle, double adjustment is avoided.

March Residual Transactions

The transactions relating to the Defence Accounting Circle reported by the focal point branch to the Reserve Bank of India, Central Accounts Section, Nagpur through the Link Cell/SBI, GAD during the month of April

may include transactions effected by the dealing branches in the month of March (or in exceptional cases, earlier).

The transactions pertaining to a financial year are required to be adjusted, to the extent possible, in the accounts of that year itself; as such, the transactions effected during the month of March should be expeditiously advised by the dealing branches to the 'Focal Point' Branch to enable the latter to report the same to CAS, RBI, Nagpur through the Link Cell/SBI, GAD, Mumbai. In particular, the transactions taking place from the 15th of March till the end of the month should be reported by the 'Focal Point' branch to the link cell by FAX/ e-mail. As regards residual March transactions which could not be reported to Reserve Bank of India during the concerned financial year, the Focal Point branch should segregate from 1st April all transactions pertaining to the previous financial year and prepare separate Main Scrolls for (a) the residual transactions effected at the branches in March or earlier (i.e. those effected from 1st April onwards). The main Scroll for March transactions prepared from 1st April to 15th April/or the date as notified by the RBI, DGBA,CO should be distinctly marked as March Residual-1, March Residual-2, and so on up to March Residual-15. The 'Focal Point' branch should report these transactions to the Link Cell/SBI, Bombay Mumbai in separate Daily Memo i.e. one for March and the other for April transactions. This procedure of reporting should continue up to and inclusive of 15th April; all transactions thereafter advised by the dealing branches will be reported in the usual manner and adjusted in the accounts of month of report at CAS, Nagpur. The same procedure should also be followed by the Link Cell/SBI GAD, Mumbai in reporting the transactions to CAS, RBI, Nagpur. The 'Focal Point' branches should also furnish two separate monthly statements, one pertaining to "March Accounts" clearly marked as such, covering transaction relating to the period up to 31st March but reported during 1st to 15th April and the other covering the April transactions (which may include transactions of the previous months reported after 15th April) as usual. The monthly statement pertaining to the "March Accounts" should be sent to the concerned Defence Accounts Circle latest by the 30th April. The statement relating to the month of April should be sent latest by the 3rd of the following month in the normal course. (Also refer to Para 108 of Defence Account Code)

(Authority: RBI, DGBA.GAD. No. H-5495/42.01.029/2013-14 dated 27/3/2014)

Reserve Bank of India Offices

RBI Offices presently conducting the transactions of the Ministry of Defence will continue to handle the same in the usual way. The RBI Offices will follow the procedure applicable to the dealing branches and focal point branches as the offices will function both as 'dealing' branch and 'focal point' branch in respect of those Defence Accounting Circles for which they are acting as bankers. Each office of the Bank will act independently and render, accounts to the concerned Defence Accounting Circle. The transactions effected by them in respect of these Defence Accounting Circles will be accounted for them in their books and the balances in the accounts

reported to CAS, Nagpur through 'Daily' position FAX/ e-mail. The offices will render daily scrolls etc. to the Defence Accounting Circle, submit Date wise Monthly statements to the Defence Accounting Circle for verification/certification and also attend to reconciliation work thereof.

Central Accounts Section, RBI, Nagpur

On receipt of FAX/ e-mail from the Link Cell of Banks (other than SBI), necessary adjustments will be carried out both in Government and bank accounts. Daily statement of transactions put through them will be generated. Two copies thereof will be furnished to Link cell out of which one copy will be returned by the Link Cell duly verified. CAS will also generate monthly statements (1) Defence Accounting Circle-wise and date-wise (Annexure 'P') and (2) Defence Accounting Circle wise & bank wise (Annexure 'Q'). The Defence Accounting Circle-wise and date-wise monthly statement will be generated in quadruplicate. Three copies will be sent by CAS to the Link Cell out of which one copy each will be sent by the latter to the CGDA, the Defence Accounting Circle and the remaining copy will be retained by the Link Cell for its record. The Defence Accounting Circle-wise and bank wise statement in form Annexure 'Q', will be prepared in triplicate and the original copy will be sent by the first week of the following month to the Defence Accounting Circle. The duplicate copy of the monthly statement in form Annexure 'Q' will be sent to Link Cell. Since the procedure for receipt and processing of data relating to these transactions will be similar to the procedure followed by it for processing of data relating to other Govt. transactions, it will follow the same procedure for ascertaining accuracy of figures, receipt of advices from 'focal point branches' etc. in respect of Defence transactions also. RBI, CAS, Nagpur will send a closing Balance Statement to each Defence Accounting Circle by 20th of the following month.

However in respect of Pr. CDA (P) Allahabad the figures of pension payments will also be included as a distinct item.

The consolidated closing balance Statement giving the transactions Defence Accounting Circle-wise will be furnished to the CGDA by the end of the following month.

SBI will furnish to CAS Nagpur daily the Defence Accounting Circle-wise transaction statement by the 5th of the following month. SBI will furnish to CAS, Nagpur Defence Accounting Circle-wise monthly statement of transactions to enable CAS, Nagpur to submit consolidated monthly statement of accounts to CGDA.

Allotment of code numbers

CAS, Nagpur will allot code number of Defence Accounting Circles to the concerned banks.

Defence Accounting Circles

On receipt of two copies of Main Scroll together with the daily scrolls and relevant documents pertaining to various branches from the focal point branches, the Defence Accounting Circle will verify the scrolls and the documents enclosed therewith and return within 24 hours the duplicate

copy of the Main Scroll, duly certified to the Focal Point branch. It will also verify the DMS received from the Focal point branch and return within three days, two copies of the statement, duly certified, to the Focal Point branch. It will retain one copy for its record and forward one certified copy to the Principal Accounts Officer so as to reach him latest by 8th of the following month. The Defence Accounting Circle should ensure that all errors and discrepancies noticed in scrolls and DMS are pointed out to the focal point branch and got rectified by personal contact before certification. Under no circumstances there should be any unilateral correction or deletion of the figures in the scrolls and DMS. The scrolls along with original documents pertaining to other Ministries/Departments wrongly received by it will be returned to the concerned focal point branch for re-transmission to relevant Ministry/Department. The Defence Accounting Circle will also receive from the Link Cell/SBI, GAD, Mumbai, Defence Accounting Circle wise statement put through transactions and statement of adjustments put through by CAS, Nagpur for its verification and record. On receipt of these statements, the transactions should be compared with those appearing in the DMS for the month and a detailed reconciliation statement drawn up. The errors/discrepancies should be promptly brought to the notice of the focal point branch by 18th of the following month. A watch should be kept to ensure that the errors etc. are set right within the same month.

Note: *Efforts should be made to verify the scrolls promptly without any error. If any discrepancy is detected, the same should be got settled by personal contact. If the scrolls are verified correctly, the DMS would become only a copy of verified figures and would not pose any problems subsequently.*

Rectification of misclassifications noticed by DAC

In the revised scheme of reporting and accounting the chances of transactions relating to other Circles/Department being included in the scrolls are rare. However, if any transactions pertaining to other DAC and/or other Departments such as Civil, Railways, Posts and Telecom are noticed, the DAC will ask the Focal Point branch to withdraw the same and pass them on to the concerned focal point branch (for reporting to the correct Accounting Circle/Deptt.) through the dealing branch, if necessary. The amount of such transactions, if already advised to link Cell/SBI, GAD, Mumbai shall also be got rectified by the Focal Point branch.

The Defence Accounting Circle will advise the concerned focal point branch to take up with the dealing branch(es) concerned not to commit such mistakes. In case of repetition of the above mistake by the dealing branch (s), the matter may be reported to the Head Office of the concerned public sector bank or the GAD, SBI, Worli, Mumbai, as the case may be, for taking remedial action.

Reconciliation

The reconciliation work will be done in two parts: -

First part will be reconciliation between the accounts rendered by the dealing branches to Focal point branches. This will be the responsibility of the concerned focal Point branch.

Second Part will be reconciliation from the level of Focal Point branch onwards right up to the stage of transactions put through. This will be the responsibility of Defence Accounting Circle and the Focal Point branch concerned.

Principal Accounts Officer- CGDA

The clearance of amounts from Reserve Bank Suspense unclassified Head will be watched and monitored by the Principal Accounts Officer viz; CGDA.

e-Focal Point Branch (FPB): SBI Cash Management Product

177. (i) SBI has customized its Cash Management Product (CMP) for the Defence Accounts Department for making e-payments through a secured payment gateway. Towards this SBI has developed a portal which will function as payment gateway for Defence payments with payment advice authenticated by digital signature.

(ii) CMP Centre will act as link as well as e-Focal Point Branch (FPB) for e-payment to the beneficiaries through NECS/NEFT/RTGS etc. Payment files, in a prescribed format, will be routed by Account Officers (AO) to CMP portal for effecting e-payments. The CMP Centre would be the one point contact for Defence payments

(iii) The system involves hosting of a secured web-portal which will work as a payment gateway. There will be a uniform and approved process across the country with a stricter Turnaround Time (TAT). Payment files will be processed on the same day.

(iv) Settlement of Fund with RBI CAS Nagpur based on mandate without any physical instrument. Reimbursement of Funds is claimed from RBI only for and after the payment is effected.

(v) Daily updating of paid or unpaid data by CMP to all the Accounts Offices on the portal for online reconciliation of payments done on daily basis supported by payment scrolls.

(vi) Accurate reporting mechanism of transactions and accounts. Scrolls uploaded on the portal contain full history of the transaction including payment reference number, date of payment and date of settlement with RBI.

(vii) Centralized monitoring of Turnaround Time and effective control of Defence Accounts.

(viii) As processing of files, payment to beneficiaries, capturing of payment reference number, settlement of fund with RBI and uploading of scrolls is an automated process, scaling up of the operations will not affect the process flow and the Turnaround Time.

(ix) Storage of all payment data in electronic form. The same can be retrieved at no time for compiling an MIS.

(x) The accounts section will maintain the Register separately for the rejected (items) of the Minus debit Scroll. The adjustments of the rejected items lying in the suspense head will be done by concerned audit section to which the rejected (items) pertains. Accounts Section will link and clear these items from suspense head. At the end of the every month a monthly Punching Medium for the debits scrolls (For payment) and minus debit scroll (For rejected items amount) will be prepared by the Account Section.

(xi) Reconciliation of transactions through SBI, CMP will be done in the manner of Focal Point Branch transactions.

Defence Transactions through e-Ticketing

178. E-ticketing system in lieu of Railway Warrant to Service Personnel has been developed by the CGDA via web services integration offered by IRCTC. Railway tickets can be booked by any unit over the internet through a centralized portal of the CGDA. The system facilitates entitlement check, authorisation, payment, accounting and budgeting of defence travel. All journeys being performed by the Armed Forces personnel on railway warrants have been included in the system. The phase-I of the system, launched on 30-12-2009 covers only rail travel of selected units under the Army, Navy and the Air Force. The subsequent phases of the project envisage coverage to all the units and also booking of air tickets. Till the system is 100% operationalised, the existing system of accounting of warrants/concession vouchers through inter-departmental adjustment, as mentioned in Para 112 of Defence Account Code will continue to be followed.

In e-ticketing a predefined amount is deposited by the PCDA (Travel) {Presently PCDA (R&D)} in the Revolving Account at the central level with IRCTC by issue of Defence Cheques/e-payments through SBI, CMP etc. Confirmation of Defence Cheques/CMP mandates are received through Scrolls and adjusted in the Defence Proforma Account. Tickets booked by any unit are debited against this revolving account. The money is recouped in the Revolving account periodically. The relevant Service Heads are directly booked online.

Note: *Railway Warrants and Concessions vouchers are also directly booked by the PCDA (Travel) on e-ticketing portal on cash basis and adjusted in the Defence Proforma Account. (Refer to Para 97 & 112 of Defence Account Code)*

The detailed procedure related to adjustment of e ticketing transactions on cash basis is laid down in Para 125 & Annexure "P" to Chapter VII of Defence Account Code.

Defence Transactions at Non-Bank Treasuries

179. (a) Defence transactions at Non-bank Treasuries and payments made at Bank treasuries through the intervention of the Treasury Officer (e.g. payment of pensions to Defence pensioners), the paid vouchers and M.R.Os. etc. along with the Schedules of payments (in duplicate) and receipts (in duplicate) will be sent by the Treasuries direct to the PCDA/CDA concerned

bimonthly on the 11th and the last of the following month, copies of such schedules being also sent to the respective Civil Accountants General. The schedules of payments and receipts will bear separate consecutive series for each PCDA/CDA. These schedules will be received in the Accounts Sections and entered in a manuscript register maintained for this purpose for each Treasury. The total of this Register will be agreed with the total depicted in the inward monthly settlement accounts of the Accountant General concerned.

(b) PCDA/CDA will send one of the copies of the aforesaid schedules (without the vouchers, etc.) duly countersigned, to the Civil Accountant General to enable him to verify subsequently the correctness of the original schedules sent to him direct by the Treasury.

Remittances into Banks and Treasuries on Military Receivable Orders

180. The duplicate copies of M.R.Os will be received in the Accounts Section along with Credit Scrolls/Schedule of Receipts from Banks/Treasuries and scrutinized to see that they pertain to the particular office. Wanting M.R.Os will be called for from Banks/Treasuries concerned. Details of each M.R.O. will be recorded in the Register of M.R.Os maintained for the purpose state-wise/Accountants General-wise as per specimen given in Annexure 'A' to Chapter 7 of Defence Account Code. Separate folios will be allotted for each Bank/Treasury. Totals in the Register will be agreed with the total in the respective Credit Scroll/Schedule of Receipts.

181. Duplicate copies of MROs received from Banks/Treasuries will be adjusted in Accounts Section by debiting the Head "Reserve Bank Deposits-Defence" and crediting the Suspense Head "Remittance into banks and Treasuries". The month of adjustment will be recorded in the appropriate column of the Register referred to above. Total of the duplicate MROs, adjusted will be reconciled at the end of the month with the credits appearing under the Head "Remittances into Banks/Treasuries" in the R.D.R. Heads printed compilation.

182. Original copies of MROs (sent by the depositors) will be received in the Audit Sections and adjusted by them debiting the suspense head "Remittance into banks/Treasuries" and crediting the Service Heads etc. The original copies of MROs will, after adjustment be passed on to Accounts Sections along with a statement of MROs adjusted separately in respect of each Bank/Treasury. The fact of adjustment of original copies of MROs will thereafter be recorded in the appropriate columns 9 and 10 of the Register of MROs referred to above and their totals agreed with printed compilation. If entries exist in columns 6 to 10 of the Register against each MRO, the

items will be treated as "Linked and Paired" and endorsed as such in the Remarks Column. In cases, where MIN noted in column 2 of the register matches with the MIN in column 11 of the register, the item will be treated as "linked and paired" in terms of Para 116(f) of Defence Account Code. Summary of the Register prepared at the end of each month will show the amount credited to the Suspense Head "Remittance into Banks/Treasuries" (as recorded in column 10 of the Register) as also the balance remaining outstanding under the above Suspense Head.

Note 1: *SO (A)/AAO will exercise test check over the posting of the duplicate MROs in the MRO Register and linking of duplicate MROs with the corresponding entries in that Registers done by task holders to the extent of 5 percent to ensure correctness thereof.*

Note 2: *He will also exercise an intelligent scrutiny over the debit and credit summary prepared at the end of each month for the purpose of reconciliation.*

Note 3: *The Military Identification Number (MIN) should be prominently indicated on each page of revised form of Military Receivable Order (MRO) by the banks by way of a rubber stamp or otherwise. The Military Identification Number (MIN) will consist of 17 digits i.e. 7 digits BSR Code to Bank Branch, 6 digits for date field (DD/MM/YY) and a 4 digit serial number on Defence receipts of the day. The banks after indicating the number on all copies of MROs will send the duplicate copy of the MRO along with Credit Scroll to the concerned PCDA/CDA through Focal Point Branch. MIN will be invariably mentioned in the credit Scroll also.*

183. In cases where original copies of MROs have been received and adjusted but for which corresponding duplicate M.R.Os have not been received, the matter regarding the non-receipt of the duplicate copies will be taken up with the Banks/Non-Bank Treasury by Accounts Section and pursued to finality. In the event of any Bank/Non-Bank Treasury denying the deposit of the amount, the case will be referred to Audit Section concerned who will be responsible for further investigation and its final clearance, in communication with the parties concerned. Similarly, a list of items remaining unlinked at the end of each quarter will be extracted to the Audit sections concerned duly supported by duplicate M.R.Os for further action. With reference thereto, the Audit Section will intimate the Accounts section the month's account in which the original M.R.Os received by that section is adjusted. In case the original M.R.Os are stated to have been lost, necessary adjustment will be carried out by the audit section with reference to the duplicate copies thereof received by Account section from the Bank/Treasuries.

Remittances to Defence Services from Banks and Treasuries i.e. Cheques drawn on Banks and Treasuries

184. When a cheque is drawn, a Punching Medium will be prepared by the Audit Section by crediting the Suspense Head "Cheques and Bills/ Pay & Accounts Offices Electronic Advices" and debiting the relevant Service Head etc.

The Daily Payment Sheets and Schedule III will be sent to Accounts Section by the "D" Section and sub-offices authorized, to issue cheques, on daily bases. Schedule III in respect of cheques drawn against Cash Assignment will be forwarded by the AO/ AAO (GE)/Administrative Offices concerned once a week to Accounts Section of the PCDA/CDA's Office.

185. The D.P. Sheets will be checked to see that the totals agree with the corresponding totals of Schedule III and difference, if any, noticed will be rectified in consultation with the Audit Sections concerned. To facilitate linking of paid cheques with Schedule III, a distinguishing mark of the section issuing the cheque will be made on the cheque by the "Disbursement Section" at the time of issue. Schedule III will be recorded Section-wise/Office-wise and date-wise and will form the basis for linking with the paid cheques.

186. Paid cheques/ e-mandates along with debit scrolls/Schedules/ e-scrolls of Payments will be received in Accounts Section daily/bimonthly from the Banks/Treasuries. These will be scrutinized to see that they pertain to the particular office. Wanting paid cheques will be called for from the parties concerned. With the help of distinguishing mark mentioned in Para 185, the paid cheques will be sorted out section-wise, Office-wise and date-wise and paired with the corresponding entry in Schedule III. While pairing, not only the entries relating to cheque number and amount should be compared, but also the other entries viz. name of payee, station etc. should be verified. Suitable note of the linking having been done, will be made with the enforcements "Linked and Paired" on both the Schedule III against the relevant entry and the paid cheques under the dated initials of the cheque linking task holder.

Note: AAO/SO (A) will test check the linking done by the task holders to the extent of 1 percent in respect of cheques below Rs. 20,000/-, 5 percent in respect of cheques of the value of Rs. 20,000 and below Rs. one lakh, and 10 percent in respect of cheques of Rs. 1 lakh and above. The Officer-in-Charge will carry out test check to the extent of 2 percent of the cheques of the value of Rs. 1 lakh and above. While carrying out the test check the AAO/SO (A) and the Officer-in-charge will check the entries from Schedule III to paid cheques and not vice-versa.

187. Accounts Section will prepare Punching Medium State-wise/A.G. wise at the end of the month debiting the Suspense Head "Cheques and Bills/Pay and Accounts Offices Electronic Advices" by contra credit to the Head "Reserve Bank deposits-Defence". On receipt of printed R.D.R. compilation from EDP Centre, the total amount credited/debited to the Suspense Head "Cheques and Bills /Pay and Accounts Offices Electronic Advices" will be reconciled with those appearing in the schedule III/the sum total of the paid cheques received and cancelled during the month respectively. Thus, the total amount of the unlinked cheques will be reconciled with the outstanding under the Head 'Cheques and Bills /Pay and Accounts Offices Electronic Advices" as per printed compilation.

Note: *The amount outstanding under the Head "Cheques and Bills/' Pay and Accounts Offices Electronic Advices" will be reviewed and reconciled every month at the time of effecting the above agreement with the compiled actuals.*

188. Cheques lapse at the end of the third month from the date of issue i.e. cheques shall be payable at any time within a period of three months from the date of issue. Particulars of cheques (sent to banks) remaining unlinked in Schedule III for more than 90 days, will be extracted and referred to the Banks concerned (with copy to Audit Section) enquiring from them the disposal of the paid cheques along with debit scroll. If the result of the reference reveals that further action is devolved on the part of the Audit Section concerned (viz. non-receipt of cheques by the bank etc.) or the cheques have been issued to particular individual or parties for encashment etc. and a reference has to be made to the beneficiary of the cheque, such cases may be extracted to Audit Sections concerned. With reference to the lists of unlinked cheques received from the Accounts Section, the Audit Section should request the payee either to return the time expired cheque or explain the cause for its non-return. (Refer Para 117 of Defence Account Code)

Note 1: *When a cheque is cancelled and a fresh cheque is issued in lieu, the amounts will be adjusted by credit to the Head "Cheques and Bills /Pay and Accounts Offices Electronic Advices"" for the cheque drawn and debit (minus credit) to the Head "Cheques and bills /Pay and Accounts Offices Electronic Advices"" which was credited at the time the cancelled cheque was drawn. When a cheque is cancelled and no fresh cheque is issued in lieu, the amount will be adjusted by debiting (minus credit) the Head "Cheques and Bills/ Pay and Accounts Offices Electronic Advices" the relevant head affected being credited in the usual manner in the account of the month in which the cheque is cancelled.*

Note 2: *The Cheque shall be payable at any time within a period of three months from the date of issue, thus a cheque bearing the 20th January is payable any time up to the 19th April.*

Note 3: *The Account Section will maintain the Register separately for the rejected (items) of the Minus debit Scroll. The adjustments of the rejected items lying in the suspense head will be done by concerned audit section to which the rejected (items) pertains. Account Section will link and clear these items from suspense head. At the end of the every month a monthly Punching Medium for the debits scrolls (For payment) and minus debit scroll (For rejected items amount) will be prepared by the Account Section.*

Issue of Non-Payment Certificate

189. On receipt of a request for issue of a fresh cheque in lieu of a cheque (payable at Banks) alleged to have been lost, the drawing officer should send an intimation by Registered Post, Acknowledgment due, to the Treasury Bank drawn regarding the alleged loss of cheque and advise it to stop payment, if the cheque alleged to have been lost is presented thereafter. A written confirmation about the bank having recorded the "Stop Order"

should also be obtained from them. However, in cases where the currency of the cheque alleged to have been lost has already expired, at the time when the request for recording the "Stop Order" by the Bank is made, no acknowledgement of the "Stop Order" by the Bank other than a postal acknowledgement due is necessary.

Note: *The certificate on non-payment prescribed in sub Rule (1) of Rule 165 Central Treasury Rules, Volume-I should be obtained from the Treasury Officer. For other disbursing officers like Pay and Account Officer set-up under the scheme of separation of Accounts from Audit who would give the certificate after a search through the list of cheques paid as provided for in sub-Rule (2) thereof.*

190. The party requesting for a fresh cheque in lieu of lost one should execute an Indemnity Bond in the prescribed form. However, in the case of Government Department or Bank, the execution of an Indemnity Bond is not necessary. But a fresh cheque should be issued in its favour only on receipt of a certificate stating that it has not received the cheque alleged to have been lost or having received it, it has been lost and that it will be returned to the drawer, if found later.

191. Audit Section and the Assignment Holder etc., on receipt of the acknowledgement from the bank for the stop order, will intimate the Accounts Section the date on which the Bank has acknowledged the "Stop Order". On receipt of intimation of the loss of cheque together with the date of acknowledgement of "Stop Order" by the Bank, an entry thereof will be made by the Accounts section in a register of No Payment Certificate maintained for the purpose, under the dated initials of the AAO/SO (A).

192. Accounts Section will verify from Schedule III whether the entries relating to the cheque in question remain unlinked for want of paid cheque. If the cheque is found linked therein, the relevant paid cheque will be verified and the Audit Section informed accordingly for further action and investigation. In case the cheque is found unlinked in Schedule III the scroll Register, the relevant scrolls and other records for the period from the date of issue of cheque to the date of noting the "Stop Order" by the bank (in the case of current cheques) and for three months (in the case of lapsed cheques) will be verified with a view to ensuring that the paid cheque has not been received. AAO/SO (A) will carry out cent per cent check of the relevant records to ensure that the paid cheque has not in fact, been received. In case any scroll is wanting as could be verified from the continuity of serial number of the scrolls, the same will be called for from the Bank and verified before issue of Non-Payment Certificate. After it is ensured that the cheque reported as lost has not been received from the Bank duly paid, the No Payment Certificate will be issued under the signature of the Officer-in-charge and a note to this effect kept in Schedule III and No-Payment Certificate Register.

193. Relaxation as follows in the procedure referred to above, is however allowed in those cases where the cheques alleged to have been lost, related to an Officer's monthly salary:

- (a) On receipt of the request for issue of a fresh cheque, the PCDA/CDA will inform the Bank concerned by FAX/e-mail about the loss of cheque. The telegraphic advice will be followed by intimation by Registered Post Acknowledgement due.
- (b) If the PCDA/CDA is of the view that the completion of normal formalities will cause hardship, he may, at his discretion, allow the issue of a fresh cheque, after verifying from the list of paid cheques received that the cheque alleged to have been lost, has not already been paid.
- (c) The individual concerned will be informed that the payment of the fresh cheque will be treated as provisional and that it will be treated as final only on receipt of confirmatory advice from the bank regarding registration of "Stop Order" and further verification from the bank scrolls that cheque alleged to have been lost, has not been paid. The individual will also be informed that payment of his salary for the month following that, to which the cheque pertains, is likely to be held over if the aforementioned formalities cannot be completed by the date it becomes due.

The issue of provisional cheque in lieu of salary cheque reported as lost is, however, subject to the following conditions.

- (i) The provisional payment is authorized under the order of the PCDA/CDA himself and the powers are not delegated to any officer under him.
- (ii) Such a power is exercised for two months i.e., as the prescribed procedure will have to be completed before issue of a cheque for the next subsequent month, no further relaxation for issue of a cheque by the PCDA/CDA even in exceptional cases is contemplated.
- (iii) Such provisional payment is reviewed at the end of each month.

Note: *In cases where the cheques issued by the Executive Authorities against the Cash Assignment placed at their disposal by the PCsDA/CsDA are lost and parties concerned insist on the issue of fresh cheques, such cheques may be issued by the Main office direct on receipt of Non-Payment certificate from Accounts section and acceptance of Indemnity Bond where necessary by D.A.D. Officers.*

Transactions originating in Defence Books which are adjustable against balances of Railways, Posts, Department of Supply and Ministry of External Affairs

194 (i) On receipt of the relevant documents to support a debit/credit to be passed on to Railways/Post Accounts Officers, PAOs of Deptt. of Supply New Delhi/Kolkata/Mumbai/Chennai, and Chief Controller of Accounts, Ministry of External Affairs in relation to ILAC Transactions Accounts of Defence, Attaches in Foreign Missions and Defence Pensions paid in Nepal, the Audit

Section concerned will adjust the transaction by debit/credit to the relevant Service Head/Expenditure Head" etc. and forward the vouchers to Accounts Section along with duplicate copy of Punching Medium. With reference to the details furnished by Audit Section along with copies of punching medium, Accounts Section will prepare separate Account Officer-wise Schedule (in Form I.A.F.A. - 725), showing amount debited/credited to the relevant "Remittances Head/Suspense Head- etc." These schedules will be serially numbered for each Office for each month. The serial number of schedules will be noted against the particular entries in the "Outward Settlement Account Register" of the Railways/Posts and Telegraph Accounts Officers, PAOs of Deptt. of Supply New Delhi /Kolkata /Mumbai /Chennai and Pr.C CA, MEA concerned which will be maintained as per proforma given in Annexure 'E' of Chapter 7, Defence Account Code.

(ii) At periodical intervals, on the 10th , 20th and at the end of the month, separate advices will be issued to the Reserve Bank of India, Central Accounts Section, Nagpur in the Form given in Annexure 'A' to Chapter 6 of Defence Account Code, intimating the net amount due to or from the Posts /Railways, PAOs and Deptt. of Supply New Delhi/Kolkata/Mumbai/Chennai concerned for effecting necessary monetary settlement. A copy of this advice will be sent at the same time to the Accounts Officer concerned along with the necessary vouchers.

(iii) At the end of each month, a monthly account called "Settlement Account' showing the aggregate position of the Advices issued during the month will be sent to the Accounts Officer concerned in the form at Annexure 'B' to Chapter 6, Defence Account Code, after effecting an agreement of the total amount with the compiled actual. On receipt of clearance memo from the Central Accounts Section intimating adjustment in the accounts as per advice, Account Section will carry out necessary adjustment transferring the amount from the "Remittance Head/ Suspense Head etc." to the Head "Reserve Bank Deposits-Defence". The clearance "Remittance Head/Suspense Head" will be effected by minus debit or minus credit as the case may be. It should be watched that there is no delay in the receipt of clearance memo from the bank. The clearance memo from the Reserve Bank of India as well as the Punching Medium number and month in which the adjustment has been carried out will be noted in the "Outward settlement Account Register". The relevant portion of the clearance memo meant for use in Defence Accounts Offices will simultaneously be completed. The outstanding advices for which the Reserve Bank clearance memo has not been received will be checked monthly and the Reserve Bank of India, Central Accounts Section, addressed for the wanting clearance memo.

Transactions originating in Defence Books which are adjustable against PAOs, Civil Ministires/AGs (Cash Basis)

194A. Transactions arising in the books of PCsDA/CsDA which are adjustable in the books of AG State Govt./PAO Ministries and Departments of Central Government are settled by issue of Cheques/Bank Drafts. Transactions arising in the books of the PCsDA/CsDA will initially be

compiled by the Audit Sections to the relevant PAO/AG Suspense Head. The duplicate copies of the Punching Media will be sent to the Accounts Section along with supporting details and vouchers.

The duplicate copies of Punching Media will be received centrally in Accounts Section as per existing procedure and compilation schedules (IAFA-725) will be prepared in respect of both the transactions referred to above and handed over to the group in Accounts Section for maintaining the outward claims register and issue of Cheque/DD. The procedure mentioned in Para 123 of Defence Account Code will be complied with for maintaining Outward Claims Register and settlement of transactions.

**Transactions originating in the books of Railways/Posts and PAOs,
Department of Supply, New Delhi/Kolkata/Mumbai/Chennai and due
for final adjustment in the Defence Accounts.**

195. (i) Vouchers and Accounts etc. will be received in Account Section periodically from the Railway/POST PAOs of Department of Supply, CCA, MEA and Post Offices (in respect of Defence pensions paid by the Post Offices). These will be entered in the "Inward Settlement Account Register" of the./Railways/Post Accounts Officer concerned, showing the serial Number of the Advices, the distinctive numbers of schedules accompanying the particular advice, the total amount of advice separately for credit and debit items. Specimen of the Register is given in Annexure 'D' to Chapter 7 of Defence Account Code. This Register will also provide for items held under objection which will be entered into after due scrutiny and action will be taken to call for the necessary particulars/vouchers from the Accounts Officers concerned.

(ii) The Accounts Section will schedule the relevant items in duplicate in I.A.F. (C.D.A.) 338 B to the Audit Section concerned who will enter the same in the Register of Civil I.D. Schedule (prescribed in Part II of this manual) to exercise watch over the receipt and adjustment of the schedules. These schedules should be adjusted by the Audit Section within 3 days of their receipt.

(iii) The Audit Sections, after audit of the Debits/Credits scheduled to them, will adjust the transaction by debiting(-R)/crediting (-Ch) the Head "Reserve Bank Suspense(Classified)" per contra adjustment to the Service Head concerned. The Punching Medium will be sent as usual to the EDP Centre and the duplicate copy of the I.D. Schedule will be returned to Account Section showing the particulars of adjustment. The duplicate copy of schedule received from the Audit Section will be linked with original on record in Accounts Section and the adjustment noted in the relevant column of the "Inward Settlement Account Register"(as per Annexure 'D' to Chapter 7 of Defence Account Code) A summary of the outstanding items will be prepared from the said register and the outstanding will be reconciled with the figures appearing in the printed compilation.

(iv) On receipt of clearance memo from the Central Accounts Section of the Reserve Bank of India, Accounts Section will link this with the advice received from the Railways/Post /PAOs, Deptt. of Supply, New Delhi/

Kolkata /Mumbai/Chennai /CCA/ MEA concerned and wanting clearance memo will be called for and make a suitable note in the "Register of Inward Settlement Account Register". Thereafter Account Section will prepare a Punching Medium clearing the "Reserve Bank Suspense (Classified Head" and finally compiling the amount to "Reserve Bank Deposits-Defence Head" as (+R) for debit transactions and (+Ch) for credit transactions. The relevant portion of clearance memo meant for use in Defence Accounts Office will be completed at the time the connected entries in the "Inward Settlement Accounts Register' are made.

Transactions originating in the books of PAOs of Civil Ministries/ AGs and due for final adjustment in the Defence Accounts (Cash Basis)

195A. Transactions arising in the Books of AG/PAO Ministries and Departments of Central Government adjustable in the books of PCsDA/CsDA are settled on cash basis. The Inward claims duly supported by schedules/vouchers along with Bank draft (in case the net effect is a credit to the PCsDA/CsDA) or a memo requesting for a cheque (in case the net effect is a debit to the PCsDA/CsDA) will be received in the Accounts Section in the group maintaining the Inward claims Register (Annexure 'L' to Chapter 7 of Defence Account Code refers)

The procedure mentioned in Para 124 of Defence Account Code will be complied with for maintaining Inward Settlement Register and settlement of transactions.

Drawal of Advances on Emergency Cash Requisitions

196. The advances drawn from Bank/Non-Bank Treasuries on the authority of Emergency Cash Requisition (vide Rule 316 Financial Regulation, Part I) will be accounted for in the following manner:-

- (a) Bank Treasuries:** As in the case of Defence Cheques, the paid Emergency Cash Requisitions (both original and duplicate) together with the daily debit scrolls will be sent by the bank to the concerned PCDA/CDA every day. Accounts Section will maintain a Register for recording the receipts, disposal and final adjustment of the ECRs. On receipt of the debit scrolls with both original and duplicate copy of E.C.Rs, the Accounts section will record their receipt in the register and will, on the very day of receipt, schedule the duplicate copies of E.C.Rs to the Audit Section to which the transaction pertain, for noting in the Demand Register and for watching eventual recovery etc. The reference to the schedules with which the duplicate copies are sent to the Audit Section will be given in the aforesaid Register. Accounts Section will adjust the amounts of original copies of

Emergency Cash Requisitions to the Head "Reserve Bank Suspense-Unclassified" by contra credit to the Head "Reserve Bank Deposits-Defence". The triplicate copy of E.C.Rs which gives full particulars will be received in the Audit Sections concerned from the drawee, i.e. the Units drawing the emergent advances. They will pair the same with the duplicate copies thereof already received from Accounts Section and classify and adjust the triplicate copies of E.C.Rs to the relevant heads of account by clearing the Head "Reserve Banks-Suspense-Unclassified" by minus debit entry. Thereafter, the Audit section will forward the triplicate copies along with the relevant copies of Punching Medium to the Account Section. Accounts Section will pair the triplicate copies with the original copies on record in the section and make a suitable note of their adjustment against the relevant entry in the Register referred to above. Accounts section will watch adjustment of triplicate copies of E.C.Rs and eventual clearance of the Suspense Head "Reserve Bank Suspense-Unclassified" through the aforesaid Register.

- (b) Non-Bank Treasuries:** Payments made by Non-Bank Treasuries, on the authority of Emergency Cash Requisition will, as for other Non-Bank Treasury transaction, be accounted for in the Treasury Accounts and be cleared by the Civil Accountant General concerned in accordance with the procedure outlined in Paras 179 and 195 above. Duplicate copies of the Emergency Cash Requisitions will be sent by the Treasury Officers direct to the PCDA/CDA concerned on the very day on which the advances are made by them as stipulated in Rule 479 of the C.T.R. Original Copies thereof will be sent to the PCDA/CDA concerned by the Treasury Officer as usual in support of the bi-monthly schedule of payments. Further, Accounting Procedure in the PCsDA/CsDA Offices in respect of these Emergency Cash Requisitions received from Non-Bank Treasuries will be as set out in sub Para (a) above.

Defence transactions arising in Jammu & Kashmir State and Vice Versa

197. The Jammu & Kashmir State Transactions arising in Defence Books will be taken to "Remittance Head-Accounts with States-Jammu & Kashmir"; and settled monthly in cash by obtaining bank draft from A.G.J.&K. Similarly, PCsDA/CsDA will pay to Jammu & Kashmir State by drawing a cheque on State Bank of India, Srinagar, in favour of A.G., Jammu & Kashmir. Defence transactions taking place at the State Bank of India at Jammu or Srinagar will be taken against the "Defence Proforma Account" by the banks who will render daily scrolls with relevant vouchers to the PCsDA/CsDAs (See Para 176). In regard to Defence transactions arising in Jammu & Kashmir, the payment may be effected to the A.G. Jammu & Kashmir, for the net amount shown in his "Outward Settlement Account". The amounts not fully vouched or erroneously depicted in the A.G.'s accounts will be dealt with in the manner indicated in clause (i) to (v) of Para 198 below.

Treatment of incorrect and incomplete Debits/Credits

198 (i) In cases where full particulars of the vouchers are not forthcoming in support of the advices and where the advices have been included in the memo of the clearance received from the Reserve Bank but have not actually been received from the Accounts Officer concerned, the amount will be adjusted by debit/ credit to the Head "Reserve Bank Suspense- Unclassified" per contra Debit/Credit to the Head " Reserve Bank Deposits- Defence". The missing advices/particulars should be called for immediately and on receipt thereof "Reserve Bank Suspense-Unclassified" Head will be cleared.

(ii) Should it become necessary to re-debit/re-credit the amount in respect of wanting vouchers, it should be done after obtaining the consent of the other party to the account. Where the consent or the voucher is not forthcoming, say for six months, the item may be reversed. Erroneous debits or credits should be written back by fresh credits/debits and not by minus debits or credits.

(iii) Where it is clearly established that any incorrect debit or credit has been given to a PCDA/CDA instead of the other Account Offices of Railway/P&T etc. he will clear such items by advice to the Reserve Bank through his outward settlement Account with that Accounts Officer.

(iv) In case of cheques wrongly advised by the Bank to a PCDA/CDA other than the one shown on the cheque, the PCDA/CDA receiving the cheque should pass on the item to the PCDA/CDA concerned through the Defence Exchange Account. The adjustment by the PCDA/CDA initially receiving the cheque will be made by credit to the Head "Reserve Bank Deposits-Defence" per contra debit to the "Defence Exchange Account" Head of the PCDA/CDA concerned. The latter will respond by contra debit (minus credit) to the Head "Cheques and Bills" and take further action as envisaged in Para 129(5), 142 & 143 of Defence Account Code. In case of M.R.O wrongly advised by the Bank to a PCDA/CDA other than the one shown therein, the M.R.O should likewise be passed on to the PCDA/CDA concerned through the Defence Exchange Account. The PCDA/CDA initially receiving the M.R.O will adjust the amount in his Books by debit to the Head "Reserve Bank Deposits-Defence" per contra credit to the "Defence Exchange Account" of the PCDA/CDA concerned. The latter will respond by contra credit to the Head "Remittance into Bank and Treasuries" and take further action as outlined in Para 129(7), 142 & 143 of Defence Account Code .

(v) Any error noticed in the figures of Bank Scrolls shall immediately be pointed out to Central Accounts Section of the Reserve Bank of India which would set them right by addition to or deduction for the balances of that PCDA/CDA in the following month.

(vi) The cheques etc. pertaining to Post and Railways etc., if received by and PCDA/CDA from the Bank will be returned by him to the Branch of the Bank concerned. The branch in turn will forward the documents to the

appropriate Accounts Officer and advice its Central office to effect necessary adjustment through the Central Accounts Section of Reserve Bank of India. The adjustment will be made by the Central Accounts Section by regular debit/credit entries in both the accounts affected. The PCDA/CDA will watch for such rectification.

The detailed procedure of reconciliation and treatment of Incomplete Debit /Credit transactions in Defence Proforma Account are laid down in Para 129 of Defence Account Code.

Adjustment of transactions relating to the months of February and March

199. Special steps should be taken for the prompt clearance of transactions relating to the Accounts of the last two months of the year, viz. February and March. The Books of the Reserve Bank for the month of March will be closed by the 15th April, after which no transaction involving inter-Governmental adjustment will be cleared by the bank in that month's account. To facilitate early settlement of the accounts for March, adjustments which originate in the accounts for February and earlier months should be completely settled and advised to the Reserve Bank in good time before the end of March. Adjustments in the month of March should be advised to the Reserve Bank to the extent possible before the expiry of that month and what is left over, should be communicated to the Central Accounts Section, Reserve Bank on the 5th and 15th April by FAX/e-mail if necessary (or on the previous dates if any of these dates is holiday). All telegrams FAX/e-mail sent by the PCsDA/CsDA by the 15th April will be accepted by the Central Accounts Section of Reserve Bank of India, Nagpur for incorporation in the account of the preceding financial year. The last advice to be sent by the 25th April should include a certificate by the PCDA/CDA that no further adjustments will be intimated to Bank in respect of the financial year just ended. Any further adjustments pertaining to the preceding year should be taken into the account of the subsequent years but occasions for such postponement should seldom arise.

Transactions of large magnitude affecting other Departments of the Central Government coming to light after the close of the books of the Reserve Bank

200. If any item of large magnitude (say above Rs. 1,00,000) affecting other Departments of the Central Government which is not incorporated in the Defence Proforma Account of the same year comes to light after the accounts of the financial year are closed by the Reserve Bank, the details of such transactions together with acceptance of Civil Account Offices of the debit/credit, will be furnished by the PCsDA/CsDA to the C.G.D.A. If considered necessary C.G.D.A who will obtain permission of the CGA in terms of Note under Article 88 of Account Code-Vol. IV financial year, outside the Books of the Reserve Bank by correction to the "Reserve Bank Deposits-Defence" on proforma basis.

Reconciliation of Balances in the books of the Reserve Bank

201. After the accounts for the month are closed, the Central Accounts Section of the Reserve Bank of India, Nagpur, will furnish the statement of closing of each of the PCDA/CDA as per specimen given in Annexure 'N' of Chapter 7 of Defence Account Code. The statement of closing balance for each of the months April to February will be sent by 18th of the following month as per Para 128 of Defence Account Code. It will be the responsibility of the PCsDA/CsDA to check and verify that the balances in respect to their officers worked out by the Reserve Bank in its books are correct and agree with their respective balances as worked out in their own accounts. These figures should be reconciled with total figures recorded in their Outward and Inward Settlement Account Register and in the Register of Bank scrolls which will be abstracted monthly in a separate Register titled "Reserve Bank Deposit Account". The monthly balance communicated by the Reserve Bank of India will be confirmed by the PCsDA/CsDA to the R.B.I. with a copy to the C.G.D.A. by the 17th of the second month following that to which the account related except for the reconciliation statement and statement of discrepant items, if any, in the prescribed proforma. Based on this confirmation, the C.G.D.A. will confirm the monthly balance for the Department as a whole to the CGA for necessary contra adjusted against "Cash Balances".

Note: *If some delay is anticipated in the preparation of discrepancy statement etc. due to large number of discrepant items, the confirmation of the monthly balances to the C.G.D.A. as well as the R.B.I. should be sent in advance by the PCsDA/CsDA on the due date. The reconciliation statement and the discrepancy statement should, however, be sent within one month from the date of receipt of statement of closing balance from the R.B.I.*

202. The balances under the Head "Reserve Bank Deposit-Defence" in the Defence books must agree with the balances as worked out in the books of the Reserve Bank in order to enable the CGA to effect necessary adjustment from -Reserve Bank Deposits" to Cash balances" in terms of Article 101-A Account Code Vol. IV. In order to achieve this agreement, all the discrepancies with the bank accounts which remain un-reconciled and unrectified by the Reserve Bank at the close of the month of March, will be transferred by the PCsDA/CsDA to the Head "Reserve Bank Suspense-Unclassified" through their accounts for March (Final).

Verification and Reconciliation of Outstandings, under the 'Suspense' and 'Remittance' Heads

203. The outstandings under the Suspense and Remittance Heads should be reviewed and reconciled every month and regular action taken for the clearance of outstanding items. The officer-in-Charge of the section should personally attach the completion of this work every month and for this purpose, all the reconciliation sheets and Suspense Registers etc. put up for his scrutiny and signature.

204. Ordinarily, there should remain no balance at the end of the year under the Heads "Reserve Bank Suspense/Classified/Public Sector Bank Suspense", if prompt action is taken in intimating the transactions to the Reserve Bank for clearance and in adjusting the transactions of the monthly Inward Accounts of other Accounts Officers and Focal Point Branches. In case there is an outstanding balances at the end of the year, the reasons for the same should be investigated and the items adjusted in the account in hand i.e. in the earliest possible month of the next year.

205. The missing advices, or vouchers or the discrepant items in the R.B.I. accounts in regard to which the adjustments have been made under the Head "Reserve Bank Suspense-Unclassified" (See Paras 198 (i) and 202) should be vigorously pursued with the Civil Accounts Officers concerned or the Banks/R.B.I. etc., so that the outstanding under the Suspense Head are brought down to the barest minimum by the end of the financial accounts of the year.

206. The balances under the Head "Remittance into Banks & Treasuries" and "Cheques & Bills/Pay Accounts Offices' Electronic Advices" will represent the amount unaccounted remittances "which should be rare" and the amount of uncashed cheques respectively. These should be reconciled every month vide Para 182 and 187.

207 to 209. BLANK

EXCHANGE ACCOUNTS BETWEEN PRINCIPAL CONTROLLERS/ CONTROLLERS OF DEFENCE ACCOUNTS

General

(For facility of reference the "Exchange Accounts between PCsDA/CsDA have been referred to in this Manual as "Defence Exchange Accounts).

210. The types of transactions which appear in the Defence Exchange Accounts are laid down in Chapter 8 of Defence Account Code.

211. Under the computerized system, no monthly Defence Exchange Account as such is prepared and exchanged between parties to the account; only I.D. schedules (I.A.F. (C.D.A.)-338-A) are exchanged between the PCsDA/CsDA concerned. The transactions appearing in the schedules (original and responding) are linked by computerized process centrally in EDP Centre. The annual abstract of the progress registers embodying all outstanding items, remaining unadjusted on 31st March is also prepared by the EDP Centre and rendered to the PCsDA/CsDA responsible for their clearance.

Procedure in originating PCsDA/CsDA's Office

212. The I.D. Schedules referred to in Para 211 is prepared by the originating PCsDA/CsDA for each original item compiled to Defence Exchange Account head, with reference to the particulars shown in the original vouchers, punching medium, etc. It is prepared in quintuplicate for distribution as under:-

- (a) Accounts Section of Originating PCDA/CDA - One copy
- (b) Accounts Section of Responding PCDA/CDA - Three copies
- (c) Office copy - One copy

Out of three copies received by the Account Section of the Responding PCDA/CDA after adjusting the same and completing the lower portion of the DID schedule showing adjustment details, one copy will be sent to the EDP/DDP Centre processing the complicating for that particular office (along with P.M. for other classes of vouchers). One copy will be sent to the section entrusted with the work of preparing the monthly report of DID schedules responded/adjusted through the computer and the third copy will be retained as office copy of the adjusted schedules by the section adjusting the same.

213. DID Schedule number will consist of 15 digits. The first two digits will indicate the PCDA/CDA, next four digits the Section number, the seventh digit the class of vouchers, eight to eleventh digits voucher number, twelfth and thirteenth the month and fourteenth and fifteenth the year as below in the case of class VIII voucher floated by Pr. CDA (WC) in the month of March 94:-
06 00108 1021 0394

"For the year 2000 onwards, the year in the DID schedule will be indicated as under:-

Example :- 060010810210300 / 06001081210301/ and so on.

EDP Centre, CGDA, Delhi Cantt will indicate the DID Schedule number in respect of all transactions compiled to the DEA heads in respect of all class of vouchers and will allot voucher number as 0001, 0002 etc. in strict chronological sequence (e.g. 0/070/21, 0/071/21, etc.)

The originating CDA should also indicate the responding DEA head and amount in Part B of the DID Schedule.

214. EDP Centre, CGDA, Delhi Cantt will prepare a print out of original DID schedule for each month in the following format:

DID Schedule No.	Code Head	Receipt/Charges	Responding PCDA/CDA	Amount
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While the EDP Centre, CGDA, Delhi Cantt will e-mail DID Schedule data in the above format to EDP Centre, Meerut, they will ensure dispatch of the above report PCDA/CDA wise to the originating PCsDA/CsDA concerned by the 15th of the following month. On receipt of the above report the Accounts Section of the originating PCDA/CDA will verify whether all the DID Schedules in question have in fact been floated by the various sections of the PCDA/CDA with reference to the copy of DID Schedule sent to them by the various Audit Section at the time of floating of the schedules. The

omission, if any, will be got rectified immediately. A certificate in this regard should be put up by the Accounts Section to the Addl.CDA/JCDA of the Organization every month.

215. The duplicate and triplicate copies of the schedules together, with supporting vouchers, if any, will be sent by the originating PCDA/CDA direct to the respective section of the responding PCDA/CDA's office as indicated in the schedules.

Note: *In the case of the M.E.S., one copy of the schedule will be returned to the AO/ AAO (GE) concerned, one copy forwarded to the EDP Centre and two copies to the responding PCsDA/CsDA, retaining one copy as the office copy.*

216. The originating PCsDA/CsDA will also maintain an outward DID schedules Register in the proforma given in Annexure "F" where in all DID schedules sent by them to the responding parties shall be entered serially. The register will be submitted to the officer-in-charge monthly.

217. The originating PCDA/CDA should not take any action to write back any item appearing in the detailed list under the Defence Exchange Account head even though it has been erroneously compiled. Such items should be re-debited/re-credited by the responding PCDA/CDA on receipt of the Defence I.D. schedules bearing the remarks "erroneous, may be re-debited/re-credited".

218. The following points should be observed carefully in the preparation of schedules:-

- (i) I.D. Schedules should be prepared for the full amount compiled and not for a part.
- (ii) No schedules should be prepared for items which are not actually compiled to the Defence Exchange Account heads.
- (iii) Original credits and debits should be afforded under 070 etc "21" and not under 070 etc "22"
- (iv) Audit section of the responding PCDA/CDA's office should be correctly noted on the schedules.
- (v) The schedules should be dispatched in one batch along with the original copy of the printed list of vouchers to EDP Centre on the due dates.
- (vi) ID Schedules should be forwarded to responding PCDA/CDA within one month of origination.

Procedure in responding PCDA/CDA's Office

219. A Register of Defence I.D. Schedules on the lines indicated in Vol. II of this manual will be maintained in each Audit Section concerned to exercise watch over the receipts and adjustment of Defence I.D. Schedules. Immediately, on receipt of a batch of the I.D. Schedules in the Audit Section, they will be examined to verify the correctness of the "responding section" entered by the originating PCDA/CDA. Necessary entry of these schedules will be made in the Register where item has not been responded to and has

accordingly been shown as outstanding in the outstanding list prepared by EDP Centre, the Accounts section of the responding PCDA/CDA's Office, will, as usual, pass it on to the correct audit section to whom the original I.D. Schedules was in first instance passed on.

220. If the debit or credit prima facie pertain to the responding PCDA/CDA, the DID schedules should be responded and necessary verification and acceptance of Administrative/Executive Officers should be called for subsequently. In no case a DID schedule should be reversed without being approved by GO/Addl.CDA/JCDA.

221. Having endorsed the actual details of the adjustment in code numbers on both copies of the schedule under the heading "responding item" the second copy of the schedule will then be treated as the punching medium and forwarded to EDP Centre in the same manner as other punching medium. The class of voucher to be shown on these punching medium will be quoted as "8". The third copy will be retained in the audit section as an office copy of the punching medium.

Note 1: *The procedure for dealing with I.D. schedules relating to the M.E.S. will be found in O.M. Part VIII and M.E.S. Accountants Manual.*

Note 2: *The PCDA (O) and Army PCsDA/CsDA should raise DID schedules establishment/organization wise so that the same are not responded for lesser amount wherein debits have been raised in respect of pay and allowances of Army personnel working with MES etc.*

Objection on inward items

222. Objections on inward items and correspondence connected therewith will be addressed by each audit section of the responding PCsDA/CsDA office direct to the audit section of the originating PCDA/CDA. The originating PCDA/CDA's section, kind of voucher and voucher number which are recorded on the schedule should also be quoted in all such correspondence besides the schedule number, in order to facilitate tracing the relevant documents.

Clearance of outstanding items

223. In order that the outstanding items under the Defence Exchange Account heads may be cleared, it is of paramount importance that the responses should be afforded promptly. A particular item should not normally appear as outstanding in two consecutive outstanding lists received from EDP centre, and if an item is found to appear in the third outstanding list, this should be a matter of special enquiry and action. Cases of chronic delay for which satisfactory reasons cannot be adduced should be investigated and dealt with from the disciplinary point of view.

224. I.D. schedules received in a responding PCDA/CDA's office in respect of items which are not adjustable in his book wholly or partly, will be responded to in full in the first instance and re-debited or re-credited rejecting the whole or part of the amount as the case may require.

225. Where no section has been marked in the original I.D. schedule, EDP centre will, for the purpose of preparation of the outstanding lists, show the item, against section '00', if it has not been responded to the Accounts Section of the responding PCDA/CDA, he will be responsible for taking further action for its clearance.

226. While adjusting the I.D. schedules the responding PCsDA/CsDA should carefully observe the following points:-

- (i) Each schedule should be treated and responded to separately.
- (ii) Responses should not be passed on to the PCDA/CDA other than the one who raised the original items.
- (iii) A plus debit/plus credit should be responded to by a plus credit/plus debit and minus debit/minus credit by a minus credit/minus debit.
- (iv) Except in cases of M.E.S. where I.D. schedules are adjusted through a monthly punching medium the I.D. schedules should never be adjusted through class 2 or class 4 vouchers.
- (v) Clearance through change statement: Originating items which have already been responded, and still appear outstanding in the books of the responding PCsDA/CsDA due to technical reasons such as:
 - (a) Variation in DID Schedule number.
 - (b) Variation in amount
 - (c) Variation in voucher number or section code
 - (d) DID Schedule number not punched by EDP/DDP Centre
 - (e) Wrong responding action.

In case of (a) to (d) above the items are required to be reported through change statement provided the variation in the amount is not more than Rupee 1. In case of (e) above, rectification action may be taken by operating class II Punching Medium.

Statement of unadjusted items

227. Statement showing full details of all the Defence Exchange Account original items remaining unadjusted in each section of a PCDA/CDA's office will be prepared section-wise by EDP centre and forwarded every month in the form attached as Annexure 'A' to this chapter. Necessary action will be taken by the section concerned to expedite the clearance of the outstanding items shown in the statement. Any items shown wrongly in the statement of unadjusted items or in respect of which details are given wrongly should be reported to EDP centre as soon as possible after receipt of the statement.

228. A summary of the progressive total of outstanding for the whole office will also be sent monthly to each PCDA/CDA in the specimen form attached as Annexure "B" to this chapter duly supported by a detailed statement in the form shown as Annexure "C". This will be received by Accounts Section and put up to the PCDA/CDA for his information to enable him to have an

idea of the state of work in the office as a whole in connection with the adjustment of Defence Exchange Account schedules.

March Final Supplementary Accounts

229. No original debits and credits should be included in the accounts for March final and March supplementary without the prior consent of the other party to the account.

DEFENCE ACCOUNTS DEPARTMENT RECEIPTS AND EXPENDITURE

230. Receipts and Expenditure pertaining to Defence Accounts Department have been transferred from Defence Service Estimates to the Civil Estimates with effect from 1-4-1971. The procedure to be followed in regard to the accounting and adjustment of the transactions pertaining to D.A.D. and settlement thereof against "Central Civil Balance" is given below.

231. The PCsDA/CsDA will compile the receipts and expenditure pertaining to D.A.D. to the civil heads of account opened in the R.D. & R. Pamphlet. The procedure of compiling transactions pertaining to P.L.I., rent for accommodation provided by C.P.W.D. etc. to the respective functional Heads will continue to be followed.

Note 1: *Though the D.A.D. receipts and expenditure has been transferred to civil, the existing arrangements for the disbursement of pay and allowances, T.A., Pension and Miscellaneous expenditure relating to Defence Account Department will continue. Consequently, payments by Defence cheques and deposit of money through M.R.Os remain unchanged. The existing system of operating on the heads "Cheques and Bills" and "Reserve Bank Deposit-Defence" will continue so far as initial compilation of transactions by the PCsDA/CsDA is concerned.*

Note 2: *The forms of Pay Bills, contingent bills, T.A. Bills etc. will continue to be used. Each voucher will be distinctly stamped as "Defence Accounts Department, Debitable to Civil Estimates".*

Note 3: *The existing system of Budgetary control by the C.G.D.A's office will continue. The responsibility for explaining the variations between budget figures and the actual expenditure pertaining to a PCDA/CDA's charge will continue to vest with him. The overall responsibility will rest with CGDA's Office.*

Note 4: *The existing audit arrangement will continue. The accounts of D.A.D. will continue to be test checked by the D.A.D.S.*

232 to 242. BLANK

ADJUSTMENT OF FOREIGN TRANSACTIONS

243. The Defence transactions in the United Kingdom requiring to be adjusted in the Indian Books will be advised through RBI CAS, Nagpur to the Principal Controller of Defence Accounts, New Delhi by the Principal Chief Controller of Accounts, Ministry of External Affairs in respect of:

- (a) Payments made in England on behalf of Defence Services and finally audited in that Country and compilable to respective Minor Heads under Major Heads 2076, 2077, 2078, 2079 and 2080 of the Defence Services Estimates.
- (b) Other transactions such as the stores purchased for Defence Services the cost of which is compilable to Major Heads 2076, 2077, 2078, 2079 and 2080”
- (c) Chancery Account relating to the payment made to the Officers/staff serving in High Commission of India, London and recoveries effected from them.

The monthly statement of Receipts and Disbursements of the HCI London account in respect of (a) and (b) above and (c) for Chancery Account for the net payments are advised by the Pr CCA, MEA.

Defence Transactions arising in England and adjustable in India

244. Defence transactions arising in England will be intimated by the Chief Accounting Officer to the High Commissioner for India in the U.K. to the Principal Chief Controller of Accounts, Ministry of External Affairs, New Delhi who will get the necessary adjustment against the Defence Proforma Account made through the Central Accounts Section of Reserve Bank of India, Nagpur. The Principal Chief Controller of Accounts, Ministry of External Affairs, New Delhi after converting the sterling figures at the average rate will inform the Central Accounts Section of the Reserve Bank of India CAS, Nagpur for necessary adjustment against the Defence Balance of Principal Controller of Defence Accounts, New Delhi.

The Principal Chief Controller of Accounts (PCCA), MEA will furnish a copy of Advice along with concerned vouchers to the Principal Controller of Defence Accounts, New Delhi and a statement giving the break-up of the net amount by receipt and charges relating to

- (i) the Defence Remittances and
- (ii) the High Commissioner's Classified Account of Receipts and Disbursements.

On receipt of Accounts from PCCA, MEA, New Delhi, and clearance memo from RBI CAS, Nagpur, PCDA, New Delhi will carry out the adjustment to final Heads in his accounts. Discrepancies if any will be pursued with PAO MEA and HCI London.

The Remittance Transactions such as recovery of loans and advances, recovery of GPF subscription etc relating to other PCsDA/CsDA will, however, be passed on by PCDA, New Delhi to the respective PCDA/CDA through the Defence Exchange Accounts.

Note: *If an item pertaining to another Principal Controller/ Controller has been wrongly passed on by the Principal Controller of Defence Accounts, New Delhi the receiving Principal Controller/Controller will pass on the same to the Principal Controller/Controller concerned through Defence Exchange Account and the PCDA, New Delhi will be informed accordingly.*

245. The three accounts referred to at (a), (b) and (c) Para 244 and embassy accounts, will be dealt with by the Pr.CDA, New Delhi as laid down in Chapter 9 of Defence Account Code.

Accounting of Foreign Procurements

246. The Detailed instructions/procedure for adjustment of foreign transactions are contained in Chapter 9 of Defence Account Code.

247 to 248. BLANK

BANKING OF REGIMENTAL FUNDS

General

249. When applications for sanction to open accounts with private banks or firms are received from Service officers, it will be seen that the funds are of a nature authorized to be deposited, that the conditions prescribed in Para 821 to 826 Defence Services Regulations, have been complied with and that sufficient security has been received from the bank or firm to cover the intended deposit plus 10 percent for fluctuations, have been complied with and that sufficient security has been received from the bank or firm to cover the intended deposit plus 10 percent for fluctuations. As soon as sanction for deposit has been accorded by the PCDA/CDA, the name of the unit and the number and date of the sanction will be entered in the register of half-yearly balances of regimental funds (I.A.F. (C.D.A.) 238).

Securities recovered in respect of Regimental Funds

250. Securities received from private banks or firms in respect of regimental funds lodged with them by Officers Commanding units (including Territorial Army Units) will in all cases be endorsed to the PCDA/CDA and will be assessed at their market value at the time of deposit. The PCDA/CDA will review annually (or if he or the depositor so desires after an interval of six months from the date of deposit, or from the date of last review), the adequacy of the value of securities lodged, having regard to the current market value of such securities. When the review discloses that a considerable difference in value of securities has taken place, the depositor will be called upon to make up the difference or a refund of the excess will be made to him as the case may require. The necessary particulars of the securities will be entered in the register of security deposits (I.A.F.A.-285) and the securities are kept in the safe custody. Necessary action for payment of interest to banks and firms and for renewal of securities will be taken as and when due.

251. In cases where a bank desires to tender the security in cash instead of in Government Paper, Stock Certificate or Port Trust of Municipal Bond or Debentures, the cash should be deposited in the name of the PCDA/CDA in the Reserve or State Bank of India or one of their branches and the bank deposit receipt should be forwarded by the depositing bank to the PCDA/CDA by whom it will be kept in safe custody.

252. The securities which are to be refunded will be released by the PCDA/CDA and forwarded by insured post to the parties concerned. This fact will be noted in the register of security deposits against the original entry and initialed by the Officer-in-charge Accounts section. Care should be taken to see that acknowledgement of the securities refunded are duly received. The number and date of the acknowledgement will be noted in the register in the column provided for the purpose.

Note: *The application will be dealt with by the PCDA/CDA in whose audit area the Headquarters of the Bank in which it is proposed to lodge the money is located.*

Register of Half Yearly Balances of Regimental Funds

253. This register will be maintained in I.A.F. (C.D.A.) 238 with the object of ascertaining the correct value of the security to be lodged by the private banks or firms, in accordance with Para 821 to 826 Defence Service Regulations. The pages in the register will be serially numbered and an index showing the pages allotted to each bank or firm will be drawn up on the first page of the register.

254. The amount of security lodged by a bank or firm, as shown in the register of security deposits (I.A.F.A.-285) will be noted in this register (I.A.F. (C.D.A.)-238 at the top of the page allotted for the bank or firm concerned. On receipt of the half yearly statements of balances from Officers Commanding, the inward register number, date and other particulars will be noted in the register in the respective columns. The amounts of balances shown in the column "half-year" will be totalled and a further amount of 10 percent, for fluctuation added to this total. Thus grand total will be the amount for which securities from the bank or firm have been obtained. The position should be reviewed half-yearly and additional security obtained, if necessary.

The PCDA/CDA will also at dates between the half-yearly reports take further security, if necessary, to cover with a margin of 10 percent, fresh deposits sanctioned.

On the other hand, if considerable withdrawals occur between the dates of half-yearly reports, which are not likely to be made up again during the half-year, the PCDA/CDA will, on application made by the bank, release a proportionate part of the security in his hands if he is satisfied that the withdrawals justify this course.

Payment of interest of G.P. Notes

255. With reference to Rule 9 of Public Debt Rules 1946 payment of interest on G.P. Notes is required to be made either at the counter of the Reserve Bank of India i.e., at the stations where offices or sub offices of the Reserve Bank of India are located, or through civil treasuries where there are no offices of the Reserve Bank of India and no intimation of the payment of interest is received by the PCDA/CDA direct from the Reserve Bank of India. The amount of interest is deposited into treasury or the Bank on the

authority of a Military Receivable Order. The treasury receipt is adjusted by credit to the head "Trust interest Fund" by contra debit to the Head "Remittances into banks/treasuries". The head "Trust Interest Fund" is relieved when payment of the amount is actually made to the party concerned. The transactions relating to the above Head are recorded in a register I.A.F.A 292. For the purpose of publication in the Gazette of India, a statement of G.P. Notes and other securities remaining in deposit, with the PCDA/CDA will be prepared after the close of each calendar year, on I.A.F.A.-288, by PCDA/CDA of currency, and sent to the Manager, Government of India Press.

BUDGET ESTIMATES

General

256. The expenditure under each minor or sub-head of Centrally Controlled Heads is controlled by the various controlling authorities at Armed Forces Headquarters. Full details regarding the Locally Controlled Heads, the authorities responsible for their control, the initial preparation of estimates and the dates of submission of these estimates are given in Chapter 12 of Defence Account Code.

257. There will be a separate cell in Accounts section for dealing with the following items of work:-

- (i) Watching the expenditure against allotment in respect of Heads under which budgetary control is exercised locally.
- (ii) Preparation of the statement of expenditure against allotment on I.A.F.A.-823 and its rendition to local controlling authorities monthly.
- (iii) Checking of budget estimates and periodical reports received from various Army units/formations for onward transmission to Army Headquarters.
- (iv) Preparation and submission of budgeted forecasts and revised estimates and all work in connection therewith in respect of the following Heads:-

(a)	Centrally controlled Service Heads	Major Head	0071/2071
		Sub Major Head	02 - Defence
		Minor Heads	101 Army 102 Navy 103 Air Force
(b)	Centrally	Major Head	0071/2071

	controlled Service Heads(Civil Grants)		
		Sub Major Head	01-Civil
		Minor Heads	101-Superannuation and Retirement 102-Committed value of Pension 104-Gratuities 105-Family Pensions 115-Encashment of leave 117-Govt Contribution to Defined Contribution Pension Scheme 800-Other Expenditure

Note: Budget Estimates for Receipts and Charges in respect of all other centrally Controlled Heads are prepared by the Branches concerned at Armed Forces Headquarters and submitted to the Deputy Financial Adviser (Budget), Ministry of Defence (Finance), through the respective Deputy Financial Advisers. (b) Cash Requirements Estimates in respect of the Head detailed in Para 212 of Defence Account Code are prepared by the PCsDA/CsDA and submitted to DFA(Budget) , Ministry of Defence(Finance) through CGDA.

258. Budget estimates will be prepared and checked in accordance with the orders of the Government of India issued from time to time in the form of Army Instructions, Army Orders, Government letters, etc. Notes of all such orders will be made in the note book of orders (I.A.F.A. 487). The note book will contain a sufficient number of pages to last for a year, separate pages being allotted by Sub and Minor Heads. The budget notes should afford, as far as possible, full and complete explanations of increased or decreased provision, as compared with the current year's budget and should be as complete and concise as possible.

259. Separate files will be opened for each Head of account of which the budget estimates are either prepared or checked in the PCDA/CDA's office. All Government and C.G.D.A.'s orders affecting the procedure of work and provision in the estimates will be filed separately in their respective files. The budget estimates and connected returns will also be filed in these files.

260. All communications connected with estimates should take precedence over ordinary work and any circumstances which are likely to affect the submission of the estimates on due dates should be promptly brought to the notice of the office-in-charge. A strict watch should be kept to see that estimates are received from the authorities responsible for their preparation on the due dates, and in cases of delays the matter will immediately be brought to the notice of the officer from whom the estimates are due and to the Controlling Authority at Army Headquarters.

261. The budget work should not be concentrated within a small period immediately before the dates fixed for the submission of the estimates but should be spread over so much of the year as will admit of the work being done without undue pressure and with the maximum, of accuracy. It will be the duty of the estimate group to review the compiled actuals systematically every month and keep notes of all abnormal charges compiled under Heads for which the estimates are required to be prepared or checked by the PCDA/CDA.

Preparation and submission of Budget Estimates

262. No precise rules can be prescribed for arriving at the amounts to be included in budget estimates, or for checking the amounts included in them but an intelligent discretion must be exercised with reference to the effect that events occurring or impending at the time the estimates are under preparation are likely to have on receipts or expenditure.

The following general rules will however, be observed when preparing or checking budgeted estimates:-

- (i) Sanctioned expenditure only may be included in the estimates but at the end of the estimates charges requiring sanction that are likely to be incurred during the year should be noted.
- (ii) All variations between provision for the next year and that for the current year should be scrutinized and fully explained.
- (iii) The provision for appointments and fixed charges will be supported by reference to the number and date of the Government order sanctioning the appointment or charge. The estimates for salaries of officers and establishment will be prepared in accordance with the sanctioned scales and with reference to the ranks and appointments held by the officers. In the case of progressive salaries, the rate of pay due on 1st September of the year to which the budget relates should be adopted.
- (iv) The estimates should include provision for cash expenditure only.
- (v) Fixed charges and those for supplies and services for which definite scales are laid down will be based on those date.
- (vi) Fluctuating charges such as travelling allowances etc., for which no scales are laid down will be calculated with reference to the average normal expenditure of the previous three years, due regard being had to orders and circumstances likely to affect the expenditure for the ensuing year.
- (vii) All temporary and supernumerary establishments should be shown separately from permanent establishment.
- (viii) In respect of pay and other charges which are payable in arrears after the close of the month to which they relate, provisions

should be made for the amount due for the period from 1st March to 28/ 29th Feb. In respect of other charges which are payable as soon as incurred, provision should be made for charges likely to be incurred during the period 1st April to 31st March. Pay and allowances which are fixed at daily rates should be calculated for 365 days (366 days in the case of a leap year) and not on monthly basis.

263. Estimates under Major Head 0071/2071 Defence Service Non-effective should be prepared in accordance with the instructions laid down in Para 205 Defence Account Code.

264. On receipt of the estimates under Locally Controlled Heads from the local authorities they will be noted in a register for watching the receipt and disposal of estimates and checked carefully. The estimates will be amended in red ink where necessary but if the amendments are material or doubtful points exist, the audit sections and the officers who prepared the estimates concerned should invariably be consulted.

265. The actual process of checking the estimates is described below:-

- (i) The detailed Heads given in the estimates will be compared with the list of Locally Controlled Heads and with the Classification Hand Book of Defence Services Receipts and Charges to see that provision has been proposed under all Locally Controlled Heads and that all changes in classification have been considered;
- (ii) The estimates will be compared with those for the previous year. It will be seen that explanations are given for all variations;
- (iii) They will be compared with the current pay bill to see that no provision is included for a charge which is not being paid and that provision has been made for allowances, etc. admissible.
- (iv) The note book of orders referred to in Para 258 will be consulted to see that all orders issued after the submission of the estimates for the previous year have been taken into consideration;
- (v) The total provision proposed under each Detailed Head will be compared with the average normal actuals for the last three years to see that the provisions proposed is not in excess of that warranted by the actuals;
- (vi) Every other practicable test will be applied to see whether the estimates provide for the administration of the services with due economy.

266. After check of the estimates, a deduction should be made, if considered necessary, for probable savings on account of absentees or other causes, based on the average normal actuals of the past three years. The estimates will then be forwarded on due dates to the Branches at Army Headquarters concerned through Command Headquarters or direct, as the case may be, with a covering letter in which brief and clear explanations will be given for all modifications made by the PCDA/CDA. Copies of these

letters will be forwarded to the officers from whom the estimates are received.

267. After dispatch of the estimates for ensuing year, important corrections, if any, to the budget estimates for the ensuing year will be communicated by the authorities responsible for the preparation of the estimates to the PCDA/CDA who will check and forward it through the same channel as original estimates, so as, to reach the Branches at Army Headquarters concerned not later than 15th January each year. Modifications to the budget estimates for the ensuing year under any of the Detailed Heads under Major Head 0071/2071 Defence Services, Non-effective found necessary on account of fresh orders received or fact subsequently known should be communicated to the Deputy Financial Adviser, Ministry of Defence (Finance) (Budget), not later than 25th January. Any alterations that may be considered desirable in the estimates to correct errors as a result of queries made by the Deputy Financial Adviser, Ministry of Defence (Finance) (Budget) or for other reasons should also be included in the modifications referred to above.

268. After sanction by Parliament of the final Budget Estimates for the year, the authorities at Army Headquarters will communicate the amount allotted under various Locally Controlled Heads to Command Headquarters. The Command Headquarters in turn will distribute such provisions to Areas and Sub-Areas and inform the PCDA/CDA accordingly. The allotments will on receipt, be noted in I.A.F.A.-823 (register of Locally Controlled Heads). The number and date of communication notifying the allotment will be noted in the space provided for the purpose in the register (I.A.F.A.-823). Any modifications to these allotments subsequently notified will also be noted in the register supported by the number and date of the communication notifying the modification.

Register of Special Allotments

269. Sanctions by Army and Area Commanders from the allotments placed at their disposal for special purposes will be watched through guard files maintained separately for each Army and Area Commander. A note should be kept on the other cover of each guard file of the total allotments granted to the particular Commander for the year (with authority in support). Changes in the total allotment made during the year should also be entered therein as notified from time to time. On receipt of sanctions for expenditure against those allotments accorded by different Commanders, the balance available after the expenditure sanctioned under that particular letter should be worked out on the letter of sanction itself (or on the back of it). The figures so worked out should be checked and initialed by the group AAO/SO (A). The letter of sanction should then be recorded in the guard file relating to the particular command. The net balance thus worked out should at the same time be communicated to the Command or Area Headquarters concerned as being the amount still available for further expenditure out of the original grant.

Allotment register of loans and advances

270. A separate case file will be maintained for each of the Heads under Heads "T" Deposits and Advances -Advances repayable" and "F-Loans and Advances by the Central Government -Advances to Government servant on which interest is payable" for which a separate allotment is sanctioned. All communications sanctioning allotment and reference calling for certificates as to the availability of funds will be recorded in these files. In the report on the availability of funds, the balance of allotment available after verification of each proposal for sanction will be worked out as indicated below for the information of the sanctioning authority:-

Last Balance	Rs.
Amount now proposed to be sanctioned	Rs.
Balances available	Rs.

After the registers in I.A.,F.A.-195 and I.A.F. (C.D.A.-) 51 have been posted, Accounts section will verify monthly that no advances has been paid without a certificate regarding the availability of funds having been obtained beforehand.

In order to avoid heavy lapse of funds at the close of the year, it should be seen that amount which have not been drawn up to 30th November and are not likely to be expended during the remaining portion of the year are surrendered by 10th December each year.

Note: *PCsDA/CsDA are not required to render certificate regarding availability of funds in the case of following categories of advances. The above procedure will not, therefore apply in these cases:-*

- (i) *Advances for purchase of Motor conveyances, Bicycles or other conveyances.*
- (ii) *Advance for purchase of warm clothing.*
- (iii) *Advance for purchase of Table Fans.*
- (iv) *Advances to Government servants affected by Floods, cyclones or other natural calamities of exceptional nature.*
- (v) *Advances of pay to mitigate hardships caused by loss of property due to fire, theft etc. abroad.*

271. PCDA/CDA will, after the close of the accounts of the year, render an annual statement showing the compiled actuals for the year under the Heads "Regimental and other Loans" and "Loans to Government servants" to the Ministry of Defence (Finance) as and when called for by them. The statement is required in connection with the Appropriation Accounts and will be rendered in the manner desired by the Ministry.

Preliminary Reports for the Current Year

272. Preliminary Reports in respect of Locally Controlled Heads (other than those for which the Defence Accounts Department is responsible) relating to

the Army are prepared by Headquarters Commands and Areas and Commanders of units and formations which are directly administered by Army Headquarters and by similar authorities on the Air Force and Navy sides in regard to the Locally Controlled Heads under those Services and submitted to the PCDA/CDA concerned.

On receipt in the PCDA/CDA's office, the reports will be checked with reference to the progress of expenditure for the first three months of the current year, normal actual for the last nine months of the previous year and the circumstances known or order issued either before or after 1st April. They will then be transmitted to the respective Branches at Armed Forces Headquarters through the Command Headquarters where necessary so as to reach the Branches concerned by 15th August each year. Copies of any corrections or remarks made on the report should be communicated to Area Headquarters or other authorities concerned.

Preliminary Revised Estimates for the Current Year

273. These estimates will be prepared by the authorities mentioned in Para 272 for the Heads as in the case of Preliminary Reports. They will be checked with the actual for the first five months of the current year and those for the last seven months of the previous year, and other circumstances known or orders issued up to date. The estimates prepared by the local authorities will be submitted so as to reach the authorities at Army Headquarters by 30th October each year. The estimates in respect of Head 0071/2071 Defence Services, Non-effective, will be based on the actuals of 7 months and will be submitted so as to reach the D.F.A. (Budget) by 15th November each year. All corrections made to Locally Controlled Heads will be communicated to the offices from whom the estimates were received.

Revised Estimates for the Current year

274. These estimates are prepared, checked and forwarded similarly to the Preliminary Revised Estimates, but are much more accurate forecast of what the actual result of the year are likely to be. They are checked with reference to the actuals for the first seven months of the current year and those for the last five months of the previous year together with other circumstances known or orders issued up to date. The revised estimates for the Locally Controlled Heads, duly checked by the C.D.A., should be submitted to the Branches at Army Headquarters, through Command Headquarters, where necessary, so as to reach the former by 10th December each year. The revised estimates in respect of Head 0071/2071 Defence Services, Non-effective will be dispatched so as to reach the DFA (Budget) by 25th December. All corrections made by PCSDA/CsDAs in the estimates of Locally Controlled Heads will be communicated to the officers from whom the estimates of Locally Controlled Heads were received.

275. Major Charges, if any to the Revised Estimates in respect of the Head 0071/2071 "Defence Service-Non-effective (Army)" will be intimated to the D.F.A. (Budget) by 25th January.

Important corrections, if any, to the Revised Estimates, for the current year, in respect of Locally Controlled Heads will be communicated by the local controlling authorities to the Branches at Army Headquarters, through the PCDA/CDA. These corrections should be checked and forwarded to reach the Branches at Army Headquarters as early as possible but not later than 15th January.

Modified Appropriation Statements for the Current Year

276. The statement is based on 10 months actuals and 2 months forecast (except for non-effective heads which will be based on 11 months actuals and one month's forecast). The controlling authorities are expected to fully anticipate their requirements for the next two months (one month in the case of non-effective heads) and this statement being the last one for the current year, they should increase or decrease the budget estimates as indicated by actual figuring or by circumstances known. The statement will therefore be the most accurate estimates of what the results of the year are likely to be. The Statement will be submitted in the following form in respect of the non-effective heads so as to reach the D.F.A. (Budget) by 20th March:-

Name of the Detailed Head affected	Figures already reported in the revised estimates	Figures now proposed
1	2	3

The Statement for other Locally Controlled Heads will be rendered by PCsDA/CsDA to the respective Branches at Army Headquarters by 28th February.

Watching expenditure against allotments

277. The authorities to whom allotments are made are responsible for watching the progress of expenditure and for seeing that the expenditure does not exceed the allotment. In order to, help the controlling authorities at Headquarters of Commands, Areas, etc., and unit or formation Commanders (in cases where allotment is made in respect of each unit or formations), the PCDA/CDA will render monthly statements of actual to the allottees . The statement will be sent by the PCsDA/CsDA by 25th of the month following that to which they relate and will show serial numbers of claims admitted in audit and the amounts debited against the allotments.

Note:- Bills, etc., sent to the PCsDA/CsDA for payment or adjustment against a particular allotment are required to be serially numbered to enable the administrative authorities to reconcile the statistics kept by them and those furnished by the PCsDA/CsDA.

278. The PCsDA/CsDA will also simultaneously keep a watch on the progress of expenditure against sanctioned allotments and bring to the notice of the allottees and their immediate higher authorities cases in which the progress of expenditure is, in their opinion, abnormally heavy or unusually low.

Note 1: *To exercise strict budgetary control it is of the utmost importance that the compiled actuals should be as accurate and up to date as possible. Accordingly, the PCsDA/CsDA will ensure that all transactions arising in their respective audit areas (including Inter Services Adjustments to the extent permissible) are brought to account promptly. This requirement equally applies to transactions which are passed on to them through Settlement Accounts Exchange Accounts by other Civil and Defence Accounts Officers.*

Note 2: *Expenditure debitible to Locally Controlled Head incurred by one PCDA/CDA on behalf of another (excepting the expenditure relating to the M.E.S. which is to be passed through Defence Exchange Accounts) will be finally brought to account against the relevant Service Heads concerned by the PCDA/CDA incurring the expenditure. A monthly statement of such expenditure on the lines contemplated in Defence Audit Code will, however, be furnished by the former PCDA/CDA to the latter PCDA/CDA so as to enable him to watch the progress of expenditure against the allotment.*

279. When cases referred to in Para 278 are brought to the notice of the Controlling Authorities they are required to take prompt action as indicated below:-

- (i) Where savings can be foreseen, to surrender such portions of the allotment as are not likely to be required for the rest of the year; and
- (ii) To regulate future expenditure where it has been heavy in the past so as to restrict it within the sanctioned allotment or to obtain additional allotment from the higher authorities after providing complete justification for the increase

280. Action to obtain additional allotment where required is to be taken by the administrative authorities promptly and sufficiently early to avoid delay in the settlement of claims, as no payment under Locally Controlled Heads can be made in excess of sanctioned allotment save in exceptional cases under the personal orders of the PCDA/CDA concerned, who may authorize provisional payment, at his discretion, whenever he considers such a course to be in the best interest of the State. In cases where it is found that the administrative authorities fail to be vigilant in applying promptly for additional allotment of funds because provisional payments have been authorized, the PCsDA/CsDA will ask the authority concerned (endorsing a copy to the next higher administrative authority) to take urgent action in the

matter adding a warning that further provisional payments will not be made unless application for additional allotment, with reasons in support, is submitted through him promptly. If this warning has no effect and the PCDA/CDA is personally satisfied that there has been a laxity on the part of the administrative authorities, he should refuse further provisional payments and report his action to the authorities at Defence Headquarters and the Deputy Financial Adviser concerned in the Ministry of Defence (Finance) through the C.G.D.A.

281. With a view to exercise more rigid control over the progress of expenditure on Locally Controlled Heads, the actuals should be compared with the proportionate budget provisions for allotments under the Detailed Heads unless the adoption of this course is unsuitable to any particular case.

282. The Officer-in-Charge of audit sections concerned will, once a month, compare the actuals of the general lines indicated in the proceeding Para, and investigate the cause or causes of variations of Rs. 500 and over in the case of Receipts and Rs. 2,500 and over in the case of Charges. For this purpose, they will be furnished with variation statements monthly from the estimate group of Accounts section for Locally Controlled Heads. These statements will be scrutinized personally by the Officer-in-Charge of audit sections. Any mistake noticed in classification will be treated and dealt with in the same way and as strictly as failures in audit.

Re-appropriations

283. The rules governing Re-appropriations, that is, the utilization of savings in the budget provision under one Head to meet excess expenditure under another Head, are contained in Financial Regulations Part I.

Preparation and Submission of Cash Requirement Estimates

284. For the Heads mentioned in Para 211 Defence Account Code - The Cash requirements for the ensuing year will be prepared by the PCDA/CDA in I.A.F. (C.D.A.)- 645 and send to CGDA office by 30th September so as to reach the D.F.A. (Budget) on 10th November each year. Although no hard and fast rules can be laid down for the preparation of the Cash Requirement Estimates, they are generally based on the compiled actuals for the first six months of the current year and the last six months of the previous year and the figures thus arrived at, are suitably modified taking into account the compiled actuals of the previous year as a whole, and any extraordinary or abnormal transactions known at the time, which are likely to affect the requirements.

The cash requirement for the current year will be prepared on the same lines as the original estimates. Abnormal transactions, if any, should be taken into consideration in making the provisions.

Necessary corrections, if any, to the original and revised estimates will be submitted to the D.F.A. (Budget) so as to reach him by 31st January each

year. If there are no corrections, a nil report should be forwarded by the above mentioned date. The Revised Estimates for the current year and budget estimates for the ensuing year are similarly prepared by the PCDA/CDA and submitted to the C.G.D.A. so as to reach the office by 30th September each year.

Corrections to the revised estimates for the current year, if any, are intimated by the PCDA/CDA so as to reach the C.G.D.A. by 5th February each year.

Appropriation Account

285. Appropriation Account is prepared by the CGDA in respect of MOD (Civil) Grant and Defence Pension Grant on the format approved by the CGA, Ministry of Finance, Department of Expenditure. The same is sent to CGA/DGADS and DGACR in four stages as per the provisions contained in Civil Accounts Manual.

Estimates in respect of D.A.D. Heads

286. Periodical estimates in respect of Receipts and Charges pertaining to Defence Accounts Department will be prepared by PCsDA/CsDA and submitted to C.G.D.A. as per time schedule noted below:-

ESTIMATES	To be sent by PCsDA/CsDA so as to reach C.G.D.A. by
(I) Preliminary Report for the current year	25 th July
(ii) Preliminary Revised Estimates for the current financial year	15 th October
(iii) Forecast Estimates for the ensuing Financial year	20 th October
(iv) Revised Estimates for the current financial year and Budget Estimates for the ensuing financial year (i.e. correction to (ii) and (iii) above)	1 st December
(v) Modified Appropriation for the current financial year	20 th February

287. The Cash Requirement Estimates referred to in Para 284 above will be dispatched by the PCsDA/CsDA to reach the Controller General of Defence Accounts by the following dates. The preliminary Revised Estimates for the current year and budget forecast estimates for the ensuing year will be prepared on the form given in Annexure "D".

ESTIMATES	To be sent by PCsDA/CsDA so as to reach C.G.D.A. by
(i) Preliminary Report for the current financial year, and Budget Estimates for the ensuing financial year	30 th September
(ii) Revised Estimates for the current financial year and Budget Estimates for the ensuing financial year	10 th December
(iii) Modified Appropriation for the current financial year i.e., correction to the revised estimates	5 th February

288. Budget Estimates in respect of Civil Pensions relating to DAD will be forwarded by the Cs. D.A. to the Pr CDA (Pension) who will consolidate the reports and forward the same centrally to the CGDA for onward transmission to Central Pension Accounting Authority of Ministry of Finance for inclusion in the India Circle of Account under advice to the Ministry of Finance (Department of Economic Affairs).

REVIEW OF COMPILATION

289. (a) It is the responsibility of the compiling section concerned to ensure that the classification given in the punching medium is absolutely correct. As further safeguard, Accounts Section will review the monthly compilation received from the EDP Centre concerned and the following points will be specially looked into. It may be added that the points mentioned are illustrative and not exhaustive:-

1. No amount appears under a fictitious code head which has been deleted from the financial accounts during the course of the year. On review of the Sectional Compilation, a certificate is to be issued. The certificate should be as follows:

“It is certified that the booking made in the compilation for the month of _____ has been reviewed and found correct. Re-adjustment wherever required has been carried out in the accounts of the subsequent month _____ and all the amounts compiled to the fictitious code heads and misclassification have been rectified.”

Note: EDP Centre of CGDA office sends monthly list of fictitious code heads operated by the PsCDA/CsDA in Punching medium. It will be ensured that readjustments where necessary are carried out promptly by Audit Section concerned and there are no outstanding at the close of the annual accounts.

2. No minus figure ordinarily appears under a head other than a deduct head or a plus figure under a deduct head.
3. The Heads of accounts operated exclusively by certain specified PCsDA/CsDA do not appear in the compilation of other PCsDA/CsDA for example:-

- (i) "English" heads of account (for receipts and charges finally adjustable in England by the High Commission of India in the U.K.) - to be operated by Pr C.D.A, New Delhi only.
 - (ii) Head "Suspense Accounts-Defence-Director of Accounts-Cabinet Secretariat" (Code No. 0/020/89)-to be operated by the Pr. CDA (Western Command), Chandigarh and Pr CDA New Delhi Only.
 - (iii) Head "Reserve Bank Suspense-English Transactions" (Code No. 0/020/84) to appear in the books of Pr CDA, New Delhi only.
4. If a Government servant is transferred to the Defence Services from the audit area of an Accountant General of state and any loan sanctioned is outstanding against him the amount of the loan is retained in the books of the Accountant General concerned and the recoveries effected by the Defence Accounts Department are passed on to the Accountant General concerned through the Cash Settlement. The same procedure is followed in the case of an individual transferred from the Defence Services to the audit area of an Accountant General of a State with an outstanding balance of a loan granted to him.

Note: *In case of House Building Advances, where Government servants are transferred to a different circle of account, after the drawl of the entire amount of advance, the balance of advance outstanding against the Central Government servant at the time of transfer, may be transferred to the new accounting circle (Para 134 Defence Account Code) through Exchange Account*

- 5. The Defence Exchange Account heads, both for original and responding items, allotted to a PCDA/CDA, do not appear in his own compilation.
 - 6. No fresh receipts are compiled under Heads like "Defence savings provident fund" (Code No. 0/015/03) etc.
 - 7. No amounts appear as "charges" under the head "National Defence Funds Suspense" (Code No. 0/020/92).
 - 8. The heads under "Section" M-remittance normally close monthly with "Nil' Balance.
- (b) The Audit sections will review their sectional compilations keeping in view the points mentioned above and will invariably include in the certificates of review of compilations to be rendered by them to Accounts section in the main office within a week of the receipt of the printed compilation the erroneous/unusual compilations noticed by them as a result of review.

290. Some of the more important points which will be looked into during the review of compilations for the closing months of financial year are given below:-

1. The balance under the Defence Exchange Account Heads, as also the heads for Deposits, Advances and Suspense Accounts are reduced to the absolute minimum;
2. The Head "Transfer between offices of the M.E.S." (Code No. 0/022/10) is closed with a 'NIL' balance;
3. As far as possible, Main Head & Sub Head G. M.E.S. Advance (Code No. 510/00) closes with a 'NIL' balance;
4. No amount on account of Pre-partition charges is compiled under Major Head 4076 Defence Capital Outlay;
5. The receipts and charges compiled by PCsDA/CsDAs to the end of March under Funds Heads, the accounts in respect of which are maintained by C.D.A. (Funds), Meerut, are transferred to the CDA (Funds), Meerut through System by HQrs EDP Centre in accordance with - Appendix IV of Defence Account Code. After the close of the accounts for March preliminary, no fresh amount should be compiled under the Fund Heads in the accounts for March Final or supplementary. If, however, any amounts recovered earlier have not been compiled to the Fund Heads and it is essential to include them in the accounts for the Financial Year, the amount should be credited to the CDA (Funds), Meerut, through the Defence Exchange Account in March Supplementary Accounts Which should be responded by the CDA(Funds) Meerut within the Supplementary Accounts.

Any subsequent re-adjustments between Fund Heads (in respect of funds maintained by the C.D.A. (Funds), Meerut, only) found necessary as a result of erroneous compilations made earlier by the PCsDA/CsDA, will be carried out by the C.D.A. (Fund), Meerut, themselves on receipt of necessary intimation from the PCsDA/CsDA by whom the amounts were initially compiled.

However when, such amounts require to be re-adjusted to some other Fund Heads, the accounts of which are not maintained by the C.D.A. (Funds), Meerut, or to some other heads of account not concerning that section, the debit/credit will be withdrawn by the PCDA/CDA concerned through Defence Exchange Accounts and compiled to the correct head of Account.

Note: *As far as Fund Heads in respect of D.A.D. are concerned, the above procedure transferring the receipts and charges compiled under the Fund Heads to C.D.A. (Funds) through Defence Exchange Accounts will not be followed. The HQrs EDP Centre will centrally transfer the balances. The PCsDA/Cs.D.A. will, however, send an intimation of the debits and credits compiled by them up to March (Preliminary) under fund Heads pertaining to D.A.D., so as to reach C.D.A. (Funds) by the 15th May each year.*

On receipt of intimation from the PCsDA/CsDA., the C.D.A. (Funds), Meerut will with the help of the printed compilation of the respective PCsDA/CsDA, ensure the correctness of the figures furnished to him. Necessary subsidiary Registers will be maintained

by C.D.A. (Funds) for the purpose of reconciliation of figures of accounts with those of the Broad Sheets and for rendition of the Review of Balances.

6. The figures under the heads "F-Loans and Advances by the Central Government" on account of transfer of balances from one PCDA/CDA to another are agreed by the PCsDA/CsDA concerned in consultation with each other, before the accounts for March Supplementary are closed. It should be ensured that debit transactions on account of Loans and Advances passed on by one PCDA/CDA to the other are responded to, and adjusted by the responding PCDA/CDA in the accounts of the same year. In case of transactions that are passed through the account for March (Final and Supplementary) the originating PCsDA/CsDA should send advance schedules to the responding PCsDA/CsDA to enable the latter to incorporate the transactions in the accounts of the same year.
7. "NIL" Figures appear in the compilation of the Controller of Defence Accounts (Army) Meerut, for March Supplementary under the following heads:-
 - Indian Military Services Family Pension Funds (Transferred) (Code No. 020/93).
 - Indian Military Widows and Orphans Funds (Transferred) (Code No. 020/94).
8. Total credits under the Major Head 0075- Miscellaneous General Services Pre-Partition Receipts are transferred to the CGA by the J.C.D.A. (Funds) by the 25th April of the following year. No amounts should therefore, be compiled by the PCsDA/CsDA under this head in the accounts for March final or supplementary.
9. The entire charge compiled by Regional Cs.D.A. etc., to the Head "Advances - Pay Accounts Offices" (Code No. 018/65) during the course of year should be transferred by HQrs EDP Centre through systems as prescribed in Appendix 4 of Defence Accounts Code to the books of PCDA/CDA concerned (as the case may be) in March (Final) Accounts.

All transactions in respect of Inward London Account Current Scheduled to the PCDA/CDA through the Defence Exchange Account by the Pr.CDA, New Delhi should be adjusted by them before the accounts of the year are finally closed.

291. Over and above the review referred to in Paras 289 and 290, PCDA/CDA responsible for the annual adjustments should see that the same are carried out in accounts for March Final or Supplementary positively. A few examples of annual adjustment are given below as a guide.

Sl. No.	Nature of Adjustment	Particular PCDA/CDA responsible for adjustment
1	2	3
1.	Annual Contribution (Half Cost) in respect of the cost of Cantonment Survey.	CDA (Army), Meerut.
2.	Annual contribution to the Survey Department towards cost of " Survey of India"	CDA (Army), Meerut.
3.	Adjustment of 10% of Contingent charges of Army Headquarters (compiled collectively under Code 265/16).	AAO (Pay) W.C. Delhi Cantt
4.	Annual contribution payable to the Ministry of health on account of CGHS in Delhi/New Delhi in respect of Civilian Personnel of Army Headquarters and Inter-Services Organization etc.	PCDA(WC), Chandigarh
5.	Debits on the basis of the actual expenditure incurred during the year in the case of works services for H.M.G. Gorkhas costing over Rs. 20,000	(i) PCDA (CC) Lucknow (ii) CDA Patna.
6.	Adjustment of Departmental charges for Naval and Air Force Works carried out by the M.E.S.	CDA (Army) Meerut.
7.	Adjustment of equated payments of sterling pensions and interest portion, thereon.	PCDA (P), Allahabad
8.	Adjustment of leave Salary contributors in respect of Defence services personnel (including D.A.D. personnel) who are on deputation to various Ministries of the Government of India/State Government.	PCsDA/CsDA concerned.
9.	Total amount adjusted during the year in the books of the PCDA (CC) Lucknow under Major Head Payments of Commuted value of Pensions Payment in England.	CDA (Army) Meerut.

TRANSFER ENTRIES

292. Punching Medium for the transfer entries carried out in Accounts Section will be sent directly to the EDP Centre for incorporation in the appropriate detailed compilation.

292A. The Punching Medium in respect of transfer adjustments and Re-adjustments will be signed by the officers as indicated below:-

- A) Normal Transfer adjustment
 - (i) SO (A) upto Rs. upto Rs.5 Lakh
 - (ii) AAO upto Rs. upto Rs.25 Lakh
 - (iii) AO/SAO upto Rs. Upto Rs.1Crore.
 - (iv) ACDA/DCDA upto Rs.5 Crore.
 - (v) JCDA/Addl.CDA upto Rs.10 Crore.
 - (vi) CDA/PCDA exceeding Rs.10 Crore

- B) Rectification of incorrect adjustments:-
 - (i) AO/SAO upto Rs. 25 Lakh.
 - (ii) ACDA/DCDA upto Rs. 1Crore
 - (iii) JCDA/Addl.CDA upto Rs. 5 Crore
 - (iii) CDA/ PCDA exceeding Rs. 5 Crore

CLOSING OF ANNUAL ACCOUNTS

293. The annual accounts of the Central, State and Union Territory Governments which the Controller General of Accounts is required to render, shall record transactions which take place during a Financial Year running from 1st April to 31st March. The Government accounts of a year are kept open for a certain period in the following year for completion of the various accounting processes interalia in respect of the transactions of March, for carrying out certain inter-departmental adjustments, through the Central Accounts Section of the Reserve Bank of India, Nagpur upto 15th April of the following year, vide Para 108 of Defence Account Code and for the closing of the accounts of several Provident Funds and Suspense heads. Adjustments may also be made after the close of the year in respect of misposting and misclassifications coming to notice after the 31st March. An actual transaction taking place after 31st March should not, however, be treated as pertaining to the previous financial year even though the accounts for that year may be open for the purposes mentioned above

Accounts so kept open after 31st March are known as March Supplementary/Supplementary-I and March Supplementary Corrections/Supplementary-II. These accounts are closed by the CGDA on the dates intimated by CGA, Ministry of Finance (Department of Expenditure). The dates of closing of accounts in the books of PCsDA /CsDA are intimated by the CGDA each year. The accounts of the financial year in the books of the PCsDA/CsDA will be finally closed in March Supplementary Corrections/Supplementary-II. However, a 3 to 4 days time window for reporting any exceptional manual corrections shall be provided before finalizing of March Supplementary Corrections/Supplementary-II.

After closing of annual accounts, if a rectification/readjustment is necessary, the same will be carried out with the prior approval of CGA,

Ministry of Finance (Department of Expenditure) in exceptional cases subject to the following:-

- (i) Journal Entry is initiated for rectification of a misclassification/readjustment within the time limit prescribed by the CGA;
- (ii) The rectification / readjustment necessitated is not less than one Crore of amount in a single transaction unless rectification/readjustment is otherwise necessary for closing of annual accounts.
- (iii) Suitable action is invariably taken against all concerned for not detecting the error during monthly review and within the supplementary accounts.”

MAINTENANCE OF DEFENCE LEDGER

General

294. Defence Ledger is prepared in the form of statements showing receipts and charges and balances under the Revenue, Debt, Loans and Advances, Reserve Funds, Deposits and Advances, Suspense and Remittances head. The statement of account showing heads and details of balances closed to "Government Account" is prepared on the revised format in place of IAF (CDA) 361, as given in Annexure 'I' to Chapter 11 of Defence Account Code.

The format to be used for maintaining balances in respect of heads whose balances close to balances to the 'Government Account' is given in the Annexure C9 to Appendix IX of Defence Account Code. The monthly balances of these heads will also be maintained in the format and manner of Revenue and Capital Heads mentioned in Annexure-I to Chapter 11 of Defence Account Code. The heads shown in these statements (Annexure-I & Annexure C9 to Appendix IX of Defence Account Code) of accounts have been grouped together to facilitate the preparation of Annual Review of Balances.

Posting of Defence Ledger

295. The entries in the Defence Ledger will be posted annually. As soon as the orders of the Controller General of Accounts are received through the Controller General of Defence Accounts for closing of annual account, the closing balances of the heads of accounts closing to balances in the previous year will be brought forward in the statement of the current year. After the close of the compilation for March Supplementary Corrections, the final balances of receipts and charges will be posted in statements and balances struck for the preparation of the Review of Balances. The closing balances in the statement will be verified with the balances worked out independently in the Debt, Deposit, Advance, Suspense and Remittance Heads Registers by the different Sections/Sub-Offices.

Closing of Books

296. The Accounts under the Major Heads 0076, 0077, 0078, 0079, 0080 Defence Services Receipts, 2076-Army, 2077-Navy, 2078- Air Force, 2079- Ordnance Factories, 2080- Research and Development, Defence Services charges and 4076-Defence Capital Outlay and other revenue heads will be closed by credit or debit to Government Account.

297. The Revenue and Capital heads will be closed to 'Government Account', the heads pertaining to Sector E-Public Debt, F-Loans and Advances, I-Small Saving Provident Fund etc, J-Reserve Funds, K-Deposits and Advances, L-Suspense and Miscellaneous and M-Remittance Heads to 'Balance Accounts' except that 'Reserve Bank Deposits-Defence' (This head has been placed under Sector-Suspense and Miscellaneous) shall be closed to Government Account.

Note 3: *The total amount of dummy DIDS appearing in the book compilation as a result of central transfer of balances by EDP Centre will be reflected as receipts/expenditure heads in the "Govt. Account" as close to balances.*

REVIEW OF BALANCES

298. Detailed instructions for the preparation and submission of the Review of Balances are contained in Chapter 11 of Defence Account Code.

299. BLANK

ANNUAL STATEMENT OF EXPENDITURE UNDER HEAD 2049 INTEREST ON OTHER OBLIGATIONS

300. An annual statement showing expenditure under different minor heads of Head-2049 Interest on other obligations to end of March Final will be furnished by the PCsDA/CsDA by 30th September each year who furnishes estimates under this head to the Deputy Financial Adviser (Budget) so as to reach him on 30th October each year or the date as intimated by them, with brief explanations for variations between the actual and the original and modified allotments. The figures will be carefully checked and agreed with the relevant compilation before the dispatch of statements.

301. A statement of corrections to the above will also be sent to the Deputy Financial Adviser (Budget) by 30th October. In case there are no corrections to be intimated, a nil statement will be rendered.

STATEMENT OF CENTRAL TRANSACTIONS OF DEFENCE SERVICES RECEIPTS AND CHARGES

302. The Controller General of Defence Accounts, prepares Statement of Central Transactions of Defence Services & and Ministry of Defence (Civil)-Receipts and Charges annually each year. These SCTs are rendered to the Controller General of Accounts, Ministry of Finance, Department of Expenditure, New Delhi on the date prescribed by them. A copy of the

Statement of Central Transactions is also endorsed to the Director General of Audit Defence Services.

After closing of Annual Accounts, if an amendment to SCT is effected through Journal Entries with the approval of CGA, Ministry of Finance (Department of Expenditure), New Delhi, the effect of the Journal Entries will be intimated by the Accounts and Budget Section of the CGDA, Delhi Cantt to the PCsDA/CsDA concerned to enable them to update their ledger balances and balances reflected in the Annual Review of Balances, if any. Audit certificate of the Pr DADS/DADS will also be obtained for the effect of Journal Entries in Annual Review of Balances”.

Note: ‘Statement of Central Transactions’ at the end of every financial year represents progressive effect of all the transactions during the year. The Statement of Central Transactions is prepared only for minor head-wise details under different Major Heads concerned, showing charged, voted, plan and non-plan expenditures distinctly.

MAINTENANCE OF ACCOUNTS IN RESPECT OF THE INDIAN ORDNANCE DEPARTMENT PROVIDENT FUND AND THE CONTRIBUTORY PROVIDENT FUND

303. The accounts of subscribers to the Indian Ordnance Department Provident Fund and the Contributory Provident Fund are maintained manually in Accounts section.

The procedure of work for the maintenance of the above fund accounts is given in the respective chapters in Office Manual Part V.

ISSUES AND PAYMENT OF CHEQUES IN MARCH

304. A Command or Area Order will be issued each year in the beginning of March, directing all disbursing officers that it is incumbent upon them to instruct all persons to whom cheques are issued, to present them for payment without any delay. In cases in which where it may be unavoidably necessary to issue cheques after 25th March, the necessity for presenting them for payment before the end of that month should be impressed on the recipients.

305-318. BLANK

ANNEXURE "A"

(Referred to in Para 227)

List of original items of Defence Exchange Accounts outstanding in audit section at the end of.....

Responding PCsDA/ CsDA	Section of responding PCsDA/ CsDA	Particulars of original items						Amount	Date
		Original PCDA/ CDA.	Original Section	Kind of Voucher	Voucher No.	Schedule No.	D r. or C r.		

ANNEXURE "B"

(Referred to in Para 228)

Summary of original items of Defence Exchange Accounts outstanding in the office of the PCDA/CDA at the end of

Amount outstanding from last month

Original items received during the month Total of original items received up to the end of the month Original items responded to during the month Balance remaining unadjusted Forwarded to the PCDA/CDA. for information and necessary action.

Details (a) by Sections and (b) originating PCsDA/CsDA will be found in the enclosed statement.

.....

..... EDP Centres

ANNEXURE "C"
(Referred to in Para 228)

**Details of original items outstanding in the office of the
PCDA/CDA.....at the end of**

(A) By audit sections.

Name of Section	Amount		Remarks
	Rs.	P.	

(B) By Originating PCsDA/CsDA

Originating PCsDA/ CsDA	CREDITS			DEBITS			Total of Credits and debits outstan ding
	Original credits compile d (progres sive totals)	Respon ding debits compile d (progres sive totals)	Balance credits outstan ding	Original debits compile d (progres sive totals)	Respon ding credits compile d (progres sive totals)	Balance debits outstan ding	

ANNEXURE "D"
(Referred to in Para 287)

Head of account	Sanctioned allotment for the current year	Actuals for the first 7 months of the current year	Probable expenditure during the remaining part of the current year	Preliminary revised estimates for the current year	Budget forecast for the ensuing year	Reasons for variation between column 5 and 6	Reasons for variation between column 6 and 8
1	2	3	4	5	6	7	8

ANNEXURE 'E'

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ANNEXURE 'F'

(Referred to in Para 176)

**LIST OF DEFENCE ACCOUNTING CIRCLES/FOCAL POINT BRANCHES
FOR DEFENCE**

**Name of the PCDA/CDA/Defence Accounting Circle/Focal Point
Branch: Under Defence Proforma Account**

			Statement showing nomenclature of Defence Accounting Circles under Defence Pro forma Account (SBI)				
Sl. No	Name of the PCsDA / CsDA	CDA Code Number	RBI Transaction Code Number	RBI Ten Digit Code	Focal Point Branch of State Bank of India	Focal Point Branches of Associate Banks	
1.	CDA Patna	0	504	401500000 6	Exhibition Road Patna	NII	
2.	PCDA (Pensions) Allahabad	1	507	405300000 2	Kachahary Road, Allahabad	NII	
3.	PCDA (Officers) Pune	2	506	402100000 9	SBI, Main Branch, Collector's Office Compound Pune	SBBJ, SBH, SBS, SBT,SBM & SBP	
4.	CDA (Army) Meerut	3	501	401200000 3	Meerut Cantt 0680	State Bank of Patiala	
5.	PCDA (SC) Pune	4	503	401100000 2	SBI, Main Branch, Collector's office Compound Pune	SBBJ, SBS, SBM & SBP	
6.	PCDA Bengaluru)	5	505	401600000 7	St. Mary's Road Bengaluru	SBP &SBBJ	
7.	PCDA (WC) Chandigarh	6	502	401300000 4	Madhala Marg, Sec 7 Chandigarh	SBP &SBBJ	
8.	PC of A (Fys) Kolkata	7	508	405100000 0	Strand Road, Kolkata 0001	SBBJ, SBH, SBS, SBM & SBP	
9.	PCDA (AF) Dehradun	8	509	404100000 3	Main Branch Dehradun 0630	SBBJ, SBH, SBS, & SBP	

10.	PCDA (Navy) Mumbai	9	510	403100000 6	Focal Point Cell Mumbai	Nil
11.	CDA (Funds) Meerut	10	511	405200000 1	Meerut Cantt 0680	Nil
12.	Ex-CDA (ORS) N. Meerut	11	512	402300000 1	Meerut Cantt 0680	Nil
13.	PCDA (NC) Jammu	12	513	401400000 5	Hari Nagar Br. Jammu 657	Nil
14.	ZO (DPD) Chennai	13	527	600002045 1	Royapettah High Road Chennai 267	State Bank of Travancor e
15.	AO, DAD, MOD, New Delhi	14	522	400200000 6	RBI, New Delhi	Nil
16.	CDA (CSD) Mumbai	15	521	405400000 3	Safedpul Premises Mumbai 1950	Nil
17.	PCDA , New Delhi	16	514	400100000 5	Parliament Street BR, New Delhi	SBP and SBBJ
18.	Ex-CDA (ORS) Nagpur	17	515	402400000 2	Katol Road BR, Nagpur 5999	Nil
19.	CDA Chennai	18	516	402200000 0	Royapettah High Road Chennai 267	SBT & SBP
20.	PCDA (R & D) New Delhi	19	524	405500000 4	R.K. Puram Branch New Delhi 1076	Nil
21.	CDA (PD) Meerut	20	523	405600000 5	Meerut Cantt 0680	SBP & SBBJ
22.	CDA Guwahati	21	525	405700000 6	New Guwahati – 0221	Nil
23.	PCDA (CC) Lucknow	22	526	401800000 9	Lucknow Cantt, 1132	Nil
24.	PCDA (BR) Delhi Cantt	23	528	405800000 7	Nirman Bhawan BR, New Delhi- 0583	SBBJ
25.	CDA (R & D) Bangalore	24	529	405503500 0	C.V. Raman Nagar BR. Bangalore	Nil
26.	CDA Secunderaba d	25	530	405509000 7	Main BR. Secunderaba d 2802	State Bank of Hyderaba d
27.	CDA Jabalpur	26	531	405509500 2	Civil Line Branch	Nil

					Jabalpur 0390	
28.	CDA (AF) New Delhi	27	532	404601001 2	R.K. Puram Branch New Delhi 1076	Nil
29.	CDA (R & D) Hyderabad	28	533	406500000 1	Main Branch Hyderabad 3026	Nil
30.	CGDA New Delhi	29	534	400300000 7	R.K. Puram Branch New Delhi 1076	Nil
31.	CDA (IDS) New Delhi	30	536	400100100 6	Parliament Street BR, New Delhi	Nil
32.	PCDA (SWC) Jaipur	31	537	405509600 3	Sangneri gate Branch Jaipur	SBBJ &SBP
	Total	32	32			
	Note :	<p><i>All the Defence Accounting Circles are conducting Defence transactions with RBI Branches as RBI Branches are acting as Dealing Branches as well as Focal Point Branches in addition to Focal Point Branches of SBI and Focal Point Branches of all Associate of SBI.</i></p> <p><i>Name of the RBI Branches with whom DACs are conducting transactions: Ahmedabad, Bangalore, Bhubaneshwar, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Byculla Br.Mumbai , Nagpur, New Delhi, Patna, Thiruvananthapuram and Chandigarh</i></p>				

(Auth: Appendix 6 of Defence Account Code as amended)

ANNEXURE 'G'

(Referred to in Para 176)

PAYMENT SCROLL

1. Scroll No..... Date.....
2. Name of Bank
(Dealing Branch)
3. Bank Code No.
(Dealing Branch)
4. Name of PCDA/CDA/DAC
5. PCDA/CDA/DAC Code No.....

Sl. No.	Cheque	No.	Date	Amount	Mode	Progressive	Initials
	Category	No.		(Rs.)	A/B/C		

Mode

- A : Cash
- B : Clearing
- C : Transfer

Branch

Manager

DAC : Defence Accounting Circle

ANNEXURE 'H'

(Referred to in Para 176)

RECEIPT SCROLL

Name of the Bank..... Code No.....

Dealing BranchCode No.....

(PCDA/CDA/DAC)
No.....

Code

Sl. No.	Name of Depositor	Head of Account as mentioned in MROs	Amount (Rs.)	Mode A/B/C	Progressive Total Rs.	Name of Depositor	Initials

Mode

A : Cash

B : Clearing

C : Transfer
Manager

Branch

DAC : To be prepared in quadruplicate

ANNEXURE 'I'

(Referred to in Para 176)

Daily Advice of transactions (To be submitted by dealing branches to Focal Point Branch) in respect of Ministry of Defence

To Name of PCDA/CDA/DAC

The Branch Manager

.....

.....

Date Ministry of Defence

Sl. No. Code No.....

Name of Dealing Branch

Code No

Receipts (Rs.)	Disbursements (Rs.)

Branch Manager

The Receipt/Payment Scrolls along with receipted MROs, paid cheques etc. must be attached to this advice.

ANNEXURE 'J'

(Referred to in Para 176)

MAIN SCROLL

MINISTRY OF DEFENCE (EXPENDITURE ACCOUNTS)

Running Serial No.....

Date.....

Name of Focal Point Branch
No.....

Code

Name of Defence Accounting Circles.....
No.....

Code

Sl. No.	Name of DDO	Name of the Dealing Brach	Date of Transaction at Dealing branch	Receipts (Rs.)	Payment (Rs.)	Remarks
Sub Total						
Transactions of Focal Point Branch						
Grand Total						

1. To be prepared in triplicate by Focal Point Branch.
2. Two copies, original with scrolls and paid cheque/receipted MROs and duplicate without documents to be submitted to Defence Accounting Circle on a day to day basis.
3. Triplicate copy duly verified by CDA/DAC to be obtained by the Focal Point branch on a day to day basis.
4. Triplicate copy to be retained as office copy.
5. Scrolls of Dealing Branches with documents to be attached to Main Scrolls should be in the same order in which entries are listed in this Main Scroll.
6. The grand total of receipts and payments should be reported to SBI GAD/Link Cell, Nagpur on a day basis.

BRANCH MANAGER

ANNEXURE 'K'

(Referred to in Para 176)

**DAILY MEMO TO LINK CELL/SBI GAD MUMBAI TRANSACTIONS ON
BEHALF OF RBI (GOVERNMENT TRANSACTIONS)**

Sl.
No.....

Date
.....

Name of Bank.....
.....

Code

Name of Focal Point Branch
.....

Code

Receipts	On account of	Code No.	Disbursement
	PCDA/CDA/DAC..... PCDA/CDA/DAC.....		
	Total Net Receipts/Disbursement		Total Disbursement
Check Total			

Certified that the scrolls/paid cheques/MROs etc. have been submitted to the concerned Accounting Circle.

Branch Manager

ANNEXURE 'L'

(Referred to in Para 176)

Sl. No.....

CERTIFICATE IN LIEU OF LOST/MISPLACED CHALAN

Certified that a sum of Rs..... (Rupees
.....)
.....) was received from
..... on
account of (Name of the Party) for credit to
Central Government Account under the head.....
.....on.....by
branch. The amount has been included in the scroll dated
..... at Sl. No.....

Agent/Authorized Officer

Date.....

Bank.....

Focal Point Branch

ANNEXURE 'M'

(Referred to in Para 176)

Sl. No.....

CERTIFICATE IN LIEU OF LOST/MISPLACED PAID CHEQUES

Certified that a sum of Rs..... (Rupees
.....)was paid to
(Name of the Party) under the head on by
debit to assignment account/ drawing account/ P.D. account maintained in
the name of on
behalf of Ministry of Defence(Name of
PCDA/CDA/DDO)as per Cheque No
Date.....at branch the
amount has been included in the scroll dated..... at Sl.
No.....

Agent/Authorised Office

Date

Bank.....

Focal Point Branch

ANNEXURE 'N'

**(Referred to in Para 176)
MINISTRY OF DEFENCE**

**Date-wise Monthly statement of receipts and disbursement (DMS) for
the month of**

Name of Bank Code No.....

Name of the Focal Point Branch Code No.....

Name of PCDA/CDA/DAC Code No.....

Date	Receipts (Rs.)	Disbursements (Rs.)	Initial of the Supervisor / Official
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Total

BRANCH MANAGER

ANNEXURE 'O'

(Referred to in Para 176)

Transactions on account of Defence Proforma Accounts

Sl. No.....

Date

Name of Bank.....

Code

Name of Focal Point Branch

Code

Month of Account

(Applicable for residual March account only)

Receipts

Code No. of

Disbursements

PCDA/CDA/DAC.....

PCDA/CDA/DAC.....

Total

Net Receipts/Disbursements

Net amount may be Credited /Debited to Defence Accounting Circles concerned by contra Debit/Credit to our Current Account No..... maintained with you.

Certified that relevant documents have been furnished by the Focal Point branches concerned to the respective Defence Accounting Circles.

Officer-in-Charge of Link
Cell/SBI GAD Mumbai

ANNEXURE 'P'

(Referred to in Para 176)

**Settlements made by on
account of.....**

(Name of Bank)

Defence Accounts transaction PCDA / CDA/DAC wise and date-wise for the
month of

Name of the Focal Point Branch..... Code No.....

Name of the PCDA/CDA/DAC..... Code No.....

Date of transactions <u>Settled</u>	Date of Settlement		<u>Amount</u>
	with RBI CAS Nagpur	Receipts	Payments
		Rs.	Rs.

ANNEXURE 'Q'

(Referred to in Para 176)

Statement showing monthly settlement

PCDA/CDA/DAC wise and Bank wise during the month of

Date of transactions	Code No.	Receipts	<u>Amount Settled</u>
		Rs.	Payments Rs.

ANNEXURE - R

(Referred to in Para 176)

Transactions of Ministry of Defence - Expenditure Accounts

Amendment Statement - Receipts/Disbursement

Name of Bank: _____

Serial No.....

Code No. : _____

Date.....

Please amend the entries against the following heads of accounts as indicated below:

Name of the Focal Point Branch	Code No.	Name of PCDA/ CDA/ DAC	Code No.	Date of Transactions	Original Amount Rs.	Amended Amount Rs.
--------------------------------	----------	------------------------------	----------	----------------------	------------------------	-----------------------

Officer-in-Charge of Link Cell

Amendment to Receipts & Disbursements should be reported in separate statements.

ANNEXURE 'S'

(Referred to in Para 176)

SETTLEMENT MADE BY STATE BANK OF INDIA on account of Defence Account transactions settled by all the Focal Point Branches of State Bank of India for the month of _____

(Consolidated for all the PCsDA/CsDA/DACs)

Ministry of Defence

Code No.....

AMOUNT SETTLED

Date of Settlement	Receipt (Rs.)	Payment (Rs.)	Net (Rs.)
--------------------	---------------	---------------	-----------

ANNEXURE 'T'

(Referred to in Para 176)

**SETTLEMENT MADE BY STATE BANK OF INDIA on account of Defence
Account PCDA/CDA/DAC-wise, date wise for the month of**

_____.

Name of the PCDA/CDA/DAC Code No.....

Name of the Focal Point Branch Code No.....

Date of Settlement	Date of Transaction	AMOUNT SETTLED	
		Receipt (Rs.)	Payment (Rs.)

ANNEXURE 'U'

(Referred to in Para 176)

**THE SETTLEMENT MADE BY STATE BANK OF INDIA CDA/DAC WISE
FOR THE MONTH OF _____**

MINISTRY OF DEFENCE

CODE NO _____

SPECIAL ACCOUNT CODE NO.	AMOUNT SETTLED	
	Receipt (Rs.)	Payment (Rs.)

CHAPTER-IV

DISBURSEMENT SECTION

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OBJECTIVES

319. Objective of Disbursement section is to arrange promptly for disbursement on behalf of the Defence Services and D.A.D. in the allotted spheres, safeguarding the interest of Govt.

DUTIES

319A. The duties of Disbursement Section are-

- (i) to arrange for cash assignments or treasuries and the Bank in favour of disbursing officers authorised to make payments;

Note: The term "The Bank" wherever used in this Manual, means the Reserve Bank of India or any of its offices or branches, 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 (Act II of 1934, any branch of Subsidiary Bank as defined in Section 2 of the State Bank of India (Subsidiary Banks) Act 1959(38 of 1959) which is authorized to transact Govt business as agent of State Bank of India or any branch of a Bank including four private sector banks ICICI Bank Ltd., HDFC Bank Ltd., Axis Bank Ltd., and IDBI Bank Ltd as may be appointed by the Reserve Bank of India as its agent under the provisions of SubSection (I) of Section 45 of the Reserve Bank Act, 1934(2 of 1934)

- (ii) to indent for cheque pads and cheque books and to arrange for their custody and accounting;
- (iii) to pay all passed bills received from other sections;
- (iv) to dispatch cheques and cheques slips;
- (v) to prepare schedule III (I.A.F. (C.D.A.)-345) separately for each section on office automation(whenever available) and to forward one copy of the schedule to Account Section;
- (vi) to maintain a daily record of the reconciliation made between the totals of Daily payment sheets and schedules III to furnish Local Audit Officers, M.E.S. AO/AAO, or to other PCsDA/CsDA with duplicate cheque slips in respect of the cheques issued to units and formations in the audit areas.

CASH ASSIGNMENTS

320. The PCsDA/CsDA and other officers of the Defence Accounts Department authorised by PCsDA/CsDA in this behalf may draw cheques on any civil treasury or the Bank to meet the requirements of the Defence services. No cash assignments are required for the purpose. But in the case of disbursing officers who are allowed to draw cash from civil treasuries or the Bank for certain specified purposes, cash assignments are arranged in their favour by the PCsDA/CsDA on the particular treasuries or the bank from which the drawings are to be made by them. Requisitions from such

officers for cash assignments showing the total amounts required for the year and the amount required for each month are sent to the officers of the PCsDA/CsDA by the first week of March each year. Such requisitions are received in the audit section concerned, which carries out necessary scrutiny to ensure that the amount to be allotted are not likely to prove much in excess of the requirements of the disbursing officers and forward the same to Disbursement Section for further action. On their receipts, Disbursement Section will send requisitions to the treasury officers or the Bank concerned by 15th March each year showing the amount allotted to the several disbursing officers for each month of the year, under advice to the audit section and the local audit officer concerned in the case of M.E.S. disbursing officers. Drawing against these assignments by the officers concerned are made exclusively by cheques supplied to them by the PCsDA/CsDA

Drawings against assignments granted to a disbursing officer will be watched by Disbursement Section through a register in I.A.F.A.-277, in which separate pages will be allotted for each treasury or the bank on which assignment is placed. The assignments granted and the monthly drawing as advised by the disbursing officers through the monthly statements will be entered in this register and the balance worked out; the numbers and dates of all correspondence with treasuries or the bank in regard to the grant, transfer or reduction of assignments will also be noted in the register. If it appears that the amount placed to the credit of disbursing officer has been overdrawn, he will be called upon to explain the cause of the overdraft under advice to the audit section concerned. The treasury officer or the Bank will also be called upon to state why the overpayment was allowed.

The monthly statements of drawing submitted by the disbursing officers to the audit sections or AAO, M.E.S. formations concerned will, after verification from the monthly accounts, be sent to disbursement section for posting in the cash assignment register (I.A.F.A.-277) and record.

Note: *The procedure peculiar to the PCDA (Air Force) and PCDA (Navy) will be found in Office Manual Part-III and VII respectively.*

RECEIPTS, CUSTODY, ACCOUNTING, ETC., OF CHEQUES

321. Payments on treasuries and the Bank are made by cheques. The detailed rules for obtaining cheque pads ("fan-fold" cheque pads) books, their safe custody, the issue of cheque books to the disbursing officers in whose favour assignments are granted and the steps to be taken to prevent their fraudulent use are given in the Annexure to this chapter.

DISBURSEMENT

322. Payments are made either by cheques, cash or through electronic mode viz. NEFT, RTGS or SBI-CMP. The general rules affecting cheques are contained in Rules 300 to 302 Financial Regulations Part I.

323. Books of daily payments sheets in form I.A.F.-728 will be maintained by each audit section from which sheets will be detached for use, both for ordinary and urgent payments. Particular care must be taken to see that payments which can await inclusion in ordinary payment sheets are not included in urgent ones.

324. All bills passed for payment by the gazetted officers of an audit section will be allotted consecutive disbursement voucher numbers and entered in the daily payment sheets by that section. The particulars noted in the daily payment sheets will be noted simultaneously in the disbursement voucher number register. The number of vouchers that are to be scheduled to the local audit officers will, in addition, be entered in the remarks column of the disbursement voucher numbering register in the stores contract section bill payable to the same payee will be grouped together in column 4 and the total carried to column 5. The total amount of each sheet will be entered at the foot of column 5 in figures as well as in words. The total number of items appearing in column 5 should also be shown in words and figures in the space provided at the bottom of the left hand corner of the sheet.

325. If there are insufficient items to fill in a sheet completely a line should be drawn horizontally under the last entry in columns 4 and 5, and a diagonal line drawn from the last entry in these columns to the foot thereof.

326. The daily payment sheets will be carefully checked and initialled by the group AAO/SO (A) of the audit section concerned and signed in full either by the officer-in-charge or the senior AAO/SO (A) of that section. Thereafter, the bills will be arranged in the order of the entries in the daily payment sheets and handed over to disbursement section in one batch together with the daily payment sheets between 3 to 4 PM each working day. These will be kept in disbursement section under lock and key for issue of cheques on the following working day. Urgent bills on which cheques have to be issued on the day of receipt, should be sent to the Disbursement section by 12 O'clock with daily payment sheet marked "out today". In exceptional cases, where it is essential that cheques in payment of bills should be issued forthwith, bills which are so marked will be received and paid by disbursement section. In daily payment sheets endorsed "Out today", the endorsement should be signed by the officer-in-charge of the audit section concerned.

(Amended vide CS 221/91)

Disbursement through SBI Cash Management Product

326A. (a) The Audit Sections will authorize payments, prepare payment order and DP Sheet in respect of all passed bills. The Cheque Slip and related DP Sheets will be forwarded to the Disbursement Section for processing payment.

(b) The details of credited and un-credited amounts will also be available in CMP portal and downloadable pdf file. Access to these two MIS has been given to Disbursement Section. "D" Section will download these two MIS from the CMP portal on daily basis. A copy of the credited and un-credited

items will be sent by the 'D' Section to Accounts Section for linking and pairing of Schedule-III and for the reconciliation of the compilation figures. The details of the rejected items shall be given to the Audit Section concerned for further course of action for settlement.

(c) 'D' Section will also receive 'Minus' Debit Scroll along with the details of the rejected items.

(d) 'D' Section will extract the rejected items which are not credited to the beneficiaries and forward the same to the Audit Section concerned.

(e) 'D' Section will also maintain the register and watch the clearance of 'Suspense' Head 0/020/96. The 'D' Section will be responsible for clearing the 'Suspense' Head 0/020/96 in consultation with Audit Section/ Accounts Section and will also liaise with SBI-CMP Centre, Mumbai towards clearance of 'Suspense' Head.

(f) Punching Medium will however, be prepared by Audit Section on receipt of rejection amounts mentioned in 'Minus' Debit Scroll from 'D' Section. A copy of the punching medium will be forwarded to Accounts Section and 'D' Section for linking and clearing the suspense of rejected items.

327. During the last week of the month when there is rush of payment, the audit sections should endeavor to ensure that the flow of bills to disbursement section is even. Cheques for ordinary payments, i.e., those which can wait till the first of the next month, should not be issued on the last two working days of a month. Daily payment sheets in respect of such payments should, therefore, be sent to Disbursement section on the first working day of the following month.

Note 1: *Piecemeal payment, on different days, of bills entered in any one daily payments sheet will not be permitted under any circumstances.*

Note 2: *The date of payment of the daily payment sheet will be noted in the space provided for the purpose in the right hand bottom corner under the signature of the officer-in-charge.*

Note 3: *All passed bills and written (typed) cheques must be carried in locked boxes between sections and gazetted officers' rooms. Similarly, passed bills together with the I.A.F.A.-728 after the latter has been signed by the Officer-in-charge or the senior AAO/SO (A) of the audit section, will be sent in locked boxes to disbursement section.*

Note 4: *Disbursement section will be supplied with a complete list of specimen signatures of all gazetted officers and senior AAO/SOs (A) responsible for passing bills and signing the daily payments sheets.*

328. On receipt of the bills with I.A.F.A.-728 in Disbursement Section, the names of payees and the treasuries as shown in the bills will be checked with those in I.A.F.A.-728. This check will be carried out by the examiner to be appointed by the officer-in-charge and the senior AAO/SO (A) on the passed bills and the daily payment sheets with the specimen signatures on record in Disbursement section, before the cheques are issued. The bills and the daily payment sheets which do not pass scrutiny will be returned to the

section concerned for completion. Thereafter, the bills and the daily payments sheets will be sorted out separately for each section and arranged in a serial order.

The bills will then be examined to see (i) that all have been duly passed and the voucher number allotted and (ii) that the required number of cheque slip/cheque forwarding memos are attached. The bills will be stamped with the "Pay" stamp by the AAO/SO (A) and the enfacement initialled by him. Daily payment sheets will then be handed over to the operator. If several items pertaining to the same payee appear in any batch of the daily payment sheets, which could not be combined by the audit section concerned, further omnibusing of cheques (to the same payee) within each audit section will be carried out.

329. Wherever the payment is to be made through electronic mode like SBI-CMP, the operator will generate file containing the relevant data through OA system bearing unique no. which will then be uploaded on bank's portal. Cheques and schedule III will be prepared by the operator in accordance with the instructions laid down in Para 350. As each schedule is completed, it will be passed on to the auditor concerned together with the cheque and the daily payment sheets. The auditor will stamp the cheques with a cross "Not payable before the 1st proximo/the last working day of the month (i.e., particular date)" "payable in service labels" as may be necessary, enter the date of the cheque in the case of individual cheques and the No. and date of the cheque in the case of omnibus cheques (please see note 10 below) in the space provided for the purpose on the voucher, initial the entry and compare schedule III with the daily payment sheets in order to see that the schedule has been correctly typed out and that it agrees with the daily payment sheets. If a cheque relates to two or more bills the bills should be collected in a wrapper and the relevant cheque slips/cheque forwarding memos pinned to the top of the voucher.

The bills thus completed will be handed over to the AAO/SO (A) together with the cheques for supervision and submission to the officer-in-charge along with the office copy of schedule III.

Note 1: *While drawing cheques it should be ensured that the following procedure is adopted:*

- (i) *Where cheques are typed on perforated cheque writing machines, the name of the issuing PCDA/CDA should be typed after the words "and charge the same against the account of" printed on the body of the cheques.*
- (ii) *Where cheques are written by hand the name of issuing PCDA/CDA should be written legibly by hand in the appropriate space mentioned at (i) above.*

In the case of Defence cheques drawn by the various administrative authorities against cash-assignments placed at their disposal, PCsDA/Cs.DA may arrange at the time of issue of blank cheque books to the administrative authorities that the

name of the PCsDA/CDA is filled in the blank cheque book "All" cheques, the proceeds of which are creditable to Public fund Account should be embossed prominently with a rubber stamp reading as "For credit to Public Fund Account only.

- (iii) *the names of the issuing PCsDA/CsDA should be typed or written as the case may be in capital letters uniformly by all the issuing officers as per specimen below:*

C.D.A. Patna

Pr. C.D.A. (O) Pune.

C.D.A. (Army) Meerut.

C.D.A. Chennai

Pr. C.D.A. (Western Command) Chandigarh,

Pr. C.of A (Factories) Kolkata.

Pr. C.D.A. (Air Force) Dehradun.

Pr. C.D.A. (Navy) Mumbai.

C.D.A. (Funds) Meerut

Pr. C.D.A. (NC) Jammu.

- (iv) *It should be the personal responsibility of the cheque signing officer to ensure that these instructions are strictly complied with before signing the cheques. The implementation of these instructions should also be checked by the Group Officer cheque section every month by sample checks.*

Note 2: *If a cheque is prepared in manuscript or any alteration is made in the amount of a cheque typed on perforated machine, a cross enfacement should be made. The cross enfacement should express in words the sum of rupees next above that in the body of the cheque; that is, if a cheque is for rupees one hundred and twenty five paise, the enfacement should read "under rupees one hundred and one".*

Note 3: *Ordinarily, one cheque will be made out in payment of bills payable to the same party which is received in the same batch from an audit section. PCsDA/CsDA are permitted to relax this rule in cases where they consider that this relaxation is necessary. Omnibusing of cheques is, however, permissible within one section only.*

Note 4 (a): *Cheques, the amounts of which are payable to officers of the Government to enable them to make disbursement of pay and allowances of non-gazetted staff, contingent expenditure, permanent advances, etc. on behalf of Government shall be issued as stated below:-*

- (i) *Where the Disbursing Officers have a banking account, crossed cheques in favour of the banker may be issued for credit to the personal Deposit Accounts/Public Fund Account of the Unit or Formation concerned.*
- (ii) *Where the Disbursing Officers have a banking account/Public Fund Account, the cheques payable to Officers of the Government are to be issued in favour of the Government Officer concerned by designation, the word 'ONLY' being added after the designation of the payee Officer on the*

cheques. Such cheques shall bear the superscription 'Not transferable.'

(b) All cheques/drafts on banks for amounts exceeding Rs. 1,000 (Rs. one thousand only) in each case, other than in payment of salary, allowances, pensions, etc. of Government servants and pensioners, drawn in favour of an individual, a firm, a company, a statutory body etc. for services rendered or supplies made by them to the Central Government should invariably be "Crossed" with the addition of the words "Account payee only" between the crossing.

(c) Cheques/draft below Rs. 1,000 issued in favour of private individuals should also be crossed with the words "& Co" between the crossings. If, however, it is specifically stated on the top of payment enfacement in red ink on bills received from the audit sections that open cheques should be issued, payment will be made accordingly. In such cases cheques should be delivered through a Government officer. (see Para 343).

Note 5: Cheques preferable at a treasury for payment are non-negotiable instrument and should not therefore be crossed. They will be dispatched in the manner laid down in Note 4.

Note 6: In respect of payment made in settlement of inter-departmental or inter-governmental dues, the cheques drawn on an office of the Reserve Bank or any of its agencies other than a treasury agency, should be crossed with the words "Account payee" appearing between the crossing. On cheques drawn on a treasury agency the words "account-Government-not payable in cash" should be superscribed without any crossing.

Note 7: Under no circumstances should open cheque be issued to an officer on account of his pay and allowances unless he asks for it in writing as required by Rule 300 (iii), F.R. Part I.

Note 8: As the protection intended to be afforded to cheques by crossing under the provisions of Rule 300 (iii) F.R., Part I, is entirely nullified by the non-deletion of the inapplicable names of the drawees in Government cheque form, it is essential that the PCDA/Cs. D.A. and other disbursing officer while issuing Government cheques should score out the inapplicable drawees printed on the cheque form. To illustrate, if a cheque is drawn on the Reserve Bank of India the entry "Reserve Bank of India" should be allowed to stand while the other two drawees viz; State Bank of India/Treasury officer should be scored out.

Note 9: On no account should a cheque be issued in favour of a payee otherwise than in accordance with the name and designation shown in the pay order on passed bills and daily payment sheets by the officer-in-charge of the audit section and if the pay order as given on the bills is defective, the bills should be returned to the audit section concerned for amendment and attestation of the amendment.

Note 10: If one cheque is issued for two or more bills, the bills should be placed together with the cheque and the entry on the payment enfacement should show that the amount of bill is included in cheque No.....dated..... for Rs.....

Note 11: *All cheques, the proceeds of which are creditable to Public Fund Account should be embossed prominently with a rubber stamp reading as "For credit Public Fund Account only".*

330. The AAO/SO (A) will pair the payment enfacement on vouchers with cheque slips/cheque forwarding memos relating to cheques made out in the name of the actual payees (as distinct from bankers) and initial such cheque slips/cheque forwarding memos. He will also examine all cheques to see that they are prima facie in order in all respects and especially on the following points-

- (i) that the cheques are dated;
- (ii) that the cross limits, where necessary, have been correctly written;
- (iii) that the cheques are stamped "not payable before the 1st proximo" last working day of the month (i.e., the particular date), where necessary.

He will then initial the cheques and submit the cheques along with other documents to the officer-in-charge.

330A. Advice generated in the case of SBI-CMP files will be paired with the payment enfacement on vouchers by AAO/SO (A). He/ She will then initial the advice and submit along with the documents to the Officer-in-charge

331. The officer-in-charge will pair the treasury or the Bank, the amount (both in figures and words) and the payee written on the cheques with corresponding entries shown on the payment enfacement of the voucher. He will next verify that the first (opening) cheque written for the day bears the immediately succeeding number to the last cheque used on the previous day. He will then sign the cheque and initial the enfacement. As he signs the cheque he will initial each entry in schedule III relating thereto and stamp the bills with the "paid" stamp.

In the case of payments which are to be credited to the personal account of an officer, contractor, etc., with a bank, cheque slips/cheque forwarding memos will be paired by the officers signing the relevant cheques with the payment enfacement on vouchers and signed.

Note 1: *All alterations in cheques should be attested by full signature of the drawing officer and not by initials only. When alterations in cheques are made in the amounts, the entire line should be cut out and substituted by the new figures in words duly attested by the drawing officer. Partial alterations should not be made in figures (expressed in words) appearing on the cheques.*

Note 2: *Cheques should, as far as possible, be signed by the officer-in-charge, Disbursement Section. At time of pressure he may be assisted by other officers who should sit in the same room.*

332. When payment is required to be made by postal money order, a cheque should be issued for the full amount of the bill in favour of the Postmaster to whom the cheque together with the money order form (prepared by the audit section concerned) for the amount due less money

order commission should be sent. A money order for less than Rs. 10 will be paid from the petty cash.

333. When the amounts are remitted by postal money orders, the postal receipts will be recorded in a guard file. The payees acknowledgements will be watched and recorded on receipt by the audit section concerned.

334. Under clause (a) of Rule 300 (v), Financial Regulations, Part I, local bills for less than Rs. 10 and outstation bills of less than Rs. 1 have to be paid in cash.

Note: *As petty bills of Military Engineer Services are paid by the M.E.S. officers out of their assignments, the only cash payments that may be necessary will be in connection with the bills pertaining to the Miscellaneous, Transportation and Stores Contract Sections.*

For such small payments a cheque not exceeding Rs. 100 should be drawn in favour of the PCDA/CDA at the beginning of the month on a payment order to be obtained from Miscellaneous Section. The cheque should be accounted for in the first instance in the register of petty cash payments (I.A.F.A.-125).

The transactions should not be compiled at this stage and at no time should the amount be adjusted either wholly or partly under the Head-S "Deposits and Advances-Suspense Accounts". A red ink entry should however be made at the end of schedule III of Miscellaneous Section and the amount excluded from the total of the schedule. The audit section will issue memoranda to the parties concerned asking them to call at the office to receive payment. When they call, the audit section will send the vouchers to Disbursement Section through I.A.F.A.-728 in the petty cash book and on the bill, "paid in cash" and at the same time in Schedule III of the section concerned, the words "petty cash payments" entered in the column for the cheque number. When the amount is about to be exhausted, another cheque should be drawn for an amount equal to the total payments made and so on till the end of the month, when the balance, if any, remaining undisbursed should be paid into the treasury and the treasury receipt adjusted through the Miscellaneous section compilation. In this manner the full amount of each cheque should be credited to the Civil Department in the month in which drawn.

All entries in the petty cash book and schedule III will be initialed by the office-in-charge, Disbursement section.

335. At the close of each day, the totals of schedule III (as recorded by the accounting machine or run out on the plus adder machine at the completion of each schedule but less the amount of cheque drawn for petty cash payments, vide Para (334) will be worked out on the form given below for each section separately and agreed with the aggregate total of the daily payment sheets of each section, which will also be run out similarly and independently. When agreement has been effected, a certificate of the agreement will be given against the aggregate total of the schedules on the last schedule to which the totals of the other schedules should be carried over. The totals of the daily payment sheets and schedule III of each section

will then be verified by the AAO/SO)(A) who will submit them to the officer-in-charge for approval. This reconciliation statement should be prepared by carbon process. The original copy of the statement will be sent to the officer-in-charge, EDP Centre, so as to reach him by the 3rd of the month following that to which it relates.

Reconciliation statement between the total of daily payment sheets and Schedule III

C.D.A.		Section	Month		Remarks
Date of payment	Total amount	Serial number of cash voucher in respect of which payment has been included in column 2	Analysis of payment		
			payment of cheques	Petty cash payments	
1	2	3	4	5	6

Note: The castings of the daily payments sheets and the pairing of the entries therein with the vouchers should not be checked by Disbursement section until and unless actual discrepancy arises between the aggregate total of the daily payment sheet and the total of schedule III of any section.

336. After issue of cheques all paid vouchers along with Top List will be returned by 'D' Section to the Section concerned through transit register.

337. The office copies of schedule III will be bound in monthly volumes. The original copies of schedules III along with DP Sheets duly sorted out section wise and date wise, are to be sent to Accounts Section under a Top List, in the first week of the following month for their reconciliation and record.

(Substituted vide CS 199/87)

338. Hand written (in ink) specimen signatures of officers authorised to draw cheques will be forwarded to all treasuries, banks and military treasure chests on whom cheques are drawn. The No. of such officers should not at any given point of time exceed five in Regional PCsDA/CsDA offices (including the full time 'D' section officer) and three in other offices. However, the number of such officers in the office of the PCDA (O) Pune shall be twenty one (including full time 'D' section officers) subject to

condition that during any month not more than fifteen officers will be engaged in signing cheques and the limit is not to be exceeded on any account.

In the case of transfer, death or retirement of officers authorised to sign cheques, their specimen signatures should be cancelled as soon as they are transferred or become non-effective. Such action need not, however, be taken on the reversion of officiating A.Os. who are likely to officiate again after short intervals.

338A. Two AAOs/SOs (A) should be authorized to upload the SBI-CMP files on the Bank's portal. Thereafter, two SAOs/ AOs will authorize the files on the CMP portal to enable the bank to credit the amount in the accounts of the beneficiaries. In offices where no SAO/AO is available to be authorised as second payment authoriser, the AAO (s) may be authorised as second authoriser. The no. of such officers with User ID to authorize CMP payment files will not exceed five.

339. With a view to safeguarding bankers and payees against the possibility of fraudulent payments being obtained by the substitution of cheque slips or by erasing the names of payees in cheque slips prepared in pencil and inserting other names instead, at any stage between the issue of cheques and their credit to accounts in banks or treasuries, the following procedure will be observed:-

- (i) Cheque slips will be prepared in ink or generated through OA module (wherever available) and initialed by the AAO/SO (A) of the audit section concerned.
- (ii) Cheque slips relating to cheques made out in the names of actual payees (as distinct from bankers) should be initialed or signed in addition by the officer signing the cheque.
- (iii) Cheque slips relating to cheques to be credited to the account of payees with a bank should be signed by the officer signing the cheque. These cheque slips should not be initialed or signed by the AAO/SO (A), Disbursement Section.
- (iv) Where a cheque is drawn in favour of a bank for credit to the accounts of a number of payees and is accompanied by a number of cheque slips Disbursement section in forwarding such cheque to the bank will prepare a forwarding list of all cheque slips in ink or indelible pencil. The forwarding list should show the serial number of cheque slips together with the total of the amounts entered on each cheque slip. This list need not be signed or initialed.
- (v) As the Bank does not send intimation of credits received from the PCDA/C.D.A. it is necessary that the entries in the cash book of a unit or formation should be made on the authority of the intimation slips received from the PCDA/CDA In accordance with note below Rule 302, F.R. Part I, "not payable" cheques cannot be charged to the accounts until the date on which they become payable. It is, therefore, necessary for the proper maintenance of the cash book that the intimation slip received

from the PCDA/CDA should clearly indicate whether the cheque to which it pertains is payable or not payable (till after a certain date). All the intimation slips issued by the PCDA/CDA for cheques endorsed "not payable" (till a certain date) must invariably be so endorsed for the guidance of the officer maintaining the cash account.

340. The daily payment sheets should be returned to the audit section concerned only after completion, i.e., when the necessary agreement between the totals of schedule III and the daily payment sheet is signed by the officer-in-charge, Disbursement section. They cannot be removed from Disbursement section during the course of the before they are completed.

DISPATCH OF CHEQUES AND CHEQUE SLIPS FORWARDING MEMOS

341. On return of cheques along with bills, etc., from the officer-in-charge, the cheques will be handed over to the dispatcher together with the cheque slips.

342. The dispatch of cheques etc, will be carried out by a clerk of Disbursement Section. He will mark off the dispatch of cheques in Schedule III. Those which are to be sent by registered post will, however, be entered in a dispatch register together with the other documents accompanying the cheques.

343. Open cheques drawn in favour of Government officers for Rs. 2,500/- or over should be dispatched by Registered Post . No cheque, under any circumstances should be handed over to any A.O. or member of staff of the CDA office by the A.O. of 'D' Section. Cheques which are required to be handed over to the authorized representative of Units will be handed over personally by the Officer-in-Charge of 'D' Section only.

No cheque should be handed over to the representative of supplier except under the order of 'PCDA/CDA'

344. The dispatcher will be responsible for maintaining postage account in the manner laid down in Chapter I of this Manual.

345. When dispatching cheques, the dispatcher will scrutinize them with a view to seeing that these have been duly signed and the alterations, if any, have been attested by full signature of the officer signing the cheques. He will also see that the cheque slips attached to the cheques drawn in favour of banks and treasuries have been signed by the same officer who signed the cheques.

346. Ordinarily all cheques written out during the day will be dispatched on the same day. But if for some reason this cannot be done, the unissued cheques will be made over to the AO/SO(A) who will see that they are locked up in the safe by the officer-in-charge, Disbursement Section or any gazette officer in the main office.

347. The dispatcher will prepare memorandum daily showing the total number of cheques, etc., received by him, the number issued and the

balance in hand. The AAO/SO (A) will check the number of cheques, etc, received by the dispatcher with the number as shown in the several Schedules III and the number of cheques issued with the entries in the dispatch register and the balance in hand by actual count.

348. The dispatcher will be personally responsible to see-

- (a) that the covers contain the cheques etc., and other documents to be dispatched with them.
- (b) that the covers are duly stamped
- (c) that the envelopes are of sufficiently stout paper to render the contents invisible and that there is no entry on the outside to indicate that they contain cheques.

Duplicate Cheque Slips to be sent to Local Audit Officers, AO/AAO, M.E.S. Formation, or other PCDA/CDA

349. (i) To enable Local Audit Officers to verify during the course of their inspections whether all cheques (excepting those drawn in favour of the State and the Reserve Banks of India, and the treasury offices with reference to Rule 300 (iv)), Financial Regulations, Part I issued to a unit or formation have been accounted for in the cash book, the duplicate copies of the cheque slips received from the audit sections with the bills will be sorted out according to the local audit officers, AO/AAO, M.E.S formations or the PCsDA/CsDA of Defence Accounts concerned if the unit or formation is located in the audit control of another PCDA/CDA entered in the numbering book mentioned below and then forwarded to them in weekly batches. Before dispatch of these cheque slips, the date of issue of the cheques will be noted on them.

In the case of bills relating to M.E.S. formations to which AO/AAO (GE) are attached, the Local Audit Officers will make use of the cheque slips in possession of the AAO (GE) to link the cheques received in these offices.

(ii) Numbering book- In order to provide against any possible loss of cheque slips intended for the Local Audit Officers, PCsDA/CsDA or the AO/AAO M.E.S. formations, numbering books (specimen given in volume II of this manual) will be opened to number serially the cheque slips sent out to them. A separate annual series of numbers will be allotted to each Local Audit Officer, other PCDA/CDA or AO/ AAO, M.E.S. formation concerned.

(iii) To enable the AO/AAO (GE)/Local Audit Officer/PCDA/C.D.A. to watch continuity of the serial numbers of the last serial number of the previous year should be endorsed on the first cheque slip issued in the succeeding year.

PREPARATION OF SCHEDULE III

350. The Schedule of monthly drawings is called Schedule III. It is prepared on IAF (CDA)-345 by Disbursement Section. A separate Schedule III will be

prepared for each section. The PCDA/CDA section code number and the month will be entered once at the top of Schedule III. The Voucher number and the Cheque number will be shown against each item.

The Cheque and the required number of copies of Schedule III will be typed from the daily payment sheets generated from the Office Automation module (wherever available). Consecutive cheque forms will be used irrespective of Treasury, Bank or Treasure Chest on which the Cheques are drawn. Copies of Schedule III will be required as under:-

(a) One Copy for Accounts section

(b) One Copy for 'D' Section as office copy

Note: *The copy of Schedule III kept in 'D' Section will be utilized for marking off cheques dispatched by the cheque dispatcher.*

351. When a cheque is cancelled, the Audit section concerned will intimate to Accounts section, the month's account in which the adjustment is made. A note to this effect will be made in schedule III against the particular entry by Accounts Section.

352. A spoiled cheque will be submitted to the officer-in-charge, Disbursement section with the words "form destroyed" written against the item in schedule III, the item itself being scored through. He will destroy the cheque and sign against the item.

353. In office where the AAO/SO (A), Disbursement section does not have full-time work, he should be given a portion of the work of some other section, e.g., the typing sub-section of the record section; conversely a AAO/SO (A) of some other section when not fully employed in that section may carry out the supervision work of the Disbursement section.

ECS (ELECTRONIC CLEARING SCHEME) AND EFT (ELECTRONIC FUND TRANSFER SYSTEM)

354. Presently, three types of mechanisms are adopted by the Banks for effecting payments electronically. First is known as "Electronic Clearing Scheme(ECS) referred to as "ECS" and the second "National Electronic Fund Transfer" referred to as "NEFT" and the third is called Real Time Gross Settlement "RTGS". All these mechanisms operate under the aegis of RBI. ECS caters to electronic payment of bulk and repetitive payments like salary and both NEFT and RTGS are nationwide payment system facilitating one to one funds transfer and caters to transfer of funds electronically from one bank branch to another- both inter-city and intra-city , for payment of suppliers bills in lieu of outstation cheques/ demand drafts etc . RTGS is primarily meant for large value transactions.

For e-payment through SBI and other authorized banks, a consolidated cheque for total amount along with a payment advice list containing the beneficiary/ individual e-payment instructions and details such as the bank account numbers, IFSC codes is issued to the bank. Consolidated Daily

Payment sheets of e-payment through SBI or other banks with which agreement has been entered into may be prepared separately.

In the case of PCsDA/CsDA wish to implement e-Pay system by using the services of banks other than SBI, a detailed proposal for accrediting the concerned bank to act as Treasury to Defence Services ,along with a copy of MOU/Agreement to be signed with the banker be sent to the CGDA for approval on case to case basis. However, no approval of CGDA will be required for implementing e-pay system through SBI, which is an accredited banker (treasury) for Defence Services

SBI Cash Management Product

354A. For e-payment SBI has customized Cash Management Product (CMP) for the Defence Accounts Department. In this system payment advice containing details of transactions is uploaded on the bank portal and payment is authorized by two authorizers of the rank of Accounts Officers. The payment is then credited by the bank in the beneficiaries account. The details of this payment mechanism have been envisaged in Paras 326A of this Manual.

A report containing the percentage of e-payment being effected has to be rendered to the CGDA by every Controller by the 15th of the following month.

ANNEXURE

(Referred to in Para, 321)

RULES RELATING TO RECEIPT, CUSTODY, ACCOUNTING, ETC., OF CHEQUE BOOKS AND CHEQUE PADS

1. Cheque forms are printed at the Government Security Printing Press, Nasik, on special paper bearing prominently "Government of India" water mark and special shading with the words "Government of India" all over the face of the form. Cheque forms used in the office of the PCsDA/CsDA will be supplied by the Controller of Stamps, Nasik in fan-fold pads of 100 continuous forms and those intended for use by the disbursing officers in bound books of 25, 50 or 100 forms. Each pad and book will bear consecutive numbers. In the case of cheque books the book number will also be repeated in each form side by side with the consecutive number. The outer covers of the cheque pads and books will contain the following certificate which will be signed by the AAO/SO (A) and initialed by the officer-in-charge on their receipt:-

"I certify that I have this day counted the forms contained in this pad/book and find them to be correct."

Date	AAO/SO (A) 'D' Section	Officer-in-charge 'D' Section
------	---------------------------	----------------------------------

2. PCsDA/CsDA will send their indents for cheques pads and cheque books in the form given at the end of this Annexure direct to the Controller of stamps, Nasik, so as to reach him by 1st June each year.
3. Cheque pads and books except when actually in use will be kept in safe custody. The officer-in-charge will keep in his personal possession the key of the safe in which the cheque pads and cheque books are deposited and will not part with it except to another gazetted officer of the Defence Accounts Department.

The number of cheque pads required for the day will be taken out by the officer-in-charge and the safe will be locked up. In the evening when the payments are concluded, he will personally see that the pads containing unused forms are returned, locked up in the safe and that the number of the last form used during the day and that of the first unused form remaining in pad are consecutive.

Every week a report will be submitted to the PCDA/CDA by the officer-in-charge, Disbursement section certifying that all cheque pads, etc., have been examined and the unused cheques, etc., counted and found correct.

4. A register for receipt and issue of cheque pads and cheque books will be maintained on I.A.F.A.-613 showing the number of books and forms received from the press or returned by the disbursing officers and those supplied to the latter including the Disbursing section of the PCDA/CDA's office. The balances of books in hand will be struck

immediately after each issue has been made and the stock of forms will be verified half yearly with the balances shown in the register.

In the case of changes of disbursing officers, care must be taken to see that the cheque statement has been initialled by the relieving officer for all cheques issued before handing over. The relieving and relieved officer will sign handing and taking over certificates in the register of cheque pads/books (I.A.F.A.-613)

A specimen of the relieving officer's signature should be forwarded to treasury or sub-treasury to the branch of the State Bank of India/branch of Reserve bank of India by the relieved officer.

5. Cheque books will be supplied to the officers to whom assignments are granted by the PCsDA/CsDA concerned, necessary notes being made in the register in I.A.F.A.-613 at the time of issue. If any books are returned by those officers, they will be brought on the register and the entry made in red ink in the same way as the books received from the press. All cheque forms, which have been soiled, stamped with the designation of the disbursing officers or otherwise rendered unfit for further use, should be destroyed by the gazetted officer-in-charge, necessary notes as to the destruction and the cause therefore being made in the register and initialled by the officer-in-charge.
6. Cheque forms will be taken into use in regular succession from the lowest number upwards. Shortly before a new series of cheques is brought into use, a circular letter in the form given below will be issued to all treasuries, military treasure chests and branches of State and Reserve Banks of India on which cheques are generally drawn. The intimation to be sent to Banks/Treasuries regarding the new series of cheques should cover the number likely to be brought into use in the succeeding four months, which will be determined on the basis of past actuals for four months and other factors, if any which can be anticipated. The number and date of communication and the date when the cheque pads are brought into use should be noted in the register in I.A.F.A.-613 and entries attested by the gazetted officer-in-charge. In the case of treasuries, etc. on which cheques are casually drawn, an intimation regarding the issue of cheques and the specimen signature of the officer signing the cheques will be sent simultaneously with the issue of cheques.

(SPECIMEN FORM)

To
THE AGENT
State Bank of India

.....
The Treasury Officer.....
The Manager, Reserve Bank of India.....
The Military Treasure Chest Officer.....

SUBJECT: Intimation of cheques brought into use.

Sir,

In continuation of this office No.....date.....I have the honor to state that cheque Nos.....to.....are about to be brought into use. On completion of cheque No.I shall communicate to you the new series of cheques which will be brought into use.

The above series of cheques will be used for drawing on different treasuries, branches of State Bank of India and Reserve Bank of India and military treasure chests.

This may please be noted.

*Yours faithfully,
FOR Pr. Controller/ Controller of Defence Accounts*

7. If a cheque form is found to be missing either from the pads in use or those in stock, an express cyclostyled circular letter should be sent immediately direct to all treasuries, sub-treasuries, military treasure chests and branches of State and Reserve banks of India intimating the distinctive number of the cheque form missing with instructions that if the cheque is presented at the treasury, etc., payment should be refused. It is important that the intimation should be sent to all treasuries, etc., and not merely to the particular ones on which cheques are normally drawn and advance intimations sent under Para 6 above.
8. Cheques lapse at the end of the third month from the date of issue i.e. cheques shall be payable at any time within a period of three months from the date of issue.
If the currency of a cheque should expire owing to its not being presented at the treasury within the period specified above, it may be received back by the drawer who should destroy it and issue a new cheque in lieu of it. In the event of non-return of the time-barred cheque to the drawer, the drawer should on the expiry of prescribed period of three months from the date of issue of cheque require the payee either to return the cheque or explain the causes for its non-return. If a result of this enquiry, a drawing officer is informed that a cheque drawn by him has been lost, he

will address the treasury officer, drawn on and forward the following certificate for completion and return:-

"Certified that cheque No.dated for Rs.reported by the to have been drawn by him on this treasury in favour ofhas not been paid and will not be paid if presented hereafter."

TREASURY

The20

Treasury Officer

If the cheque has not been cashed, the treasury officer will sign and return the certificate and drawing officer will make a note of cancellation and issue a fresh cheque.

9. Empty fan-fold cheque pads should be destroyed after the cheque contained therein has all been used up. The date of issue of the last cheque in the pad will, however, be noted under the dated initials of the officer-in-charge in the remarks column of the register of cheque pads (I.A.F.A.-613) before each pad is destroyed.
10. To safeguard against loss of the cheques taken out for use during the day, the following procedure should be strictly observed:-
 - (i) Before cheque pads are handed over to the operator, the officer-in-charge and the AAO/SO (A), Disbursement Section will verify that the forms in the pads are intact and that the first form in the partly used pad/pads bears the immediately succeeding number to the last cheque used on the previous day.
 - (ii) The operator will use consecutive forms and will verify every day that the number on the last cheque form used on the previous day and the number of the first cheque form remaining in the pad are consecutive. If any form is missing, the AAO/SO (A) should be informed forthwith who will investigate and report the matter to the officer-in-charge.
 - (iii) At the end of the day when all payments have been completed the cheque pads will be examined by the AAO/SO (A) to see that the forms remaining in the partly used pads are intact and in consecutive order. The pads will then be returned to the officer-in-charge. Before putting them back in the safe, he will satisfy himself that all the forms used during the day (including destroyed cheques, if any) are continuous and have been submitted to and signed by him. He will also verify that the number of the last cheque signed by him and the first unused form remaining in the pad are consecutive.

- (iv) Separate cheque pads should be used for "not payable" cheques, the verification of consecutive use of the forms of these pads should only be carried out during the period in which such pads are in use.
11. Normally one cheque pad or two cheque pads (one for payable and one for not payable) at a time will be issued by the officer-in-Charge, Disbursement Section, for typing cheques and handed over to the AAO/SO (A) of the section who will pass it on to the operator for typing cheques there from. On completion of this pad the AAO/SO (A) will obtain another cheque pad from the officer-in-charge for typing further cheques. Before issue of another cheque pad to the operator, the AAO/SO(A) will satisfy himself that the previous cheque pad has been fully exhausted and that all the cheques typed from that pad have been submitted to him. The partly used cheque pads at the close of the day will be put back in the safe after the necessary check, as prescribed in Para. 10 (iii), has been exercised by the AAO/SO (A) and the officer-in-charge Disbursement Section.

Statement showing the number of Defence Service "Fan-Fold" cheque required by the Pr. Controller /Controller of Defence Accountsfor the period from 1st October or 30th September

(See Para 2 of the Annexure)

No. of fan-fold cheque pads of 100 forms each	Three months reserve to be maintained	Total number of cheque pads to be supplied	Address to which cheque pads should be dispatched	Mode of dispatch	Remarks

Statement showing the number of Cheque books required by the Pr. Controller/ Controller of Defence Accounts for the period from 1st October to 30th September

(See Para 2 of the Annexure)

No. of cheque books of 100 forms each	No. of cheque books of 50 forms each	No. of cheque books of 25 forms each	Three months reserve to be maintained by PCsDA/CsDA			Total no. of cheque books to be supplied			Address to which cheque books should be dispatched	Mode of dispatch	Remarks
			No. of cheque books of 100 forms each	No. of cheque books of 50 forms each	No. of cheque books of 25 forms each	No. of cheque books of 100 forms each	No. of cheque books of 50 forms each	No. of cheque books of 25 forms each			
1	2	3	4	5	6	7	8	9	10	11	12

CHAPTER-V

PAY SECTION

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RECEIPTS OF BILLS

355. All bills irrespective of their nature will be received only in the 'Record Section' of the PCsDA/CsDA office & will be sent to respective section after being duly diarised. Under no circumstances should any bill be received by any section directly.

(Added vide CS 237/98)

OBJECTIVES

355A. Objectives of Pay Section are:

- (i) To pay salary and other dues as per entitlement on due dates.
- (ii) To maintain all necessary records, correct and complete in all respects, so as to ensure that service benefits of employees are correctly paid on due dates.
- (iii) To advise Administrative and Executive authorities on matters relating to service conditions and entitlements of Defence Civilians.

DUTIES

355B. The Pay Section deals with:-

- (i) Payment and audit of all claims pertaining to pay and allowances, other than travelling and daily allowances, of Civilian Gazetted Officers and establishment paid from the Defence Services Estimates.

Note 1: *The pay accounts of Civilian gazetted officers and non-gazetted personnel serving in field service areas are maintained by the PCDA (NC), Jammu and concerned PAO (ORs) respectively.*

Note 2: *Check rolls on accounts of pay of industrial employees are audited locally by L.A.O.*

- (ii) Payment and recovery of leave salary and pension contributions in respect of Civilian personnel lent for service to and from Civil Departments of the Central Government and the various State and foreign Government, statutory bodies, etc.
- (iii) Classification of all receipts and payments brought to account through pay bills or other claims dealt with in the section.
- (iv) Audit of annual establishment returns in respect of permanent non-gazetted and Civilian gazetted officers.
- (v) Data capturing task of General Provident Fund contribution in respect of the Non-DAD Defence civilians through "NIDHI" software for submission to the office of CDA (Funds), Meerut.

- (vii) Pay section of the PCDA/CDA's office performs the duties of Principal Accounts Office and Pay and Accounts Office under the system of National Pension System erstwhile New Pension Scheme (NPS), in the case of Defence civilians for whom pay and allowances are paid by them."

PAY BILLS

Civilian officers of the Defence Services

356. All Civilian gazetted officers paid by the Pay Section are normally required to prepare their individual monthly pay bills on I.A.F.A.-35. A consolidated pay bill may be rendered where a large number of officers are serving in a formation. The pay bills are to be submitted so as to reach the audit office not later than the 25th of the month to which they pertain.

357. On receipt of the Pay bills including Supplementary and contingent Bills from the Record Section, they will be entered in the Bill register to be maintained centrally in each pay audit group. The specimen of the register is given at serial no. 31 of Chapter V, Section 2 of OM Pt. II Vol. II. Bills will then be distributed to the auditors concerned to be entered by them in their work books. Thereafter the bill will be checked in accordance with the instructions laid down in Para 183 and 184 of Defence Audit Code and the drill prescribed in Annexure A and B of this Chapter. The bill register will be completed and maintained in accordance with the Fly Leaf Instruction attached thereto.

358. The auditor, after exercising the prescribed audit checks, will complete the payment encagements and the classification portions of all pay bills. He will then prepare a punching medium (in duplicate) and submit the bill with all the relevant vouchers to the AAO/SO (A) for review and submission to the officer-in-charge of the section.

Note: *Pay Bills/Supplementary Bills/Claim/Contingent Bill No.(as the case may be) together with the amount claimed and passed should be indicated on the reverse of the cheque slip so that it is possible to know that the proceeds of cheque related to a particular bill/claim etc. where the proceeds of the Defence Cheques are required to be credited to the personal account of an individual, his name together with the amount and his bank account number should invariably be indicated on the reverse of the cheque slip.*

(Added vide CS 237/98)

359. The following procedure will be observed when pay bills are passed for payment:-

- (i) Any alterations to the pay bills will be intimated to the officer concerned on I.A.F. (C.D.A.)-22.

Note 1: *In the case of officers of MES, Class 9 voucher will be operated and punching medium will be prepared in quintuplicate as per allocation given on*

the bills. The section Code No. of the MES formations will be suffixed to voucher number and indicated on all copies of PM and the voucher number allotted to the bills by the MES formations will be quoted on all copies except the original. The copies of PM will be disposed of as under:-

- (a) EDP CENTRE - Original copy.
 - (b) AO (GE)/AAO (GE) - One copy.
 - (c) E Section of the Main office - One copy.
 - (d) Accounts Section of the Main Office-One copy.
 - (e) One copy will be retained as office copy.)
- (Authority: C.G.D.A. No. 13176/AT. Coord., dated 19-6-73)

Note 2: Sometimes persons are employed on contracts which provide for special terms of service not consistent with their service rules which would be applicable to them but for the contract. Such contracts also provide that in respect of any matter for which no special provision has been made in the contract, the ordinary rules will apply. In such cases, a copy of the contract should be obtained and recorded in the audit office. Pay and allowances or leave will be regulated in accordance with the special terms of the contract or the ordinary rules as the case may require.

- (ii) Where several officers' pay is remitted to the same bank, payments to that bank should be entered together in the daily payment sheet in order that one composite cheque for the total sum may be issued and a composite cheque slip prepared.

Note 3: In the case of cheques issued to bankers, cheque slips will be prepared in duplicate, where, however, cheques are issued to officers direct, only cheque slip need be made out.

- (iii) When the pay bills duly passed by the officer-in-charge of the section are received back, the bills will be entered in the daily payment sheet (I.A.F.A.-728) and forwarded to the Disbursement Section for payment. (The detailed procedure for the preparation of daily payment sheet is laid down in the chapter on Disbursement Section.)
- (iv) The audit of pay bills will be so conducted that cheques in payment thereof may be issued well in advance so as to reach the bankers/payees on or before last working day of the month.

CANTONMENT EXECUTIVE OFFICERS OF THE OF THE CANTONMENT BOARD

360. All Cantonment Executive Officers whether originally belonging to the Cantonments Department or recruited to the Cantonment Executive Officers Service will be initially paid by the PCsDA/CsDA. The monthly dues from the Cantonment Boards will be recovered monthly. For this purpose, the PCDA/CDA concerned will issue to the appropriate Cantonment Board the

necessary receivable order for the amount involved, concurrently with the passing for payment of the pay bill of each executive officer.

The prompt receipt and adjustment of the treasury receipts in respect of payment made to Cantonment Executive Officers will be watched by means of a register, to be maintained by the section on the proforma given in volume II of this Manual.

Supplementary pay bills

361. Arrears of pay, etc., are not drawn in ordinary monthly bills but in supplementary pay bills the amount claimed for each month being entered separately with quotation of the bill from which the charge was omitted or withheld, or on which it was refunded by deduction, or with reference to the treasury receipt on which it was credited to Government, or to any special order of competent authority granting a new allowance, antedated promotion, etc. In auditing such bills, it should be particularly seen that appropriate deductions on account of income tax and rent for accommodation where recoverable have been made with reference to the rules prescribed on the subject, for period for which arrears of pay, etc., are drawn.

Civilian Establishment

362. Pay bills of Civilian establishment of Army Headquarters, and units and formations including those of the Territorial Army are prepared on I.A.F.-38 by administrative/unit authorities concerned except where AO/AAO (GE) are attached for the preparation of such pay bills. These pay bills will be prepared separately for permanent and temporary establishment as laid down in Rule 176, F. R. Part II and the original copies thereof will be submitted so as to reach the PCDA/CDA's office on or before the 18th of the month to which it relates and 15th in the case of Feb for audit and payment.

363. BLANK.

364. The instructions for the audit of pay bills of Civilian non-gazetted establishment are contained in Annexure 'A' & "B" to this chapter. In passing the monthly pay bills in respect of the above establishment for payment, it should also be seen that the authorized complement is not exceeded. For this purpose the authorized strength and the paid effective strength, etc., should be noted on the pay bill itself prominently in red ink and necessary action taken for regularization of excess, if any.

Note 1: *The procedure as laid down in Paras. 357, 358 and 359 of this chapter relating to the audit and payment of officers pay bills and supplementary pay bills will be followed generally when dealing with establishment pay bills.*

Note 2: *After the necessary audit checks as contained in the Annexure 'B' to this chapter Punching Medium, Check-slips and Daily Payment Sheet has to be generated through the office automation system (wherever applicable).” (See also Para 742 in Chapter-XV of this Manual)*

ADVANCES

Advances of Pay

365. Advances of pay on transfer or when otherwise admissible under rule will be drawn by Heads of offices or Officers Commanding for personnel working under them on requisitions supported by a copy of the order or other authority sanctioning the move and will be limited to the amount prescribed in the regulations on the subject. Advances will ordinarily be drawn from the PCDA/CDA's office but in urgent cases when time does not permit of an advance being obtained from the PCDA/CDA, the amount may be drawn from the field imprest. Emergency Cash Requisition (I.A.F.A. 205) will not be used for this purpose.

Advances for the purchase of conveyances

(I) MOTOR CARS

366. Civilian personnel paid from the Defence Service Estimates, who are governed by Civil Services Regulations, are entitled to advances for the purchase of motor car in accordance with Rule 21 to 29 of Compendium of Rules on Advances, 2005 except that the sanctioning authorities will be the same as in the case of military personnel of corresponding grades (see Para, 368), and the agreement form and mortgage bond will remain in the custody of the PCDA/CDA. Temporary and quasi-permanent Government servants, for whom advances are sanctioned, will not be granted such advances without the production of a surety bond from a permanent Government servant in the form given in Annexure "C" to this chapter.

367. Advances may be made at the discretion of the Sanctioning authority to individuals of the Categories shown and upto the limits laid down in Para 368 provided that the advance can be met from the sanctioned allotment. Before sanction is given to an advance, the sanctioning authority will satisfy himself that funds are available.

368. The sanctioning authorities and the amounts of advance admissible (as amended from time to time) are given below:-

To whom admissible	Sanctioning authority	Amount admissible
1	2	3
<i>Personnel of The Army</i>		
(1) All Officers at Army Headquarters and other officers under the direct control of Army Headquarters.	Q.M.G.	
(2) All Officers serving with Corps, or administrative departments including all	G.O.C.-in-C, Command/ Delhi Area GOC	

To whom admissible	Sanctioning authority	Amount admissible
1	2	3
Officers of Military Land and Cantonments and Regimental units other than those at (1) above.		
(3) Civilian Engineers and Civilian Surveyors of works employed on contract and temporary engineers employed in officer's appointments in the M.E.S., temporary Barrack Store Officers and Senior Barrack officers and temporary junior Architects employed in the M.E.S.	E-in-C, with the prior approval of the Ministry of Finance (Defence) wherever necessary vide Para 366.	Rs. 1,80,000/- or eleven months of basic pay for the first occasion Rs. 1,60,000/- or eleven months basic for the second or subsequent occasions admissible only after 4 years. OR the anticipated price of the motor car, whichever is the least.
(4) Civilian Officers serving in installation under the control of the Director of Technical Development	M.G.O.	- Do-
(5) Staff and Student Officers paid from Defence Services Estimates, National Defence College, New Delhi.	Comdt., N.D.C., New Delhi	- Do-
(6) Sub-Divisional Officers and Assistant Sub-Divisional Officers (Permanent and temporary) of the M.E.S. ranking as 2nd grade officers.	Area Commander or Commander, Delhi Area	- Do-

(Amended vide CS 213/90 as amended vide CS 215/90)

To whom admissible	Sanctioning authority	Amount admissible
1	2	3
Personnel of The Navy		
(1) Civilian Officers serving in Naval Headquarters	The chief of the Naval Staff.	Rs. 1,80,000/- or eleven months of basic pay for the first occasion Rs. 1,60,000/- or eleven
(2) Civilian officers serving ashore under the Commodore-in-Charge, Mumbai.	Commodore-in Charge, Mumbai.	

To whom admissible	Sanctioning authority	Amount admissible
1	2	3
(3) Civilian offices serving ashore under the Commodore-in-Charge, Cochin.	Commodore-in-Charge, Cochin.	month basic for the second or subsequent occasions admissible only after 4 years. OR the anticipated price of the motor car, whichever is the least.
(4) Civilian officers serving ashore under the Naval Officer-in-charge, Vishakhapatnam.	Naval Officer - in - Charge, Vishakhapatnam	
<i>Personnel of the Air force</i>		
All Officers	The Chief of the Air Staff	Rs. 1,80,000/- or eleven months of basic pay for the first occasion Rs. 1,60,000/- or eleven months basic for the second or subsequent occasions admissible only after 4 years. OR the anticipated price of the motor car, whichever is the least.

(Amended vide CS 213/90 as amended vide CS 215/90)

368A. Advances for motor cars will be recovered in monthly installments as under:-

(a) From officers serving on permanent engagements:-

In 1/200th part of the amount advanced of such number of equal monthly installments as he may elect but not exceeding 200 (Two Hundred). The individual at his option to repay more than one installment in a month.

However, recovery of the advances from an officer who is due to retire within 5 years or 6 years as the case may be from the first issue of pay after the drawal of advances by him, will be made in such number of installments as would enable recovery of the advance and interest thereon being completed by the time of the issue of the last pay to him before retirement. (Amended vide CS 224/91 & 213/90)

(b) From those serving on temporary engagements:-

Within 3 years or before the date of termination of their engagement, whichever is earlier.

- (c) The sanctioning authority may, however permit recovery to be made in a smaller number of installments if the officer so desires.

The interest will be recovered in one or more installments after the whole of the principal has been repaid, and each installment will not be appreciably greater than the installment by which the principal was recovered.

(II) MOTOR CYCLES

369. The general conditions governing the grant of advances for the purchase of motor cars apply mutatis mutandis to advances for the purchase of motor cycles except that hypothecation of the vehicle is not required.

370. Individuals to whom advances for the purchase of motor cycle are admissible, extent of advances, and sanctioning authorities are given below (as amended from time to time):-

To whom admissible	Sanctioning authority	Amount admissible
1.	2.	3.
<i>Personnel of The Army</i>		
(a) (i) Cantt. Executive Officers and Military Estate Officers of the Officers of the Military Lands and Cantt services and all Civilian subordinates whose pay is not less than Rs. 8560 p.m. (band pay under RPR,2008)	Quartermaster General in the case of personnel serving at Army Head quarters and in formations directly under the control of Army Head quarters. Master General of the Ordnance in the case of the personnel employed in the establishment under the control of the D.T.D. All other cases G.O.C.-in-C. Area or Sub Area Commander, as the case may be.	
(ii) Civilian Officers at Army Headquarters and formations directly under the control of Army Headquarters.	Quartermaster General	
(b) Staff and Student Officers paid from Defence Service Estimates, National Defence College, New Delhi.	Comdt., N.D.C. New Delhi	

To whom admissible	Sanctioning authority	Amount admissible
1.	2.	3.
(c) Establishment and student offices, Staff college, Wellington.	Commandant, Staff College, Wellington.	
(d) (i) All permanent and temporary class III civilian personnel in Military Engineer Services ranking as 2nd grade for purpose of T.A. and permanent class I and II officers.	G.O.C.-in-C. Area or Sub-Area Commander, as the case may be.	Rs. 30,000/- or six month's basic pay Rs. 24,000/- or five months basic pay for second or subsequent occasions or the anticipated price of the motor cycle, whichever is the least.
(ii) Civilian Managers and Supervisors of the Farms Departments ranking as 2nd grade for purpose of T.A.	Area or Sub-Area Commander.	
(e) All temporary class I and II Officers in the M.E.S.	Engineer- in - Chief	
<i>Personnel of The Navy</i>		
(f) (i) All civilian officers and civilian subordinates drawing pay not less than Rs. 8560 p.m. (band pay under RPR,2008) serving at Naval Headquarters.	The Chief of the Naval Staff.	
(ii) All civilian officers and civilian subordinates drawing pay not less than Rs. 8560 p.m. (band pay under RPR,2008) serving in Naval shore establishments outside Naval Headquarters.	The Commodore-in-Charge, Mumbai, Kochi & Vizag as the case may be	
<i>Personnel of The Air Force</i>		
(g) Civilians serving with the Air Force whose pay is not less than Rs. 8560 p.m. (band pay under RPR,2008)	Chief of the Air Staff.	

(Amended Vide CS 213/90)

Note: *The term pay used in item (a) (i), (e) (f) (i), and (ii) and (g) of the above table includes officiating pay and/or special pay (e.g. charge allowance to Assts-in-Charge). Before sanctioning the advance on this basis the sanctioning authorities will however, take into account the fact whether the Govt. servant is likely to continue to draw the higher pay for officiating in higher post or to draw the special pay or other emoluments classed as pay, till the advances is fully repaid.*

371. Advances for Motor cycles will be recovered in monthly installments as under:-

(a) From Officers serving on permanent engagements:-

In 1/70th or such number of equal monthly installments as he may elect but such number should not be more than seventieth part of the amount advanced. However, recovery of the advance from an officer who is due to retire within 4 years from the first issue of pay after drawal of advance by him will be made in such a number of installments as would enable recovery of the advance and interest thereon being completed by the time of the issue of the last pay to him before retirement:-

(b) From those serving on temporary engagements:-

Within 3 years or before the date of termination of their engagement, whichever is earlier.

(Amended vide CS 213/90)

(III) BICYCLES

372. Advances for the purchase of bicycles may be granted by the authority competent to sanction the advance if it is satisfied that the possession of bicycle will add to the efficiency of the individual. It will be admissible to permanent and temporary civilian personnel in Defence service employ, including non-industrial and industrial borne on regular establishment, (except casual employees) whose grade pay does not exceed Rs 2800/- under Revised (Pay) Rules, 2008 . Advances are also admissible to civilian clerks who have been militarized and DEPUTED for service at places where Govt. transport is not available for their use and for whom accommodation cannot be provided within a reasonable distance from their place of duty.

373. The amount of the advance shall not exceed Rs. 3000/-or the anticipated price of the bicycle inclusive of sales tax whichever is less. The rate of this advance shall be increased by 25% whenever the Dearness Allowance payable on revised pay structure under RPR, 2008 goes up by 50%.

374. Advances may be made at the discretion of the following authorities provided that the amount can be met from the sanctioned allotment (as amended from time to time):-

PERSONNEL OF THE ARMY

- (i) The QMG or such officer or officers to whom he may delegate his powers, in the case of personnel serving at Army Hqrs.
- (ii) The MGO or such officer or officers to whom he may delegate his powers, in the case of personnel employed in the AOC and the EME.
- (iii) The E-in-C or such officer or officers to whom he may delegate his powers, in the case of personnel employed in the MES and other establishment/Formation under him.
- (iv) The DGI or such officer or officers to whom he may delegate his powers, in the case of personnel employed in DGI organization.
- (v) The SA and DGCR & D or such officer or officers to whom he may delegate his powers, in the case of personnel employed in Defence R & D organization.
- (vi) The Commandant, Staff College, Wellington, in the case of personnel serving in that institution.
- (vii) The DGOF or such officer or officers to whom he may delegate his powers in the case of personnel employed in DGOF's organization.
- (viii) Commandant, National Defence College, New Delhi or such officer to whom he may delegate his powers in the case personnel serving in the college.
- (ix) In all other cases, GOC-in-C Command or GOC Area/(Indep)Sub Area/ Sub Area/Bde, Commander, as the case may be.

PERSONNEL OF THE NAVY

- (x) The Chief of the Naval staff or such officer or officers at Naval Headquarters to whom he may delegate his powers in the case of (a) personnel serving at Naval Headquarters & (b) the staff of Naval Armaments Inspectorate at Jabalpur and staff at Naval Hydrographic Office at Dehradun.
- (xi) The Flag Officer Commanding-in-Chief, Western Naval Command, Mumbai in the case of personnel serving under hi.
- (xii) The Flag officer Commanding in Chief, Eastern Naval Command, Visakhapatnam, in case of personnel serving under him as well as personnel serving under the Naval Officer-in-Charge, Kolkata and Resident Naval Office at Chennai
- (xiii) The Commodore, Commanding Southern Naval Area Cochin in the case of personnel serving under him.
- (xiv) The Commanding, Officer INS India in case of personnel serving under him.

- (xv) The Naval Officer-in-charge Goa in case of personnel serving under him.

PERSONNEL OF THE AIR FORCE

- (xvi) Chief of Air Staff in respect of civilian personnel serving at Air HQrs and in units under the direct control of Air Hqrs.
- (xvii) AOsC-in-Command: In respect of civilian personnel serving at respective Command HQ and units under therein.

375. Before sanction is given to an advance, the sanctioning authority shall satisfy himself that funds are available.

376. Advances may be granted at any time after the commencement of a financial year as soon as provisional allotments for that year have been notified. Advances so granted shall form a charge against the allotment for the year concerned.

377. Such advances should not be granted within three years of the previous advance granted for the same purpose. In exceptional cases, a second advance may be granted within three years of the previous advance if the sanctioning authorities are satisfied, on production of satisfactory evidence by the individual concerned, that the bicycle purchased with the help of the earlier advance has been lost or has become unserviceable. In such cases, the sanctioning authorities will certify in the sanction letter to be issued by them to the effect that they have satisfied themselves that the bicycle already in possession of the individual has been lost or has become unserviceable as the case may be.

378. Purchase should be made within one month of the date on which the advance is drawn and if the amount taken is in excess of the actual price paid, the balance shall be refunded at once to the Government.

379. BLANK

380. The advance shall be recovered from the individual in such number of equal monthly installments as he may elect but such number shall not be more than 30. The individual may, at his option, repay more than one installment in a month. The recovery of the amount of the advance shall commence with the issue of leave salary or subsistence allowance, as the case may be, after the advance is drawn.

(Amended vide CS 213/90)

381. The other conditions to which the advance is subject to are laid down below:-

- (a) The individual will retain the bicycle in his personal custody and will not dispose it off without the previous sanction of the sanctioning authority if a portion of an advance is outstanding. When sold under proper authority, the proceeds will be credited to the President towards the balance of the advance. In the event of a loss, theft or of accident to the bicycle, the individual

shall be bound to pay the remaining installments as they fall due.

- (b) In case an individual dies before final liquidation of the advance so granted, it will be recovered from his pay and allowances or otherwise the administrative authority will take action to seize the bicycle from his heir so that it may be sold to meet the outstanding debt. The balance if any, of the sale proceeds will, however, be paid to his heirs.
- (c) The admin authorities will ensure compliance of the above conditions.

(IV) PERSONAL COMPUTER

381A. (1) Eligibility – Employees drawing pay in the pay band (i.e. band pay) of Rs. 19,530 p.m. (band pay under RPR,2008) or More are eligible.

(2) Amount of advance-

- (i) On first occasion: Rs. 80,000 or anticipated price of computer (excluding customs duty) whichever is less.
- (ii) On second /subsequent occasions: Rs. 75,000 or anticipated price of computer (excluding customs duty) whichever is less.

However Rs.30,000/- or anticipated price (excluding custom duty if any) may be granted for employees whose pay in the pay band (i.e. band pay) is not less than Rs. 8,560/- (Band pay under RPR, 2008) and who are not eligible for motor car advance subject to the under-mentioned conditions:

- (a) Application should be made on the prescribed form i.e. Form-6 of the Compendium of Advances, 2005.
 - (b) In case of temporary employees a surety bond from a permanent employee having equal or higher status is needed.
 - (c) A second / subsequent advance can be granted only after three years from the drawl of earlier advance.
 - (d) The advance cannot be used for payment of customs duty.
 - (e) Computer purchased should be mortgaged to the Government.
- (iii) Recovery of advance (principal) will be done in maximum 150 monthly installments. Interest is charged at the rates prescribed as in case of advance of 'motor car'

382. When advances are granted to temporary servants, the following additional conditions shall be observed:-

- (a) The surety of a permanent Govt. servant is required in the form published as Annexure "C" to this chapter before an advance is

sanctioned. This condition may, however, be waived in the case of Temporary Industrial employees of any of the Defence Estt. provided he has rendered at least 15 years service.

- (b) The sanctioning authority shall satisfy himself that the Government servant is likely to continue in service till such time as the advance is completely recovered.
- (c) In the event of a temporary Government servant being discharged before the advance is completely recovered, the remaining balance of the advance shall be recovered in one lump sum before discharge.

383. Simple interest shall be charged at the rate fixed by Government for the purpose. The interest shall be calculated on the balance outstanding on the last day of each month, and shall be recovered in one or more installments in the month following that in which the repayment of the principal has been completed. Each such installment shall not be appreciably greater than the installment by which the principal was recovered. The amount of the advance to be recovered monthly shall be fixed in whole rupees except in the case of the last installment, when the remaining balance including any fraction of a rupee shall be recovered.

***Note:** In case where pay bills for a month are disbursed before the end of month, installment in repayment of any advance recovered through the pay bill will be taken as having been refunded on the first of the following month the normal date for disbursement of pay.*

Audit and adjustment of advances

384. Claims to advances of pay and allowances will be subjected to audit in the same way as claims on account of regular monthly pay and allowances. All such claims together with claims for other advances admissible under regulations, e.g., advances for the purchase of motor cars or cycles, will be entered in the demand register at the time of payment and audited with reference to regulations bearing on the subject. Where an advance has been drawn from a field imprest, the entry in the demand register will be made on receipt of the intimation along with the stamped receipt.

385. When an individual is transferred to the payment of another audit officer, any advance of pay granted to him will be noted on his last pay certificate and will remain outstanding in the demand register until an acknowledgement is received from the audit officer concerned.

386. In the case of other advances, e.g., for the purchase of motor car or other conveyances, etc., the un-recovered balance together with the amount of interest accrued to the end of the previous month will be noted on the last pay certificate together with the following particulars so far as applicable:-

- (i) The authority for the payment of advance and the amount of advance.
- (ii) Date of Payment.

- (iii) Date upto which the conveyance is insured, amount for which insured and the name of the Insurance Company with which insured.
- (iv) Amount of installments and the number of installments in which the balance of advance is recoverable.

The mortgage bond and connected documents should as far as possible be sent along with the last pay certificate.

A punching medium for the balance of the advance due from the individual will also be prepared to transfer the balance to the books of the PCDA/CDA to whose payment the individual has been transferred.

387. Advances of pay and other demands communicated through the medium of last pay certificate or on I.A.F.A.-524 received from other audit officers will be entered in the demand register promptly on receipt of such communications. The recovery of advance of pay will ordinarily be affected as pay falls due, in the number of installments prescribed in regulations.

Advance for industrial employees

388. Advances for the payment of industrial employees and others employed in Ordnance Depots, Inspection Sections, Base Workshops, etc., are paid on receipt of cash requisitions from the officers concerned based on estimates of the probable amounts required for payment during the month. The amount so advanced will be noted in the demand register and the adjustment watched therefrom. These advances will be adjusted on receipt of "Abstract of Receipt/Expenditure" on account of pay and allowances of industrial staff: (I.A.F.A.-40(Revised) from the officer concerned duly checked by the LAO. Treasury receipt in respect of undisbursed amount should accompany the "Abstract".

DEMANDS

389. The procedure relating to recoveries as laid down in Defence Audit Code will be followed. The recovery of demands against officer and others will be watched as under:-

- (i) All demands will be noted in the demand register (I.A.F.A.-590).
- (ii) The recovery of advances of pay made under the civil rules will be affected in 3 equal installments commencing with the month for which full pay is drawn after transfer except advances granted under Article 64, C.S.R., which will be adjusted by 1/3 of the officer's emoluments.

All advances or other claims against individuals should be noted in the demand register maintained in each section, separate pages being allotted for the several units, formations, etc. Adjustment of advances and claims should be carefully watched and when adjustment of recoveries is made, notes should be made in the register. All entries regarding recovery, adjustment, removal, etc., of demands in the demand register should be

checked and attested by the AAO/SO (A), and the register should be periodically inspected by the SAO/AO who will see that action has been taken for the prompt adjustment of all advances and claims. The register will be reviewed weekly by AAO/SO(A) and monthly by SAO/AO , and if a demand is not adjusted within a reasonable time, recovery from the next bill of the individual or unit responsible for the credit should be enforced, after an intimation to this effect has been given to the party concerned.

The demand register will be page numbered and a proper index will be maintained. When the demands entered on a page of the demand register are completely adjusted, a diagonal line should be drawn across the page in red ink and the AAO/SO (A) should initial at the foot of the line so drawn.

The right hand top corners of the pages wherein the demands noted have been cleared will be cut off to facilitate review of outstanding.

When a person or unit against whom there is a demand outstanding is transferred to the audit control of another office, the demand will be communicated to that office through the last pay certificate or a separate memorandum. It will be removed from the date of the acknowledgment of the new audit officer.

Demands coming to notice after the issue of a last pay certificate will be communicated through I.A.F.A.-524. An extra copy of the demand statement (I.A.F.A.-524) should also be sent in the case of units or establishments where AAO (GE) are attached the Controllers receiving the Demand statement will immediately forward the second copy to the SAO/AO and the number and date of the forwarding memo, will be entered in the demand register.

No demand for recoveries of pay and allowances drawn more than 12 months before the issue of the retrenchment orders should be communicated to another controller for recovery, without first obtaining the orders of the Competent Financial Authority.

When a credit in satisfaction of a demand appears before the usual intimation has been received, amount credited and such details as may be available will be noted in the demand register subject to completion and correction if necessary when the intimation is received.

Recoveries of final disallowance should be watched through the registers prescribed for the purpose. If, however, any item is transferred to the demand register the entry in the prescribed register will be marked with the number and date of the demand register item;

Note: *For the sake of convenience, amounts finally disallowed on objection statements may be entered in the demand register, but that will not dispense with the necessity of noting adjustment in the objection statement and other prescribed registers.*

Recovery of demands against officers and others whose pay accounts are maintained on I.R.L.As should be watched through them.

Advances, etc., for which separate registers are prescribed should not be entered in the demand register. Their recovery will be watched by means of such prescribed registers.

Recovery of the debit balance noted on a last pay certificate should be verified on receipt of the first pay bill in which the last pay certificate is adjusted and such balance should not be entered in the demand register unless recovery is likely to be spread over more than one month. In order to ensure verification of the credit afforded, AAO/SO (A) of sections will not authorize the filing of the last pay certificates until verification of the credit is actually made.

RENT BILLS

389A. Rent Bills in respect of civilian officers and staff paid by Pay-Section are received along with top lists from the A.A.O. BSO concerned. On receipt, the bills will be examined to ensure that all rent bills shown in the top list have been received. One copy of the top list will be returned to the AAO, BSO in acknowledgement of the rent bill within 24 hours of the receipt after distribution of the rent bills to the Group A.A.Os concerned. The rent bills will be pasted in the guard files maintained unit-wise in the Disbursement Groups. These guard files will form the Demand Registers for rent being marked off as and when recoveries are affected. The guard files will be allotted control numbers and will be submitted to the officer in-charge every month along with list of outstanding.

NO DEMAND CERTIFICATE

389B. No Demand Certificate will be received in and dealt with in the Pay Section. After completion, the original copies of the certificates should be returned to the Officer Commanding, etc., the duplicate copies being retained in the controller's office as office copies.

The Transportation Section and such other sections as are likely to have demands outstanding against the individual, should also be consulted, their certificates being obtained on the reverse of the (Controllers') officer copy of the No Demand Certificate itself. (I.A.F.A.-450)

The office copy of the No Demand Certificate should be recorded in the correspondence file relating to the individual concerned, along with the office copy of the last pay certificate and other connected documents.

Before issuing No Demand Certificate enquires are required to be made by the Principal Controller/ Controller, regarding outstanding in own office. Such enquires should generally be confined to the PrCA. (Fys) Kolkata, (for any demands outstanding in the books of his Railway Section) and to the C.D.A., Patna (for any demands outstanding in the Fund Accounts of the individuals concerned.)

If may, however, be necessary sometimes, to make a reference to the Barrack stores officer concerned for any demands outstanding against the individual on account of rent of quarters, charges for electricity, etc.

Normally such references should be made only when charges were being recovered from the individual previously but no adjustment on this account has been made through the final pay bill and no satisfactory reasons are forthcoming for the omission. No reference should ordinarily be made to the Income-tax Officer regarding outstanding on account of income-tax or to the Chief Ordnance Officer concerned regarding payment issues.

LAST PAY CERTIFICATES AND PAYMENT AUTHORITIES

Officers transferred within India

390. The last pay certificate issued by the previous audit officer will support the first pay bill of an officer and will, after scrutiny, be recorded in the personal file of the officer concerned as an authority for the issue of pay, etc., in continuation of the last payment made.

All first payments are required to be supported by last pay certificates except in the case of first appointments. Should, however, a last pay certificate be not forthcoming, pay may be drawn provisionally on a certificate from the individual stating the date upto which he was last paid, the rates of pay and allowances and the demands outstanding against him. Steps will be taken simultaneously to obtain the last pay certificate and to adjust the provisional payment without delay.

The circumstances in which provisional payments can be made and the authorities competent to authorize such payments are given in Para 53, et seq., Defence Audit Code. In order to keep a proper and adequate watch over the finalization of provisional payment sections making such payments will maintain a register on the lines indicated in volume-II of this manual.

391. When a Non-Gazetted or Gazetted Civilian Officer is transferred to the payment of another Audit officer in India, a Last Pay Certificate of I.A.F.A. 445 (Revised) will be issued. The last pay certificate will be issued in duplicate and stamped with last pay certificate seal. The original will be sent on the officer himself and the duplicate to the audit officer to whose audit control the officer has been transferred. The officer's dues should be settled up to date and the demand adjusted, as far as possible. The rate of subscription of the G.P. Fund or other Provident Funds and other demands against the officer (which should be ascertained from the demand register and other audit sections) will be noted on the last pay certificate. When an advance is outstanding, the original amount, the repaid, the balance due and details of interest, if any, will be noted on the last pay certificate. In the case of individual liable to income-tax, an income-tax statement showing the rate of income-tax and the recoveries actually made upto date during each month of the financial year should be attached to both the original and the duplicate copy of the last pay certificate. In case any advance is outstanding against an individual, the debit will be passed on to the concerned PCDA/CDA through Defence Exchange Account.

All last pay certificates issued or countersigned by a Principal Controller/ Controller are required to be stamped with the last pay certificate seal maintained in each Principal Controller's/ Controller's office in the custody of a AO/SAO/ACDA/DCDA. The seal should be affixed only at the time of issue or countersignature of the last pay certificate. The original and duplicate copies should be marked as such. The dispatch number and date under which the last pay certificate is forwarded must be entered in the demand register (I.A.F.A.-590)

Note: *When an officer is transferred from the payment of one audit office to that of another, a debit in respect of the balance of computer advance, motor car, motor cycle or cycle advance etc., remaining outstanding against the individual, should be raised against the party concerned in the month in which such transfer takes place. It should be seen that balance noted on the last pay certificate and that for which the debit is raised agree. A note that the necessary debit has been raised should be made in the demand register under the initials of the AAO/SO (A). The mortgage bond, schedule of specifications, etc., kept in safe custody along with the duplicate copy of the last pay certificate and the necessary entry made in the register of mortgage bonds.*

Demands coming to notice after the issue of a last pay certificate must be promptly transferred or communicated as may be necessary, a record being made in each case in the demand register.

To exercise a watch over the prompt issue of last pay certificates a register in I.A.F.A. (C.D.A)-70 will be maintained by concerned section in which entries will be made immediately on transfers to another audit area or department; etc., are notified or otherwise intimated to the audit office. The number and date of the last pay certificate issued should also be noted in the register which should be reviewed weekly by the AAO/SO (A) and monthly by the SAO/AO.

392. If at any stage after an officer has been transferred to the audit area of another PCDA/CDA, it comes to notice that a certain sum is due to/from him, the amount in question will be communicated to the PCDA/CDA concerned through a memo only under intimation to the unit/formation concerned with which the officer is serving. Payment authorities will be en faced with the special "Payment Authority Seal" bearing the name of the office of issue.

Payment Authorities issued/received will be entered in (i) Payment Authority Register (Outward) and (ii) Payment Authority Register (Inward) and their acknowledgement watched/ issued. (Amended vide CS 205/90)

All payment authorities issued by the Defence Accounts Department (authorizing payment from imprests/assignments or by inclusion in pay bills, etc.) will be en faced with the special "Payment Authority Seal" bearing the name of the office of issue. The seal should be kept under lock and key by a AO/SAO/ACDA/DCDA.

Note: - If an officer is transferred from one station to another or from one appointment to another but remains in the payment of the same

PCDA/CDA, issue of a last pay certificate is not necessary. In such cases a last payment slip duly signed by the AAO/SO (A) will be made over to the section concerned for action.

393. If the transfer or deputation is to another audit area the following procedure will be observed:-

(i) Units and formation (excluding M.E.S. formations) to which AO/ AAO (GE) are attached

Last pay certificates of officers will be prepared in duplicate by the Officer commanding/head of the officer and forwarded to the Controller of Defence Accounts concerned. The Controller will countersign the last pay certificate and transmit the original to the officer's new office or officer commanding the new unit or formation and duplicate to the controller or defence Accounts or the audit officer of the new area.

In other cases the last pay certificates are issued by AO/ AAO (GE) through the Officer Commanding the unit or the Head of Office without being countersigned by Controllers.

(iii) Units and formations to which AO/ AAO (GE) are not attached

The officer's last pay certificates will be prepared by the Controller of Defence Accounts. The original will be sent to the Officer/Officer Commanding the new unit or formation and the duplicate to the Controller of Defence Accounts of the new area. Last pay certificates of all others are prepared in duplicate by the Officer commanding the unit of formation and sent to the Controller of Defence Account for countersignature and transmission of the Original to the Officer Commanding the new unit or formation and of the duplicate to the Controller of Defence Account of the new area.

393A. When an individual proceeds out of India, the correct date on which he is struck off duty and that of embarkation should be noted on the last pay certificate.

393B. A note of all last pay certificates issued or countersigned by the Controller as well as all last payment slip issued in respect of transfers within the same audit area will be made in the last pay bills.

393C. All last pay certificate books should be kept under lock and key of SAO/AO when not in use. Receipts and issues of various books of last pay certificate forms will be recorded in a register which should be inspected half yearly by a SAO/AO. The office copy of the last pay certificate issued should be kept in the personal file of the individual concerned. To guard against wastage or improper use of forms, before a favour the last pay certificate is issued and the number of the file in which the office copy of the last pay certificate is kept should be

393D. The General Rules laid down in Paras. 155 and 156, F.R. Part I will also be observed.

Officers proceeding out of India

394. When a Civilian gazetted officer of the Defence Services is posted to the staff of a Military, Naval or Air Attaché of an Indian Mission abroad, his last pay certificate will be forwarded by the PCDA/CDA from whose audit area such an officer is transferred to the PCDA Central Command, P.C.D.A. (Navy) or the P.C.D.A (Air Force) as the case may be, who will furnish it to the Mission concerned. Debits for payment made to such Personnel will be raised by the CGA against the PCDA (CC), PCDA (Navy) or the PCDA (Air Force), as the case may be, who will adjust the same centrally in his books. If such an officer proceeds to a foreign country on deputation, temporary duty or course of instruction, his last pay certificate will be issued direct by the P.C.D.A. from whose audit area the officer proceeds and the debits where raised by the CGA will be adjusted by the PCDA/CDA.

Civilian Establishment

395. When an individual is transferred to the payment of another audit officer or to another department, a last pay certificate on the prescribed form will be received in duplicate from the head of the office, formation, etc. or officer commanding concerned. After countersignature by the officer-in-charge of the section, the original will be forwarded to the head of the office, etc., to which the individual is transferred and the duplicate to the audit officer who will audit his pay after transfer. Both the copies of the last pay certificate will be stamped with last pay certificate seal before issue.

Note: *In the case of last pay certificate prepared by AO/AAO (GE) of the Defence Accounts Department attached to formation, etc. countersignature by the audit officer will not be necessary. In such cases the last pay certificates will be issued by the AO/A.A.O. and countersigned by the Officer Commanding unit, the original being forwarded to the Officer Commanding unit or formation to which the individual is proceeding and the duplicate copy to the audit officer concerned. For the purpose of this rule, the last pay certificate prepared by the Administration section of the PCDA/CDA's office could also be viewed as prepared by a unit accountant of the Defence Account Department.*

396. Before countersignature of a last pay certificate, all demand against the individual should be noted thereon. When an advance is outstanding, the original amount, the amount repaid the balance due and the details of interest, if any, will be noted on the last pay certificate. The account number and rate of subscription to the G.P. Fund or other Provident Funds and P.L.I should also be noted on the last pay certificate. In the case of individuals liable to income-tax, an income-tax statement and the recoveries actually made upto date during each month of the financial year should be attached to both the original and the duplicate copy of the last pay certificate.

397. In the case of transfer within the PCDA/CDA's audit area other than to another department; last pay certificates do not require the counter-signature of the officer-in-charge of the section. In such a case, the last pay certificate will be received with the establishment pay bill of the office or formation to which the individual has been transferred, and will be passed on to the auditor for the establishment pay bill of the office of formation from which the individual was transferred. The auditor will make necessary notes in the pay bill and return the last pay certificate duly endorsed with a certificate that this has been done; he will further see that no pay has been drawn for the individual after the date of last payment as shown on the last pay certificate.

For individuals proceeding out of India, the procedure as laid down for officers will be followed generally except that in their cases the last pay certificates as prepared by the head of the office, formation, etc., or officer commanding concerned will be countersigned by the PCDA/CDA from whose audit area such individuals are transferred or proceeded on deputation, temporary duty or course of instruction.

398. If at any stage after an individual has been transferred to the audit area of another PCDA/CDA, it comes to notice that a certain sum is due to/from him the procedure laid down in Para, 393 will be followed.

399. Pay section of the PCDA/CDA's office shall perform the duties of PAO in respect of the Defence civilians whose pay and allowances are being released by it for the purpose of filing form 24G under the relevant provisions of Income Tax Act, 1960 and Rules therein.

400 to 405. BLANK

LEAVE SALARY AND PENSION CONTRIBUTIONS

406. The Procedure regarding the recovery/adjustment of contributions towards leave allowances and pensions of officers and others lent for service to and from Civil Departments of the Central Government and the various State and foreign Governments is laid down in Defence Audit Code and Appendix III of Defence Account Code.

CONTRIBUTIONS TOWARDS LEAVE ALLOWANCES, PENSIONS AND PASSAGE CONTRIBUTION OF OFFICERS AND OTHERS WHILE ON FOREIGN SERVICE

406A. A register in I.A.F. (C.D.A)-164 of officers and other who have been lent to Foreign Service from the audit area of a Controller of Defence Accounts should be maintained by him to enable a check to be exercised over the recovery of contributions. This register will be posted on receipt of the orders of the competent authority sanctioning the transfer and the entries will be examined as to their correctness and initialed by the

SAO/AO. A certificate of the date of making over charge and received charge of the new appointment (and in the case of Government servant for whom service books are maintained), the service books should be called for. Necessary notes in respect of the order sanctioning the transfer, the effect of the transfer in regard to leave admissible during the Foreign Service and any other particulars that may be considered necessary, will be made in the service books under the signature of a SAO/AO and the service books returned. On receipt of the certificate the fact should be noted in the register. All orders subsequently received regarding such officers, etc., on foreign service should be recorded in the register, as well as orders issued by the C.D.A. for ceasing to be realized owing to re-transfer, death, dismissal or any other cause. In case of re-transfer to the parent department the fact will be recorded in the service books which should be called for where service books are maintained, and the service books returned to the officers to which the individuals have been posted.

Note 1: *When a non-gazetted Government servant of a class for whom I.A.F.A.-461 is obtained is transferred to foreign service, the AAO/SO (A) will have the fact of transfer distinctly noted in the latest I.A.F.A. - 461 received.*

Note 2: *Claims for passage contribution in respect of officers and other loaned to non military departments, etc., for whom passage accounts are maintained by the C.D.A., Eastern Command, will be preferred by that C.D.A. Claims in respect of those for whom passage accounts are not maintained will be preferred by the Controllers from whose payment they are transferred.*

Note 3: *Claims for leave and pension contributions in respect of personnel lent to the Government of Burma, will be preferred by the C.D.A. Eastern Command, centrally irrespective of the audit area from which the individual may have been posted to Burma. To ensure prompt and correct recovery of the contributions, every C.D.A. will intimate to the C.D.A. Eastern Command, through loan and reversion statements, vide Para, 407 the name of individuals posted to or reverted from Myanmar Government as and when the causality occurs.*

406B. The following procedure will be observed for the settlement of claims on account of leave and pension contributions in respect of military officers and others lent for Foreign Service. In such cases the Principal Controllers/ Controllers will make standing arrangements with the foreign employers to ensure the payment, on due dates, of the correct amount of contributions monthly in each case, without submission to them by Controllers of monthly or periodical claims. Under this arrangement, the primary responsibility for communicating to the foreign employers concerned the correct rates of contribution payable by them monthly and for employers concerned the correct rates of contribution payable by them monthly and for intimating to them the periodical changes in such rates will rest entirely with the Controller's responsible for watching and auditing recoveries. The Controller will also enter in the register in I.A.F. (C.D.A)-164, the period for which each standing arrangement with the foreign employer is intended to last and the rate which will be operative during that period, and check the credits received monthly with reference to the amounts due shown in the register.

These credits will be noted in the register which will be inspected every month by the SO (A)/AAO.

Foreign Service in India:-

- (i) The first intimation for or the periodical changes in contribution towards leave and pension will be sent by the CDA concerned direct to the employer concerned requesting him to remit the amount due on these accounts either by cheques or demand drafts which would invariably be crossed. The amount due on account of leave and pension contribution should not on any account, be credited in cash in the nearest treasury. On receipt of the cheque or demand draft, the C.D.A. concerned will take necessary action to realise the amount and credit the same to Government accounts.

Note: *In all cases of transfer to Foreign Service in which the liability for making contributions on pension/CP Fund and the leave salary rests on the transferee. It shall be necessary to secure a letter from the transferee addressed to the foreign employer to pay to the Government of India, from his salary a specific monthly sum which would be based on foreign Seville contributions which the employee himself has to pay. The issue of such a letter would enable the foreign employer to lawfully effect the necessary deductions, from the Government servant's salary and remit to the Government of India, as provided for above.*

- (ii) **Foreign service out of India except in the U.K.** - The first statement of or the periodical changes in contributions will be sent by the C.D.A. concerned direct to the foreign employer. In case the foreign employer has an account with the CGA he will be requested (1) to afford credits for the amounts due in his accounts with the CGA (2) to specify in the accounts the particular C.D.A. in whose books the credits will be adjustable and (3) to state the month's accounts with the CGA in which the credits will appear. The credits appearing in the foreign Government's accounts will be passed on by the CGA to the C.D.A. concerned and the latter will watch the credits on receipt of information called for by him at (3) above. In case the foreign employer has no account with the CGA, the C.D.A. concerned will, while sending the statement of contribution to him, request him to pay the amount into the nearest treasury which renders an account to the CGA and state the name of the Treasury and the month in which the accounts. have been or will be paid into that treasury. If this method is not possible, the foreign employer will be asked to arrange for credits for the amounts being passed to India through the Indian Embassies/High Commissioners abroad or to remit the amounts by means of bank drafts, whichever is suitable.

Note 1: *Transactions with the Government of Aden are settled through the A.G. Mumbai, see Para, 216, Defence Account Code.*

Note 2: Transactions in respect of the Australian Government are settled centrally by the C.D.A., Patna, by actual recovery from the High Commissioner for Australia in India, see Para, 217, Defence Account Code.

Note 3: In the case of foreign service in Burma, the periodical changes in contribution will be noted by the C.D.A., Patna, in the respective monthly claims sent to the foreign employer i.e., C.M.A., or A.G., Myanmar with the request to afford credits for the amounts claimed therein his account with the foreign Government's accounts will be passed by the CGA to the C.D.A. Patna, who will watch the credits on receipt of the information referred to above.

(iii) Foreign service with the U.K. Government - Statements for pension contributions recoverable from the U.K. Government in respect of all officers and eminent to that Government will be prepared in Return 1842 of I.A.F.Z. - 200 and rendered by Controllers to the C.D.A. Patna, annually for recovering the amounts through the High Commissioner for India. Statements for leave salary and passage contributions recoverable from the U.K. Government will also be rendered by Controllers to the C.D.A., Patna, annually for similar action. In the case of officers in respect of whom division of Indian Military pensionary charges is made with the U.K. Government of a service share basis the statements should be prepared in Return 1804 of I.A.F.Z. - 200 and submitted by Controllers, direct to the Commonwealth relations officers annually.

406C. The Controller of Defence Accounts is responsible for seeing that all contributions due, as shown in the register in I.A.F. (C.D.A.)-164 are paid on due dates and that officers and others in foreign service are given prompt intimation when their contribution fall into arrears and that they are informed of the penalties to which they become liable owing to non-payment. The controller will note in the register the date by which the credits for contributions in each case are normally expected in his office from the foreign employers.

406D. Interest will be charged on all overdue pension and leave contributions in accordance with Supplementary Rule 307 except as regard the claims against the U.K. and Myanmar Government.

406E. When credits for leave and pensions contributions are adjusted through the exchange Accounts, the date from which interest on belated payments is chargeable, should be determined as follows:-

It will be assumed that payments have been made on the due dates if the credit due for a month (say for the month of January) is afforded through the exchange Accounts for the third month (i.e., March). If not, interest will be charges against the borrowing Government from the 16th of the third month i.e. from 16th March the above instance) to the end of the month preceding that in which the credit is actually received.

406F. When a Government servant transferred to foreign service is a member of the Bombay or Bengal Uncovenanted Service Family Pension Fund or of the Bengal and Madras Service Family Pension fund, the fact should be intimated to the Secretary in the case of the first two and to the CGA in the case the last.

406G. If a Government servant is transferred to foreign service out of India, the audit officer concerned will be responsible for obtaining from him, at the time of transfer, a declaration showing that he has read and understood the Rules which are to regulate his leave.

SUBSIDIARY STATEMENTS

407. To enable the C.D.A. Patna to claim leave, pension and passage contributions promptly and correctly from the Government of Myanmar the following statements will be furnished to the C.D.A., Patna monthly so as to reach him not later than the 15th of the following month.

- (a) Loan statement - by the C.D.A. from whose payment of the officers etc., are lent to Myanmar (Annexure 'H' to this Chapter)
- (b) Reversion statement - by the C.D.A. in whose payment the officers are reverted on completion of Foreign Service in Myanmar Annexure 'I' to this chapter).

In case there are no transaction in a month 'Nil' statement should be furnished

DEPUTATION OF STAFF PAID FROM THE DEFENCE SERVICES ESTIMATES TO OTHER DEPARTMENTS OF THE CENTRAL GOVERNMENT (INCLUDING MINISTRY OF FINANCE (DEFENCE) AND STATE GOVERNMENT AND VICE VERSA)

407A. The Rules for the recovery of leave salary and pensionary Charges in respect of the above personnel are given in Appendix 3 to Account Code Volume I. In accordance with these rules the allocation of leave salary and pensioner charges in respect of civilian employees aid from the Defence Services Estimates who are on loan to the civil departments (both central and state Government) will be made as under:-

(a) Incidence of leave salaries

Leave salary contributions are recoverable from the borrowing Government/department only in the cases of Individuals who are governed by the Central Government Revised Leave Rules or similar rules issued by other department which make calculation of leave in relating to the period of duty impracticable, vide Para 9 of section B-11 of Appendix 3 to Account

Code Volume I. The actual leave charges in these cases will be borne by the Defence services Estimates.

In the case of Government servants governed by other leave rules, no leave salary contributions are recoverable but the leave charges are required to be borne by the borrowing Department to the extent of leave earned during service under the department /officer.

(b) Incidence of pensionary charges

No pension contribution are recoverable from the borrowing Departments/Government either in the case of pre-1931 or post-1931 entrants but the pension will be appropriated between different Governments on the basis of the length of service as defined in Section B-IV, Appendix 3 to Account Code Volume I.

(c) Adjustment of leave salary

The contributions for leave salary of Government servants on deputation to another Government or Department of the Central Government are adjusted by the Accounts Officers of the Department in which the officers are permanently employed.

407B. The rules prescribed in Appendix 3 to Account Code Volume I will also be followed in respect of civil Government servants (other than railway servants) who are on deputation to the Military from other Departments/Government.

407C. The rates of leave salary and pension contributions where recoverable in respect of individual on foreign service or on deputation to state Government or other department of the central Government are laid down in Appendix 11-A of supplementary Rules of Fundamental Rules.

Instructions for the maintenance of the leave account (I.A.F. (C.D.A)-353) for watching the incidence of leave salary

407D. A leave account will be opened in respect of all personnel of Defence service including the D.A.D., reverting from temporary civil employment irrespective of the particular leave rules to which they may be subject. A separate account for each borrowing Government concerned will be maintained if a person has served under more than one department or Government.

407E. The accounts will be kept in a register of convenient size in the pay section and a suitable alphabetical index maintained for facilitating reference.

407F. Immediately an individual reverts from civil employment the audit officers of the borrowing Government in the case of officers, or the head of the department (civil) in respect of others, should be addressed, on receipt of the last pay certificate, to furnish particulars of the balance of leave earned

in terms of Para. 2 of Appendix 2-II (a) to Defence Account code at the credit of the Government servant and the head of account to which the leave allowances for the leave in question are received by the military administrative formations direct, the information regarding their reversion to military from civil employ will be gathered from the pay bills to which their last pay certificates are attached in support of the pay and allowances drawn for the first time on reversion. On receipt of the above details, the leave at credit as intimated by the civil authorities concerned, should be entered on the credit side of the leave account (I.A.F. (C.D.A.)-353) in column I. whenever leave is subsequently availed of by the Government servant either under the military regulations or the C.S.R. it should be converted in terms of leave on average pay under the Fundamental Rules and the resultant figure debited in column V. As the pay and allowances for the leave in India are paid to the individual, these should be debited to the accounts officers of the borrowing Government specified in the leave account, to the extent of the period of leave at credit in column. I the amount of leave salary paid and the month's Exchange Account in which such debit was passed should be recorded in column VI of the account.

If a balance of leave be still left for subsequent adjustment with the borrowing Government it will be carried over for further settlement when the individual concerned next proceeds on leave.

407G. If the Government servant is transferred to the payment of another Principal Controller/ Controller an extract of the account should be furnished along with his last pay certificate. If the individual had no foreign service etc. The fact will be specifically mentioned while forwarding the last pay certificate. The controller receiving the last pay certificate will also look for specific information on this point. If the individual is again lent to another Government the details of the balance of leave at credit in this account together with the incidence of leave salary for such leave should be intimated to the civil accounts officer concerned and his acknowledgment obtained.

407H. If the individual in respect of whom the account is maintained proceeds on leave ex-India, the particular Government and the head of account to which the leave salary authorized to be paid is chargeable should be clearly endorsed on the last pay certificate. The debits for leave salary when received from the CGA should be passed to the civil department to which they are properly chargeable. If the individual, on return from leave ex-India is posted to the payment of another controller and if there still be a balance of leave at credit in his leave account, the Controller from whose payment he proceeds on leave should watch his return and send an extract from the leave account to the C.D.A. into whose payment he had passed.

407J. Simultaneously with the allocation of leave salary in the leave account, action should be taken to have the service records (service cards in the case of officers, and service books in the case of non-gazetted staff) of the individuals concerned completed to ensure that the ultimate pensionery

liability for the period of the leave is also borne by the same Government which bore the leave salary, vide foot note on page 82 of Audit Code Vol. I.

The leave account will be closed when the period of leave at credit as shown in column I of the account has been exhausted and the liability of the borrowing Government finally discharges.

CLASSIFICATION

408. Each pay bill or other claim will be separately classified by the auditor concerned to the exact Head of account as given in the Classification Hand Book of Defence Services Receipts and Charges. The following checks will be exercised on the classification of Receipts and Charges:-

(a) By the AAO/SO (A):-

- (i) Cent per cent in the case of every item compiled to Revenue, Debt or Remittance heads;
- (ii) Every item exceeding Rs. 500 under Service Heads; and
- (iii) A general scrutiny of 10 per cent of other items of Rs. 500 or less, under Service Heads.

(b) By the officer-in-charge:-

- (i) Every item exceeding Rs. 5,000; and
- (ii) A general scrutiny at the time of passing bills to satisfy himself as to the general efficiency of classification work done by the section.

Note: The above represent the minimum checks to be exercised over classification, which may be extended, wherever necessary, to ensure correct classification of the accounts.

TRANSFER ENTRIES

409. The Punching Medium in respect of transfer adjustments and Re-adjustments will be signed by the officers as indicated below:-

A) Normal Transfer adjustment

- (i) SO (A) upto Rs. upto Rs.5 Lakh
- (ii) AAO upto Rs. upto Rs.25 Lakh
- (iii) AO/SAO upto Rs. Upto Rs.1Crore.
- (iv) ACDA/DCDA upto Rs.5 Crore.
- (v) JCDA/Addl.CDA upto Rs.10 Crore.
- (vi) CDA/PCDA exceeding Rs.10 Crore

B) Rectification of incorrect adjustments:-

- (i) AO/SAO upto Rs. 25 Lakh.
- (ii) ACDA/DCDA upto Rs. 1Crore
- (iii) JCDA/Addl.CDA upto Rs. 5 Crore
- (iii) CDA/ PCDA exceeding Rs. 5 Crore

410. The general rules regarding the incidence of pay and allowances, etc. are laid down in Para 113 of Defence Account Code.

NATIONAL PENSION SYSTEM

411. Government of India has introduced a new Defined Contribution Pension Scheme replacing the existing system of Defined Pension System vide Government of India, Ministry of Finance Department of Economic Affairs Notification dated 22.12.2003. The New Pension Scheme (now known as National Pension System) came into operation with effect from 01.01.2004 and is applicable to all new entrants to Central Government service, except to Armed Forces, joining Government service on or after 01.01.2004.

All PCsDA/CsDA/PC of A (Fys)/CFA (Fys) functions as Pr. AO under the New Pension System. PCDA, New Delhi will also be the Principal AO for HQrs office. All PCsDA/CsDA, PC of A(Fys), C of A(Fys) will also act as Pay Account Offices (PAOs) for the main Offices in respect of the Defence Civilians including DAD employees they deal with. Other PAOs will be the Area Accounts Offices, Branch Accounts Offices, PAO (ORs), AO GEs/AAO GEs etc. which are pre-auditing/maintaining the pay bills of Defence Civilians/GREF personnel including pay bills of DAD employees. The PCDA/CDA/PC of A (Fys)/C of A(Fys), Area Accounts Offices etc. are Drawing and Disbursement Office (DDOs) in respect of DAD employees covered under the NPS.

(1) The Functions of Principal AO are as under:-

- (a) Consolidate Pay Accounts Office registration form and forward it to CRA for registration.
- (b) Monitor performance of PAO and DDO in discharging their responsibilities in CRA system.
- (c) Monitor the resolution of grievances raised against PAO.
- (d) Take necessary action to ensure compliance of PAO and DDO with the operational procedures of CRA system.

(2) The Functions of the Pay Accounts Office are as under:

- (a) Consolidate DDO registration form and forward it to CRA for registration.
- (b) Facilitate registration of subscribers by consolidating the application for allotment of PRAN received from the concerned DDO and forward it to the CRA-FC.
- (c) Upload subscriber Contribution File (SCF) to NPSCAN system.
- (d) PAO will deposit the contribution amount in the Trustee Bank as per the SCF uploaded in NPSCAN. This contribution amount

will be invested in the various schemes of PFM, based on the scheme preference of subscribers for which SCF has been uploaded.

- (e) PAO will update through NPSCAN, the Switch requests, New Scheme Preference requests, Withdrawal Requests, the request for change in subscriber details received from subscribers.
- (f) PAO will raise grievance on behalf of DDO and the subscriber.
- (g) PAO will resolve the grievance raised against it by any entities in the CRA system.

(3) Preparation of SCF (Subscriber's Contribution File)

Under the existing system the monthly contribution details have to be uploaded on the NSDL web site (NPSCAN) using the File Preparation Utility & File Validation Utility. The Subscriber's Contribution File includes the following details.

- i. PRAN (Permanent Retirement Account Number)
- ii. DDO ID
- iii. PAO ID
- iv. Contribution Details
- v. Month and year of specific contribution record.

The system would generate a Transaction ID and Contribution Submission Form. The PAO will have to deposit the contribution through NEFT/RTGS only along with contribution Submission Form to the Trustee Bank.

(4) Facilitation Center (FC)

The NSDL has also appointed Facilitation Centers at various stations to facilitate Nodal offices to submit various application forms. The accounts of all subscribers will be maintained as Central Recordkeeping Agency (CRA) by the NSDL.

(5) Accounting of NPS:-

The recovery made on account of individual contribution and equal matching Govt. contributions will be compiled to relevant code heads as under:-

- 00/016/04 (Government Servant Contribution under Tier-I)
- 00/016/05 (Government Contribution under Tier-I)

(6) Registration of New entrants to Central Govt. service under MoD

As per SOP for registration prepared by NSDL, the DDOs have been entrusted with the responsibility of the registration of the subscribers (new

entrants). Immediately on joining Govt. service the subscriber should fill the application (Form S1) for allotment of PRAN and submit it to DDO. DDO too should ensure that the duly filled applications are received from subscribers within seven days of joining and forwarded to the concerned PAO for onward transmission to CRA/CFA-FC for allotment of PRAN which is essential for transfer of subscribers' data to NSDL and remittance of subscription amount to Trustee Bank by the PAO in the CRA system.

(7) Refund under New Pension System

- (a) Exit from NPS upon attaining the age of Normal superannuation: At least 40% of the accumulated pension wealth of the subscriber needs to be mandatorily utilized for purchase of an annuity providing or the monthly pension of the subscriber and the balance is paid as a lump sum payment to the subscriber.
- (b) Exit from NPS before attaining the age of Normal superannuation: At least 80% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of an annuity providing for the monthly pension of the subscriber and the balance is paid as a lump sum payment to the subscriber.
- (c) Upon Death: The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber.
- (d) In case of 'technical resignation' of NPS subscribers, no withdrawal may be permitted and the balance outstanding in their personal retirement account and along with PRAN may be carried forward, as the retirement account of NPS is portable amongst jobs.

(8) Appointment of Axis Bank as New Trustee Bank by PFRDA

From 1st July 2013 AXIS bank Ltd has been appointed as new Trustee Bank by PFRDA for the National pension System in place of Bank of India.

Note: *The above are some of the important provisions as stipulated in the current orders on the subject; however the Pr.AOs/PAOs/DDOs will keep themselves abreast of the latest orders of PFRDA/NSDL and other latest Govt. orders relevant to the NPS for their proper functioning)*

SPECIMEN SIGNATURES

412. (i) Before admitting a claim, an audit officer must satisfy himself that the signature it bears is genuine. To enable to do so, he will obtain a specimen copy of the signature of every officer who is paid by him or who is eligible to render claims to him and record it in the personal file of the officer or other relevant file or in a register of specimen signatures.

(ii) Verification of specimen signature of claimants and sanctioning authorities in respect of personal claims (other than regular salary bills) received from Gazette officers will be made by the Supervisory officers according to the following percentage:

SO (A)/AAO 100% in respect of claims over Rs. 1,000/-

AO/ Sr. AO 100% in respect of claims over Rs. 5,000/-

Auditors will continue to exercise 100% check of specimen signature in respect of all claims and sanctions.

413 to 417. BLANK

SUPERANNUATION LISTS

418. Each group in Pay Section will maintain a register in the proforma given below allotting one page for each unit for watching the receipt of Superannuation lists required to be submitted under the provisions of AI 37/66 from Deptt./Offices every six months i.e. on the 1st January and 1st July in respect of all Officers, Gazetted and non-gazetted attaining the age of Superannuation within 12 to 18 months. Hence, these lists are to be furnished on the proforma given in Annexure 'E' to this Chapter, not later than the 31st January and 31st July respectively of the same year. Action taken to call for the Superannuation lists from the defaulting units will also be indicated in the register in the remarks column.

Register for watching the receipt and disposal of Superannuation Lists
Sec. _____
Group _____
<u>Name of the Unit/Formation/Establishment</u>
<u>Period of List No. and date of forwarding memo Remarks</u>

The above register will be submitted to the Officer-in-Charge every month for review.

The date of birth shown in the superannuation list should be compared with the date of birth shown in the March pay bill/nominal roll and also with those shown in previous lists. In case of new names it should be compared with LPC/pay bill where pay was last drawn. Audit check should proceed from March pay bill/LPC etc. to the superannuation lists and not vice versa. Discrepancies noticed should be promptly got rectified in consultation with the administrative authorities and orders of the competent authority called for in case any individual is retained beyond the age of superannuation/previous extension of services.

Note 1: In the case of an individual whose year or year and month of birth is known but not the exact date, 1st July or 16th of the month respectively should be treated as the date of birth for the purpose of determining the date on

which he should be held to have attained the age of 60 years or any other age for the purpose of this rule.

Note 2: *This list of officers of the Defence Accounts Department will be submitted to the CGDA.*

Verification of service for pension in respect of Non-Gazetted Civilians

418A. With reference to Para 463 et seq Army Local Audit Manual Part I the entries in the pay columns in the service books are to be verified in Local Audit with reference to office copies of the pay bills with the Head of office to see that they agree. As there can be some time lag between the last check of the service books in the local audit and the date of retirement of an individual, the entries in the pay column of service books from the date last checked in local audit to the date of retirement of the individual will be checked by paying PCDA/CDA/paying audit officer to the extent of 100% with reference to the audited pay bills and a certificate to that effect recorded in the service books.

LEAVE

419. The leave of Civilian gazetted officers and non-gazetted personnel will be sanctioned at Unit Level under CCS Leave Rules, 1972 and a copy of the leave Part - II order will be forwarded to the concerned PCDA/ CDA and LAO/RAO which will be verified at the time of Audit of Service Book maintained at the Unit level by the LAO / RAO.

420 to 421. BLANK

422. The instruction in Appendix 2 to Defence Audit Code in regard to leave procedure will be strictly followed.

SERVICE BOOKS FOR CIVILIAN GAZETTED OFFICERS

General

423. The Service Book is intended to include all important facts in the official career of an officer, including officiating appointments. Officiating appointments should be distinguished from substantive appointments. Leave of all kinds, absence without leave or in excess of leave or of joining time should be noted across the pages; and if any period be allowed to count as service which should not ordinarily be allowed by the rules, or if any special privilege or disability affecting pay, pension or leave attaches to an officer, the fact should be similarly noted with quotation of the Government order.

(Amended vide CS 217/91)

Note 1: *The date of birth should be recorded at the heading in every case.*

Note 2: *Entries related to punitive action taken in regard to an officer should not be made without special order of Government. If audit officer considers that such an entry is indispensably necessary for audit purpose, he should*

refer the question to Government through the CGDA, who will decide what form the entry will take.

Officers, other than those of the Defence Accounts Department

424. Every Head of the Office/Formation will maintain a Service Book on MSO (T) 27 giving a record of service of all Civilian gazetted officers and others under his administrative control whether holding temporary or substantive appointments.

(Amended vide CS 217/91 - Para Reconstructed).

424A. Service Books for all group A & B Civilian gazetted officers of MES will be maintained by Central Record Office (Officers) Delhi Cantt. Pay fixation/stepping up of pay in respect of above officers will be done by AAO (Pay) Delhi Cantt. The LPC-Cum Data Sheet will however be scrutinized by the concerned AAO (Pay)/CDA for pensionary awards.

(Amended vide CS 217/91 - new Para added)

425. On transfer of a Civilian officer and others (for whom a service book is maintained) to another Office/Formation his service Book together with his leave account will be sent to the Head of Offices/Formations, to which he is transferred, duly verifying the entire service, he was employed under him over the signature of the Head of Office/Formation.

(Amended vide CS 217/91 - Para Reconstructed)

426. In the case of officers and others who are transferred to the Civil departments the Civil audit officer will be informed in the memo forwarding the service Book MSO (T) 27 that the pay earned by the officers and others during the period of 3 years prior to his transfer should be ascertained from the entries made in the history of services.

(Amended vide CS 217/91)

427 to 428. BLANK

DISBURSEMENT OF DUES CLAIMED ON BEHALF OF DECEASED OFFICERS AND OTHERS

429. The salary or other allowances claimed on behalf of deceased officers and others will be disposed off in accordance with the following rules:-

- (i) Salary and allowances can be drawn for the day of man's death; the hour at which death takes place has no effect on the claim.
- (ii) Salary and other allowances claimed on behalf of a deceased person whose pay and allowances are regulated under C.S.R. may, after adjusting all public claims against the person concerned, be paid without the production of the usual legal authority (a) to the extent of Rs. 5,000/- under orders of the PCDA/ CDA or other officer responsible for the payment, after such enquiry into the rights and title of the claimant as may be deemed sufficient, and (b) for the excess over Rs. 5,000/- under the order of the authority exercising the powers of a local Government (vide Rule 185, F.R., Part II), on execution of an indemnity bond, with such sureties as it may require, if it is

satisfied of the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of letter of administration.

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

Terminal/Death Gratuity claim of Civilians paid from Defence Services Estimates

429A. The claims of terminal/death gratuity in respect of temporary/quasi-permanent individuals paid from Defence Services Estimates will be regulated under the provisions of Para 10 and 11 of CCS Temporary Services Rules, 1965 by the Regional PCsDA/CsDAs after pre-audit by the test audit authorities.

The claims of industrial personnel will however be pre-audited by the LAOs finally. These claims will be made available to the test audit authorities at the time of their test audit visit to the unit/formation.

The salient points which will be kept in view, while auditing these claims are detailed in Annexure 'F' to this chapter.

Medical re-imburement claims of civilians paid from Defence Service Estimates

430. Central Services (Medical Attendance) Rules 1944 and other connected rules and orders incorporated in the Compilation of Medical Attendance Rules and orders, 1953 edition as amended from time to time have been extended to non-industrial civilian employees paid from Defence Services Estimates vide Government of India, Ministry of Defence, New Delhi No. 9(4) 54 /8278/D(Civ-II), dated 18-7-57. Central Government Health Scheme (CGHS) has also come into being in selected cities of India. All bills for charges on account of medical attendance and treatment of such personnel and their families will be dealt with in Pay section of a PCDA/CDA's Office. Immediately on receipt, the claim in respect of Defence Civilian, the same will be entered in the register to be maintained by the section in the proforma given in Chapter V, section 2, of Volume II of this Manual. The salient points which will be kept in view while, auditing these claims are detailed in Annexure 'D' to this chapter. After the claim is passed and pay order is given a payment authority for the amount payable will be issued to the unit/formation concerned for claiming the amount by inclusion in their pay bill. The points to be ensured while processing reimbursement of medical claims detailed under HQrs Important Circular No. AT/IV/4807-VII dated 19 May 1999 re-produced in Annexure 'G' to this Chapter should be strictly adhered to.

430A. At the end of each month a list of claims with requisite details should be furnished to each Unit, and the Unit requested to confirm that all these claims relate to their Unit and have emanated from them.

As a safeguard against fraudulent payments banks and treasuries may be requested by General Circular addressed to them, to exercise

adequate care and caution whenever Defence cheques are drawn in favour of banks and the proceeds thereof are creditable to the personal account of an individual.

(Inserted vide CS 237/98)

DATA DISTRIBUTED PROCEDURE FOR GPF

430B. The DDP (Data Distributed Procedure) for GPF has been introduced with effect from 01st April 1986 to provide an error free data to CDA (Funds), Meerut electronically in respect of GPF schedules to enable them to post the amounts in the individual's fund accounts correctly. Project NIDHI has been implemented for General Provident Fund System in respect of Non-DAD civilians using new platform of php/Mysql. The GPF credit/debit data will be captured and punched in the NIDHI software by the task holder and is submitted to AAO/ AO/ SAO for verification and authentication. Hard copies of GP Fund Schedules will be sent to the Fund Cell for record. Special arrangements may be made to call the schedules pertaining to TLB employees in order to expedite the punching of such subscribers.

The responsibility of the PCsDA/CsDA where the DDP for GPF has been introduced is as under:-

- (i) To ensure that all the schedules are properly received from the units as per their top list.
- (ii) To reconcile the compiled actuals and schedule amounts through the medium of schedule control register.
- (iii) To prepare batches of schedules for facilitating data entry.
- (iv) To check edit lists obtained during validation of data on the computer and to propose corrections.
- (v) To correspond with the units and obtain clarification, corrections etc. on the observations thrown out by the computer during review of the fund accounts.
- (vi) To obtain wanting schedules, missing credits etc. from units, the procedure to be followed by PCDA/ CDA from the time the schedules are received from units till the data is cleaned for incorporation in CCO-9 is explained in brief in Annexure 'A' in the EDP Manual.

FUND CELL

430C. The responsibility of the respective Fund Cell(s) where Data Distributed procedure for GPF is operative is enumerated below:-

- (i) To coordinate and handle complaints relating to subscribers of GP Fund
- (ii) Validation of data for data entry and other obvious errors.
- (iii) Updation of data with the corrections proposed by PCsDA/CsDA for the errors thrown out during validation.

- (iv) Reviewing of the fund accounts for detecting discrepancies of the following types:-
 - (a) Subscription is very large.
 - (b) Subscription is zero or blank.
 - (c) Credit missing for any month of the period under review.
 - (d) Duplicate credit for the same month and same account number.
 - (e) More than one variation for the same fund account number during the period under review.
 - (f) Duplicate debits.
 - (g) Transaction pertains to a previous period.
 - (h) Only a debit transaction without subscription for an account number.
 - (i) Debit for temporary withdrawal received but refund not found even after two months of debit.
 - (j) Transaction pertains to a period after the period of review.

- (v) Hard copies of GP Funds schedules are received in Fund Cell and will be kept month-wise, section-wise and DV-wise supported with details of DV-wise compiled figures.
- (vi) Data will be extracted on monthly basis after confirmation that all schedules have been punched and no DV No. is left for data capture.
- (vii) Data punched in the DDP centers and sub offices like AAO, AO GE offices will be forwarded to EDP centre of Main office of the PCDA/CDA, who will forward the consolidated data to the CDA (Funds) Meerut along with controls for number of records and amount (Cr/Dr).
- (viii) All fund data is being punched through NIDHI software after 01/04/2011 ”

PROCEDURE RELATING TO THE DISPOSAL OF ATTACHMENT ORDERS AND PROHIBITORY ORDERS

430D. (1) Immediately on receipt of an attachment order in a Controllers office it will be verified whether the individual, whose salary is to be attached, is in the audit control of that controller. If he is, the particulars of the attachment order will be noted in the demand register. The original orders, duly accepted, will then be returned to the court from which it was received and the duplicate sent for information and return to the OC of the Unit in which the individual whose pay is to be attached is serving, or in the

case of the individual in staff or department employ, to the Head of the formation concerned. If the individual is not serving in the audit area of the Principal Controller/ Controller, the order will at once be either transferred to the Principal Controller/ Controller, if known, under whose audit will at once be either transferred to the controller, if known, under whose audit control the individual is and the court informed accordingly, or if the audit officer is not known, returned to the court with a suitable endorsement. The receipt of and correspondence, etc. relating to attachment order should be treated as confidential.

(2) The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in section 60(1) of the Code of Civil Procedure, 1908, as amended by the Code of Civil Procedure (Section Amendment) Act, 1937 and further modified by the Government of India (Adaptation of Indian Laws) Supplementary Order, 1937. The following are extracts of the relevant provision of the Section :

60 (I):*The following property is liable to attachment in execution of a decree provided that the following particulars shall not be liable to such attachment Namely:-*

(i) *The salary of any public officer to the extent to the first Rs. 100 and one half of the remainder of such salary;*

Provided that, where the whole or any part of the portions of such salary liable to attachment has been under attachment, whether continuously or intermittently for a total period of 24 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.

(II) *Any allowance forming part of the emoluments of any public officer..... 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 officer..... while under suspension.*

Explanation 2:-

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

Explanation 3:-

In clause (I) "Appropriate Government" means.... (i) as respects any person in the service of Central Government...the Central Government; and (ii) as respects any other authority, other servant of the Government or a servant of any State Government.

Note 1:- *The maximum amount attachable by a civil court is to be calculated as under:-*

If the total gross emoluments earned by the Government servant are represented by X, and the allowances declared to be exempt from attachment and, if the Government servant is under suspensions, any subsistence grant or allowances made to him, are represented by Y the net amount attachable if any, is X-Y 50.

Note 2: Any deductions which may have to be made on account of subscription to provident funds recognized by Government, taxes on income payable by the Government servant and debts due to Government should be made from the non-attachable portion of the Government servant's salary.

(3) Cases may occur in which judgment debtors do not submit their pay bills or do not sign the acquaintance rolls in order to evade payment on account of an attachment issued by a court of law. In such circumstances the pay of the judgment debtor may be drawn in satisfaction of the attachment order subject to the restrictions laid down in (2) above, and the amount remitted to the court concerned. The amount of the pay drawn should be charged in the pay bill or the acquaintance roll as the case may be, as an authority for the charge, and the court's receipt for the amount recorded in the usual manner.

(4) Recoveries will, in the case of salaried individuals, be made monthly at the time of disbursement of their salary. In the case of contractors, the amount of the order will be stopped from the payments made to them under the terms of the contract, or where such payments are not due, from the amount of the security deposits, when such deposits fall due for payment.

The recoveries in both cases will neither appear as an item of credit in the public accounts, nor be included in the compiled figures. The enfacement on the vouchers will clearly show how the net amount of the salary should be disposed of.

(5) Remittance in satisfaction of decrees by civil courts, other than those in Punjab and Delhi, will be made by postal money order; in case, however, where the amount attached is payable to a civil court in the same station in which the accounts officer disbursing the individual's pay is located, payment may be made by cheque. In the case of civil courts as Kolkata, Mumbai, Pune and Chennai also, cheques may be issued without charge.

(6) In the case of the civil courts in Punjab and Delhi, the following procedure will be observed:-

- (i) **Prohibitory orders issued by the Judges, small causes courts at Shimla, Amritsar and Delhi:** The amount recovered will be paid in cash or remitted by money order to the court;
- (ii) **Other courts:** If the Government servant whose salary has been attached is employed in and draws his salary from an office which is located at the same station as the court issuing the attachment order, the amount deducted should be credited direct into the local treasury as a civil receipt under the Head "Revenue Deposits". In cases, however, where the stations are different, the amount will be remitted by money order. In every case the remittance, either by cheque, cash or money order will be

supported by a statement giving full particulars of the amount remitted.

(7) When sending to civil court money deducted from the salary of the Government servant under an attachment order, the disbursing officer should remit to the court only the amount realized under the attachment orders less the remittance charge. A disbursing officer is, therefore, not entitled to deduct from the salary any amount in excess of that stated in the attachment order for the purpose of meeting remittance charge.

(8) Attachment orders will be acted upon according to the date on which the salary is first attached (also see Para 517 (iv) of Chapter VII to this Manual). Where the attachable portion of an individual's salary is already being withheld and remitted to a court in pursuance of a previous and unsatisfied order of attachment, any order of attachment received, will be returned forthwith, to the court issuing it with a full statement of all the particulars of the existing attachment.

According to Section 73, Civil Procedure Code, the claims of all decree holders sharing in the ratable distribution of the "assets" have to be satisfied from the recoveries against a particular attachment order in the process of recovery. The effect of this section is that although an attachment order may be for X rupees, X+Y rupees will have to be recovered against that attachment order so as to satisfy all the decree holders. An attachment order cannot, therefore, be regarded as fully liquidated until the claims of all the decree holders sharing in the rateable distribution have been satisfied. Since normally information is not available in Controller's offices of cases in which the provisions of section 73 Civil Procedure Code have been invoked, the attaching order in the process of recovery, that the attachment order in question would be fully satisfied with the recovery of the last installment due according to the amount specified on it, and the recovery of the attachment order (if any) next in order of priority can be commenced only after receipt of the confirmation.

(9) When an individual against whom an attachment order is on record is transferred to the payment of another audit officer in India, full details of the order of attachment will be communicated simultaneously with the issue of the last pay certificate and an acknowledgement obtained.

(10) If after the receipt of an attachment order an individual proceeds on leave and takes an advance of pay; such amount as is authorized will be withheld from the advance towards the order of attachment, but installments of the amount of court attachment thus recovered will be paid into the court only monthly as pay falls due.

(11) The recovery of amounts, intimated through attachment orders will be watched through the demand register. The duty of watching and ensuring that recovery in respect of attachment orders is duly made devolves on the auditors and the AAO/SOs (A) and they will be held responsible for any delay in the adjustment of demands.

The demand register should invariably be consulted before making monthly payments.

(12) Payments made in satisfaction of any judgment, decree or award of any court or arbitral tribunal are to be treated as Charged Expenditure on the Consolidated Fund of India. Such payments will be made as and when occasion arises by drawing advances out of the Contingency Fund of India and covered subsequently by a supplementary Appropriation obtained from the Parliament. It will be ensured that payments in respect of such transactions are made only after sanction for drawing advances from contingency Fund of India has been obtained.

ANNEXURE 'A'

Instructions for the Audit of Pay Bills of Civilians of the Defence Services

1. The pay bills will be checked with reference to those last audited and where necessary with reference to fundamental data such as last pay certificates and the rules and orders governing pay and allowances, etc. In addition it will be seen that:-
 - (i) the bill is stamped where necessary;
 - (ii) the last pay certificate from the previous audit officer is attached to the first pay bill in which pay is claimed; in the case of transfers within the same audit area, the rates of pay and date upto which paid are verified with the previous bill;

Note 1: For an exception to this general rule, see Rule 155, F.R. Part I.

Note 2: The last pay certificate received from the previous audit officer should be scrutinized as far as possible, to see that the rates of pay, etc. are correct.

- (iii) the demand register is consulted and any outstanding demands recovered according to rule;
- (iv) income-tax is correctly levied on the estimated income for the year under the Head "salaries". The full amount of tax will be recovered in the bill, if the exemptions claimed are not properly vouched/ supported by required declaration.
- (v) rebate of income-tax on insurance premium receipts is allowed only on the life policies on an officer himself or of his wife on the basis of declarations made by the concerned officers, unless the audit officer has prima-facie reasons to disbelieve the same.
- (vi) the appointment for which pay and allowances are claimed is duly authorized and notified in the appropriate orders and that two or more individuals have not drawn pay, additional pay, etc., for the same period against the same appointment;
- (vii) officers on leave in India continued to be paid by the PCDA/CDA from whose audit area they proceeded on leave;
- (viii) all necessary adjustments of Part II orders are made;
- (ix) adjustment of all vouchers such as rent bills, etc., has been made;
- (x) where hospital stoppages are recoverable they are correctly calculated at the appropriate rates;
- (xi) recoveries on account of Funds/P.L.I./Motor Cycle/Motor Car advance as shown in the respective schedules attached to the pay bill are correct;

- (xii) totals of Funds/P.L.I. schedules are correct and agree with the amount shown in the pay bill;
- (xiii) the fund account numbers shown in the fund schedule are correct;
- (xiv) the allowances such as dearness/house rent/conveyance/compensatory drawn are correct and are supported, where necessary, by requisite certificates;
- (xv) the payment made is prominently recorded in the last charge to avoid a second claim on the same account;
- (xvi) previous bills are linked in respect of rarer payments or back recoveries, if any;
- (xvii) the cases of last pay certificates issuable are noted in the register in IAF (CDA)-70;
- (xviii) signature, the pay bill bears, is genuine and is verified with reference to the specimen signature on record;
- (xix) in case of fresh appointments, it is ensured that the health certificates in the prescribed form are attached to the first pay bill of the person concerned;
- (xx) punching medium and cheque slip are prepared and pay order given;
- (xxi) leave salary statements attached to the bills are correctly prepared.
- (xxii) All bills will be pre-audited cent percent.

Note 1: *All paid bills for a year for officers, etc. belonging to a particular formation should be recorded month by month in a single file or guard file (i.e. one file per formation and not per officer).*

2. The clearance of objection should be watched through the objection register (I.A.F.A.-473).
3. Originals or extracts of special orders regarding recurring allowances, etc., admissible to an officer should be filed in his personal file. In the case of casual and non-recurring payments, if any, no record need be maintained in the personal file but a note should be kept in the last pay bill for action in the next pay bill.
4. Payments of non-recurring nature such as fees, honoraria, etc., should be posted in the register of miscellaneous non-recurring charges (I.A.F.A.-514).
5. Particulars of leave availed of, should be entered in the Service Books of the officer, etc., (where maintained).
6. In cases where provisional payments are made the amount involved should be entered in a provisional payment register and its final adjustment watched.

ANNEXURE "B"

Audit of Pay bills of civilian (Non-Industrial) Establishment of the Defence Services

1. In addition to the general instruction contained in Annexure "A" to this chapter the chief points to be observed in auditing establishment pay bills are:-
 - (i) that the arithmetical calculations are correct.
 - (ii) that the pay and allowances drawn (including officiating pay) are according to regulations or orders;
 - (iii) that an increment certificate is attached when an increment is drawn; only supported with a copy of Part II office order.
 - (iv) that in cases where the submission of an absentee statement is necessary, the statement is filled in or the "no-leave" certificate furnished;
 - (v) that the dates of making over and receiving charges are stated and joining time checked;
 - (vi) that in cases where a scale of appointments is fixed for an establishment of Area, the sanctioned scale is not exceeded; and that for all India establishments, the required statements are furnished to the officers concerned;
 - (vii) that the total number of each category of establishment for whom pay has been drawn in the pay bill agrees with the paid strength exhibited in the strength check statement.
 - (viii) that in the case of civilians employed in lieu of Combatant personnel sanction of Record Officer concerned under A.I. 17/49 and certificate from O.C. unit that authorized compliment is not exceeded, are verified.
 - (ix) that sanction of competent authority exists for retention in service of superannuated personnel;
 - (x) date of birth shown in the pay bill for March is checked to ensure that no one has been retained in service beyond age of superannuation; (also see Para 10 below).
 - (xi) that the certificate item (IX) of IAFA 038 (out-sheet) to the effect that none of the individuals for whom pay and allowances have been drawn in the pay bills has attained the age of superannuation or compulsory retirement is invariably furnished by the administrative authorities;
 - (xii) that the pay bills of chowkidars in-charge of vacant buildings are always supported by the list of vacant buildings. After verification that the necessity for actual employment of chowkidars against sanction previously accorded exists, the list of vacant buildings will be passed on to the Unit Accountant for

necessary action as laid down in Para 177 M.E.S. Accountant Manual (1954 edition).

2. Pay bills of non-gazetted establishment will be audited by comparison with the previous month's pay bills, and, in the case of charges which do not arise monthly, with reference to the last audited charges preferred. All orders or particulars relevant to the audit of subsequent bills will be noted in the current bill, and where these do not affect the next bill, will be carried forward until they are to be applied.
3. The pay and allowances claimed will be compared with those admitted in the last audited bill taking into account Part II orders subsequent to the ones adjusted in that pay bill, and if there are any variations, it will be seen that they are supported by necessary authority and are otherwise in order. Entries in the remarks column will be closely scrutinized and checked with reference to the supporting orders, certificates or other vouchers.
4. After verification of the Part II orders quoted on the pay bill is completed, the file of Part II orders should be scrutinized to see if any causalities affecting pay and allowances have been left unadjusted. In such cases suitable annotation should be made against the names of the individuals affected in the pay bill under audit and the office/unit concerned should be asked to adjust the items in the next pay bill. Any amounts excess claimed should, however, be retrenched if Part II orders relating to E.O.L. or absence without leave, discharge, dismissal, etc., are found not to have been properly adjusted in the pay bill.
5. In the case of new names, the first claim to pay and allowances will be supported either by a last pay certificate or by a reference to the order appointing the individual to Government service. In the former case, the rates of pay and allowances and the date from which drawn will be checked from the details appearing in the last pay certificate. In the later case the rates of pay and allowances drawn will be checked with those authorized by the order of appointment and it will be seen that pay and allowances are not claimed for any period anterior to the date of appointment.

Note: *No claims can be admitted for service in a post not duly sanctioned or for pay not assigned or proved for the post held by the individual.*

6. It will be seen that all officiating pay and leave allowances drawn are admissible under regulations and that the establishment for which pay has been drawn has been sanctioned by the competent authority.
7. It will be seen that increment certificates have been signed by the competent authority and that increments or progressive have been earned by qualifying service as detailed by the administrative authorities in the increment certificate. It will not be appropriate for audit to insist on the submission of service documents in support of increment certificates for audit verification of qualifying service or to

undertake a meticulous verification in this respect from the audited pay bills unless special circumstances justify such a course.

Note: *In all cases other than those where the increment becomes due to a Government servant for having been incumbent of the specified post continuously counting from the date of last increment (or appointment to the post) excluding period of suspension/absence without leave, etc., it will be seen that the increment certificate (I.A.F.A.-456) or corresponding forms used in other services, is invariably supported by an explanatory memos, showing briefly but clearly the grounds on which the increment is claimed from the head of the establishment. Such increment certificate will normally be received for pre-audit at least one month before the increment falls due.*

8. If any individual is appointed under a contract or a special agreement, his pay and allowance and leave, etc., will be regulated under the terms of the contract or agreement. A copy of the contract or agreement should be obtained for record.
9. In addition to the general check, the following points should be seen in auditing the bills on account of pay and allowances of conservancy and hot weather establishments:-
 - (i) That the bills have been prepared on I.A.F.A.-115 and are supported by the details of the establishment employed and their rates of pay and allowances on I.A.F.A.-38 or manuscript form;
 - (ii) that hot weather appliance on which the establishment has been employed are authorized in Barrack and Hospital Schedules, if not, Government sanction was obtained before such appliances were fitted in the military buildings;
 - (iii) that the employees are paid the appropriate rates applicable to them. In the case of conservancy establishment, it should further be seen that:-
 - (a) the persons who are employed on long terms basic on monthly rates of pay are admitted a fixed pay as notified from time to time or such other pay as may be fixed in individual cases by special orders and dearness, compensatory and other allowances in the same manner as are admissible to class IV staff belonging to regular establishments, but not to leave, pension, medical attendance or travelling allowances benefits.
 - (b) in the case of the individuals who have been recruited for work of a very temporary and casual nature on daily rates, the market rates are admitted, dearness or any other allowances not being admissible in addition;
 - (iv) that funds are available to meet the claims preferred.
10. (i) On receipt of pay bill for March each year it should be seen that the date of birth of all civilian personnel are indicated therein.

Omission, if any, will be immediately pointed out and the requisite information obtained on a separated nominal roll.

(ii) The date of birth shown in March pay bill/nominal roll will be compared with the one shown in the previous pay bill for March and with the superannuation statement pertaining to the previous year. In the case of new names the date of birth shown in the March Pay bill will be compared with the one shown in the LPC/pay bill where pay was first drawn. All discrepancies noticed will be got reconciled immediately in consultation with the administrative authorities. Sanction of the competent authority for retention beyond the age of superannuation/the date of any previous extension should be verified/called for.

(iii) A note as under will be made in the March pay bill against the names of the individuals who are likely to attain the age of superannuation/in whose case extension of service already granted will expire before March of the next year. This note will be carried over from month to month till the individual concerned has become non-effective or orders are received regarding his retention in service beyond the age of superannuation which extends beyond March of the next year:

Date of Birth

Date of Superannuation

Date of expiry of extension.....

(iv) In the case of new names appearing in pay bills subsequent to March pay bill it should be ensured that the date of birth of the individual concerned is indicated therein by the administrative authorities. The same should be verified and in superannuation/extension of service previously allowed to him will expire before March. Next action contemplated in Para (iii) above should be taken.

11. Recovery of TA/DA/LTC advance will be made promptly from the pay and allowances of the individual upon receipt of intimation from Transportation Section. Intimation of recovery should also be conveyed to the Transportation section

ANNEXURE "C"
(Referred to in Para 382)

**Surety Bond for the purpose to advance to temporary civilians paid
from Defence Service Estimates**

Know all men by these presents that I..... son of resident of in the district of at present employed as a permanent..... in the (Hereinafter called 'The surety') and held and firmly bound unto the President of India (Hereinafter called "The Government)) which expression shall include his successors and assigns in the sum of Rs.. (Rupees only) with interest as hereinafter specified and all costs between attorney and client and all charges and expenses that shall or may have been incurred by or occasioned to the Govt. to be paid to Govt. for which PAYMENT TO BE WELL AND truly made I hereby bind myself, my heirs executors, administrators and representatives, firmly by these presents. As witness my hand this day of two thousand andWhereas the Govt. has agreed to grant son of a resident of in the District at present employed as temporary in the (Hereinafter called "The borrower") at the borrower's own request an advance of Rs. (Rupees only) for the and whereas THE BORROWER HAS undertaken to repay the said amount inequal monthly installments with interest as calculated at the rate and in the manner prescribed under Para 251 of the Central Government compilation of the General Financial Rules thereon or on so much thereof as shall for the time being remaining and unpaid calculated at fixed Govt. rates in force for Govt. loans from the day of the advance.

And whereas in consideration of the Govt. having agreed to grant the aforesaid advance to the borrower the Surety has agreed to execute the above bond with condition as hereunder is written. NOW THE CONDITION of the above written bond is that if the said borrower shall, while employed in the said duty and aforesaid advance owing to the Govt. by installments with interest as calculated in the aforesaid manner thereon or on so much thereof as shall for the time being remain due and unpaid calculated at fixed Govt. rates in force for Government loans from the day of the advance until the said sum of Rs. (Rupees only) with interest as calculated in the aforesaid manner shall be and remain in full force and virtue.

But so nevertheless that if the borrower shall die or become insolvent or at any time cease to be in the service of the Government, the whole of so much of the said principal sum of Rs. (Rupees.....only) thereof as shall then remain unpaid and the interest due on the said principal sum calculated the aforesaid manner from the date of the advance shall immediately become due and payable to the Government and be recovered from the Surety in one installment by virtue of this bond.

The obligation undertaken by the surety shall not be discharged or in any way affected by an extension of time or any other indulgence granted by the Government to the said borrower whether with or without the knowledge or consent of the surety.

The Government has agreed to bear the stamp duty if any for this document. Signed and delivered by the said.....

at.....
this.....
of.....
20.....

(Signature of surety)
Designation
Office to which attached.

in the presence of

- (i)
- (ii)

Signature, address and occupation of the witness

ACCEPTED

**FOR AND ON BEHALF OF THE PRESIDENT OF INDIA
(Auth: AI 118/70)**

ANNEXURE "D"

(Referred to Para 430)

Drill for the audit of medical re-imburement claims of the civilians paid from Defence services Estimates and their families.

In addition to the general checks for the audit of bills and vouchers and prescribed in the Defence Audit Code it will be seen that-

- (1) the Government servant is entitled to re-imburement of Medical expenses under the rules;
- (2) Medical attendance/treatment has been taken from the authorized medical attendant;
- (3) treatment has been received in a Government/recognized hospital;
- (4) in case of medical attendance/treatment received in a Cantt. hospital the individual is a resident of cantonment area where no Government hospital exists;
- (5) in case of treatment received in Armed Forces Hospital no civil hospital exists in the station . In station where a Civil hospital exists the prescribed certificate regarding non-availability bed is furnished from the Civil Hospital;
- (6) a separate claim has been preferred for each patient on Med. 97 duly completed in all respects, signed and receipted by the Government servant and countersigned by the Controlling officer;
- (7) the bill is supported by the under-mentioned documents:-
 - (i) essentiality certificate, in the prescribed form A or B as the case may be duly completed and signed by the authorized medical attendant;
 - (ii) cash receipt in Med. 96 in respect of consultation and injection fees received by the authorized medical attendant;
 - (iii) cash memos for medicines purchased and hospital receipts for amounts paid to a hospital duly verified by the authorized medical attendant;
- (8) that the medicines for which re-imburement is claimed have not been declared 'Inadmissible' by the DGMS, New Delhi;
- (9) the consultation fees and injection fees are reimbursed according to the schedule of rates prescribed by Government.
- (10) the advance for treatment, if any, as noted in the demand register is recovered;
- (11) the prior approval of the Chief Administrative Medical officer of the Sate is obtained when the patient is referred to a specialist by the authorized medical attendant unless the delay involved entails danger to the health of the patient;

- (12) In case the authorized medical attendant refers the patient for speedy recovery to another medical officer (other than a specialist) in the station the prescribed certificate from AMA is attached and that such references are not indiscriminate;
- (13) treatment received at the residence of the patient is covered under the rules and the prescribed certificate of the authorized medical attendant is attached;
- (14) the disease for which treatment has been received comes within the ambit of CS(MA) Rules 1944;
- (15) accommodation allotted in the hospital is according to the status of the Government servant, and that diet, nursing and other hospital charges claimed are admissible under the rules;
- (16) treatment for diseases like T.B., Polio, Cancer etc. is covered by the special orders on the subject;
- (17) the treatment/medical attendance received by the individuals residing or passing through Kolkata is in accordance with special orders contained in Section VI compilation of Medical Attendance Rules and Order (1953 Edition).

Note: *Govt. servants having their Headquarters in Delhi or New Delhi who are entitled to medical benefits under Contributory Health Service Scheme are not entitled to reimbursement of medical expenses.*

- (18) Application form Med-04 is required to be enclosed along with the claim instead of med-97.
- (19) Medicines purchased during the OPD treatment (only for CGHS Beneficiary) are not reimbursable as the same are required to be obtained from the concerned dispensary.
- (20) Basic Pay + Grade pay of the beneficiary is required to be shown in the application form separately.
- (21) As per CGHS rule test prescribed by the doctor is required to be obtained within 14 days from the date of prescription.
- (22) In case of non-emergency, treatment should be obtained from private recognized Hospitals after proper referral from Government Hospital/Dispensary.
- (23) If treatment is obtained in emergent circumstances, emergency certificate signed by the treating doctor and self explanatory application of the Govt. Servant should be enclosed.
- (24) Indoor treatment from the clinic of AMA is not reimbursable even in emergent circumstances.

- (25) In case of death of Govt. Servant, affidavit of claimant and no objection certificate from other legal heirs should be obtained on stamp paper.
- (26) In case of indoor treatment, the following documents are required to be attached.
- (i) Application Form Med-04/Med -97 as the case may be
 - (ii) Essentiality Certificate
 - (iii) Hospital Bill
 - (iv) Adm/Discharge Card
 - (v) Refer Slip of Govt. Hospital/dispensary

ANNEXURE 'E'

(Referred to in Para 418)

List of Officers employed in the office/department of as on 1st January 20.... / 1st July 20..... who are due for superannuation between the 1st January and the 30th June/the 1st July and the 31st December of the next official year.

(To be sent to the concerned Audit Authorities by the 31st January/31st July at the latest).

Sl. No.	Name of officer	Date of Birth	Appointment held in officiating capacity scale of pay etc.	Appointment held in substantive capacity sector of pay etc.	Date of superannuation	If an extension of service, the date of expiry of the present extension	If re-employed the period of re-employment	The number and date of communication with which attention of the officer have been invited articles 907 to 911 CSR	Whether the officer has made a formal application for pension if so the date of receipt of such application
1	2	3	4	5	6	7	8	9	10

ANNEXURE "F"
(Referred to in Para 429-A)

Check List Terminal/Death Gratuity

Claim in respect of Ty. Opt.

Certified that Audit Procedure Drill for the task as amended by Govt. orders issued from time to time has been gone through and:

PART I

- (i) (a) The claim is duly supported with the requisite documents except NIL/the following which may be furnished/ obtained from the unit.
- (b) Service Book of the individual has been thoroughly examined and confirmed that service
- (c) Total qualifying service verification certificates for the period to which the claims pertained are recorded therein for terminal/death gratuity worked out by the unit as years has been checked and tallied with the entries recorded in the service book.
- (d) Entry regarding the grant of terminal/death gratuity is recorded by the unit at page..... of the service book volume.....
- (ii) Office order No..... notifying the date of retirement discharge/death and grant of terminal gratuity is put up.
- (iii) Final claim already pre-audited vide our No.....dt..... for payment of Rs. recovery of Rs.
- (iv) The individual is not re-employed pensioner and has not been removed/dismissed from service as a disciplinary measure and certificate to this effect has been given by the OC unit.
- (v) The individual is not subscribing towards IOFWPF but to GPF. His GPF A/c No. is recorded on page of the service book volume Last GP Fund subscription was recovered from him vide 6A II/.....
- (vi) The gratuity claim is not time barred/time bar sanction accorded by the GPF and endorsed on the claim, has been examined and it is in order.
- (vii) (a) Rate of Pay on last day of Ty/QP Service verified from the service book on the basis of last ten months.
- (b) Average rate of pay worked out by the unit under rule 10 or 11 of CCS (TS) Rules 1965 as Rs..... has been checked and found correct/has been amended as Rs.....
- (c) The amount of gratuity claimed in in accordance with orders applicable.
- (viii) Service rendered by the individual has been declared by the competent authority as satisfactory vide certificate placed at F/.....

- (ix) Recovery of Rs..... on a/c of Immediate Relief Paid to the family has been made from the gratuity claim is not required.
- (x) Recovery of Rs..... on a/c of debit balance of final claim is recovered from the gratuity claim and posted at DE No.....
- (xi) (a) Terminal/Death gratuity claim preferred by the unit for Rs..... has been pre audited and passed for Rs..... (Variation if any explained on the Office copy of the claim) subject to test check by the office of the Jt. Director of Audit, Defence Service (Necessary draft put up for approval.)
- (b) Bills received on and sent to Test Audit on and there was no delay in sending to Test Audit.
- (xii) (a) The claim is payable to the Govt. servant himself/the following nominee (in case of death gratuity) in equal shares:
- 1
 - 2
 - 3
- (b) The Govt. servant has not made nomination before his death. Succession certificate would be required from a Court of Law for payment if the amount to the claimant as the same exceeds Rs. 2,500/-
- (xiii) No nomination is required in the case of quasi-permanent government servant and it will be ensured in audit that gratuity admissible to him on his death will be payable to his family in order of preference mentioned on page 97 CSR Vol. II (10th Edition.) Chaudhari's compilation..

Auditor / SO (A)

Checked and approved

A.O.

Dated

PART II

- (xiv) Terminal/Death gratuity claim for Rs..... forwarded to Jt. Director of Audit, Defence service vide our no..... has been received back with an endorsement 'Test Checked'/Not selected for Test Check' vide their no.....
- (xv) Terminal/Death gratuity has been finally pre-audited and passed for payment of Rs..... and necessary endorsement has been made on page of the service book.
- (xvi) Recovery of Rs..... on a/c of Immediate Relief mentioned at item no.
- (ix) above has since been compiled to the code head 0/018/64 vide TE no... and remarks to this effect noted against D.E.

- (xvii) Necessary endorsement regarding the pre audit/payment of gratuity has been made on final claim/last charge Vr. No.
- (xviii) Necessary entries in the non-recurring charge register has been made.
- (xix) Bill received back from Test Audit on and finally passed on and there was/ was no delay.

Auditor/SO (A)

ANNEXURE "G"

(Referred to in Para 430)

No. AT/IV/4807-VII
OFFICE OF THE CGDA
WEST BLOCK -V, R.K. PURAM,
NEW DELHI - 66
DATED: 19-05-1999

To

Sub: Pre-Audit and Payment of Medical Reimbursement Claims

Ref: In continuation of this HQrs. Important Circular of even No. Dated 23.3.99

During the recent inspection of the offices/sub-office of two of our Controllers conducted by this HQrs., it was noticed that certain categories of Defence civilian Employees have been submitting large number of medical reimbursement claims of doubtful nature and the same were being audited and passed in a routine and indifferent manner by our offices without carrying out basic checks prescribed for the purpose. There was also no evidence of any intelligent scrutiny having been carried out of the claims in our said offices. On the contrary, in quite a few cases, these doubtful claims were passed with utmost promptness. Being a matter of serious concern, the undersigned sample checked some of the claims personally and had ordered a special audit of these claims received in these offices especially pertaining to a few MES formations. It reveals that the fraudulent claims are being passed in a cavalier manner flouting all basic rules and regulations. The Special Audit has thrown up serious lapses on the part of the Authorised Medical Officer, the Controlling Officer and our Accounts Offices working in connivance with chemist and medical shops. In quite a few cases, what has come to light is that the executive authorities have a tendency to recommend the passing of doubtful claims despite the DAD requesting them repeatedly to re-examine such claims. But what is most disturbing to us is the irresponsibility and apparent inconsistency shown by our concerned DAD Offices in dealing with these claims.

This HQrs has taken very serious note of the above mentioned situations and does not accept this as merely a failure on the part of the concerned DAD officers and staffs. The imperatives demand that such a situation should become a matter of serious concern at the level of GOs, Jt. CDA/CDA. In order to enforce the CSMA Rules and the Codal Provisions strictly in letter and spirit and to enable the CsDA to understand the exact implications of various lapses and monitor this work very carefully, please find enclosed herewith the Annexure 'A' where we have attempted to list out in an exhaustive manner as possible the various lapses on the part of Authorised Medical Attendants, Controlling Officers and our Accounts

Offices as thrown up by the Special Audit. This HQrs desires that all our Controllers implement at once the following steps:-

1. The copy of this circular and the Annexure 'A' should be got noted by all the dealing SOs (A)/AAOs Accounts Officers, Sr.Accounts Officers and the GOs of the Medical Group for strict adherence/compliance. In fact, in future when the change of incumbents in the medical Group of pay section and AN/Pay section take place, the new incumbents must familiarize themselves with these instructions for which a regular systems of handing over/taking over should be devised.
2. CsDA should institute a mechanism to obtain a regular monthly report on the receipt of reimbursement Claims in R Section, proper maintenance of Bill Register, observance of pre-audit drill and passing for payment within stipulated time frame. The special watch is required to be kept on those units submitting abnormally large number of claims and also claims of large value. Further every month, a list giving unit-wise details and the value of medical claims thereof, should be put up by the G.O. to the JCDA/CDA who will give appropriate directions on the trend analysis.
3. The personal approval/concurrence of Group Officer in charge should be obtained before passing any individual claim of Rs. 1000/- and more for which such claims will be to put up to Group Officer in charge for his perusal and critical scrutiny before authorizing payment. Similarly, it will be incumbent upon the Accounts Officer/Sr. Accounts Officer to carry out critical scrutiny of any individual claim of Rs. 500/- and above upto Rs. 999/- apart from passing claims of lower value.
4. A checklist has been prepared and enclosed to this instruction containing basic prescribed and intelligent checks to be observed and followed by the concerned staff. (Annexure 'B'). This check list (a copy each) should be got handed over to each dealing clerk/auditor dealing with Medical Reimbursement Claims both in Pay & AN/Pay section and their signatures obtained.
5. The concerned executive authority at an appropriate level should be constantly apprised under a DO mechanism, of any increasing trend in the value of claims submitted, the abnormal features and the lapses if any, observed during the audit of the claims. This should be done initially itself at the level of Group Officer. In case, the irregularity is serious, it should be included in MFAI after bringing it to the notice of JCDA/CDA.
6. In case any cash memo is found to be fake and of a doubtful nature, it should be referred to the Sales Tax Authorities to verify the bonafides of the concerned chemist shop.
7. The bonafides of the Government Doctors, who are prescribing the medicines as AMAs, should be regularly checked up from the hospitals concerned in order to ascertain whether such Doctors are actually borne on the establishment of the concerned hospitals.

8. The family particulars for all the employees should be obtained along with Dependency certificate every year and kept in the record for audit.
9. The basic responsibility for checks to be exercised as per items 6 to 8 in respect of Defence Civilians should be that of the executive authorities. In case they fail to exercise the same despite our request, DAD should take care of such checks as an exception and not as a rule.
10. The controllers also should address suitable letters to the executive authorities for making them aware of their role as the Controlling officers as per CSMA rules enclosing therewith the extracts of these rules, orders and instructions for ready reference.
11. Any deviation in following the correct procedure should make the concerned staffs and officers of DAD liable to disciplinary action.
12. The above mentioned checks should be made equally applicable to medical reimbursement claims submitted by the DAD employees.

This issues with the approval of the CGDA.

Sd/-x-x-

(M. KUMARASWAMI)
ADDL. CGDA (INSP)

ANNEXURE 'A' TO CGDA's IMPORTANT CIRCULAR No.AT/IV/4807-VII
dated 19.05.99 at Annxure 'G'

(I) LAPSES ON THE PART OF AUTHORISED MEDICAL ATTENDANTS

- (a) Most of the prescriptions are on a small piece of paper, without mention of the Doctor's name and Registration number.
- (b) The Stamp seals of the Doctor-both on the prescription and the essentially certificate were almost indecipherable.
- (c) None of the prescriptions mention the age of the patient.
- (d) For almost all prescriptions, there is a uniform consultation after 5 to 6 days.
- (e) The cost of medicines prescribed in each first prescription ranges between Rs. 7000/- to Rs. 12000/- In a few cases, the cost of medicines prescribed on first consultation is for Rs. 1000/- and above.
- (f) 90% of the Medical Claims preferred pertain to low paid employees, viz; Mazdoors, chowkidars, Carpenters, Masons, Painters, Electricians etc.
- (g) In one bill, 10 to 30 claims were preferred for which the prescription were found given by one AMA and the medicines were found purchased from one and the same shop. Further, period of treatment of all the individuals were for the same fortnight.
- (h) Inadmissible medicines were prescribed.
- (i) Variance of signature of the AMAs in essentiality certificate/countersignature in Cash memo/Signature in the prescription noticed.
- (j) Essentiality certificates signed by the AMA were on the first day of the commencement of treatment covering future dates.
- (k) Preparation of Medical 97 forms and Certificate 'A' were made by one and the same person as can be discerned from the handwriting appearing in both.
- (l) Treatment by the AMA for periods over 10 days without referring such cases to the OPD of a Government/Recognized hospital.
- (m) Sequence of OPD Registration in a hospital were found jumbled up i.e. for instance OPD Registration for, say, the date 15/2 was 3181 whereas the registration Nos. for the date 16/2 was 2267 and for the date 22/2 was 3674.
- (n) Purchase of Medicines from pharmacy in whose case the validity period of Drug License had already expired.
- (o) Registration No., Degree and status were not indicated by the AMAs. A few of them were not actually AMAs but treatment taken from them as AMAs.

(II) LAPSES ON THE PART OF CONTROLLING AUTHORITIES

- (a) Non-verification in a critical manner as per the Rules, by the Controlling Officer, of Claims submitted in excess of Rs. 1000/- at a time by the individuals serving under him.
- (b) Countersignature of all claims in routine manner without exercising a judicious scrutiny.
- (c) Non-maintenance of Medical Claims Control Register.
- (d) Forwarding of claims duly countersigned by the officer of another unit other than his own unit where the individual was serving and fell sick.
- (e) Neither the dates of preference of the bills by the individuals were shown nor the countersigning authority put his dated signature.
- (f) Most of the claims were not sent through forwarding letters by the unit(s).
- (g) Amendments noticed, to the value of Voucher after the countersignature by the Controlling officer, by inserting/interpolating some more claims as the original sequence of Sl. Numbering was not altered. Such amendments in value were not attested by the Controlling officer.
- (h) Amount Written in figures but not in words as required.

(III) LAPSES ON THE PART OF DAD

- (a) Acceptance of the claims by the office of CDA without insisting on its submission through forwarding memo (s).
- (b) Records section's stamp with date not found embossed on each claim.
- (c) Non-maintenance of Bill Register to control receipt and disposal of claims.
- (d) Claims were found received in bulk and were passed on the same day, cheques issued on the same day, thus repealing the laxity on the part of Audit Section to exercise close scrutiny of claims and possibly connivance. Due to the laxity shown by Audit in exercising proper audit checks, the individual concerned, in collusion with AMA had taken advantage in preferring fraudulent claims and the Unit Authorities did not carry out a very careful scrutiny of such claims.
- (e) The amount(s) claimed and amount(s) admitted were the same without any disallowance.
- (f) In some cases, payment encagements were signed by the ACDA in-charge without the claims having been routed through AO in-charge of the Medical Group.
- (g) Treatment of the patient for a particular disease by an AMA who is not at all a specialist on that and this has been accepted.

- (h) Cheques were handed over to the party on the same day in which claims were received and passed.
- (i) Non-maintenance of work books to show the receipt and disposal of claims on FIFO basis.
- (j) Payment encacements were made for the amount in figures only and not in both figures and words which was not insisted upon by the AOI/C/ACDA I/C.
- (k) DV No. and months were not at all indicated in any of the claims.
- (l) Paid and cancelled encacements, not found embossed in documents like cash memos, prescriptions, Claims.
- (m) Supporting vouchers/claims i.e. Medical - 97, Certificate 'A' Cash Memos/ Prescriptions were detached from the original Consolidated Bill, which was passed for payment.
- (n) No proper system/mechanism followed in sending the punching medium to AAOs GE (in respect of MES) for incorporation of the expenditure on Medical claims in the construction accounts. Non-inclusion of the expenditure in construction accounts tantamount to concealing of expenditure leading to fiction surpluses and misuse of funds which would affect the budgetary control.
- (o) Non-maintenance of Register of Specimen signatures of the Executive Authorities, Non-verification of Registration no., degree and status of AMAs.
- (p) Non-insistence on the submission of fresh dependency certificates from the individuals and its acceptance by the Controlling Authority every year as required under CS (MA) Rules.

**ANNEXURE 'B' TO CGDA's IMPORTANT CIRCULAR No.AT/IV/4807-VII
dated 19.05.99 at Annxure 'G'**

**POINTS TO BE ENSURED WHILE PROCESSING THE CLAIMS FOR
REIMBURSEMENT OF MEDICAL EXPENSES**

GENERAL

1. Whether the claim has been received from the units through a forwarding memo/letter.
2. Whether the claim was received in the Section duly date-stamped and diarized in R Section and not received direct by hand in the Section.
3. Enter the bill in the work book and bill register to control receipt and disposal of the bills.
4. Ensure First-in-First-out (FIFO) in clearance of the bills.

MEDICAL 97, i.e. MEDICAL REIMBURSEMENT CLAIM FORM

- 5.1 Whether the forms are being circulated by the Doctors with their names printed on the form at appropriate places. Such cases need deeper scrutiny to establish any unholy nexus between the Doctors and the patients.
- 5.2 Whether the form is completed by the employees and signed by them with revenue stamps duly affixed wherever necessary.
6. Whether countersigned by the authorized Controlling officer of the unit/office where the claimant is serving and it is not signed by any other officer calling himself as the Controlling officer. Verify the signature of the controlling officer with the specimen signature maintained in the Register prescribed for the purpose. This has to be constantly monitored.
7. Whether the claim is dated by the individual as well as countersigned by the Controlling officer with date.
8. Whether the Controlling Officer has certified, in cases of claims of individuals who have already drawn reimbursements of more than Rs. 1000/- during the year that the claims have been subject to special scrutiny by him as laid down in the Government orders on the subject.
9. All corrections made in the claim are authenticated by the individual/controlling officer as necessary.
10. Amount claimed is indicated both in words and figures.
11. If the bill is for treatment taken in the consulting room of the AMA, whether the treatment is completed within 10 days and if more than that, whether treatment is continued in the OPD. For OPD treatments, whether it is supported by the clear OPD slips.

ESSENTIALITY CERTIFICATES

12. Whether it is completed by the Doctor. If not, at least the name of the disease is completed by the Doctor personally. Whether that particular Doctor is competent to treat that disease - for example an orthopedic surgeon treating a Gynecology case which may not be appropriate.
13. Whether the dates of consultation are given clearly.
14. Whether the seal (below the signature) indicating the name of the Doctor, Degree, Registration Number, Designation, Hospital to which attached are clear and not smudged.
15. Whether the Essentiality Certificate is signed by the Doctor.
16. That it is signed only after the treatment is over and not before.

PRESCRIPTIONS & OPD REGISTRATIONS SLIPS

17. The prescriptions are in the regular printed letter-head of the Doctor or hospital and not in small pieces of paper.
18. Whether the prescriptions bear the date, name of the patient along with the age of the patient in all cases without fail.
19. Below the signature of the Doctor, whether the required seal is affixed.
20. In OPD slips, whether the registration numbers from the first date to the subsequent dates are in ascending order and not in stray numbers.
21. Costly medicines are not normally prescribed, when equivalent medicines of cheap value is available.
22. Inadmissible medicines are not prescribed.

CASH MEMOS AND BILLS

23. Whether all Cash Bills have been signed by the Doctor/AMA.
24. That the medicines are purchased from the Pharmacy which is having a valid drug license for selling the medicines.
25. The sales tax registration number is printed on the bill.
26. The bill is issued in the printed form containing machine number and date, name of the patient etc.
27. The entries in the bill are not corrected after signature by the doctor.

INTELLIGENT SCRUTINY OF THE CLAIM AS A WHOLE

28. Claim Form is to be filled up by the claimant and the Essentiality Certificate by the Doctor. If it is filled up with the same hand-writing, the claim should be scrutinized carefully.
29. Signature of the Doctor in the Essentiality Certificate, on the Prescriptions and the Cash Bills tally with one another.
30. If the number of consultations are more than two, it calls for close scrutiny to ensure that it is necessary, when the treatment in the consulting room itself is only for 10 days.

31. In once consultation itself, if the quantum medicines/injections prescribed is abnormally high or the value of the medicines/injections prescribed is quite high, it calls for special scrutiny.
32. For the whole spell of the treatment, the total amount for which medicines are purchased should be reasonable and not abnormally high.
33. If the claims received from a single office/unit are pertaining to low paid employees, it calls for special scrutiny.
34. Is treatment taken by different individuals from different Doctors and at different periods? If it is from the same doctor and the number claims are heavy and the period of treatment of different individuals are also the same or very much overlapping, it should create a doubt and claims should be investigated thoroughly.
35. Similarly if the medicines are purchased repeatedly from one and the same shop or from two particular shops, the same should be carefully scrutinized.
36. Periodically, a list of Doctor attached to each Government hospital should be obtained from the Supdt. of the Hospital and kept on record. While processing the claims it should be verified that the doctor who gave treatment is really attached to that hospital during the period in which he gave the treatment. If he is a private doctor, but an approved AMA, whether he approval still holds good.
37. In respect of the cash memos, where doubts arise, reference to local Commercial Tax authorities should be made to ensure that the shop is existing, it is registered with sales Tax authorities and the bill issued by the shop is a genuine one.
38. The voucher prepared by the unit is not amended to include some more claims after countersignature by the controlling officer. Any amendment in the voucher is to be authenticated by the Controlling officer.
39. In respect of all the claims it may not be the case that the amount claimed becomes fully admissible without any disallowance. If in respect of any particular unit/office, this contingency occurs, the claims of that unit should call for a special scrutiny
40. If claims are received in bulk from a particular unit regularly, it should be investigated.
41. Whether action to get dependency certificates from the individuals and acceptance thereof by the Controlling Officers periodically as required under CS (MA) Rules is regularly taken.

CONCLUSION - GENERAL

42. The amount admitted should not be more than the amount claimed.
43. Payment enforcement should contain the initials/signature in as clear manner as possible of Auditor, SO (A) /AAO and AO/SAO/ACDA. A

separate register be maintained to record their initials/signatures and any changes on account of the change of incumbents take place the signatures of the new incumbents should be recorded in the register.

44. Cheques for payment are sent by D Section only and not by the section dealing with the bills. D Section should also ensure its correct dispatch and not to hand over to any unauthorized persons.
45. Clearance of bills is correctly marked in the Bill register and work Book.
46. Payment encasement should contain the amount both in figures and words.
47. DV number and month should be indicated in all the claims.
48. Paid & Cancelled encasement should be made in all the enclosures to the claims.
49. Supporting vouchers of the claim with the above encasement should always be tagged with the original claim.
50. In case of MES Estt. the laid down procedure for incorporating the amount of medical claim also in the respective Construction Account should be followed without fail.
51. The paid DVs should be preserved carefully in serial order for the period as prescribed in the office manual. Stringent action should be taken for any missing DVs after fixing the responsibility.

ANNEXURE 'H'

(Referred to in Para 407)

LOAN STATEMENT

Statement showing the names and other particulars of officers, etc. newly lent to the Government of Myanmar from the payment of PCDA/CDA during in respect of whom leave, pension and passage contributions are recoverable by the C.D.A., Patna.

Regimental No. and rank	Name	Corps or department	Date (F.N.) or (A.N.) from which actually struck off duty in India .	Monthly rate of pay etc. drawn prior to the date of being struck off duty in India .	Date of which pay is chargeable to the defence service estimates	Domicile	Date of commencement of pensionable service in respect of civilian personnel of the defence service whose pension is regulated under C.S.R.	Government or other orders sanctioning the transfer .	Remarks
1	2	3	4	5	6	7	8	9	10

ANNEXURE 'I'

(Referred to in Para 407)

REVERSION STATEMENT

Statement showing the names and other particulars of officers, etc. reverted from the Government of Myanmar to the payment of PCDA/CDA during in respect of whom leave, pension and passage contributions are recoverable by the C.D.A., Patna.

Regimental No. and rank	Name	Corps or department	Date (F.N.) or (A.N.) from which actually struck off duty in India .	Monthly rate of pay etc. drawn prior to the date of being struck off duty in India .	Date of which pay is chargeable to the defence service estimates	Domicile	Date of commencement of pensionable service in respect of civilian personnel of the defence service whose pension is regulated under C.S.R.	Government or other orders sanctioning the transfer .	Remarks
1	2	3	4	5	6	7	8	9	10

CHAPTER VI
MISCELLANEOUS SECTION

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OBJECTIVES

431. Objective of 'Miscellaneous' section is:-

To arrange prompt payment of bills relating to miscellaneous expenditure for the upkeep and training of the Army and post audit of bills relating to miscellaneous expenditure.

DUTIES

431A. The duties of the Miscellaneous section are:-

- (i) Audit and payment of bills for expenditure of a contingent and miscellaneous nature and miscellaneous claims in respect of unit allowances
- (ii) Audit of charges relating to acquisition and disposal of land and buildings by Military Land and Cantonments Department
- (iii) Audit of charges paid from grants such as amenities grant, training grant, assault-at-arms grant, etc
- (iv) Audit and payment of bills on account of local purchase of stationery and local printing
- (v) Payment to the Survey of India for supply of Maps.
- (vi) Audit of contingent and miscellaneous expenditure incurred by Indian Military attaches/Advisers abroad,
- (vii) Payment and adjustment of the cost of manufacture of medals and decorations, and contingent and miscellaneous expenses claims of the Medal section of the Ministry of Defence.
- (viii) Adjustment of debits on account of postage and air mail fee on the bags dispatched by Defence Headquarters
- (ix) Adjustment of audit fees recoverable from Cantonment Boards for audit of their account by the Defence Accounts Department
- (x) Payment of imprest advances on I.A.F.F. 1036
- (xi) Half yearly review of pre-audit bills
- (xii) Placing of cash assignments at the disposal of recruiting officers, Gorkhas and Indian Embassy in Nepal, audit of cash accounts rendered by them and payment of permanent advances to other recruiting officers.

Note: Work relating to item (iv) with regard to local printing only (except in case of factory establishments for which PCA (Fys) is responsible) and item no. (vii) will be dealt centrally in the office of CDA (Army) Meerut. Items (vi), (viii) are dealt with centrally in the office of PCDA, New Delhi.

- (xiii) Scrutiny of contracts of miscellaneous nature, viz., messing contracts at Selection Centers and hair-cutting and washing contracts and conservancy services agreements

- (xiv) Placing of Cash Assignment at the disposal of Station Headquarters for payment of ECHS bills and carrying out the post audit of their paid vouchers.

GENERAL

432. All bills irrespective of their nature will be received only in the Record Section of the PCsDA/CsDA office and will be sent to the respective section after being duly diarised. Under no circumstances should any bill be received directly by any section. The audit of claims received in the section will be carried out in accordance with the rules prescribed in Defence Audit Code and the orders governing the claims as laid down in F.R. Part II.

(Amended vide CS 248/98)

433. An indicative list of claims showing the forms and the rules and orders under which they are preferred and dealt with in the section is given in Annexure "A" to this chapter.

CONTINGENT AND MISCELLANEOUS CHARGES

434. The primary check over contingent expenditure is exercised by the executive authorities. It is their duty to see that the charges drawn in a contingent bill are of obvious necessity and are at fair and reasonable rates; that previous sanction for any item requiring such sanction is attached; that all requisite vouchers are received and are in order; that the calculations are correct; and that; where applicable, the expenditure has not exceeded, and is not likely to exceed, the allotment made for the purpose. If expenditure is progressing too rapidly, it is their responsibility to regulate the expenditure and keep it within the authorised allotment, and if necessary, take steps to obtain an additional allotment.

435. Contingent and miscellaneous charges will be audited in accordance with the general rules for the audit of cash expenditures as given in Defence Audit Code. In case of contingent charges it will be further seen that:-

- (i) the charges are of a kind normally incurred on account of office or other contingencies, and that they are not of an unusual or extraordinary nature;
- (ii) the rates and prices are prima facie not extravagant and the standards of financial propriety as laid down in Defence Audit Code have been observed;
- (iii) the bill is in proper form and any certificates required under the financial rules have been furnished;
- (iv) the vouchers for charges in excess of Rs 100/- are furnished.
(Authority: Para 269(4) Defence Audit Code)
- (v) no charges for pay and allowances (except pay and allowances of part time employees of "regular categories") are included in the contingent bills;

- (vi) recurring charges have been sanctioned by the Competent Financial Authority;
- (vii) the expenditure has been incurred by a Government servant competent to incur it; and has received such sanction as is necessary;
- (viii) charges for non-official publications (including newspapers) conform to Para 604 Regulations for the Army (Revised Edition 1987)

Note: *Charges for Railway Time Tables and Indian Postal and Telegraph Guides, when their purchase is necessary, may be admitted.*

- (ix) printing, binding and stationary charges do not contravene the rules contained in the "Rules for the supply and use of stationery stores and those for printing and binding" see Para 269(9) of Defence Audit Code in this connection;
- (x) no charge is preferred for section writing, i.e., for copying manuscript by piece work, without the previous sanction of the authority which may sanction the employment of an establishment; and no such charge is passed; to any person in receipt of a salary from Government;
- (xi) charges for liveries and warm clothing for Multi-tasking Staff are claimed in accordance with the basic conditions laid down in 'Handbook on Uniforms of Class III and Class W employees' issued by the Ministry of Home Affairs and other special Government letters issued for the purpose;
- (xii) no charge is passed which contravenes the orders relating to contingent and miscellaneous expenditure contained in Chapter 12, Financial Regulations Part I Vol.I and other orders issued from time to time .
- (xiii) Expenditure in respect of charges for which a separate allotment has been sanctioned for the year, is a proper charge against the allotment and is not progressing at a rate likely to exhaust the allotment before the end of the year. When the progress of expenditure is abnormally heavy, the officer submitting the claims will be warned to keep the expenditure within the authorised limit and advised, if necessary, to take steps to obtain an additional allotment. See also in this connection Chapter 13 Defence Account Code;
- (xiv) the expenditure has been incurred with due economy and in no case merely to avoid lapse of funds;
- (xv) charges for which scales are laid down, do not exceed those scales and the charges for which sanction of higher authority is necessary have been so sanctioned;
- (xvi) if the expenditure in the month of March is unusually heavy, it does not lead to any irregularities.

Note 1: In case of bills payable directly to the contractors or their bankers a cheque for the amount duly accompanied by a cheque forwarding memo or payment will be made through e-payment endorsed by a copy of the cheque slip in the form given in Annexure 'A' to Para 513 will be issued in favour of the contractor/banker and its acknowledgement watched.

Note 2: Claim /Contingent Bill No. (as the case may be) together with the amount claimed and passed should be indicated on the reverse of the cheque slip so that it is possible to know that the proceeds of cheque relate to a particular bill/claim etc., where the proceeds of the Defence Cheques are required to be credited to the personal account of an individual, his name together with the amount and his bank account number should invariably be indicated on the reverse of the cheque slip.

Note 3: At the end of each month, a list of claims with requisite details should be furnished to each unit, and the Unit be requested to confirm that all those claims relate to their unit and have emanated from them.
(Inserted Note 2 vide CS 243/98)

Note 4: Consequent upon issue of Govt. letter No10010/AI/FP-4/2421/2005-D (GS – I) dated 19/10/2005 and amendment thereto vide GOI letter No. 10010/A/FP-I/70/VIS/D(GS-III)/2007 dated 22 May 2007 the units/formations HQrs commanded by Brigadier and lower level and Div. Head Quarters level have been placed under Post Audit System of payment for ACG & ASG. Quarterly account of expenditure out of ACG & ASG in respect of units falling under post audit systems should be submitted to the concerned PCDA/CDA for post audit.

436. To avoid double payments, recurring charges will be linked with the previous charges and audited.

Exception: Telephone bills of Units and Formations duly checked, countersigned and accepted by the administrative authorities need not be linked with previous charges.

437. With the introduction of EDP system, allotments pertaining to Locally Controlled Heads are sent to the Accounts section for entering in their office automation system and thereafter, the Certificate with regard to availability of funds is furnished by the Accounts Section as and when bills are received from the Audit Sections.

438. A register will be kept in I.A.F.A. 514 for the record of miscellaneous non-recurring charges. Separate pages may be set apart for each unit, formation or office or pages may be distributed according to classes of expenditure, as may be convenient. Any order sanctioning a non-recurring expenditure will be entered in the register. When charge comes up for audit, it will be audited against the note in the register and necessary entries made.

Note 1: While opening a new register, current orders will be carried forward from the old to the new register.

Note 2: Special sanctions of refunds and advances will also be recorded in the register and claims will be audited against these sanctions as and when they come up for payment.

CHARGES FOR GROUND RENT AND LAND COMPENSATION

439. Charges for ground rent and for compensation for land taken up for military purposes will be audited under the general rules laid down for the audit of cash expenditure. Payments on this account will be made with reference to the conditions noted on the lease agreements entered into by the authorities concerned. The lease agreements will be recorded in a separate guard file maintained for the purpose.

CONTINGENT AND MISCELLANEOUS EXPENDITURE OF MILITARY ATTACHES/ADVISERS ABROAD

440. On finalization of budget estimates, the M.I. Directorate, Army Headquarters will intimate Military Attaches/Advisers about the allotments made to each of them to meet contingent and miscellaneous expenditure for the year, in the same manner as for other formations in India. A copy of this intimation will be endorsed to the PCDA, New Delhi for watching the progress of expenditure in internal audit.

Debits on the above account will be raised by the CGA (Directorate of Audit Central Revenue) against PCDA, New Delhi who will audit and adjust the charges. While auditing the charges, in addition to the general rules regarding the audit of cash expenditure, it will be seen:-

- (i) that the accounts of contingent and miscellaneous expenditure have been countersigned by the head of the Embassy or Mission in token of his approval to the expenditure and are duly supported by relevant vouchers;
- (ii) that the expenditure on contingencies has been incurred only on the authorised item listed below:-

Bicycles, conveyance hire, freight and demurrage, instruments, minor equipment and apparatus, liveries, clothing and other articles, locks, publications, repairs to, erection and removal of machines, stationery and printing articles, supply of electric lamps (bulbs), supply of water for drinking, etc., and dusting offices, telephone charges, tents and camp furniture, calculating machines, uniforms and other clothing, winding and regulating office clocks, maintenance of call bells, etc.

Note: *The Military Attaché / Adviser, being a part and parcel of the Embassy, Legation, etc. where he is posted, the provision of office accommodation, motor cars and other administrative arrangements such as provision of office furniture; fans; arrangements for cleaning office; hot and cold weather arrangements; dispatch of mail and telegrams, etc., is made by the Embassy, Legation, etc. and the expenditure is chargeable against the civil estimate.*

- (iii) that the allotment of the year is not exceeded.

Objection statement on the accounts of Military Attaches/Advisers to Indian Embassies abroad and all subsequent correspondence connected therewith will be addressed by the PCDA, New Delhi direct to the Military Attaches/Advisers concerned. Items which are not satisfactorily settled

within a reasonable time should however, be reported to the G.S. Branch, Army Headquarters for further action.

CONSERVANCY AND HOT WEATHER ESTABLISHMENT CHARGES

441. Allotment of funds to meet conservancy and hot weather establishment charges is made under the following heads;

- (i) **Conservancy charges:** - Comprising of payments to cantonment authorities for services rendered by them to military personnel in cantonments and other conservancy charges in cantonment and non-cantonment stations.
- (ii) **Hot weather charges:-** Charges of pay for expenditure on watering khas khas tatties in those military stations for which hot weather arrangements have been authorised and also expenditure incurred in connection with purchase of water jars (gharas, matkas and surahis) and tumbler glasses required for the purpose of providing water for drinking purposes.
- (iii) **Administration of non-cantonment stations:** - Comprising of all charges in connection with the administration of non-cantonment stations e.g. SSO's stationery allowance, pay of clerks, pay of establishment required for tree tending, etc. with the exception of conservancy charges.

Note: *Charges of pay and allowances of conservancy and hot weather establishment are dealt with in the Pay Section.*

442. The funds for the purpose are distributed by Army Headquarters to Commands and through them to Areas and Sub-Areas. The Sub-Areas distribute the funds to the Os.C. Stations, who in turn may distribute the allotment to units and formations. The bills in respect of conservancy and hot weather charges are preferred to the PCsDA/CsDA monthly by the Os.C. Stations or Os.C. Units/ Formations to whom the allotment have been distributed.

443. Payment for conservancy in respect of military lines in cantonment will be made monthly to the local cantonment authority in accordance with the agreement made by the O.C. Station, with that authority after scrutiny of the Annual conservancy agreement.

444. Where there is a probability of the allotment for a unit or formation or for the station being exceeded, the PCDA/CDA will warn the O.C concerned in time to enable him to obtain an additional allotment to cover expenditure in excess of the original allotment.

PETTY RECURRING EXPENDITURE SANCTIONED BY GENERAL OFFICERS COMMANDING, COMMANDS, AREAS, ETC.

445. To see that the limits prescribed in, Schedule IV to GoI, MoD Letter no. A/89591/FP-I/1974/2006/D(GS-I) dated 26.07.2006 for sanctioning

petty recurring expenditure by GOCs-in-C, etc. are not exceeded, a register will be maintained in which all sanctions will be recorded. Command PCsDA/CsDA will watch the sanctions accorded by the GOC-in-C of the Command and for all Areas and Sub-Areas in the Command.

MISCELLANEOUS CLAIMS IN RESPECT OF UNIT ALLOWANCES

446. Claims for miscellaneous unit allowances are preferred by Os.C. Units/ formations to the regional PCDA/ CDA concerned for pre-audit and payment and will not be paid out of imprest unless specifically authorised.

The payment of these claims will be made by cheques /e-payment mode (whichever is applicable). Units, etc., stationed in operational/ concessional areas or those located in places where banking facilities do not exist, will be authorised to make payments out of their imprests after pre-audit of their claims. The payment authorities, vouchers, etc., should prominently indicate the classification code heads to which the charges are debitible so that the Pay Accounts Office receiving the imprest accounts should be able to compile the amounts to the code heads indicated. The vouchers, etc. in original in such cases will be transmitted by the PAOs to the PCDA/CDA who authorised the payment. If however, any such claims are drawn from imprest subject to post-audit (see sub-para.3) they will be compiled provisionally by the Pay Accounts Offices to the head most affected. In either case the vouchers, etc., will be transmitted by the Pay Accounts Offices dealing with the imprest accounts to the regional PCDA/CDA concerned whose acknowledgement will be obtained and recorded with the imprest accounts. It will be the duty of the regional PCDA/ CDA to record the vouchers properly and to review (and readjust where necessary) the classification heads to which the amount are compiled by the Pay Accounts Offices.

As an exception to the above, condiment allowance is paid out of imprest subject to post audit by the PCDA/CDA concerned. The claims of condiment allowance in respect of patients in hospital will be pre-audited.

447. A list of claims for miscellaneous unit allowances and the audit requirements in connection therewith are given in Financial Regulations, Part-II. In addition to the general rules for the audit of cash expenditure, the PCDA/CDA will see that these requirements have been duly complied with.

ACQUISITION AND DISPOSAL OF LANDS AND BUILDINGS BY MILITARY LANDS AND CANTONMENT DEPARTMENT FOR THE DEFENCE SERVICES

Acquisition of lands and buildings

448. No payment either in cash or by cheque will be made for compensation to owners on account of acquisition of land and buildings. All such payments will be arranged by the civil departments and the amounts debited by them as per Para 62 of Defence Account Code

Requisition, when received from the Civil Accountants General will be scrutinised in the manner laid down in Para 100 Defence Account Code. The following points will be particularly looked into:-

- (i) All purchase and/or permanent acquisitions have been sanctioned by the Government of India;
- (ii) The compensation has been assessed by the Collector;
- (iii) Disbursements by civil authorities for the purchase of, and compensation for, lands taken up for the Defence Services and vouched by the bills and receipts of the payees and the original orders, or certified extracts therefrom, under which the expenditure is incurred;
- (iv) The charges are accepted by a Defence Estates Officer of the M.L. & C. Directorate.

Disposal of land and buildings

449. Land and buildings for disposal by M.L. & C. Department may be disposed off either by sale or by transfer to other departments of the Central or State Governments.

Except as expressly provided otherwise in any rule or order made by the Government, no land belonging to Government may be sold, or made over to a local authority, private party or institution for public, religious, educational or any other purpose, except with the previous sanction of Government.

- (i) **Disposal by sale:-** In case of disposal by sale, the M.L. & C. Department will forward necessary sale account (I.A.F.A.-58), sale deeds/sale proceedings, etc., along with the under mentioned documents to the PCDA/CDA concerned for disposal:-
 - (a) treasury receipts;
 - (b) documents showing sale prices with the "reserve prices" recorded thereon as fixed by the sanctioning authority;
 - (c) letters, if any, from the sanctioning authority altering the "reserve prices" originally fixed;
 - (d) a comparative statement, where necessary, showing the names of the tenderers, the rates tendered and those accepted.

It will be ensured by the PCDA/CDA that sale accounts, etc., are received along with the required supporting documents, that the necessary credit for sale proceeds has been afforded to Government and that all other audit requirements, viz., correctness of sub-vouchers, propriety of sanctions accorded for auction sale, fixation of reserve prices and superintending of sale by authorised persons are met. After necessary check, the sale accounts will be disposed off, and the amount of sale proceeds adjusted in accordance with Para63 of Defence Account Code.

(ii) **Disposal by transfer to other departments of the Central Government/ State Governments:** - Vouchers/documents supporting the transfer will be furnished by the M.L. & C. Department. It will be seen:-

- (1) that the vouchers have been receipted by an officer of the receiving department;
- (2) that (a) in case of transfer to other Central Government departments the pricing is in accordance with Rule 279 of General Financial Rules, 2005, unless otherwise stated in the Government order sanctioning the transfer and (b) in case of transfer to State Governments, the pricing is in accordance with the procedure laid down in Rule 279 *ibid.*, and other relevant orders on the subject unless otherwise stated in the Government order sanctioning the transfer.

The amounts of transfer vouchers will be adjusted in the accounts of the PCDA/CDA in accordance with the rules laid down in Para 72 of Defence Account Code.

AMENITY GRANTS

450. These grants are intended for the provision of sports gear, indoor games, literature, radios, gramophones, gramophone records, musical instruments and anything that helps in the well being and morale of the soldiers, which is not supplied by Government and which the soldiers cannot provide for themselves. The conditions and the rates for the grants and the specific categories of units and formations to which the grants are admissible are published in Army Instructions every year.

In auditing the claims for Amenity Grants it will be seen that the following important audit requirements have been complied with:-

- (i) The charges have been preferred twice a year based on the authorised strength on or after 1st April and 1st October of each year, where the authorised strength exceeds 100. Small units with strength of 100 or less should draw the full per capita grant in one installment.
- (ii) The following certificates are endorsed on the contingent bill and signed by the O.C.:-
 - (a) Certified that the authorised strength indicated on the contingent bill is correct.
 - (b) Certified that no notification of the disbandment of the unit has been received upto the date of claiming.
- (iii) The date of raising should be indicated on the contingent bill when a unit is raised during the course of the year.

Note: *The unspent balance at the end of each financial year will lapse to the Government.*

ANNUAL TRAINING GRANT

General

451. This grant is intended to meet expenditure incurred in connection with weapon training, manoeuvres, training camps, tactical exercises with or without troops, staff exercises, training conferences and any other form or forms of training of the regular Army held under the direction of the Chief of the General Staff or any Army Commander.

452. The grant is inclusive of the allowances for field firing stores grants, artillery target grant, and T.A./D.A. for local courses.

Provision of funds

453. Allotments in respect of the Annual Training Grant are made to Commands, Independent Areas or Commandants of schools of instructions, etc., by the Chief of the General Staff. The officer to whom an allotment is made may dispose off the sum allotted to him by re-allotment to subordinate formations or in any way he considers conducive to the progress of training and efficiency of the troops under his command, notifying the PCDA/CDA concerned.

454. General Officers Commanding-in-Chief Commands, Area Commanders and Commandants of Schools of instructions, etc., to whom allotments are made by the Chief of the General Staff from the Annual Training Grant, will arrange for the amounts which have been allotted to them and for those that are re-allotted by them to subordinate formations to be drawn from the PCsDA/CsDA and paid into the State Bank of India to be handed as an ordinary current account in cases where this is found convenient. In other cases cash assignments for the amounts allotted should be arranged for on civil treasuries. These allotments will be operated upon by means of cheques which, in the case of assignments at civil treasuries, will be provided by the PCDA/CDA concerned. Should it be necessary for an allottee to make payments at a treasury other than at which the assignment has been made, a transfer of necessary funds will be arranged for by the PCDA/CDA on application.

Note: *Charges debitable to the Annual Training Grant incurred during a financial year but for unavoidable reasons not paid in the course of that year can be paid against the ordinary head of account affected without any special sanction if covered by the unspent balance in the grant as a whole under the control of the C.G.S. and not of the particular allottee.*

455. All allotments made will be entered in the register of training grant accounts to be maintained on the form given in volume II of this Manual.

456. For compilation purposes the following lists of cheques drawn by formations, establishments and units operating annual training allotments upon civil treasuries against the cash assignments, will be obtained on the dates indicated:-

- (a) A list of cheques drawn from the first to the twenty fifth day of a month, on the twenty sixth day of that month.
- (b) a further list of cheques drawn from twenty sixth to the last day of the month, on the third day of the following month.

Audit Procedure

457. Bills for personnel charges against the training grant will be pre-audited in accordance with the rules laid down in Appendix 1 F.R. Part II and returned to the Sub-Area or formation concerned for payment and inclusion in the quarterly training grant accounts. Bills on account of charges auditable by other sections of the office, e.g., bills for travelling allowance, will be passed on to the sections concerned for pre-audit and returned to the Sub-Area or formation concerned for payment and inclusion in the training grant accounts.

458. There will be certain charges, claims in respect of which are required to be subjected to post-audit, vide Annexure "D" to Appendix 1 F.R., Part II. These charges will be paid by the allottees and the claims thereof will be submitted along with the quarterly training grant accounts. Such claims as pertaining to other sections of the office will be passed on to them for post-audit and returned to 'Miscellaneous' section for recording with the training grant accounts. The return of the vouchers will be watched through the training grant register.

459. The disposal of the training grant accounts received from each allottee will be watched through the register mentioned in Para 455.

460. All bills for charges debitible to the training grant will be clearly endorsed on the top as such in red ink.

EDUCATIONAL TRAINING GRANT

461. The grant is governed by the provisions laid down in Appendix 6 of FR Part II.

462. The scale of grant and the basis on which it is drawn are published from year to year in Army Instructions.

Note: *The unspent balance at the end of each financial year will lapse to the Government.*

ASSAULT-AT-ARMS GRANT

463. This grant is placed at the disposal of the Chief of the General Staff for allotment to the Commandant, Army School of Physical Training.

464. Assignment will be arranged for the amount allotted as in the case of training grant allotments but it is permissible for the allottee to withdraw his allotment from the treasury and place it in a special account, the unspent

balance at the end of the financial year being carried over instead of being surrendered to Government.

465. The audit of charges against the assault-at-arms grant will be conducted under the ordinary rules for the audit of cash expenditure of a miscellaneous and contingent nature.

FIELD PRACTICE AND TRAINING GRANT FOR THE CORPS OF ENGINEERS

466. Rules governing the administration of Field Practice and Training Grant for the Corps of Engineers and the maintenance of the grant accounts are contained in Appendix 2, F.R. Part II.

467. Allotments in respect of the Field Practice and Training Grant for the Corps of Engineers are made to Commands by Army Headquarters and the amounts so allotted are distributed to Engineer Groups, Commander Divisional/Corps Troops/Army Troops or equivalent Engineers.

468. All payments including those of outstation units forming part of a group will be made by the PCDA/CDA in whose audit area the Group Headquarters is situated. The expenditure should be charged in the accounts against the Headquarters of the Group.

AUDIT AND PAYMENT OF BILLS ON ACCOUNT OF LOCAL PURCHASE OF STATIONERY AND LOCAL PRINTING

469. The PCsDA/CsDA, in whose audit area the unit/formation is located are responsible for the audit and payment of bills on account of local printing and local purchase of stationery by Army/MES units/formations. With effect from 01/12/2002 the work of audit and payment of bills on account of contingent and miscellaneous nature relating to MES Formations are audited and passed for payment by respective AO/AAO GE and paid out of Cash assignment of concerned MES Formations. Similarly, the work relating to audit and payment of bills on account of Stationery Grant Claims of MES Units & Formations, which are dealt with by 'E' section of Main Office are also done by respective AO/AAO GE and paid out of cash assignment of concerned MES Formation.
(CS No.1/2003)

In addition to the general checks to be exercised on contingent charges, the bills for local purchase of stationery and local printing are audited with special reference to the instructions laid down in AI 16 of 1965 as amended from time to time.

The payment of bills pertaining to Defence Accounts Department will be done by each PCDA/CDA for their own office. This would be subject to post audit of the local purchase bills by the auditing Controller in the usual manner.

PAYMENT TO THE SURVEY OF INDIA FOR THE SUPPLY OF MAPS

470. Survey of India Form No. 0-145 duly received by the recipient Units in lieu of IAFZ. 2006 on account of Maps supplied by them to Army Units/Formations will be accepted by PCDA, New Delhi as CRV for making payments to that organisation. PCDA, New Delhi will be centrally responsible for making payments to Survey of India for the Maps supplied by that office to Army Units/Formations. The PCDA, New Delhi after making payments, forward Form No. 0-145(in lieu of CRV) of Survey of India to LAOs concerned for verification of credit in the concerned Unit's Ledgers.
(Substituted by new Para vide CS 236/1/98)

PAYMENT AND ADJUSTMENT OF THE COST OF MEDALS AND DECORATIONS AND CONTINGENT AND MISCELLANEOUS EXPENSES CLAIMS OF THE MEDAL SECTION OF THE MINISTRY OF DEFENCE

Cost of manufacture of medals

471. Bills on account of cost of manufacture of medals by the Government of India Mint, Kolkata are raised against Directorate of Military Regulations & Forms, R.K.Puram, New Delhi. The Contingent Bills are received in the office of CDA (Army) Meerut duly supported by Mint Invoice (in duplicate). One copy of Mint Invoice will be schedule to LAO concerned for linking the store account of Medals Section. Allotment of funds for payment of cost of manufacture of Medals will be conveyed by PCDA (Pensions), Allahabad through an ink signed copy of allocation of funds under head 00/014/39 (Rewards – Army)

Cost of decorations and miscellaneous expenses claims of the Medal section of the Ministry of Defence

472. Bills on account of the expenditure incurred by the Medal section, Kolkata on account of contingencies, etc. as well as on account of decoration/inscription charges of medals are dealt with centrally by the C.D.A (Army), Meerut. These bills will be audited and paid in the same way as other bills for contingent and miscellaneous expenditure.

Cost of duplicate medals replaced on payment

473. Treasury receipts for amount deposited by the individual/unit/formation into the civil treasury on account of the cost of duplicate medals replaced on payment are received in the miscellaneous section of the CDA (Army), Meerut, from the Directorate of Military Regulations & Forms, R.K.Puram, New Delhi. The treasury receipts on receipt will be adjusted against the appropriate head of account.

ADJUSTMENT OF DEBITS ON ACCOUNT OF POSTAL CHARGES ON AIR MAIL BAGS DEPACHED BY DEFENCE HEADQUARTERS

474. Debits on account of postal charges on air mail bags dispatched by the Army authorities through Internal Air Services are raised by the D.A.G.,

P & T., Nagpur, against CDA (Army), Meerut through the Central Adjusting Accounts. CDA (Army), Meerut, will accept the debits by adjusting the amount against the appropriate head of account.

AUDIT FEES RECOVERABLE FROM CANTONMENT BOARDS FOR AUDIT OF THEIR ACCOUNTS BY THE DEFENCE ACCOUNTS DEPARTMENT

475. Progress report on the audit of Cantonment Board accounts will be received from the L.A.Os by 'IA' Section who will check the details regarding the period of accounts audited, date of commencement and completion of audit and the man-days utilised for the audit shown therein. The progress report will then be transmitted to miscellaneous section.

On receipt of the progress report from 'IA' section, the amount of audit fee to be realized from the Cantonment Boards for audit of their accounts by the Defence Accounts Department, will be assessed by 'Miscellaneous' section on the basis of the strength of the audit party, the number of days taken for audit and the rates of fees as laid down in Government letters from time to time. The amount will be noted in a separate demand register maintained for the purpose. Simultaneously, action will be taken to forward a Military Receivable Order for the recoverable amount to the Cantonment Board authorities. The entry in the demand register will be cleared on receipt of the treasury receipt for the amount. The amount realized will be credited to Head XLVII/I/III/I "recoveries on account of audit fees from Cantonment Board: (Code head 094/15)".

476. BLANK

IMPREST ADVANCES ON I.A.F.F- 1036

477. Units and formations are authorised to hold imprests for making payment to J.C.Os., O.Rs. and N.Cs(E). Units and formations will draw the cash required for the imprest from the field cashiers (where functioning) or from the PCsDA/CsDA on I.A.F.F. 1036. In the offices of the PCsDA/CsDA the work connected with the payment of imprest advances will be centralised in a separate group in 'Miscellaneous' section. The imprest advances made will be debited to a suspense head (code 0/018/65) and noted in a special demand register divided into sections corresponding to PAOs; each imprest holder being allotted a separate page in the appropriate section. On the last working day of each month, the payments made to Units/formation on Cash Requisition (IAFF-1036) during the month will be copied from the demand register in one demand intimation memo (IAFA-524) for each PAO and communicated to PAOs (ORs) concerned (in duplicate) under registered post so that the demand intimations are received by them by the first week of the following month. The entries in demand register will be cleared on receipt of acknowledgements from the PAOs. The punching medium in respect of imprest payments, in addition to all other information required to be exhibited therein, also indicate on the top or on the reverse the imprest number of the payee and the code number of the PAO concerned with a stroke in between. For instance when, imprest advance is paid to unit

“A” whose imprest number is 2090 and the imprest holding unit is dependent on the PAO, whose code number is 51 this will be exhibited on the top or on the reverse of the punching medium as 2090/51. In order that EDP centre does not overlook number affected given on the top or on the reverse of the punching medium, the remarks "See On The Top" or "P.T.O" (as the case may be) will be prominently noted in the punching medium against the amount booked to code 0/018/65.

The entire charges debited to the suspense head (Code 0/018/65) by the regional PCDA/CDA in the course of a financial year will be transferred (by minus debit to code 0/018/65) to the books of the PCDA (WC), Chandigarh in respect of PAOs, President's Body Guard and J.&K. State Forces) in the accounts for March Final and adjusted by the latter in the accounts of the year itself to arrive at the correct balance outstanding under the suspense head at the end of the financial year. The transfer will be affected centrally by Accounts section of the PCDA/CDA's offices in the accounts for March final with reference to the progressive figures upto the end of the accounts for March preliminary appearing in the R.D.R. compilation. Code 0/018/65 will not be operated upon by PCsDA/CsDA in the accounts for March Final and supplementary except for the above transfer. If at all any necessity arises, the Military Exchange Heads of the PCDA/CDA should be operated.

478 to 481. BLANK

RECRUITING OFFICER'S ACCOUNTS

482. Payments for advances of pay, Ration money, Subsistence allowances and railway fares of recruits and recruiters are made by recruiting officers (except recruiting officers Gorkhas, Kunraghat, Ghoom and Laheria Sarai) from permanent advances granted to them for this purpose. Expenditure incurred against advances will be recouped on submission of detailed bills of expenditure on I.A.F.A 115 supported by duplicate and triplicate copy of the nominal roll on I.A.F.K. 1168.

483. On receipt these bills should be checked with reference to the rules in Pay and Allowances Regulations and Travel Regulations and with monthly returns submitted by recruiting officers of recruits passed or rejected. It will be seen that the number for whom subsistence allowances, railway fares and advances are drawn does not exceed the number shown in the returns.

484. The amount of advance will be adjusted by the PCDA/CDA by debit to suspense head (0/018/65). The details of the amount adjustable by each Pay Accounts Office and its code number will be indicated on the reverse of the punching medium to enable the EDP centre to allocate and to include in the lists for the respective Pay Accounts Offices, the amount for which each of them is responsible for clearing. It will be ensured that the sum total of the amounts shown against the various Pay Accounts Offices on the reverse of the punching medium agrees with the total amount of the advances made to recruits, which have been compiled as debitable to code head 0/018/65.

After preparation of the punching medium for cash accounts received from the recruiting officers and allocating the amount relating to each PAO, a statement in the form given in Annexure "B" to this chapter will be furnished to the affected PAO giving the "break-up" in terms of recruiting offices, of the amount compiled to suspense head (0/018/65) on their behalf on account of "recruiting advances". The statement will be accompanied by duplicate copies of the nominal rolls (I.A.F.K.-1168) concerned and it will be verified that the sum total of the amount as per nominal rolls from each recruiting office pertaining to a particular Pay Accounts Office tallies with the amount shown on that account in the statement.

485. The PAO will open an IRLA for each recruit on the basis of Part II orders and debit therein the amount of recruiting advance as shown in the original nominal roll received from the Regiment/ Corps training centre. The officer will be responsible for watching the receipt of the duplicate copies of nominal rolls from the PCDA/CDA concerned. On receipt of the duplicate copies of nominal rolls and statement from the PCDA/CDA (vide Para 484.) the PAO will ensure that the amount booked on her/his behalf by the PCDA/CDA on account of recruiting advances is correct.

486. The above procedure will apply equally to recruits who become non-effective for any reason before their arrival at the Regiment/Corps training centre and any amount which cannot be adjusted against any pay due, will be written off under the orders of the C.F.A.

RECRUITING OFFICERS' (GORKHAS) ACCOUNTS

487. Monthly cash assignments are placed by PCDA (CC), Lucknow at the disposal of the Gorkha Recruiting Depot and Record Office, Kunraghat, for payment on various counts detailed below to Gorkha personnel of units with which they deal. Similar assignments are placed by C.D.A. Patna, at the disposal of the Gorkha Recruiting Depots and Record Offices, Ghoom and Laheria Sarai.

- (i) Personnel proceeding on leave.
- (ii) Released/discharged personnel,
- (iii) Family allotments and special family allowance.,
- (iv) **Estates:** The payments relating to a private account transaction such as amount received by auction of the deceased's property will not pass through public accounts.
- (v) Pending enquiry awards and death gratuities.

488. (i) The monthly General State of Accounts to be rendered by the Gorkhas Recruiting officers to the, PCDA (CC), Lucknow /CDA, Patna will be supported by the following original vouchers:-

- (a) Personnel proceeding on leave- Acquittance rolls (I.A.F.F. 1141) and Acquittance roll summary (I.A.F.F. 1099).

- (b) Released/discharged personnel-Payment authority (I.A.F.A.-468) issued by the PAO in respect of amounts due together with Acquittance rolls on which reference to the number and date of the payment authority will be quoted.
- (c) Family allotments and special family allowances-R.O.G.-26
- (d) Estates-R.O.G.-21

(ii) Intimation of the payment on account of pending enquiry awards and death gratuities will be sent by the Recruiting Officers to the Record Office concerned, together with the relevant vouchers and I.A.F.A. 507 (receivable order) for crediting the amount to the Government in favour of the PCDA (CC), Lucknow / CDA, Patna and to forward the treasury receipt to that PCDA/CDA.

489. The Acquittance rolls for payments to personnel on leave and R.O.G.-26 for family allotments and special family allowance will be disposed off by the , PCDA (CC), Lucknow /CDA Patna, in the manner laid down in Para 484. Payments to released/discharged personnel and payments in respect of estates will be debited by the PCDA (CC), Lucknow /C.D.A., Patna against CsDA supported by the original Acquittance rolls and the original IAFA-468 issued by the PAOs. On receipt of these debits PAOs will close the IRLAs to NIL Balance.

The treasury receipts in respect of payments on account of pending enquiry awards and death gratuities received from the Record Office concerned will be adjusted and linked with the debits in the recruiting account.

ACCOUNTS OF THE INDIAN EMBASSY IN NEPAL

490. An annual assignment, as sanctioned by the Government of India is placed by , PCDA (CC), Lucknow, at the disposal of the Indian Embassy in Nepal for payment of dues to Gorkha officers and Gorkha Other Ranks on furlough from Gorkha units. The procedure laid down in Paras 488 and 489 will be followed for the adjustment of the amount.

491 to 494. BLANK

Audit of the claims for rental buildings hired for the use of military personnel serving in the Indian Missions/Attaches abroad

495. Debits on account of rentals made by Embassies (except those by the High Commissioner of India in U.K.) for accommodation hired in foreign countries for the use of Military personnel serving abroad will be raised by the CGA against PCDA, New Delhi, who will audit and adjust charges.

The paid vouchers received from the CGA on the above accounts will be subject to post audit. The following points will be seen in addition to the general checks laid down for the audit of cash expenditure:-

- (i) that the No. Date of Govt. of India letter laying down the ceiling rentals for the accommodation hired is endorsed on the voucher;
- (ii) that the rental is indicated both in Indian and local currencies;
- (iii) that the stamped receipt is attached;
- (iv) that the following certificates have been endorsed by the Head of the Mission:-
 - (a) the accommodation provided to the individual is in accordance with the scale laid down for his status by the Government of India;
 - (b) the rent paid is not in excess of the ceiling rentals fixed by the Government of India;
 - (c) the individual for whom the house rent is paid according to the married scale of ceiling rentals is actually residing with his family abroad;
 - (d) the allied charges such as electricity, water etc. in respect of officers Military Attaches/Asstt. M.A. are not included in the voucher (except when a married officer is not provided with married accommodation, the officer will be entitled to free allied services for himself). This concession is only admissible, when his family having been permitted to proceed abroad has perforce to remain in India due to non-availability of married accommodation abroad.

In case, the paid vouchers embrace the rental charges for Hotel accommodation provided to Military Attaché and staff by the Head of the Mission, the following additional information/ certificates will be looked for

- (i) A certificate from Head of the Mission that no regular accommodation other than Hotel is available;
- (ii) That the scale of accommodation and rental payable to the hotel are not in excess of those prescribed by the Government;
- (iii) That the period of stay in the Hotel in respect of the individual does not exceed three months (beyond the period of three months, Government sanction will be looked for)
- (iv) That the voucher does not include charges of meal and services provided by the Hotel to the individual;

In case, the Hotel charges involve a consolidated amount for both boarding and lodging, the following certificates will be seen:-

- (a) The Head of the Mission certifies:-

“That 2/3rd of the total charges in respect of individual residing in the Hotel with his family and 60 per cent in respect of single officer has only been paid for from Government funds and included in the voucher”.

- (b) That no split rates are available or are granted by the hotel;
- (c) That any concession on the basis of a weekly or monthly residence at the Hotel, as are granted by the Hotel, have been availed of;
- (d) That the official has not been accommodated in an expensive hotel.

Note: *These apportionment rates will be applicable only for the first three months of stay and any case of residence beyond a period of 3 months will be subjected to review.*

495A. As a safe guard against fraudulent payments Banks and Treasuries may be requested by a general circular addressed to them, to exercise adequate care and caution whenever Defence cheques are drawn in favour of Banks and the proceeds thereof are creditable to the personal account of an individual.

(Inserted new Para 495-A, vide CS 245/4/98)

EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

General

495B. Ex-servicemen Contributory Health Scheme (ECHS) came into force w.e.f. 01.04.2003 vide MoD (GOI), letter No. 22(1)/01/US (WE)/D (Res) dated 30th Dec. 2002 with the primary aim of Medicare of Ex Servicemen and their eligible dependants.

Release of Cash Assignment

1. Cash Assignment will be released by PCsDA/CsDA to the Stn HQ as per provisions of Para 2 of Central Organization ECHS no B/49797/AG/ECHS dated 13.09.2007 concurred by CGDA vide their UO No. AT/IV/4807/ECHS/Vol.-VI dated 11 Sep 07.
2. The cash assignment is placed with Station HQrs to meet the expenditure incurred in connection with the salaries and movement of officers and staff of the polyclinic, procurement and movement of stores, LP and maintenance of IT items and its stationery, medical treatment of members of the scheme, revenue works and miscellaneous works. The work relating to ECHS units/formations is entrusted to a newly formed group/task in miscellaneous section of PCsDA/CsDA.
3. Cash Assignment Officer is to render a monthly statement, in duplicate, of drawals made against Cash Assignment in the Cash Assignment Cash Book together with the paid vouchers, details of cheques issued, duly reconciled with the Monthly Bank Reconciliation Statement showing utilization during the month, to concerned PCDA/CDA by 6th or 7th of the following month.
4. The cash assignment cash book together with the paid vouchers, bank reconciliation statement will be forwarded to the PCsDA/CsDA for its post audit. The irregularities, if, any noticed during the post audit will be brought to the notice of Cash Assignment Holder for its settlement.

AUDIT PROCEDURE

Physical Audit of documents by LAO

495C. The ECHS Units/Formations will maintain their auditable documents for the post audit by the concerned LAO/RAO of Regional/Navy/Air Force PCsDA/CsDA under whose geographical jurisdiction the Armed Forces Clinics and polyclinic falls. The irregularities/objections, if any, noticed during the local audit will be reported to the respective Station Commander/polyclinic. The objections, serious irregularities etc., will be included in the MPR, MFAI, AAC, IAR etc.

Post Audit of paid vouchers by Miscellaneous Section

495D. All payments for ECHS shall be audited by Regional/Navy/Air Force PCsDA/ CsDA. Contingent Bills and connected documents/certificates, where payment has been made by Cash Assignment cheques, shall be forwarded by the 7th of the following month to Regional/Navy/Air Force PCDA/CDA along with summary. The expenses from the Cash Assignment system will be post audited by the Regional/Navy/Air Force PCDA/CDA.

ANNEXURE "A"

(Referred to in Para 433)

Indicative List of claims dealt with in the Miscellaneous Section

S. No.	Nature of claims	Form on which preferred	Authority and orders bearing on the subject
1	2	3	4
1.	Allowance to recruiters	I.A.F.A.- 115	BLANK
2.	Allowance for empty metal cartridge cases, lead and fired bullets brass and copper returned to ordnance depots		Paras 136, 138 E.R.I. for the Army 1965, Edition.
3.	Amenities to troops		(i) Specific sanction of the Govt. of India published annually in A.Is (ii) Rule 1 Regulations for the Unit Allowance of the Army.
4.	Annual grant for central area and brigade libraries		Rules 71 to 73, Regulations for the Unit Allowances of the Army.
5.	Annual Training Grant		F.R. Part II, Appendix I.
6.	Assault-at-arms grant		
7.	Band allowance	I.A.F.A.- 115	Rules 11 and 12 Regulations for the Unit Allowances
8.	Battery charging by civilian firms		A.I. 49/46
9.	Books and periodicals		Para 604 Regulations for the Army (1962)
11.	Charges on account of private nurses		Para 304, 305 & 307 R.M.S. (1962 Edn.)
12.	Charges on account of treatment of military personnel in civil and private hospitals		Paras 293 to 295 R.M.S., Rule 55-56 F.R. Part-II
13.	Charpoy allowance		

14.	Charge of treatment of Government animals by Civil veterinary authorities		Para 994 Regulations for the Army (1962)
15.	Claims of cantonment authority for conservancy services rendered		Para 1206 Regulations for the Army (1962).
16.	Claims regarding loss caused to municipal committee council by the exemption to military personnel from payment of certain taxes	I.A.F.A.- 115	Rule 288 F.R. Part I
17.	Claims under Employee's (Erstwhile workmen) Compensation Act		(i) A.I. 104/1964 (ii) Employee's (Erstwhile workmen) Compensation Act 1971
18.	Claims for compensation for loss of life or injury or damage to private property caused by members of armed forces.		Govt. of India, M of D letter No. 97949/PS 3 (Claims)/3862 C/D (Pay/(services)) dated 25-11-61 as amended by their letter No. 97949/PS. 3 (Claims)/8835/D (Pay)/(Services) dated 21-10-63
19.	Clothing alterations and fittings charges		Paras 141-142, 145, 146 and 392, Clothing Regulations, and A. I. 84/48
20.	Clothing repair to Territorial Army		Para 138 and 218 regs. for TA. and A.I. 197/51 as amended.
21.	Compensation to municipal board, Nainital for loss of revenue as a result of exemption of military personnel from the payment of toll tax.		Rules 288, F.R.(I)
22.	Compensation for disability cost of artificial limbs		Paras 423 and 424 Regs. for Medical services (1962) Edition
23.	Condiment allowances		Rules 31, 32 Unit

			Allowances of the Army
24.	Contract allowance for upkeep of wireless sets under the All India Wireless Scheme		
25.	Cost of trunk calls and telephone rent bills		93 to 98 F.R. Part II and Rules 285 F.R. Part I.
26.	Contract allowance for recruiting officer and assistant technical recruiting officer.	I.A.F.A-115	
27.	(a) Contribution to labour welfare fund to civilians employed in industrial establishment		Rules 68 and 69 Regulations for the Unit Allowances of the Army
	(b) Labour Welfare fund for civilians (non-industrial personnel)		Rule 134 to 137 Regulations for the Unit Allowances to the Army
28.	Contingent miscellaneous expenditure of Military Attaches/Adviser to India embassies in foreign countries		Govt. of India, Min. of External Affairs No. F. 25/(10) BUA-11/59E.A.I/62/1/178 dated 31-10-62
29	Denture repair and renewal of officers and other ranks, etc.		Para 212 R.M.S. (1962) edition.
30.	Dental treatment and supply or repair of artificial denture on re-payment to private patients claim for reimbursement of amount to dental officer		AI 73/49 as amended
31.	Educational training grant		Rules 42 to 51 Regulations for Unit Allowances of Army. Specific sanction of the Government of India published annually in A. in A.I.s
32.	Examination of pathological specimen at Government civil laboratories and hospitals		Para 294 R.M.S. (1962 Edn.)

33.	Examination fees (civilian examiners)		316 to 31, 325, 328 to 329 pay & allowances Regulations (Officers) Army.
34.	Extra issue of public clothing repair and cleaning of.		A.I. 110/55
35.	Fees to barristers and pleaders		Paras 537, 541 Regulations for the Army (1962 Edition).
36.	Fees for examiners of questioned documents		A.I. 134/66 and 177//70
37.	Field practice and training grant for Engineers		Appendix 2 FR. Part II.
38.	Funeral allowance	I.A.F.A.- 115	Rules 301, 302 P & A Regs (Officers) Army Rules 163-165 P&A Regulations (JCOs/Ors/NCsE).
39.	Grant to military dental centers for miscellaneous incidental expenditure.		Rule 151 Regulations for Unit Allowances of Army.
40.	Grant of assistance to soldier's families proceeding to Kunraghat, Ghoom, Indian Embassy in Nepal, Laharia Sarai, Purnia, Bahriach, etc. to claim their estates		Specific sanction of the Government of India.
41.	Grant in Aid and for provision and maintenance for general mess property to M.N.S.		Rule 119, Regulations for the Unit allowances of the Army.
42.	Grant n aid and donations to institutions		Specific sanction of the C.F.A. in I.A.F.A.-497
43.	Grant in aid and donations to cantonment funds		Specific sanction of the Govt. of India.
44.	Grant for ceremonial parades		Rule 290 F.R. Part I.
45.	Hair cutting and washing allowance		Rules 60 to 63 Regulations for the Unit Allowances of the Army.
46.	Honorarium to blood donors		Govt. India, MoD No.

			5507/DGAFMS/DG 3A/1679/D (Med) dt. 30- 03-60
47.	Hot weather appliances		Paras 1301 to 1304, 1306 Regulations for the Army (1962 Edition)
48.	Incidental and other miscellaneous charges of T.A.		Rules 208 et seq. T.A. Regs. (1948)
49.	Instructional equipment and technical training grant		Rules 167, 168 Regulations for the unit Allowances of the Army.
50.	Water Jars		A.I. 302/60
51.	Library allowance		
52.	License fees chargeable for army washermen		Rule 288 (c) F.R.Part I.
53.	Line contingent allowance	I.A.F.A- 115	77 to 79 regulations for the Unit Allowances of the Army.
54.	Liveries to MTS		Rule 286 F.R. Part I.
55.	Local purchase of stationery, binding charges and local printing charges.		A.I 16 of 1956
56.	Local purchase of medicines		Para 628 of RMS (1962 Edition)
57.	Maintenance of hospital gardens		Para 486 and item No. 8 of Appendix 10 of R.M.S (1962 Edition)
58.	Messing allowance-members MNS		Rule 119 Regulations for the Unit allowances of the Army.
59.	Messing charges candidates selection entre and other contingent charges selection boards.		Govt. of India, M of D, New Delhi letter No. A/29921/RTG/6 (SP) (6) 486-S/d (AG-II) dated 2-4- 71 and other relevant rules, from regulations for the unit allowances of the Army.
60.	Mess maintenance allowance		Rules 99 to 108 regulations for the unit allowances of the Army

61.	Miscellaneous claims of military lands and Cantonments.		Govt. of India M of def. New Delhi letter No. 41/25/ADM/L&C/1139-G/D (C&I), dated 30-4-63
62.	Miscellaneous claims of training and educational establishments.		Rule 175 Regulations for unit allowances of the Army.
63.	Money order commission for remittance of public money		Rules 282 F.R. (I)
64.	Musketry prize allowance		Para 219, Regs. for the T.A.
65.	Office Allowance		A.I. 617/46 A O. 415/61
66.	Office machinery-purchase of typewriters, duplicators		A.I. 129/67
67.	Payment of V.P.P. and on account of window deliveries, post bags and post boxes	I.A.F.A.- 115	Rule 282 F.R. Part I.
68.	Petty stores allowance	I.A.F.A.- 115	
69.	Permanent advance	I.A.F.A.- 115	Rules 223 and 226 Regulations for the unit Allowances of the Army
70.	Photography charges (i) For affixation of photographs to soldiers' personal books (I.A. B. 64)	I.A.F.A.- 115	(i) A.O. 827/48 and ministry of Defence No. 4461/DMI/GSI/(b) (ii) 96-5/S/DI (a) dated 18th January 1949
	(ii) Passes for civilians of ordnance establishments	I.A.F.A.- 115	(iii) Ministry of Defence No. 4417/MG/OS.10/A/515/5D2 (b) dated 1st December 1949
	(iv) Passes for civilians of M.E.S serving in 'E' and 'M' installations.	I.A.F.A.- 115	(ii) Ministry of Defence No. 343781/E.I.C./7400E/A-6(b) dated 13th November, 1950
71.	Postage on bearing covers	I.A.F.A.- 115	Rule 283 F.R. Part I.
72.	provision of clothing for Ayas and female sweepers in families' ward of military hospitals.	I.A.F.A.- 115	Rule 286 F.R. Part I.

73.	Ration allowance to apprehended military deserters	I.A.F.A.- 115	
74.	Reward for pointing out position of un-exploded shell	I.A.F.A.- 115	Rule 248 of P & A regulations JCOs/Ors.
75.	Refreshment allowance-T.A. units	I.A.F.A.- 115	Para 237 regs. for the T.A.
76.	Rewards for apprehension of deserters	I.A.F.A.- 115	Rules 231 and 233, P & A Regs. JCOs /OR.s.
77.	Registration and license fee under Factory Act	I.A.F.A.- 115	State factory Rules in which the Factory is located G of I M. of D letter No. 63444/AG/Ors 4 (c)/3188 D (Lab) dated 25-3-1953.
78.	Repairs to typewriters and duplicators	I.A.F.A.- 115	A.I 129/67
79.	Reward for information leading to conviction of Incendiaries or for the recovery of stray cattle.	I.A.F.A.- 115	Rule 58 (iv) F.R. Part I
80.	Reward for information leading to prevention of thefts from Deptt. Of Supply	I.A.F.A.- 115	Rules 58 (vii) F. R. Part I.
81.	Rewards to recruiters for Gorkhas		Rule 234 P&A Regs. JCOs/ORs.
82.	Scholarships and financial assistance to gentlemen cadets		Specific Sanction of the GoI
83.	Service postage labels and post cards		Rule 282(c) FR Part I
84.	Servicing and replacement of parts of Adrema machines.		Ministry of Defence No.36920/AG/FS3 (g) 0048-A/D-5 dated 11 th October 1950 and No. G. 27/154/8676/PF and G(b) dated 12-6-54.
85.	Servicing of comptometers on charge of static ordnance depots		Min. of Def. No. 06515/M/G/OS 20A F 43/58/3310/PFUS-I dated 17-3-1958.
86.	Stamp duties and copying charges by bankers on		Rule 36 Regulation for unit allowances of the Army

	account of documents produced at trail by court martial		
87.	Subsistence allowance to- (a) Recruits		Rule 199 of Pay and Allowances Regulation JCOs/ORs
	(b) Cooks, water carriers, bakers and dairymen who have to undergo to the "carrier" examination prior to enrolment or entertainment.		Rule 202 of Pay and Allowances Regulation JCOs/ORs
88.	Survey material Allowance		Rule 131 Regulation for unit allowances for the Army
89.			
90.	Monetary Grants for initial equipment of field service messes (a) For JCOs		Rule 89-91 Regulations for the unit allowances of the Army
	(b) For Officers		Rule 81-86 Regulations for the unit allowances of the Army
91.	Testing Material Grant		Specific Sanction of the GoI
92.	Up-keep of Bicycles		Rule 15-20 Regulations for the unit allowances of the Army
93.	Washing allowances to class IV servants		Rule 286 and Para 6 of Appendix VI of F.R. Part-I
94.	X-Ray treatment on repayment to non-entitled personnel		Appendix 5(item 77) RMS(1962 Edn)

ANNEXURE 'B'

(Referred to in Para 484)

**Statement of recruiting officers' advances compiled to code head
0/018/65 by the office of the PCDA/CDA _____ . Month of Payment**

Month of Compilation _____

Pay Accounts Office (and its code no.) _____

Recruiting Office	No. of I.A.F.K-1168	Amount Rs
TOTAL		

CHAPTER VII

STORES CONTRACT SECTION

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OBJECTIVES

496. Objectives of Stores Contract Section are:-

- (i) To make prompt payment for supplies and services rendered by the contractors.
- (ii) Payment of Cash Requisitions to S & S Imprest holders and adjustment of S & S Imprest accounts summary
- (iii) Post audit of bills in respect of 100% payments made by the units.
- (iv) Audit of sanctions issued by the lower CFAs (other than Govt. of India).

GENERAL

496A. Stores contract section deals with work pertaining to all types of contracts, viz., A.S.C., Ordnance, Medical, EME Workshops, Information Technology stores, Capital Acquisition etc. and Ration money bills in respect of Army Officers etc. except M.E.S. Contracts and misc. contracts like messing Contracts at Selection Centers, hair cutting and washing contract and conservancy agreements which are dealt with in the Engineering and Miscellaneous Sections respectively.

496B. All bills irrespective of their nature will be received only in the Record Section of the CsDA Office and will be sent to the respective section after being duly diarised, under no circumstances should any bill be received by any section direct.

(Added new Para 496B vide 540/98)

DUTIES

497. The duties of Stores Contract Section are:-

- (i) to scrutinise completed contract agreements and amendments thereof, cases of enhancement of rates, extension of contracts, etc;
- (ii) to audit and payment of claims in respect of supplies made or services rendered;
- (iii) to schedule local purchase vouchers/ inspection notes and duplicate copies of transport indents etc., to L.A.Os, for verification of credits and to watch their return;
- (iv) to deal with all work connected with the receipt and refund of security deposits of contractors;
- (v) Post audit of bills in respect of 100% payments made on account of ASC articles and CHT
- (vi) Payments to S& S Imprest holders

**VERIFICATION OF SPECIMEN SIGNATURES IN CASE OF GOVT.
SANCTIONS FOR PURCHASE OF STORES ISSUED BY MINISTRY OF
DEFENCE INCLUDING D.D.P.S. AND D.R.D.O.**

497A. (i) In respect of each Jt. Secretary wing of the Ministry of Defence including Department of Defence Productions and Supplies and DRDO, a Nodal Officer will be nominated by the concerned Jt. Secretary who will send Specimen Signatures of all Officers of the wing i.e. Desk Officers, Under Secretaries, Dy. Secretaries, Directors and Jt. Secretary of that wing who are authorised to sign. the Govt. sanctions involving Defence Expenditure, to the Pr. CDA, New Delhi and other PCsDA/CsDA of Defence Accounts concerned who are required to Audit and pass the claims with reference to the said sanctions. In case of any subsequent change in any of the incumbents in the wing, immediate amendment to the list of specimen signatures shall also be sent to Pr. CDA, New Delhi and other PCsDA/CsDA concerned by the Officer.

(ii) A monthly list of all Government sanctions issued by each Jt. Secretary wing under the Ministry of Defence including Department of Defence Production and Supplies & DRDO, authorising incurring of expenditure, shall be sent by the Nodal Officer of each wing to Pr. CDA, New Delhi and other PCsDA/CsDA concerned so that they are precluded from accepting in Audit and making payments on any other sanctions stated to have been issued by Ministry of Defence.

(iii) Before acting upon Government sanctions for expenditure issued by Ministry of Defence including D.D.P.S and D.R.D.O and passing the claims with reference to said sanctions, an Audit Officer must satisfy himself that:-

- (a) Signatures it bears have been verified with reference to specimen signatures forwarded to him by the Nodal Officer nominated by the Jt. Secretary of the concerned wing of Ministry of Defence and;
- (b) Sanction so acted upon is included in the Monthly list of Govt. sanctions received from Nodal Officer.

(iv) Any claim or bill for which sanction for expenditure is signed by a person other than so authorised signatory and/or not included in the Monthly list of Government sanctions issued received from the nominated Nodal Officer and vice-versa, should be precluded from accepting in Audit and immediately be brought to the notice of higher authorities.

(v) A register of specimen signatures in respect of countersigning and sanctioning authorities of bills and Imprest Holders will be maintained by the store contract section.

498. BLANK

SCRUTINY OF COMPARATIVE STATEMENT OF TENDERS

499. The following points will be observed in dealing with comparative statements of tenders:-

- (i) that they are in conformity with rules in F.R. Part I and Defence Procurement Manual as amended from time to time;
- (ii) that no local purchase of stores is arranged, supplies of which are made or required to be made by a central purchasing authority, except with the concurrence of that authority;
- (iv) that in case of combined tenders for vegetables, potatoes, etc., the tender recommended for acceptance is the lowest taking into account the rate quoted against each such article;
- (v) that the treasury receipts on account of cost of tender form issued to contractors have been received

500. BLANK

REGISTER ON THE WORKING OF CONTRACTS

501. A copy of Contract documents are received from the Executive Authorities for scrutiny of contracts. With a view to enable the PCsDA/CsDA to offer financial inputs regarding contracts submitted to them by the administrative authorities, a register on the working of contracts will be maintained in manuscript (in the form given in volume II of this Manual) wherein will be recorded special points of interest which come to notice in the working of contracts, such as difficulties caused in the interpretation of the terms of contracts, etc. Short notes will also be kept in this register of all events which in the opinion of the PCDA/CDA might affect the suitability of a contractor to hold a contract.

SCRUTINY OF CONTRACTS

502. The fundamental principles to be observed in connection with the conclusion of contracts are laid down in the relevant rules in F.R. Part I, A.S.C. Training Volume-II and DPM as amended from time to time. It should be seen during the course of scrutiny that the authority sanctioning the contract as far as possible observed, the general principles applicable to contracts set forth in the above Regulation with particular reference to the following points:-

- (i) the lowest tender has been accepted as a rule, where a higher tender has been accepted (as an exception), adequate reasons are recorded and that these "adequate reasons" are not, inter alia, based on unsuitability of delivery periods for normal requirement of supplies which can always be anticipated in advance;
- (ii) in case of contract for which tenders were pre-scrutinised by the IFA the rates recommended for acceptance have only been adopted and if the remarks/recommendations of the IFA have been over-looked, valid reasons thereof are recorded in the comparative statement of tenders under the signature of the sanctioning authority;

- (iii) due publicity was given while calling for tenders, where contracts have been concluded on tender basis;
- (iv) the authority sanctioning the contract is competent to sanction it

Note : *Such an authority is personal and cannot be delegated to a subordinate officer. The provisions of Rule 65 FR Part I do not apply in this case.*

- (v) the terms of the contract are precise and definite and there is no room for ambiguity or misconstruction therein;
- (vi) no contract involving an uncertain and indefinite liability or any condition of an unusual character is entered into without the prior consent of the competent financial authority;
- (vii) standard forms of contract have been adopted;
- (viii) there are no apparent irregularities or special feature which would involve legal consultation;
- (ix) adequate provision has been made in the contract for safeguarding Government property entrusted to contractors;
- (x) in case of stores for which controlled rates exist, the rates contracted for are within the controlled rates;
- (xi) contracts contain a suitable provision regarding their termination;
- (xii) time limits and the radius within which the contract will be in force are clearly defined;
- (xiii) the places where articles are required to be delivered are specified in the contract;
- (xiv) the specimen signature of the contractor or of his duly constituted attorney is received and recorded with the duplicate copy of the contract;
- (xv) the contract has not been made by or on behalf of a minor and where a contract has been signed by a person holding power of attorney on behalf of a contractor, a copy of the power of attorney duly attested is furnished and recorded. If the contract has been entered into with a firm, it will be ensured that each one of the partners has signed all the documents constituting the contract and if any partner be absent, these forms are signed by his duly constituted attorney;
- (xvi) A.S.C. contracts specify the types of "fruits fresh" or "vegetables fresh" to be supplied and different rates for each kind of vegetable and fruit are specified in the contract agreements. In respect of contracts for vegetables and fruits the requisite group "percentages" are specified as laid down from time to time:
- (xvii) Contracts show the particular varieties of fruits and vegetables in season and the approximate quantities to be supplied by

months and that operating officers insist on supplies being made accordingly;

- (xviii) in the case of transport contracts the various types of transport and services required are given in detail under each heading as applicable to local conditions;
- (xix) transport contracts are concluded on "standard rate system" in that the rates in the schedule for the various categories are reasonably balanced and standardised in consultation with local civil authorities and that the contractors are asked to quote percentages above/below the standard rates shown in the schedule.

503. The following checks will be carried out as a measure of security against fraudulent alterations:-

- (a) that the contract agreements are prepared in the same handwriting and in ink throughout;
- (b) that blank spaces are either filled in or a line is drawn through such spaces;
- (c) that there are no erasures and overwritings and that alterations have been attested by both the parties; and
- (d) that rates including the percentage below or above the schedule are expressed in figures as well in words.

504. The results of scrutiny of contracts should be recorded in a manuscript register which is to be maintained in the section, for preparation of annual report required to be forwarded to the Test Audit authorities.

CONTRACT SCHEDULES

505. As soon as contracts are concluded, the executive officer (viz., M.G.A.S.C., D.D.S.T etc.) will send the originals of of I.A.F.Z.-2137A, 2120 and 2121 or in the case of transport contracts, photocopied/xeroxed schedule attached to I.A.F.Z.-2121-A (special conditions) together with certified true copies of those forms and security deposits, to the PCDA/ CDA who will return the original forms after comparing them with the certified true copies. It will be seen that necessary security deposits have been obtained under the terms of Rule 206 F.R., Part I.

506. The certified true copies of the contracts will be kept in the personal custody of the AAO/SO (A) concerned, if they are not classified documents. Where the contracts are classified documents they will be kept in the personal custody of the Officer-in-charge. These will be recorded in volumes of convenient size, duly indexed and bound, to serve the purpose of the "register of sanctioned tenders".

507. Payments by cheques/electronically will be made through the officer who received the stores for which payments is being made. To facilitate e-payments mandate form as per DPM-11, DPM 2009 duly indicating Bank

account number and other details may be obtained from each contractor/ firm and be kept in the guard file. The declaration of the contractor, when received, will be dealt with as under:-

- (a) A suitable note will be made at the top of the page allotted to the contractor in the register of payments to contractors (I.A.F. (C.D.A.)- 153).
- (b) The declaration itself will be recorded with the copy of the contract agreement.

Note: *Relevant portions of the contract deed requiring action on the part of other section in the office will be communicated to them for action and their acknowledgements obtained and recorded.*

CONTRACTOR'S BILLS

Classes of Contractor's bills

508. Contractors' bills are divided into two classes which are as follows:-

- (i) bills for stores purchased locally for stock in supply or store depots and for direct delivery to consuming units.
- (ii) bills for hired transport including carriage of personal baggage on transport indents and of military passengers and their baggage on the authority of road and river warrants.

Note 1: *The term 'Store Depot' as used in the chapter includes C.O.Ds., Remount depots and Army Command Workshops. The term "supply depot" means the Headquarter Company A.S.C./Supply Platoon A.S.C./Composite Platoon/A.S.C holding separate stocks of stores.*

Note 2: *At the end of each month, a list of claims with requisite details should be furnished to each unit and the unit requested to confirm that the all these claims relate to their unit and have emanated from them. The working of the existing system and procedure should be very clearly monitored preferably at the level of JCDA/CDA who may carry out surprise checks as frequently as possible.*

(Added Note 2 vide CS 241/98)

The procedure for the submission of bills for A.S.C. supplies and services by contractors is contained in Paras 59 and 162 (f) of A.S.C. Regulations.

Local purchase of A.S.C. articles

(i) Central purchase supplies

509. Local purchase of central purchase supplies by A.S.C. officers is permissible under the circumstances laid down in Para 51 sub-Paras, (a) and (b), A.S.C. Regulation and A.S.C. Training Volume II, Chapter VI, Section 51, Sub- Section 2. All such purchases of central purchase articles are to be reported to A.H.Q., Q.M.G.'s Branch with reference to note to Para 1(a), Appendix V, F.R., Part I, Vol II.

(ii) Local contract supplies

510. These are enumerated in Para, 50 A.S.C. Regulations. These supplies are procured through local contracts/short term agreements which are sanctioned by the authorities mentioned in Appendix V, F.R., Part I Vol-II as amended from time to time.

Audit of Contractor's bills

511. In auditing contractor's bills the following main points will be observed:-

- (i) that the bills are prepared in ink; the vouchers are in the prescribed form; they are in original and are preferred by the persons authorised to do so;
- (ii) that various columns of I.A.F.A.-68 and supporting vouchers are complete in all respects;
- (iii) that all alterations in the documents are attested;
- (iv) that revenue stamps are affixed for all bills in excess of Rs 5000/- and are defaced;
- (v) that the purchase of stores has been sanctioned by the competent authority;
- (vi) that the arithmetical calculations are correct and that the totals are expressed in words as well as in figures;
- (vii) that vernacular signatures, except those in Hindi, are transliterated into English and thumb impressions are attested by some responsible person;
- (viii) that signatures are in ink;
- (ix) I.A.F.S.-1520, or supply order, or inspection note bears the serial number and further that I.A.F.S.-1520 (prepared separately for each unit and each month) has been signed both by the officer receiving the stores and the supplier;
- (x) that the stamp of the issuing depot has been affixed on supply order or I.A.F.S.-1520 and it has been signed by the O.C. of the depot on the top;
- (xi) that the quantitative totals shown in figures in the supply orders/ I.A.F.S.-1520 agree with those shown in words;
- (xii) that the total quantities of various articles shown in I.A.F.S.-1520 and I.A.F.Z.-2135 proper, agree with the total given on the respective abstracts and that no alterations or interpolations exist in the abstracts;
- (xiii) that the abstract portion of I.A.F.S 1520/I.A.F.Z.-2135 is endorsed with the word 'paired' under the dated initials of the auditor passing the bill;

- (xiv) that the date of issue of I.A.F.S.-1520 indicated at the top of it is in advance of the commencement of daily supplies;
- (xv) that columns 1 to 4 of the bill tally with corresponding details in the supporting supply order/I.A.F.S.-1520;
- (xvi) that the supporting vouchers bear an endorsement by the depot or unit receiving the stores, showing the particular ledger or return and the month's account in which the stores have been brought on charge. The signatures of the officers who sign the receipt certificate on I.A.F.S.-1520/I.A.F.Z.-2135 will be verified from the register of specimen signatures;
- (xvii) that in the case of loss of original I.A.F.S.-1520 or I.A.F.Z.-2135 or I.A.F.Z.-2050 the provisions of Rule 43, F.R. Part II, are observed;
- (xviii) that all the conditions of the contract such as percentage of varieties of fruits and vegetables are adhered to in the transactions covered by the bill;
- (xix) that the amount claimed in the bill is correct with reference to the contract or other duly sanctioned rates notified in the fortnightly rate list;

Note: *The check of rates should also ensure that the most advantageous rate to the Government in the contract has been adopted in the valuation of the supplies and that the rates are correct with reference to the place and time of delivery.*

- (xx) that no supplies have been made after the expiry of the period of contract;
- (xxi) that in cases where supplies have been made in excess of those specified in the contract, the executive authorities are informed of the quantities paid in excess, to enable them to keep a check over such supplies;
- (xxii) that in case of supplies made by a party or agency other than the person with whom a contract exists, the penalties prescribed in the regulations or in the contract agreement have been enforced on the defaulting contractor;
- (xxiii) that all amounts due from contractors on account of default or for any other cause are noted in the demand register and their recovery watched therefrom. Recoveries will be affected either from bills submitted subsequently or in cash or from the security deposit of the contractor;
- (xxiv) that in case of local purchases, articles of Indian manufacture are given preference over others vide Rule 128, F.R. Part I.
- (xxv) that in case of bills for direct local purchase sanction of the CFA exists;

- (xxvi) that in respect of bills for casual purchases at the risk and expense of the contractors, the extra expenditure is debited to the contractors;
- (xxvii) that payment by open cheques are made only through the officer who received the stores for which payment is being made.
- (xxviii) that acceptance of supplies in excess/short of the quantity ordered will not be held to be a modification in the conditions of a contract provided that the value of the excess/short supply does not exceed 5% of the original value. If it exceeds, the modification may be insisted upon before admitting the bill in audit.
- (xxix) the contractor is required to submit a certificate, in writing, stating that whether he is willing to receive the 95% payment from the Supply Depot and 5% from the Pr. CDA/CDA or 100% payment from the Pr. CDA/CDA."
- (xxx) Purchase of Goods and Services up to the value of Rs 15,000/ (Rs. fifteen thousand only) on each occasion can be made without inviting quotations or bids on the basis of certificate to be recorded by the CFA in the following format.
"I----- am personally satisfied that these goods/ services purchased are of the requisite quality and specification and have been purchased from a reliable supplier/ service provider at a reasonable price."
- (xxxi) Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen thousand only) and up to Rs. 1,00,000/- (Rs. One lakh only) on each occasion can be made on the recommendations of a duly constituted local purchase committee consisting of three members of an appropriate level as decided by the CFA. The committee will be required to survey the market to ascertain the reasonableness of rates, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee should jointly record a certificate as under.
"Certified that we ----- members of the local purchase committee are jointly and individually satisfied that the goods/ services recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."

511A. Documents to be submitted for claiming payment: The documents to be submitted for audit on payment depend upon the nature of procurement and the terms and conditions of a particular supply order/contract. However, essential documents that are required for audit and payment are as follows:

(a) Documents to be submitted to the Audit Authority alongwith Advance copy of the Supply Order/Contract:

- (i) Ink signed copy of the supply order /contract agreement/accepted Tender (AT) Note.
- (ii) An ink signed copy of sanction of the CFA indicating UO Number and date of IFA's concurrence, where applicable.
- (iii) A copy of the Techno- commercial evaluation and rejection details, if any, in case of two bid system.
- (iv) A copy of the Comparative Statement of Tenders (CST) with price bids.
- (v) A copy of TPC/PNC proceedings, if held
- (vi) PAC certificate/OEM's Certificate/any other certificate that may be peculiar to the procurement
- (vii) Specimen Signatures of sanctioning and countersigning authorities
- (viii) VAT/CST/Service Tax Registration No/PAN No.

Note 1: *The budget allotment letter(s) conveying allocation of funds under the concerned code-heads of expenditure are required to be sent as and when the allocations are made.*

Note 2: *In case documents listed above are not sent in advance to the audit authority, they may be called for by such authority at the time of payment of bills/post audit, where applicable.*

(b) Documents to be submitted to Paying Authority for payment along with the Bill:

- (i) An ink signed copy of the Contingent Bill/Seller's Bill
- (ii) An ink signed copy of Commercial Invoice.
- (iii) A copy of the Supply Order with UO No and date of IFA's concurrence, where required under delegation of financial powers.
- (iv) CRVs in duplicate
- (v) Inspection note
- (vi) Relevant documents/proof of payment in support of the claim for statutory and other levies, such as Excise duty challan, Customs duty clearance certificate, Octroi receipt, proof of payment for EPF/ESIC contribution with nominal roll of beneficiaries etc as applicable,
- (vii) Exemption certificate for excise duty/custom duty if applicable.
- (viii) Bank Guarantee for advance if any.
- (ix) Guarantee/ Warranty certificate

- (x) The format for Bank guarantee/Indemnity bond where applicable
- (xi) Delivery Period extension letter with CFA Sanction UO No and date of IFA's concurrence where required indicating whether extension is with or without LD.
- (xii) Details for electronic payment as per mandate form given in DPM-11 if these details are not incorporated in the supply order/contract or in case there is a change in these details.
- (xiii) User acceptance
- (xiv) Any other document /certificate that may be provided for in the supply order/contract.

Note: Depending upon the peculiarities of the procurement being undertaken, documents may be selected from the list given above and specified in the RFP and supply order/contract.

PAYMENT OF BILLS ON ACCOUNT OF LOCAL PURCHASE OF A.O.C. SUPPLIES

511B. In case of local purchase of A.O.C. supplies, the following documents/certificates are to be furnished in support:-

- (a) C.F.A.'s sanction for local purchase;
- (b) Supplier's bill duly receipted and stamped where necessary;
- (c) original receipt voucher taking the stores on ledger charge;
- (d) original supply order;
- (e) a certificate regarding the non-availability of stores from the normal source of supplies and that time did not permit of their being obtained on emergent indents;
- (f) a comparative statement of tenders of short term agreement or original quotation as the case may be;
- (g) inspection note;
- (h) a certificate to the effect that articles purchased locally are not for stock;
- (i) where the total value of the purchase exceeds the financial powers of the sanctioning authority, a certificate to the effect that articles are dissimilar;
- (j) a certificate to the effect that the original demand on the source of supply has been cancelled;
- (k) where the claim includes sales-tax a certificate to the effect that the stores purchased are being delivered and consumed in the State in which purchase is effected;
- (l) a certificate to the effect that purchases are not covered by rate/running contracts and where they are so covered, that the

value of purchases is limited to Rs. 100 in each case and Rs. 1,000 in the aggregate in the year and that the purchasing unit/formation is stationed elsewhere than the depot where stocks against such contracts are held and stores are required urgently.

- (m) that in the case of local purchase of stores by Central Ordnance Depots, the following documents are furnished in support;
 - (i) a copy of the short term agreement duly sanctioned by the competent authority, if no contract exists for supply of stores under notice;
 - (ii) a copy of the inspection note with a certificate endorsed by the depot authorities that the stores have been brought on ledger charge;
- (n) that the stores indented for are prima facie such as required for the unit/ formations concerned.

In addition to the above, the bill should also indicate the source or origin of the stores purchased, viz. indigenous or foreign as well as the job number(s) in respect of such stores as are urgently required.

After payment of the bill, the receipt vouchers in support of the bill will be scheduled to the L.A.O. concerned for verification of credit for the stores in the ledger, etc., of the unit/formation by which the stores are purchased.

AUDIT OF HIRED TRANSPORT BILLS

512. In auditing bills for hired transport the following additional points will be observed:-

- (i) that the indent (I.A.F.Z.-2150) is marked original and bears the indent register number of the Station Transport Officer;
- (ii) that all the five parts of the indent are completed in all respects and that all alterations are duly attested;
- (iii) that the extent of services rendered in Part III conforms to that indented for in Part I and allotted by the Station Transport Officer in Part II;
- (iv) that the bills are countersigned by the Station Transport Officer.
- (v) that the officer to whom the stores were consigned or any other person authorized by him has recorded a certificate on the requisition that the transport requisitioned was actually supplied;
- (vi) that the indent for bullocks and for bullock carts for conveyance of stores, etc., or labourers for drawing water from wells, etc., specify the number of hours during which they were actually utilised;

- (vii) that the number and date of the Area or Sub-Area or Station Order authorising the engagement of bullocks and labourers for hired standing transport duties is quoted on the indents;
- (viii) that the bills for hired transport supplied to the M.E.S. are verified by the G.E. or the accounting officer concerned and the head of account to which the cost is chargeable is noted on them;
- (ix) that the number and date of receipt and issue vouchers under which the stores are received/dispatched have been entered in Part III of transport indent (I.A.F.Z.-2150), duty slip, etc., by units/formations using hired transport
- (x) that the services have been rendered under the correct clause of the contract deed;
- (xi) that the rate adopted in Part V of the transport indent is correct;
- (xii) that the distance for which the KM rate is claimed is correct with reference to the distance given in polymetrical table or supporting certificate of the G.E. concerned;
- (xiii) that when loading and unloading of railway wagons is done by a contractor, in addition to the carriage supplied for the conveyance of stores, a certificate signed by a commissioned officer is endorsed on the indent in the following terms:-
"Consignments booked at vehicle rates and loading and unloading done by the contractor"
- (xiv) that when transport is detained due to reason beyond the control of the contractor, e.g., bulky stores involving considerable labour and time, or stores which for good reasons cannot be released as originally anticipated, payment may be made on hourly basis. In such cases, it should be seen that the claim is supported by a certificate from the Station Transport Officer that the detention of the transport for which charges are claimed, was due to unavoidable reasons beyond the control of the contractor;
- (xv) that a reference to the monthly contingent return, in which the expenditure for the dispatch of stores has been accounted for, has been noted on the indent;
- (xvi) that bills preferred by contractor for the carriage of passengers and personal baggage on the authority of road warrants are supported by the warrants and that accommodation charged for is as shown in column 3 of the warrant.

Note: *The bills preferred on the authority of road and river warrants should be paid after preliminary audit of the supporting warrants as stated above. The warrants duly supported by a schedule in duplicate for each bill, should be passed on to 'Transportation' Section, which will return the duplicate schedule in lieu of acknowledgement. After the warrants have been finally*

audited by 'Transportation Section, they will be returned along with the original copy of the schedule to 'Stores Contract' Section where they will be filed with the covering bills.

- (xvii) In case of sanction issued with retrospective date in case of AMC / TPT contract when the validity of the contract has already expired, would fall under the category of Ex post- Facto sanction and treated as such, sanction of next higher CFA may be insisted with concurrence of corresponding IFA in such cases.

PAYMENT OF CONTRACTOR'S BILLS

513. Contractors' bills should be paid as soon as possible. When the audit of a bill is completed, the auditor concerned will enter the necessary particulars in columns 1 to 6 of the register of payments to local purchase contractors (I.A.F. (C.D.A.)-153) and submit the register and the bill to his AAO/SO (A) who will, after exercising all the necessary checks thereon, submit them to the officer-in-charge of the section for scrutiny and approval. The AAO/SO (A) will, after check, initial (with date) in column 7 of the register and at the same time approve the payment endorsement on the bill. The bill will then be forwarded to Disbursement Section through the daily payment sheet (I.A.F.A.-728) duly supported by the cheque slips (I.A.F.A (C.D.A.) 223.)

Bill/Claim contingent bill No. (as the case may be) together with the amount claimed and passed should be indicated on the cheque slip, so that it is possible to know that the proceeds of the cheque relate to a particular bill/claim etc. Where the proceeds of the Defence Cheques are required to be credited to the personal account of an individual, the individual's name together with the amount and the bank account number should invariably be indicated on the cheque slips.

514. Where the bills relate to Locally Controlled Heads for which specific allotment exists, the bills after checking by the SO(A)/AAO will be checked from the Office Automation System (wherever applicable) that the funds are available or otherwise. In case, funds are not available the bills in question will be returned to the units/ formation to which they pertain for obtaining allocation under the concerned head. In emergent/ special cases where funds are not available, provisional payment at the discretion of the PCDA/CDA may be made, and the matter promptly brought to the notice of the official responsible for obtaining such allotment of funds. Where there is a definite legal liability to pay a contractor, payment should not be withheld, but each case should be decided on its merits and on the strength of the legal aspect of the claim. Legal adviser should be consulted in doubtful cases.

If it is found that the administrative authorities fail to be vigilant in applying for additional allotment of funds promptly as a result of authorizing provisional payments, the PCDA/CDA should ask the authority concerned (endorsing a copy to the next higher administrative authority) to take urgent

action in the matter, adding a warning that further provisional payments will not be made unless application for additional allotment, with reasons in support, is submitted through him promptly. If this warning has no effect and the PCDA/CDA is satisfied that there has been laxity on the part of the administrative authorities, further provisional payments may be refused and the matter reported to the authorities at the Defence Headquarters and the D.F.A. concerned.

The circumstances in which provisional payments can be made and the authorities competent to authorize such payments are given in Para 53, et seq., Defence Audit Code. In order to keep a proper and adequate watch over the finalization of provisional payment sections making such payments will maintain a register on the lines indicated in volume-II of this manual.

ADVANCES

515. Advances paid to A.S.C. or other departmental officers for local purchase of stores, or for payment to the civil authorities for supply of stores and carriage of troops on the line of march, should be noted in the demand register. When bills are received for adjustment of these advances it should be seen that they are duly endorsed with the number and date of the cheque by which that advances was paid, and a corresponding entry made in the demand register after the usual audit check.

MEASURES FOR PREVENTION OF DOUBLE PAYMENTS

516. The following procedure will be observed to prevent double payments:

- (i) All supply orders, transport indents and local purchase vouchers supporting the bill, although they are marked as "original", should be verified in full with the entries in the register of payments to local purchase contractors, to ensure that a previous payment in respect of the same bill, supply order, etc, has not been made. For this purpose, the register will be regarded as the sole authentic record and should be kept under lock and key when not in use;
- (ii) Initial verification by the auditor vide clause (i) should be checked by another auditor in full by a system of rotation. The vouchers should be suitably enfaced under their dated signature by both the auditor and the checker as "verified with the register of payment to the local purchase contractors" respectively. They will also endorse a certificate to this effect on the bill which will be looked for by the AAO/SO (A) and the officer-in-charge before passing the bill finally for payment;
- (iii) on receipt back of bills and vouchers from the AAO/SO (A) with the payment order approved by him, all vouchers for which payment is authorized should be enfaced as shown below:

Cancelled D.V. NO	Month	Auditor
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This enfacement should be made by the auditor (under the auditor's dated initials) who passed the bills initially, and this work will be subjected to cent percent verification by the clerk who is in-charge of the preparation of the daily payment sheets for the section as a whole. In addition to enfacing the vouchers as above, the auditor will also enter on the body of the bill, below the payment endorsement, under the auditor's dated initials, the total number of vouchers (in figures as well as in words) for which payment is authorised. The page number of particular volume of register of payments to local purchase contractors in which the voucher has been posted while passing bill will also be noted by the auditors concerned. The auditor will then pass on the bill, without detaching the supporting vouchers to the clerk preparing the daily payment sheets.

The D.P. clerk will ensure (i) that all supporting vouchers as noted on the bill are actually attached thereto and (ii) that the cancellation enfacement as shown above is actually stamped on each paid vouchers. He will then proceed to allot the disbursement vouchers number through system generated DP Sheet after taking its printout. He will then mark the DV number on the bills and other supporting vouchers. He will in addition enter in the DP sheet, the number of vouchers to be scheduled to LAOs. But, before doing so, he will detach the supporting vouchers and hand them over to the scheduling clerk and obtain his initials against the entry in the D.V. numbering register. This register will be viewed as one of the important register in the section and will be kept under lock and key. (See also Para 741 Chapter-XV)

Note 1: *The above procedure will apply to hired transport bills and bills for local purchase of all stores (A.S.C., ordnance, etc.)*

Note 2: *In cases where payment is made first by the executive and audit comes later, i.e., in cases of post audit bill, it will not be necessary to maintain the "register of payment to local purchase contractor"s but a verification or credit before the final post audit enfacement will take the place of the check laid down in clause (i) above for detection of double payment.*

516A. The existing procedure of preparation of section wise daily payment sheet manually or through system shall continue to be followed. The DP sheet will be prepared for two modes of payment separately, i.e.

- a. For payment through CMP and
- b. For payment through other than CMP, if circumstances warrant such payment.

PROCEDURE RELATING TO THE DISPOSAL OF ATTACHMENT ORDERS AND PROHIBITORY ORDERS AGAINST CONTRACTORS

517. The procedure to be followed for the disposal of attachment orders and prohibitory order from civil courts against contractors will be as under:

(i) In dealing with court attachment orders, particularly in respect of contractors, exceptional care and promptitude of action are important. All cases of attachment orders in respect of contractors will be dealt with at the officer's level at all stage and until a finality is reached. Any difficulties experienced in giving effect to specific orders of attachment from courts should not be referred back to the courts for clarification but should at once be referred to the Government solicitor for legal advice.

(ii) When an attachment order is received against a contractor it will be examined to ascertain whether (a) the contractor a contract (b) he is submitting bills regularly to the C.D.A. who received the attachment order (c) he has any security pledged to the C.D.A. concerned (d) there is any Government order claim against the contractor or (e) whether the contract is a joint one, i.e., entered into by more than one individual (the payment of bills as well as security cannot, in such a case, be attached to satisfy an order of attachment against one of the partners alone).

(iii) When it has been ascertained that the attachment order can be put into operation against the contractor concerned the original order (where these are received in duplicate) should be returned to the court duly accepted, and the duplicate copy should after the demand has been posted in the demand register, be recorded in the section.

Simultaneously intimation, containing relevant details of the attachment order should be sent, in a confidential cover, to the executive officer who concluded the contract for information. In cases, where only one copy of the attachment order is received from the court, it should be recorded in the section. Its receipt should, at the same time, be acknowledged to the court, a copy of the acknowledgement being endorsed to the executive officer for his information.

If any amount is readily available and on which Government has no further claim, the payment to the contractor should be withheld, and/or the amount deposited into the court according to the nature of the order from the court.

If no amount is readily available, and if the check on the accounts of the contractor has not been completed, the mere receipt of the prohibitory/attachment order should be acknowledged and the court informed:

- (a) that no amount has been found to be actually payable to the judgment debtor on the date of the attachment;
- (b) that it remains unascertained whether any, and if so what, amount will be payable to him and this can be ascertained only on a future date after going into the accounts and verifying several facts;

- (c) that no debt payable to the judgment debtor, therefore exists so as to be attached under Sec. 60 and order 21, Rule 46 of the Code of Civil Procedure;
- (d) that the claim of the Government will first have to be adjusted against the credits of the contractor (judgment debtor); and
- (e) that it cannot, therefore, be stated, with any degree of accuracy, what amount, if any, will be finally available for release to the court.

If nothing is due to the contractor or the order cannot be put into operation, because there are Government demands against him or because the contract is a joint one or because the amount due to the contractor including the security deposit falls short of the amount attached by the court, the fact should be intimated to the court.

(iv) Attachment order will be acted upon according to the date on which the property is first attached and the moneys shall be remitted to the court which first attached the amount.

(v) Where there are several prohibitory orders and attachment orders from various status in respect of the same contractor the amount due to Government shall first be deducted and thereafter whatever balance is payable to the contractor may be remitted to the court of the highest grade. If the C.D.A. cannot himself decide which is the court of highest grade he should seek the advice of the Government pleader.

(vi) The jurisdiction of a court is circumscribed by an co-extensive with its territorial limits. None of the courts except those having jurisdiction over the headquarters of the officer of the C.D.A. will properly have jurisdiction to issue directly the prohibitory orders on the C.D.A. where, however, such prohibitory orders are received the proper course for the C.D.A. would be to prefer his objection through the Government pleader to all the courts except the one at his headquarters.

As a general rule the situs of debt is residence of the debtor. An executing court will have also jurisdiction to pass the prohibitory order under Order XXI. Rule 46 of the Code of Civil Procedure even through the headquarters of the office of the C.D.A. is outside its jurisdiction, provided that the station of payment to the contractor, as stipulated in the contract, happens to be within the jurisdiction of the court.

(vii) A security deposit can be attached only after meeting the claims, if any, of Government, it cannot, in any case, be touched until the security or such portion of it as remains after deduction of Government dues, is due for repayment under the terms of the contract.

SCHEDULING AND RECORDING OF LOCAL PURCHASE VOUCHERS, ETC.

518. On receipt of the vouchers, abstract of Supply orders and duplicate copies of paid transport indents from the D.P. clerk {vide Para 516 (iii)} the

Scheduling clerk will enter the total number of vouchers, abstracts of supply orders and duplicate copies of paid transport indents (not their serial numbers) in a simple manuscript form as shown below:

D.V.No.	No. of vouchers/ abstract of supply orders and duplicate copies of paid transport indents	Date on which handed over to Test Audit	Date of receipt back from Test Audit	Signature with date of scheduling group in-charge {AAO/SO(A)}

The vouchers, abstracts of Supply Orders and duplicate copies of paid transport indents will be kept in a pad and transmitted to Test Audit and their return watched through the medium of the above form.

519. On receipt back of the vouchers, abstracts of supply order and duplicate copies of paid transport indents from Test Audit, the scheduling clerk will enter the total number of vouchers, abstracts of supply orders and duplicate copies of paid transport indents (not the serial numbers) on the "monthly summary of local purchase vouchers, abstracts of supply orders and duplicate copies of paid transport indents" (form given as Annexure "A" to this chapter) and keep this form together with the supply orders, etc., in a loose pad until the end of the month.

520. At the end of the month, the scheduling clerk should add up the total number of vouchers, abstracts of Supply orders and duplicate copies of paid transport indents relating to that month's disbursement and make sure that the total number in his pad agrees with the total number as shown in the D.V. numbering register or System generated DP Sheet, whichever is applicable and reconcile any discrepancy in the number of vouchers, abstracts of Supply Orders and duplicate copies of paid transport indents. The scheduling clerk should then sort the abstract of supply orders and duplicate copies of paid transport indents as the case may be, etc., by units and prepare a forwarding memo (I.A.F.Z.-2014) (Herein after called "sub-list" for each unit, entering thereon the name of the unit, serial numbers and dates of the vouchers, abstracts of supply orders and duplicate copies of paid transport indents and the total number of vouchers, abstracts of supply orders and duplicate copies of paid transport indents pertaining to each units, Only one copy of the sub list should be prepared and no office copy need be kept.

521. The sub-lists, with the vouchers, abstracts of supply orders and duplicate copies of paid transport indents attached, should then be sorted

by local audit groups, and a top list again on I.A.F.Z.-2014 should be prepared in duplicate for each local audit group, specifying only the names of the units concerned and the total number of vouchers, abstracts of supply orders and duplicate copies of paid transport indents relating to each unit, and also the total number of vouchers, abstracts of supply orders and duplicate copies of paid transport indents forwarded with the top list.

522. The scheduling clerk should then ensure, on the form given in Annexure 'A' to this chapter, that the number of vouchers scheduled outward to the local audit groups under the top lists agrees with the total received from the DP clerk and as reconciled with the D.V. numbering register or System generated DP Sheet, whichever is applicable vide Para 520. Any discrepancies in the number of vouchers which are not to be scheduled will be investigated and reconciled. A certificate of this agreement having been effected should be endorsed under the heading "vouchers scheduled outwards".

523. All copies of the top lists and all copies of the sub-lists and all abstracts of supply orders and duplicate copies of paid transport indents should then be stamped with the section outward date stamp in the top right hand corner and the top lists should also be date stamped on the top right hand corner of the acknowledgment portion of the form.

Before dispatching the top lists, sub-lists and the abstracts of supply orders and duplicate copies of paid transport indents etc., the scheduling clerk should endorse a simple serial number (1,2,3,4,5 etc.) on each voucher attached to sub-lists and thereby facilitate the consignee's L.A.O. to select vouchers, abstracts of supply orders and duplicate copies of paid transport indents for test linking.

524. The documents should then be disposed off as follows:-

The monthly summary with its reconciliation statement and one copy of each of the top lists should all be filed together in a file entitled, "local purchase vouchers, abstracts of supply orders and duplicate copies of paid transport indents scheduled outward to local audit groups", the files being sub-divided by months or quarters, or by areas, as convenient. The second copy of the top lists with the respective sub-lists and abstracts of supply orders and duplicate copies of paid transport indents as the case may be etc., should then be forwarded to the local audit groups concerned. Acknowledgements of the top lists should be watched through the above file and when they are received, they should be pasted on the reverse of the relative top lists.

525. The local purchase vouchers (duly endorsed) after linking to the prescribed extent by the auditors and test checked by the AAO/SO (A) and L.A.O. will be finally recorded in the Local Audit Office. In cases, where the credit for the stores shown on the cash vouchers could not be traced in the account of the receiving party or a discrepancy between the quantities shown on the cash vouchers and those credited in the Unit's ledger or return was observed, the factual position in regard thereto will be brought to the notice of the C.D.A. by the L.A.O. through a confidential letter citing

reference to the number and date of C.D.A.'s top lists under which the vouchers were originally received and the objections raised in connection therewith pursued by LAO to finality.

526. The above procedure is intended for PCDA/CDA's offices where the work of scheduling of vouchers is entrusted to the scheduling clerk. Where, however, the work of local purchase sub-section is organised by Area/Sub-Area, the auditor dealing with the supplies within the Area/Sub-Area, will also be responsible for the scheduling of the vouchers.

NOTE: The above procedure will apply mutatis mutandis to scheduling of paid transport indents also. The paid transport indents will be scheduled to the L.A.O. of the unit/formation utilising the transport for verification with the entries in the unit transport register (I.A.F.Z. 2023 maintained by units).

SECURITY DEPOSITS

Forms of security deposits

527. Security deposits should be tendered 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 authority authorized to accept the security:-

Form of Deposit	Conditions
(i) Cash	Government will not pay any interest on any deposit held in the form of cash.
(ii) Government Promissory Notes, Municipal debenture or Port Trust Bonds.	These securities should be accepted at 5 %, below the market price or at the face value whichever is less, and should be dealt with in accordance with the rules in chapter IX of the Government securities Manual.
(iii) Treasury Savings Deposit Certificates and National Plan Certificates.	These certificates should be accepted at their surrender value.
(iv) Post Offices Savings Bank Pass Books.	A pass book for deposits made under the savings banks rules may be accepted as security provided that the depositor has signed and delivered to the Post-Master a letter in the prescribed form as required by these rules.
(v) Post Office Cash Certificates, Defence Saving Certificates and National Savings Certificates.	The certificates should be formally transferred to the departmental authority which takes the deposit with the sanction of the Head Post-Master and should be accepted at their surrender value at the time of tender.
(vi) Deposit receipts of the State Bank of India	(1) The deposit receipt should be made out in the name of the pledgee or if it is made out in the name of the pledger, the banks should certify on it that the deposit be withdrawn only on the demand or with the sanction of the pledgee.

Form of Deposit	Conditions
	<p>(2) The depositor should agree in writing to undertake any risk involved in the investment.</p> <p>(3) The bank should agree that on receiving a signed treasury challan and a withdrawal order from the pledgee in respect of the deposit or any part thereof, it will at once remit the amount specified into the nearest treasury along with the challan and send the treasury receipt to the pledgee.</p> <p>(4) The responsibility of the pledgee in connection with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends intimation to the bank that he has done so.</p>
(vii) Other forms of security specially approved by government for acceptance in any particular department, e.g., mortgages on real property, personal security etc.	Security in any such form may be accepted only in accordance with the rules and conditions laid down in relevant departmental regulations by special order of the Government.

528. All security deposits on receipt will be recorded in the security deposit register which will be maintained in two parts, one (I.A.F.A.-525) for security deposits tendered in cash, and the other (I.A.F.A.-285) for all other security deposits. All transactions must be noted at the time of their occurrence and a receipt on I.A.F.A.-299 granted to the depositor. Transactions on account of security deposits tendered in cash and refund of these will be entered in the cash security deposit register (I.A.F.A.-525) according to relevant columns.

Note : *Physical stock verification of securities will be conducted annually in the month of April as well as at the time of transfer of charge of section officer, and the result of such verification will be endorsed in the Register of securities (IAFA-285) under the signature of section officer in the following manner:-*

“Certified that all the Securities as shown in the Register of Securities are physically in existence”.

529. An agreement will be effected between the figures on account of security deposits appearing in the printed compilation, received from EDP Centre through the Accounts Section, and those in the cash security deposit register (I.A.F.A. - 525), Accounts section will be furnished with the necessary agreed figures for the purpose of the Annual Review of Balances.

Balances outstanding as a result of the security deposits remaining un-refunded on 31st March each year will be verified directly from the entries in the register (I.A.F.A.-525).

As soon as the balances have been proved (for the purpose of the Review of Balances), a certificate to that effect will be endorsed in the register (I.A.F.A.-525) under the signature of the officer-in-charge of the section.

530. The different forms of security deposits will be dealt with as under:-

- (i) **Cash Security:** Deposit tendered in cash will be paid by the tenderer into the local treasury on the authority of military receivable order and the treasury receipt forwarded to the PCDA/CDA, for adjustment. With a view to watch that the amount credited into the treasury are actually passed to the Defence Services, the number and date of the transfer entry debiting the civil department will be quoted in I.A.F.A.-525.
- (ii) **Deposit Receipts of the State Bank of India** - Interest on these bank deposits should not pass through Government accounts; depositors should make their own arrangements for receiving it, when due direct from the Bank on a letter from the officer who received the deposit authorizing the bank to pay the interest due.
- (iii) **G.P. Notes, P.O.S.B. Pass Books, etc-** As regards G.P. Notes, P.O.S.B. Pass Books, Municipal Debentures, etc. the instructions contained in Rules 206 et seq., F.R., Part I, should be followed.

Note 1: *Government Promissory Notes deposited for 12 months or less, irrespective of whether or not interest is desired to be drawn whilst in deposit, and, G.P. Notes deposited for a period exceeding 12 months and on which no interest is desired to be drawn during the period of deposit, will remain in the name of the depositor and will not be endorsed by him to any officer of Government or converted into stock.*

Note 2: *The G.P. Notes, deposited for a period exceeding 12 months and on which interest is desired to be drawn during the period of deposit, will be endorsed and forwarded to the C.D.A. concerned for action as laid down in Rule 206 F.R. Part I.*

Note 3: *Post Office Savings Bank Pass Books when tendered as security deposits and pledged in favour of Cs.D.A. should be entered in the register of Security Deposits. In such cases, Post Office Savings Bank Pass Books should also be retained with the Cs. D.A. and they should not be returned to the administrative authorities. All the Post Office Saving Bank Pass Books should be sent to the concerned Post Office, as soon as possible after 15th June each year, so that necessary entries on account of interest may be made in them and their return watched.*

REFUND OF SECURITY DEPOSIT

531. On the expiry of a contract and after fulfilling all undertakings, the refund/release of a security deposit will be made to a contractor on the production of a no demand certificate (I.A.F.A.-45) duly completed in all respects. Before the refund is actually made, it will be ascertained from the A.S.C. or other departmental officer concerned as well as from the demand

register that there are no demands outstanding against the contractor. The necessary entries will be made in the security deposit register (I.A.F.A.-525 or I.A.F.A.-285, as the case may be) and initialed by the officer-in-charge of the section. For other conditions, in regard to the refund of security deposits, see Rule 216 F.R. Part I.

With a view to avoid piecemeal observation and to facilitate quick disposal of cases of release of security deposits to contractors, No Demand Certificates (NDCs) /No Claim Certificates (NCCs) will be returned to executive authorities in the standardized memo as per Annexure 'B' to this chapter. The receipt and disposal of NDC/NCC will be watched through manuscript register (as per proforma at Annexure 'C')

Note 1: *In the case of refund of security tendered in the form of Post Office Savings Bank Deposits, where an application for the release of the security is received, the PCDA/CDA should, if refund of the security is otherwise due, complete, I.A.F.Z.-2141 form, the particulars in the security deposit register and forward the form along with the Post Office Bank Pass Book to the officer concluding the contract for delivery to the Contractor.*

Note 2: *The period of limitation for recovery by the Contractors of Security Deposits from Government is 30 years from the date of deposit as provided in Article 145 of the First Schedule to the Indian Limitation Act, 1908.*

POWER OF ATTORNEY

532. Refunds of security deposits and payments in respect of bills, interest, etc. will be made only to the contractor or agent concerned; but such refunds and payments may be made to another party, if such party has been granted full and legal power of attorney, probate or letters of administration, etc., authorising him or her to receive any security deposits money, etc. due to the original contractor or agent. Particulars of all powers of attorney, probates, etc., should be noted in the register of sanctioned tenders and the register of security deposits.

PAYMENT OF INTEREST ON MUNICIPAL DEBENTURES, etc.

533. The procedure laid down in Rule 223, F.R., Part I, will be followed.

LAPSED SECURITY DEPOSITS

534. At the close of each official year, all cash security deposits remaining unclaimed for three years, exclusive of the year in which the deposit was made, and all balances of security deposits of not more than one rupee in amount, will be transferred to the credit of Government under the appropriate head by the PCDA/CDA in whose books the amounts appear, a note of the transfer being made against the entry in the register of security deposits. In case of cash security deposits, the PCDA/CDA will inform the administrative officer concerned, in order that the latter may make the necessary entries of such transfers in his registers. Sums credited to

Government as above will not be refunded without the sanction of the PCDA/CDA, who will authorize payment on ascertaining that the amount was really received and carried to the credit to the Government as lapsed and that the claimant's identity and title to the money are certified by the officer signing the application for refund.

Note: *The term PCDA/CDA used in Para 534 does not refer to the PCDA/CDA in the Main Office, but refers to the authorities in the main office & those in sub-office who are authorised by the PCDA/CDA, and can refund the lapsed deposit after carrying out the requisite verification stipulated in Para 534.*

535. As a safeguard against fraudulent payments, banks and treasuries may be requested by a general Circular addressed to them, to exercise adequate care and caution whenever Defence cheques are drawn in favour of Banks and the proceeds thereof are creditable to the personal account of an individual.

(Added vide CS 242/98)

RATION ALLOWANCE

535A. Service Officers are entitled for issue of free ration in kind in the peace area. However, in the following contingencies they are entitled for payment of cash allowance in lieu of free rations which will be subject to audit and payment:

- a) Annual leave
- b) Sick leave on full pay and allowances
- c) Duration of casual leave which is spent away from his duty station.
- d) Preparatory leave while on permanent posting
- e) LPR
- f) Course of instructions on posting to non-military station
- g) Furlough leave
- h) Maternity leave
- i) Special casual leave
- j) Study leave in India

S&S IMPREST

535B. Supply and Service Imprest may be provided to all units/ formations including Supply Depot. The S & S imprest account showing therein the expenditure incurred from 1st day to last day of the month should reach the PCDA/CDA's office by the 10th of the following month to which these pertain.

SPECIMEN SIGNATURE OF IMPREST HOLDERS

535C. Few pages of the demand register (imprest holders) will be allotted for pasting the specimen signature of Imprest Holders. Out of the two copies of specimen signatures one may be pasted in the Demand Register and the other recorded on the relevant file.

When a new demand register is opened and the same Imprest Holder continues, the second specimen signature (which has been recorded on file) may be taken out and pasted in the new Demand Register.

ANNEXURE 'A'

(Referred to in Para 519)

Monthly summary of Local Purchase Vouchers

Scheduling Clerk

Month.....

Vouchers received (e.g. January 2014-Disbursement vouchers).

From Auditor A	109
B	47
C	40
D	151

	347

Vouchers Scheduled outwards

Top list to L.A. Group, Meerut	16
Top list to L.A. Group, Bareilly	13
Top list to L.A. Group, Roorkee	5
Top list to L.A. Group Allahabad	313

	347

Auditor

AAO/SO (A)

ANNEXURE 'B'

(Referred to in Para 531)

RELEASE OF SECURITY DEPOSITS

NDC/NCC received under your no. cited above for Rs. in respect of M/s for the contract for the supply of at..... for the period from to is returned herewith for the following reasons:-

1. A Risk and Expenses purchases certificate not attached.
2. A No claim certificate of the unit has not been furnished.
3. Application for refund of Security Deposit (Form 1AF-298) has not been attached/does not include all the five certificates.
4. A no claim certificate of the contractor (Part A of Form-IAFA 51) has not been signed on revenue stamp.
5. A receipt for amount received given by the contractor has not been affixed with a revenue stamp.
6. It is seen from our records that bill in respect of above contract for the period..... is still awaited. Please confirm that no supplies were made during that period.
7. Particulars/period of the Contractor's certificate is not correct.
8. The receipt portion of the Contractor's certificate i.e. Part 'B' of IAF-451 does not depict the particulars of Security Deposit (i.e. nature, no., date or amount or name of the bank etc.) correctly.
9. Recovery details/MRO details in respect of amount for recovery for which the contractors have paid the amount in cash to Government has not been indicated.

Copy to:-

The Area Accounts Officer:-

1. For information with reference to your no. cited above.
2. No Demand Certificate has not been endorsed on the NDC/NCC received from you in your above quoted letter. Please forward the same.
3. The NDC/NCC received does not bear an endorsement on the statement of Risk & Expense Certificate indicating clearly whether the amount has been recovered or not.

ANNEXURE 'C'

(Referred to in Para 431)

Register of "No Demand Certificates" of Contractors & "No claim certificates" from Executive Officers

Sl. No.	Date of receipt of NDC/NCC from		No. & date of forwarding Memo	From whom received
	Payment Group	Other Parties		
1.	2(a)	2(b)	3	4

Particulars of Contract to which NDC/NCC pertain	Name of the contractor	Initial of Auditor
5	6	7

Date of calling for NDC from		Date of receipt of NDC/NCC from	
Payment group	Other Parties	Payment Group	Other parties
8(a)	8(b)	9(a)	9(b)

No. & Date of letter under which Security Deposit released/ re-appropriated/ disposed off	Initials of		Remarks
	Auditor	AAO/ SO(A)	
10	11 (a)	11 (b)	12

CHAPTER-VIII
STORES AUDIT SECTION

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OBJECTIVES

536. Objectives of Stores Audit Section are:

- (i) To help in the financial control of the activities of quasi-Commercial organizations and manufacturing establishments of the Defence Services.
- (ii) To ensure correct recovery and compilation of dues to Defence Services on Store transactions, hire of transport, hospital treatment, etc.

DUTIES

536A. Stores audit section deals with:-

- (i) Cash accounts current of Military Farms and Remount Depots.
- (ii) Monthly accounts and annual productions account of Bakeries.
- (iii) Maintenance of statistics in connection with and the publication and revision of rates, pricing of payment issue vouchers, loss statements, service transport indents, etc. and adjustment of cost thereof.
- (iv) Audit of sale accounts and audit and payment of bills on account of auctioneers' commission.
- (v) Watching verification of Credits of high value imported and indigenous stores.
- (vi) Customs duty charges.
- (vii) Payment of Sea freight and landing stages bills.
- (viii) Central purchase of stores in India.
- (ix) Adjustment of treasury receipts for.
 - (a) Hospital stoppage rolls in respect of non-entitled personnel admitted into hospital,
 - (b) Recoveries made on account of loss of stores by individuals.
 - (c) Hire of Government transport for amenities purposes, etc.
- (x) Adjustment of charges on account of medical treatment between the Defence Services and State Government (other than Tamil Nadu State).
- (xi) Recovery of extra expenditure incurred by the Defence Services in connection with aid to civil powers.
- (xii) Adjustment of claims for losses of stores in transit.
- (xiii) Financial review of the working manufacturing establishments.

- (xiv) Adjustment regarding recovery schedule of GPF /CGEIS /CGHS /Advances in respect of employees of temporary establishment of Military Farms.

GENERAL

536B. All bills irrespective of their nature will be received only in the Record section of the PCDA/ CDA's office and will be sent to the respective section after being duly diarized. Under no circumstances should any bill be received by any section direct.

VERIFICATION OF SPECIMEN SIGNATATURES IN CASE OF GOVT. SANCTIONS FOR PURCHASE OF STORES ISSUED BY MINISTRY OF DEFENCE EXCLUDING DDPS & DRDO

536C. (i) In respect of each Jt. Secretary wing of the Min. of Defence including Deptt. Of Defence Production and supplies and DRDO a Nodal Officer will be nominated by the concerned Jt. Secretary who will send Specimen Signatures of all officers of the wing i.e. Desk Offices, under Secretaries, Dy. Secretaries, Directors and Jt. Secretary of that wing who are Authorized to Signature the Govt. sanctions involving Defence expenditure, to the Pr. CDA, New Delhi and other Principal Controllers/ Controllers of Defence Accounts concerned who are required to audit and pass the claims with reference to the said sanctions. In the case of any subsequent change in any of the incumbents in the wing, immediate amendments to the list of specimen signatures shall also be sent to Pr. CDA New Delhi & other controllers concerned by the Officer.

(ii) A Monthly list of all Govt. sanctions issued by each Jt. Secretary wing under the Ministry of Defence including Deptt. Of Defence Production and supplies & DRDO authorizing incurring of expenditure, shall be sent by the Nodal Officer of each wing to Pr. CDA New Delhi and other controller concerned so that any other sanctioned stated to have been issued by Ministry of Defence are precluded from accepting in audit & making payments.

(iii) Before acting upon sanctions for expenditure issued by Ministry of Defence including DDPS & DRDO and passing the claims with reference to said sanctions an Audit Officer must satisfy himself that:-

- (a) Signature it bears have been verified with reference to specimen signatures forwarded to him by the Nodal Officer nominated by the Jt. Secretary of the concerned wing of Min. of Defence.
- (b) Sanction so acted upon is included in the Monthly list of Govt. sanctions received from Nodal Officers.

(iv) Any claim or bill for which sanction for expenditure is signed by a person other than so authorized signatory and/or not included in the Monthly list of Govt. sanctions issued, received from the Nominated Nodal

Officer and vice-versa, should be proceeded from accepting in Audit and immediately be brought in the Notice of higher authorities.

MILITARY FARMS

General

537. Cash assignments for Military Farms are made in favour of Assistant Directors, Remount, Veterinary and Farms, and they make payments by cheques drawn against their assignments and render cash accounts to the PCDA/CDA concerned as laid down in R.V.F.C. Regulations.

538. Cash accounts and monthly returns prepared by the staff of the farm are due in the PCDA/CDA's office on the 10th of the month following that to which they relate and should be sent through the Assistant Director, Remount, Veterinary and Farms concerned. The progress of audit of cash accounts of Remount Depots and Farms and the clearance of objections raised thereon will be watched through an Audit Register (I.A.F.A.-473).

539. The following accounts, reports and returns relating to Military Farms are received in the PCDA/CDA's office and are dealt with in the manner described below:-

- (i) Cash account (I.A.F. (D.F.) - 16)
- (ii) Capital account (I.A.F. (D.F.) - 25),
- (iii) Coupon account
- (iv) Renewals reserve fund account
- (v) Annual account.

Cash accounts

540. The accounts of Military Farms are maintained on commercial lines and the main audit is conducted locally by the local audit staff. The general rules for the audit of cash expenditure and accounts, as laid down in Para 342 & 343 of Army Local Audit Manual, should be observed.

Note: *The pay and travelling bills of temporary personnel whose pay does not exceed Rs. 40 p.m. and whose entertainment and pay have been sanctioned by Assistant Directors, Remounts, Veterinary and Farms are paid by the those offices out of their Cash Assignments.*

541. The cash account comprises of the following:-

- (i) Abstracts of cash book on I.A.F. (D.F.) -16
- (ii) List (in duplicate) of cheques drawn on treasuries/the Bank of I.A.F.A. - 129.
- (iii) List (in duplicate) of remittances into treasuries on I.A.F.A. - 31 supported by triplicate of MROs.
- (iv) Departmental transfer receipt and payments on IAF-134 supported by requisite vouchers.

- (v) Cash balance report on I.A.F.A. -147.
- (vi) Statement showing the amounts paid to establishments and deductions made there from on I.A.F. (D.F.) 39.
- (vii) List of cheques cancelled during the month on I.A.F.A. -133.
- (viii) Statement (manuscript) showing charges booked under renewals reserve fund.
- (ix) Statement showing certain particulars regarding forage, capital and coupon account on I.A.F. (D.F.) 45.
- (x) Statement showing the details of military credit notes and the amounts compiled during the month under Head -6-Capital.
- (xi) Monthly pay bill of permanent establishment.
- (xii) Pay bill of temporary establishment.

542. The cash book exhibits cash transactions and book adjustments separately; the entries therein will be made in the following manner:-

- (i) All cash transactions will be made in black ink against the heading "cash transaction" under the relevant columns of the cash book.
- (ii) Transactions with the Civil Departments, in respect of which debits will be raised against or credits passed on to those departments through the Exchanges Accounts, will also be shown in black ink as cash transactions under the appropriate columns of the cash book, the corresponding Contra credit or debit being shown as a separate entry under the heading 'transactions with the Civil Departments, etc.' on the receipts and charges sides of the cash book. These entries should be supported by vouchers in original and complete in every respect.
- (iii) All cost items in respect of which neither cash payment nor book adjustment through the Exchange Accounts is made, on account of supplies or services received from or rendered to the Army, will be exhibited in the cash book in red ink under the relevant columns. The contra credit or debit will be shown under the columns "Government" on the receipt and charges sides of the cash book.
- (iv) The figures appearing in the cash book will be classified under different heads and sub-heads of classification and compiled under the correct heads as shown in the Classification Hand Book read in conjunction with Appendix IV to Circle standing Orders, Military Diaries.
- (v) Only cash transactions will be classified in the Abstract of Receipts and Charges. Items under book transfer treated as cash, for which debits have to be raised against the Civil Department, as an original item, should be adjusted by transfer entry. Credit items of the above nature appearing in the cash

account will be compiled through I.D. schedules, as and when received.

- (vi) Payments made by the PCA(Factories), Kolkata, on account of railway warrant and credit note charges, although included in the cash account for statistical purposes, will not be compiled in other PCDA/CDA's offices.

543. The following points should be observed in checking the cash account:-

- (i) check the opening balances with closing balances of the previous month;
- (ii) check the progressive totals;
- (iii) see that the budget provisions, as given from time to time, are not exceeded and also check the progress of expenditure;
- (iv) see that advances made to contractors are adjusted within the time limit prescribed in Para 342(b) read in conjunction with Para 343(xxvii)(a) of Army Local Audit Manual;
- (v) see that the balance of cash at the end of each month, as shown in the cash book, is within the limit fixed by the PCDA/CDA in consultation with the Assistant Director of Remount, Veterinary and Farms.

544. After the entries in the cash account have been checked with the total amounts shown in the supporting schedules, a punching medium will be prepared in duplicate by carbon process on I.A.F. (C.D.A.) -336. The original copy together with schedule III will be sent to EDP centre by the 5th of the second month and the duplicate pasted on the cash account to serve as a record of classification.

The value of the dairy produce supplied to Naval and Air Force establishments will be credited by the PCsDA/CsDA to the relevant farms heads of the account by per contra debit to the relevant heads of the receiving service in the course of compilation of the farms' cash accounts.

545. PCsDA/CsDA should furnish monthly a copy of their compilation under Main Heads V-B/5-B- Military Farms and Sub-Head A (C) - Farms/Major Head 86. Defence Capital Outlay with full comprehensive details by detailed heads to the Military Farms concerned to enable them to check and reconcile discrepancies, if any, between their monthly accounts and the compiled actuals of the PCsDA/CsDA.

546. For the purpose of exercising in local audit the requisite check over the accounts of Military Farms, the monthly abstracts of the cash books (I.A.F. (D.F.)- 16) together with supporting vouchers and statements will, after check and compilation by Stores Audit Section, be forwarded in original by the section to the LAOs concerned for audit. After audit they will be returned by the LAOs with the prescribed certificates duly endorsed thereon.

Capital account

547. The capital account exhibits the capital value of all Land, Buildings, Plant, Machinery and Live Stock of the Military Farm, and is compiled half yearly. In this account the value of capital articles of Rs. 200 and above, purchased either from the new demand or the renewals reserve fund as well as those transferred from other farms and departments, will be added to the capital value. Similarly, the capital value of the Buildings, Plant, Machinery, and live stock, which are condemned or destroyed or transferred to other Military Farms and departments, will be charged off from the capital account.

Coupon account

548. Cash realized by the sale of coupons is credited by the managers of Military Farms under columns 17 of the cash book. These amounts should be compiled in the first instance under the Head "Miscellaneous Deposits" which will be relieved by contra credit to Head "Military Farms-Proceeds from the sale of Dairy Produce" as and when issue of dairy produce are made in exchange for these coupons.

549. In order to effect these adjustments, the managers of Military Farms will forward monthly statements showing the value of dairy produce sold during the month, the value of money refunded to customers for unused coupons returned by them, the value of coupons sold and the balance on hand at the end of the month. The value of dairy produce sold is charged by the manager in his price account (I.A.F. (D.F.)-42) which is not submitted to the PCDA/CDA.

550. The value of refund made for unused coupons must be compiled by deduction from receipts from the sale of coupons. Refunds made for deposits received for bottles lent to customers, which are credited in the first instance under the column "miscellaneous receipts" of the cash book are charged off by the manager in his cash book under the column "refund of milk or cream bottles, etc."

551. Refunds for unused coupons only are shown under the columns "refunds of coupons and deposits for supply of dairy produce". The terms 'deposits' shown in this heading is intended for refund of deposits money received from non-official customers, clubs and hostels, etc. When such deposit money is received, it is credited under the column "miscellaneous receipts" of the cash book.

552. To enable the section to certify the correctness to the value of unredeemed coupons outstanding at the end of each year, an annual account of coupons will be called for from the managers of Military Farms and the closing balance shown therein checked and agreed with that arrived at from the monthly compilations.

RENEWALS RESERVE FUND ACCOUNT

553. The object and scope of application of this fund and the instructions as to its maintenance are contained in R.V.F.C Regulations. The renewals Reserve Fund account is submitted by the managers of Military Farms to the PCDA/CDA with the audited administration reports of the farms concerned.

554. In the month of October each year, a statement showing the estimated balance at the credit of the renewals reserve fund at the end of the financial year, with details as to how it has been arrived at, and the estimated contributions to the fund during the next financial year will be forwarded through the PCDA/CDA to the Director of Remount, Veterinary and Farms to regulate the programme of expenditure from the fund for the ensuing year.

Annual account

555. The following subsidiary account will accompany the annual administration report of each military farm:-

- (i) Trading Account.
- (ii) Capital Account
- (iii) Balance Sheet.
- (iv) Herd Statistics.
- (v) Renewals Reserve Fund Account.
- (vi) Reserve Fund Account.
- (vii) Statement showing sales of dairy produce.
- (viii) Annual produce and disposal statement of dairy produce (I.A.F.(D.F.)-28).
- (ix) Fodder statements (I.A.F., (D.F.)-42).
- (x) Reconciliation statement of dairy produce with the amount realized (I.A.F. (Farm)-73).

556. These accounts will be audited by the LAO and a copy of the audited statement will be received in the PCDA/CDA's office. The capital account and renewals reserve fund account only will be checked in the PCDA/CDA's office in order to see that the closing balance of the renewals reserve fund account is correct.

Railway Warrant and Credit Notes

557. The procedure to be followed in regard to the adjustment of railway warrants and credit notes in the account of Military Farms is given below:-

The PC of A (Factories), Kolkata, will compile the amount of all railway warrants and credit notes issued by Military Farms to "Revenue" Head "Rail charges" irrespective of the endorsement noted thereon and furnish a monthly statement showing the total amount of rail charges adjusted in the

month's compilation to the farms authorities through the PCDA/CDA Before the statement is passed on by the PCDA/CDA to the farm authorities, extracts there from will be forwarded by him to the LAO concerned. The farms authorities maintain their own accounts with reference to the information available with them and compile the amount of railway warrants and credit notes to "Revenue" or "Capital", as the case may be and furnish to the PCDA/CDA concerned, with their monthly Cash Accounts, a simple statement showing the details of railway warrants and credit notes PCDA/CDA to book the appropriate amount under "Capital" in the financial account of the Military Farms concerned by corresponding reduction from "Revenue" heads originally operated upon by the PC of A (Factories).

After the accounts for the year have been closed, the farms will agree the total of rail charges booked by them in their books under both "Revenue" and "Capital" with the total of rail charges appearing in the Defence Account Department, PC of A (Fys) books. If any difference is noticed between the figures of the PC of A (Factories) and those compiled by the farms it is adjusted by the later under the "Revenue" in the accounts for the year following that to which the difference relates. Adjustment of this difference will be verified by the LAOs with reference to extracts from the statement of the PC of A (Factories) furnished to them.

558. The original statement received from the farms authorities showing the amounts compiled by them to "Capital" will be sent to the LAO for test check along with the abstract of cash book, etc.

The above statement when returned to the PCDA/CDA will bear a certificate under the signature of the LAO to the effect that the classification as shown thereon has been test checked with the farm's records. If any discrepancy is noticed, it will be taken up by the LAO with the farms authorities and its settlement or readjustment watched by him through the objection statement.

CREDIT VERIFICATION OF CREDITS OF HIGH VALUE IMPORTED AND INDIGENOUS STORES

559. All invoices for imported stores will be priced in Indian currency and forwarded to the managers for inclusion in their cash accounts. The amounts in respect of the U.K. invoices will be accounted for in the cash book in the manner prescribed in Para. 3, section XXII, S.A.I. The procedure laid down in chapter 14, Defence Audit Code will also apply.

Purchase by contract

560. All expenditure in connection with the purchase of dairy produce by contract at station where Military Farms do not function will be debited to a separate head in the cash book of the Military Farms through whom the supplies are arranged.

Security deposits

561. The general rules regarding security deposits are laid down in R.V.F.C. Regulations and Rule 200 et seq., F.R., Part I.

The rates of security deposits for clerks and store keepers employed in Military Farms and the manner in which they should be lodged are laid down in chapter VI, Circle Standing Orders, Military Dairies, Volume-I.

Loss statement

562. All losses should be classified as under and the classification endorsed on loss statements:-

- (a) Losses in transit.
- (b) Losses on the military dairy.
- (c) Losses recovered from Railways and other responsible bodies.
- (d) Losses under investigation (on the last day of the year).

The losses should be reflected at the foot of the annual Trading Account and their totals in the above classification should agree with the amounts compiled on the back of the yearly Trading Account.

REMOUNT DEPOTS

Cash accounts

563. Officer-in-charge of Remount Depots is granted assignments on treasuries. Payments are made by cheques drawn against such assignments and monthly cash account rendered to the audit office. The cash accounts are required to be accompanied by the schedules and other documents referred to in R.V.F.C. Regulations and also Paras 364 and 365 Defence Audit Code.

564. The monthly cash accounts are due in the PCDA/CDA's office on the 10th of the month following that to which they pertain. On receipt in the Stores Audit Section, they should be classified under the various heads and sub-heads of classification and a punching medium prepared in duplicate by carbon process on I.A.F. (C.D.A.)-336. The original copy of the punching medium will be sent to EDP Centres by the 5th of the succeeding month and the duplicate pasted on the cash account to serve as a record of classification.

565. The general rules for the audit of cash expenditure are applicable to these cash account. In addition, the following points should also be observed:-

- (i) That the rates for stores purchased locally by officer-in-charge of Remount Depots under their financial powers have been approved by the Director of Remount, Veterinary and Farms:

- (ii) That purchases of miscellaneous stores, etc., above Rs 2000/- for direct purchase and above Rs 10,000/- in consultation with corresponding IFA in value at a time are supported by the sanction of the Director of Remount, Veterinary and Farms.
- (iii) That the rates for stores supplied by contracts which have been sanctioned by the Director of Remount, Veterinary and Farms are verified with the rates shown in the sanctioned tenders;
- (iv) That in the case of animals sold or destroyed, the orders of the Director of Remount, Veterinary and Farms are obtained on the casting rolls;
- (v) That vouchers for stores purchased departmentally as well as through the agency of contractors the cost of which is charged through the cash account are sent to the LAOs concerned for verification with the returns of depots.

Sale of chargers

566. The procedure regarding recovery of value of horses supplied to high officials is laid down in Para 129, Defence Audit Code.

BAKERIES

567. Bakeries prepare monthly account on I.A.F.S. - 1557 and submit them together with all supporting receipt and issue vouchers to the C.D.A's office for audit by the 12th of the month following that to which they relate. Stores Audit Section will audit these accounts and record the necessary details of ingredients, etc., used in the proforma given in Annexure "A" to this chapter. The figures in the proforma will be utilized for working out the recovery rate of bread and for checking the production account at the end of the year.

568. The production accounts are prepared by the bakeries at the end of each year, in accordance with the instructions contained in Paras 2 and 3 of section XIX of S.A.I. and submitted to the Stores Audit Section of the PCDA/CDA's office together with a statement showing the capital cost of machinery in the bakeries. These accounts will be checked by stores audit section from the statistics maintained in the section, vide Para 567. Any additional information required in this connection will be obtained from the bakeries. The annual account of all the bakeries located in the audit area of a PCDA/CDA will be consolidated by him. The consolidated account will, after audit by the A.D.A., D.S. concerned, be submitted to the CGDA so as to reach him not later than the 15th July of the year following that to which the accounts relate.

RATES

General

569. Stock book rates, both for free as well as for payment issues, are ordinarily published by the Branches of the Ministry of Defence (Finance)

vide Para 226 Store Accounting Instructions for the Army(SAI). But for certain articles of A.S.C. supply, i.e., articles purchased locally and those supplied by bakeries Military Farms, etc., the rates are fixed and published by PCsDA/CsDA.

Articles of A.S.C. supply purchased locally

570. (i) Free issues: - Rates are published annually by the PCDA/CDA. The rates are calculated with reference to the running contracts, or if contacts do not exist with reference to the average of the latest purchase rates prevailing in the Area or Command as the case may be. Departmental charges will not be taken into consideration while calculating the free issue rates. The rates once fixed will not ordinarily be changed during the course of the year.

(ii) **Payment issues:-** Recovery rates are worked out annually (for each station) on the basis of the running contract rates as soon as such rates are available and are published annually in Area and Independent Sub-Area Orders. The rates are revised quarterly in cases where there is a change in the running contact rates, revised rates are also notified in Area or Independent Sub-Area Orders and take effect from the first of the month following that in which they are notified.

Note: *In the case of articles which are received from contractors at the supply depot and not direct at the unit's ration stand, the transportation charges from the supply depot to ration stands are also included in the recovery rates on a percentage basis as notified by Command Headquarters in consultation with the PCDA/CDA*

571. The free and payment issue rates of all items procured through A.S.C. including vegetables, fruits, poultry, fish, charcoal, quick lime, etc., will be worked out as in Para 570(i) and (ii). The rates for articles of dairy produce, whenever procured and distributed under A.S.C. arrangements, will also be worked out as above.

In the case of meat fresh, free and payment issue rates will be worked out by the PCDA/CDA and published annually or more frequently in Area Orders as in the case of other locally purchased articles. The payment issue rates will be based on the actual contract rates plus 10 per cent to cover the cost of establishment and other miscellaneous expenses. While fixing the payment issue rate for meat fresh, the financial effect of cutting up allowance of 5 percent will also be taken into account.

572. For bread procured through contract, see Para 576.

573. Rates for payment issue of ice will be calculated as in Para 570 (ii).

Bread produced in A.S.C. bakeries

574. (i) Free issue rates of bread will be worked out at the end of the year, i.e., after the closing of the March (Supplementary) compilation and will be based entirely on the stock book rates of flour and other ingredients and the actual overhead charges for the year under review. To arrive at the

rate, the total charges of all the Bakeries in the Command or Areas, as exhibited on the debit side of the production account of the year under review, will be divided by the total quantity of bread baked in all the bakeries in the Command or Area during the year. The free issue rates thus arrived at for the Command or Area as a whole will be simplified to the nearest naya paise.

As the necessary book adjustment on account of cost of issues to Air Force and Navy is required to be made monthly as the year proceeds and as the costed free issued rate will not be available until the accounts of the year are closed, it is necessary to adopt the latest available rate of a previous year for the purpose of current adjustments. Thus the free issue rate will become available about September of the following financial year and will be utilized for valuing issues to Air Force and Navy and also for pricing loss statement etc., from April of the succeeding year.

(ii) **Recovery rates:** - The recovery rate of bread will be published annually (on or about 15th March) for each station separately. It will be based on the following items of expenditure incurred during 12 months ending with 31st December of the year preceding the one for which rates are intended:-

- (a) Cost of ingredients: "Centrally/Locally purchases" articles at the payment issue rates for the year for which the rates are intended;
- (b) Cost of bakery establishment: Charges on account of clothing allowances, winter clothing, fuel and free rations, where admissible will also be included in calculating the cost of this item;
- (c) Cost of fuel: Centrally/locally purchased" articles at the payment issues rates for the year for which the rates are intended;
- (d) Cost of transport from the bakery to the unit's ration stands arrived at by dividing the total conveyance charges incurred by the bakery by the total quantity of bread transported from the bakery to the different ration stands.

Note:- When bread is conveyed under units' own arrangement through the MT on their charge an element representing the cost of Government transport which will be a flat rate determined by the authorities at Armed Forces Head Quarters from time to time will be included in the recovery rate.

- (e) 2.1 N.P. per lb. of bread to cover overhead charges, namely charges for the Defence Accounts Department internal check, for leave, passage concessions and for proportionate cost of administration at A.H.Q. and all other overhead charges not specified above.

The rate thus calculated will be published in station orders on or about 15th March each year and will remain current from 1st April to 31st March of the following year. Recovery rate of bread in respect of stations at

which bakeries remain open only for a part of the year will be worked out in the manner indicated above from these accounts for the period during which the bakeries remained open during preceding calendar year. The rates thus worked out will be operative only during the period the bakery is open during the following financial year. During the period the bakeries are closed and bread is obtained from a contractor, the latest contract purchase rate will be adopted as the recovery rate.

Bread obtained by local purchase

575. The free and payment issue rates are calculated as in Para. 570 (i) and (ii)

Bread obtained through a contractor

576. When bread is obtained through a contractor by issuing flour and other ingredients from the A.S.C. source (free of cost) in Government transport for the supply of a specified quantity of bread in return on payment of certain baking charges, the free and recovery rates of bread will be calculated on the following items of expenditure:-

Free issue rates:-

- (i) Cost of flour and other ingredients consumed at free issue rates.
- (ii) Baking charges paid to the contractor.
- (iii) Transportation charges incurred for the conveyance of flour and other ingredients from the Supply Depot to the contractor's bakery and again of bread from the bakery to the Supply Depot.

Payment issue rates:-

- (i) Cost of flour and other ingredients consumed at payment issue rates.
- (ii) Baking charges paid to the contractor.
- (iii) Transportation charges incurred for the conveyance of flour and other ingredients from the Supply Depot to the contractor's bakery and again of bread from the bakery to the Supply Depot.
- (iv) Transportation charges from the Supply Depot to consuming unit's ration stands at a flat rate determined by the authorities at Armed Forces Headquarters from time to time.
- (v) 2.1 N.P. per lb. as overhead charges to cover labour, audit and supervision etc.

Rates for fodder

577. (i) Free issue rates:- The audit general supply rates of the various farms will be adopted for the purpose of free issue of fodder and will be operative until the publication of the next year's rates. These rates will be published in Area and Independent Sub-Area Orders, Stations-wise.

(ii) Payment issue rates:- These rates will be worked out annually by the Assistant Director of Remount, Veterinary and Farms in consultation with the PCDA/CDA who will see that they do not differ appreciably from the general supply rates. After approval, the recovery rates will be intimated to Commanders A.S.C. by the Assistant Director of Remount, Veterinary and Farms. Commanders ASC will arrange for these rates to be published in Area Orders with those of local purchase items for information of units. These rates will be operative until the publication of the next year's rates.

578. BLANK

**PRICING OF PAYMENT ISSUE VOUCHERS, LOSS STATEMENTS,
SERVICE TRANSPORT INDENTS, ETC., AND ADJUSTMENT OF COST
THEREOF**

579. The "Pricing party" (i.e., PCDA/ CDA, LAO, or Executive) for pricing of vouchers, loss statements, service transport indents, etc, in various Army units/formations is laid down in Store Accounting Instructions.

Payment issue vouchers

580. Payment issue vouchers which are required to be priced by the PCDA/CDA are received in Stores Audit Section for pricing. The vouchers, after pricing, will be returned by the Section to the unit or formation from whom they were received.

581. The LAOs will in all cases of payment issues made to other than individuals on cash payments for which see Para 582, prepare and forward to the PCsDA/CsDA payment issue schedules (I.A.F. (C.D.A.)-615) in respect of all payment issue voucher (irrespective of the "pricing party") by the 10th of the month following that to which the transactions pertain. The schedules will be prepared separately for each category of payment issue and the category endorsed on each payment issue schedule from the marking of the payment issue voucher. They will be supported by vouchers and by treasury receipts where advance payments are required to be made. In case of payment issue which is adjustable by book debit, the receipted copies of vouchers when received will be forwarded by the issuing formation through the LAO to the PCDA/CDA. The PCDA/CDA will maintain a guard file of payment issue schedules separately for each category to enable him to readily ascertain and take prompt action to clear outstanding payment issues in each category.

Note: *A guard file of payment issue schedules separately for each category shall be maintained for watching adjustment of demand on account of payment issues of stores from ordnances depots, etc.*

582. In the cases of payment issues made to individuals on cash payment by ASC retail shops. AOC officers' shops and other formations where payment issues are carried out on cash basis, the formations will remit cash realization into the local treasury. The treasury receipts so obtained by them will be collected by LAOs and forwarded in one batch monthly to the PCDA/CDA. These treasury receipts will be received in Stores Audit Section

and promptly acknowledged, clearly indicating the numbers, dates and amount of treasury receipts.

583. In the case of stores issued on payment to civil departments, etc., the receipted copies of vouchers received from the issuing formation will be collected in a jacket. In the last week of each month, the auditors concerned will sort out the vouchers by civil departments, etc., and prepare a statement (or have it typed) in triplicate for each department separately and also the necessary transfer entry punching media. One copy of the statement will be retained by Stores Audit Section in support of the transfer entry punching media and the other two forwarded to Account Section. Stores Audit section will mark off the items in the payment issues schedules after the transfer entry punching medium have been duly prepared. Any vouchers received after the preparation of the monthly punching medium will be adjusted in the same manner through separate transfer entry punching media, and adjusted as far as possible, in that month's account.

As an exception to the above procedure, adjustment will be made in weekly batches instead of monthly only in the accounts for February and March.

As the adjustment in the account for March are made in anticipation for the receipted copies of vouchers, the debits by PCsDA/CsDA will be supported by unreceipted copies of vouchers indicating thereon clearly the Departments Or Offices to which supplies were made or services rendered to facilitate accurate allocation. The receipted copies of vouchers when subsequently received will be recorded after necessary verification in the Stores Audit Section.

584. When stores originally issued on payment are returned by non-military departments etc., copies of the vouchers on which the stores are returned will be sent by the local audit staff after pricing to the PCDA/CDA, who will then afford credit for the amount due to the consignee through the Exchange Account. In cases where the pricing party is the PCDA/CDA the copy of the vouchers will be sent to the PCDA/CDA direct.

585. The responsibility to watch recovery of cost of stores supplied to foreign government against their demands sponsored by the Ministry of External Affairs devolves on the CGDA's office. A copy of the statement showing particulars of the issuing depots, number and date of issue vouchers, their cost, etc., will be forwarded by the CGDA's office to the PCDA/CDA concerned, who in turn will furnish relevant extracts therefore to the respective LAOs for linking. Any issue voucher not included in the statement will be immediately reported to the CGDA's office.

Loss statements

586. Loss statements will be sent in triplicate to Stores Audit section for pricing. After pricing, the original and duplicate copies will be returned to the unit or formation concerned. The triplicate copy will be forwarded to the

LAO responsible for the audit of stores accounts of the unit or formation and watching of recovery action.

Service transport indents

587. The cost of service transport provided to M.E.S. formations and Military Farms is required to be assessed in order to take the same in the accounts of works or the Military Farms concerned. For this purpose, the indents in respect of transport provided to M.E.S. formations are priced by the A.Os. In respect of transport provided to Military Farms, the indents are received in triplicate from the Station Transport Officer. They will be priced at the rates notified for the purposes in Army Instructions or Government orders issued from time to time. After completing part V of the indent, one copy will be sent to the military farm concerned. The second copy will be sent to the station transport officer and the third copy retained for record. Acknowledgment for the receipt of the indent will be obtained from the military farm and duly linked with the third copy of the indent on record.

588. Whilst pricing the payment vouchers/loss statements pertaining to ordnance, mechanical transport, medical and clothing stores, if it is found by the PCDA/CDA that a particular item is not traceable in the priced vocabulary he should insist on the depot concerned obtaining the payment issue rate of that item from Army Headquarters. In other cases the rate will be obtained by the PCDA/CDA from the Ministry of Defence (Finance). The rates so obtained from the Army HQrs or Ministry/Defence (Finance) will be recorded in a Register of NIV items which will be utilized for pricing of such items for future periods also.

Note : *To facilitate prompt communication of rates by the Ministry of Defence (Finance) and to reduce delay in imitating recovery action, Store Audit Section should (1) collect information regarding correct nomenclature and catalogue number, etc., which should be written clearly, preferably in block letters, before prices of the stores which are not available in their own offices are called for and (2) In cases where the number of items for which rates are required is 25 or more, a list in duplicate by sections of priced vocabulary will be furnished.*

AUDIT OF SALE ACCOUNTS RELATING TO SURPLUS, OBSOLETE AND WASTE STORES

589. The responsibility for the disposal of items of surplus and obsolete stores not exceeding the sum of Rs. 5000, in value in any single category and of all waste stores, i.e., salvage scraps regardless of value has been vested in the Ministry of Defence. Detailed instruction on the following points is issued by the Ministry of Defence from time to time:-

- (i) Delegation of powers to authorities subordinate to the Ministry of Defence.
- (ii) Fixation of guiding/reserve prices and the finance and accounts authorities whose concurrence is required.

- (iii) Acceptance of bids below the guiding/reserve prices.

590. When such stores are disposed off, units/formations will prepare sale accounts (I.A.F.A.-58) in quadruplicate/quintuplicate (in the case of salvage section/sub-depot) and forward the original, duplicate and triplicate copies duly signed by the competent officers together with the under mentioned documents to the PCDA/CDA's offices for disposal:-

- (i) Treasury receipts; the number and date of the treasury receipts and the names of the treasuries should be noted on the sale accounts.
- (ii) Auction catalogues (I.A.F.O. - 2468), (prepared separately under general heading (a) metal and hardware, (b) textiles and leather, (c) vehicles, (d) Plant and Machinery, (e) other miscellaneous items all approved, and with the 'reserve prices: recorded thereon, by the sanctioning Authority as also the result of the auction). The amounts shown in the auction catalogues (accepted bid) should invariably agree with those shown in the sale accounts.
- (iii) Letters, if any, from the sanctioning authority altering the reserve prices originally noted in the approved auction catalogues.
- (iv) The letter of acceptance from the purchaser in case of stores sold by private treaty by local authorities.
- (v) Comparative statements showing the names of tenderers, the rates tendered and the rates accepted, in the case of stores sold by local authorities by inviting tenders.

On receipt of the sale account (I.A.F.A.-58), the three copies will be paired and the duplicate copies duly checked in all respects sent to the Director General of Disposal. The triplicate copies of the sale accounts will be sent to the LAOs concerned in convenient batches monthly or by decades at the discretion of the officer-in-charge Stores Audit Section, for purposes of linking. The original copies together with the treasury receipts will be retained and the remaining documents (in original) referred to at items (ii) to (v) above returned to the units or formations from which they were received.

Note: *The sale accounts relating to M.E.S. formations will be scrutinized in the 'Engineering' section.*

- (vi) A copy of sale release order duly received by the purchase and endorsed with the relevant gate pass No. and date (the date of gate pass being the date on which the stores have actually been removed from the site) in the case of sale of surplus salvage stores.
- (vii) No. 5 copy of the issue voucher duly received by the purchaser and endorsed with the relevant gate pass No. and date (the date of gate pass being the date on which the stores have actually been removed from the site) along with the sale release order in the case of sale of surplus stores.

591. While checking the sale accounts, it will be seen that:-

- (i) The sale account has been signed by the competent officer;
- (ii) The tendering of the sale account has not been delayed;
- (iii) The number and date of the treasury receipt as also the name of the treasury has been quoted on the sale account;
- (iv) The Authority for sale and the method of disposal of stores have been shown;
- (v) in the case of private treaty sales, the following certificate has been furnished:-
"sold by private treaty after failure to obtain reasonable prices in auction".
- (vi) the name of purchaser has been given;
- (vii) in the case of stores sold by auction, the amount shown in the sale accounts agrees with the bid accepted at the auction sales which is shown in auction catalogue;
- (viii) the accepted bid as shown in the sale account does not fall below the "reserve price" shown in the auction catalogue. It should be seen that the sanction of the competent authority exists where the bid has been accepted below the reserve price.
- (ix) the stores have been removed within the stipulated time as indicated in the sale release order and if not ground rents, where due, has been recovered correctly with reference to the documents referred to in clause (vi) and (vii) of Para 590 above.

592. Any discrepancy or irregularity discovered as a result of exercising the above checks will be referred to the unit or formation rendering the sale account, and any amendments made to the relative sale account as a result of such reference will also be communicated by the PCDA/CDA to the Director General of Disposals.

Note 1: *The documents referred to at items (ii) to (v) under Para 590 will not be prepared and attached to the sale account pertaining to disposal of live-stock and skins by the Military Farms Department.*

Note 2: *In case of Military Farm Stores the treasury receipt will not be submitted to the PCDA/ CDA in support of the sale account (unless the amount is deposited by the purchaser direct but the item number of the cash book where the amount has been credited will be quoted on the sale account. In such a case, the amount shown in the triplicate copy of the sale account will on receipt from the PCDA/CDA be verified by the LAO with the entry in the cash book of the farm concerned.*

593. Credit for the sale proceeds of surplus Defence Stores if auctioned through DGS & D would be passed on by the Pay & Accounts officers (Department of Supply) New Delhi to the Regional/Functional PCDA/CDA according to their audit areas/services. These are included in the schedule of credits by the Pay & AO and are sent through the weekly accounts. On

receipts, the supporting vouchers are adjusted and scheduled to the parties concerned. The transactions relating to auction of Army, Factory, Air Force & Naval Stores in the areas as are obtaining on the Director General of Disposals will be dealt with by the respective Regional/Functional PCsDA/CsDA. They will also be responsible for audit of sale accounts holding of security deposit and payment of auctioneers' commission.

The amount realized by auction of stores for different areas/services as in Para 1 above will be credited by the parties concerned in favour of the PCDA/CDA. of the Regional/ Services as stated above. Such receipts will be finally compiled by them to the appropriate head of Account. After adjustment of treasury receipt relating to sale proceeds, the relevant documents such as sale accounts would be forwarded to the AO/AAOGE MES/Formation LAO's/AOs of the Areas/services concerned for the purpose of linking with the stores accounts of the Depot & Formation as the case may be, and their acknowledgments obtained and entered in the register of sale account. In the case of Engineer stores, the amount realized will be compiled initially to Major Head 069 Minor Head 4 Sub-Head D(A) 1/378/01 and separately intimated to the SO (A)/AAO GE/PARK/ESD concerned along with the sale accounts for further readjustments, if any, in cases works accounts are involved and his acknowledgement obtained.

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595. The responsibility for the audit of auctioneers commission bills devolves on the Regional/Functional PCsDA/CsDA referred to in Para 593 above. While auditing the auctioneer's commission bills, it will be seen that:

- (i) The amount of the proceeds on which the commission bills is based agrees with the sale account, treasury receipts etc. received from the stock holder.
- (ii) The commission is determined on the slab/conditions as per auctioneer agreement.
- (iii) The arithmetical calculations in the bill are correct.
- (iv) In case the sale proceeds are not credited within the stipulated time, interest at one percent is charged from the auctioneer for each month or part of a month during which the payment into the treasury is in arrears.

The charges on account of payment of commission to auctioneers selling agents, except in the case of MES and manufacturing establishments may be compiled to the Head "other misc., charges under - 'Minor Head' other expenditure of the relevant expenditure may be booked to the Head Miscellaneous expenses under Minor Heads concerned and in the case of MES to HEAD II Sub-head B (a) 9(a). On completion of the above checks and booking of the expenditure to the Head concerned, a cheque for the amount due accompanied by a cheque forwarding memo in the form given in Annexure "A" to Para 519 will be issued in favour of the auctioneer/his banker and the acknowledgment watched.

596. With a view to facilitate the verification of payment of the claims submitted by the auctioneers, a register in I.A.F.A. 707 will be maintained in Stores Audit Section. The necessary entries in the various columns of the register will be made simultaneously with the payment of the bills.

**PROCEDURE FOR CREDIT VERIFICATION OF CREDITS OF HIGH
VALUE IMPORTED AND INDIGENOUS STORES**

597. The revised procedure is as under:-

- (i) Due to winding up of the ISM Washington/London, changes (as enumerated in following points) in procedures were made.
- (ii) To facilitate standardization of the number of copies/documents required by various agencies for all the three Services and number of copies required as per payments terms of contract should be mentioned in the Letter of Credit/instrument. The instructions regarding number of copies for invoice, airway bill from the suppliers as laid down in Defence Procurement Manual with revisions issued from time-to-time shall be followed.
- (iii) One set of original documents (invoice, packing list, airway bill, Bill landing, certificate of origin etc) is required to be dispatched directly by SBI to the landing officer. The intimation regarding Bank Release Order (BRO) by the bank will be sent through electronic media/fax through a single contact point in each of the three Service HQrs and full address and contact number of the concerned officer will be intimated to SBI (FED) by the Service HQ.
- (iv) All copies of invoices along with shipping documents as provided for in the contract are required to be routed through the bank. In all contracts concluded after 27.04.2007 the same will be indicated.
- (v) A complete set of documents will be sent by the bank to the office of PCDA, New Delhi and then the latter will pass the relevant information relating to payments electronically through Wide Area Network (WAN) to the consignee PCDA/CDA as per enclosed format at Annexure-G to this chapter. Since the data would be transmitted by PCDA, New Delhi and since the entire consignee PCsDA/CsDA under the control of CGDA have been connected with WAN, physical transmission of invoices etc. by PCDA, New Delhi may be dispensed with.
- (vi) The consignee LAOs will also forward the details of credit verification to their PCDA/CDA in the format enclosed as Annexure-H to this chapter. The necessary instructions and its implementation by all PCDA/CDA shall be the responsibility of CGDA.
- (vii) Inspection of stores received in Depots should be as per a uniform procedure by all the Service HQ in the format as given at

Annexure-I to this chapter. Any discrepancy/short receipt is to be taken up immediately with the supplier by the Service HQrs. Also the signatures of concerned ADG of Army (and equivalent for other Services) shall continue for countersignature of Joint Receipt Inspection (JRI). The time frame for completing JRI i.e. 120 days will be strictly adhered to.

- (viii) The Service HQ will respond in a time-bound manner to the minor discrepancies like clerical errors, incomplete documentation etc. noticed by the SBI (FED), in the LoCs. For the major discrepancies the information will be submitted within a week of its receipt from the SBI.
- (ix) The Service HQ will make full use of the automated system wherever it exists, for transmission of documents such as original copies of invoice, BRO, JRI etc. to the various agencies.

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CUSTOMS DUTY CHARGES

602. Audit and adjustment of bills in respect of custom duty levied on Defence Stores shall be carried out by the regional PCDA/CDA in whose audit area the Port of Embarkation is located with the exception of the bills for stores landed in Kolkata Port, which will be dealt with by the PC of A (Fys) Kolkata. Similar action on bills of custom duty in respect of Naval Armament stores (Explosive) which are cleared by the Naval Armament Supply officer and stores imported for HAL (both for production and overhaul programmes) will be taken by PCDA (Navy) and PCDA (Air Force) respectively.

PCDA/CDA concerned will ensure in audit that:-

- (a) the bills have been countersigned by the Embarkation Commandant and the particulars of the consignees mentioned therein clearly indicate that the stores pertain to Defence Service.
- (b) that the duties levied relate to goods duly authorized for purchase.
- (c) that the debit is a proper charge against a work or other expenditure, unit etc.

The check at (b) above will be exercised through the "purchase order" duly approved by the Competent Authority (a copy of which will be received from the Defence Indentors) and check at (c) above will be exercised from bill of entry which will reflect (i) invoice No. and date and (ii) the name of the ultimate consignee. The particulars of the invoice Nos. date and ultimate consignee of the stores will be forwarded by the PCDA/CDA of the Port to the PCDA/CDA in whose audit area the consignee unit/formation is located

for final verification as to whether the stores are actually intended for Defence Services.

The customs duty charges after audit, by the office referred to above are finally adjusted by the PCsDA/CsDA concerned under the relevant heads of account. In the case of stores imported for factories, Military Farms statement of details indicating the particulars of customs duty charges adjusted will also be furnished to the Accounts Officers/PCA. (Factories)/ Managers Military Farms/ regional PCDA/CDA for inclusion in the trading or other special accounts.

The payment and audit of customs duty claims in respect of articles received by postal parcels in the case of stores which have been paid for by the High Commissioner for India, is done by the PCDA/CDA in whose audit area the consignee is located.

All claims for refund of customs duty paid by book adjustment will be preferred as expeditiously as possible. This will ordinarily be done within six months from the date of clearances of the goods from the customs house (or the date of the order authorizing such clearance) or when this is not possible, within one year of such date.

After the expiry of a year, no claims shall be preferred in cases where the amount involved is less than Rs. 50. Where the amount involved is Rs. 50 or more, a claim accompanied by an explanation as to the reasons for the delay will be submitted to the Collector of Customs of the Port of import with the request that it may be forwarded to the Central Board of Revenue for consideration.

PAYMENT OF SEA FREIGHT AND WHARFAGE BILLS

603. The following procedure will be observed for the settlement of sea freight charges on imported Defence Services stores shipped from abroad by the Government overseas organizations on "freight to pay basis":-

604. The bills are submitted by the steamship companies to the Embarkation Commandants at the Port of discharge, who, after satisfying that the freight charges constitute the liability of the Defence Services Estimates and that the claims are according to prescribed rates as indicated in the bill of lading by the dispatching officer, will make an endorsement to this effect on the bills and forward the same, together with a copy of the relevant bill of lading to the PCDA/CDA concerned for audit and payment. The word "Dispatching Officer" used above means the officers of the Government of India who arrange the shipment of cargo on behalf of the Government. The PCDA/CDA concerned will admit the bills in audit after satisfying that the freight amount is correct, on the basis of rates indicated on the bill of Lading. The bills for wharfage & Port Trust charges should be countersigned by the Embarkation Commandant at the Port of landing or dispatching and will be audited in accordance with the scale of charges laid down in Rule 139, F.R. Part II.

Note: Bills for steamer freight and wharfage and port trust charges are paid by the PCDA/CDA in whose audit area the Port is located. After payment, details of wharfage and Port trust charges paid in respect of stores imported for factories/Military Farms are intimated to Accounts officers/PCA (Factories)/Managers, Military Farms/Regional PCDA/CDA. for inclusion in the trading or other special accounts.

CENTRAL PURCHASE OF STORES IN INDIA

605. Payments for the cost of stores purchased centrally in India for supply to the Defence Service against contracts placed by the Purchase Organization of the Ministry of Works, Housing and Supply and the Ministry of Food and Agriculture are made by the respective Pay and Accounts officers. An account of such payments is sent weekly by the Pay and Accounts Officer to the C.D.A. concerned duly supported by duplicate copies of bills and inspection notes with a forwarding letter in form P.A.O. 9 and a schedule of debts/credits in form P.A.O. 7 (reproduced as Annexure "B" and "C" respectively to this chapter). The account will be received in Stores Audit section and entered in the inward claims register which will be maintained on the form given in volume II of this manual. The account will be checked to see that:-

- (i) it is supported by all the vouchers referred to therein;
- (ii) the total each voucher agrees with that shown in the schedule of debits/credits;
- (iii) no item clearly pertaining to another accounts officer has been wrongly included;
- (iv) the totals are correct;
- (v) the vouchers for the stores purchased in India indicate whether they are indigenous or foreign;

On completion of the above check, a cheque for the amount due accompanied by a forwarding letter in form P.A.O. 11 (reproduced as Annexure "D" to this chapter) will be issued within seven days of the receipt of the account without waiting for the detailed audit of the vouchers. The cheque will always be for the full amount claimed by the Pay and Account Officer except in cases where any mistake in calculation is detected in the course of the preliminary check of totals or where an item clearly pertaining to another accounts officer has been wrongly included in the account. In such cases the cheque will be for the correct amount, the discrepancy account. In such cases the cheque will be for correct amount, the discrepancy being pointed out to Pay and accounts officers simultaneously. If at the time of adjusting the transactions under final heads of accounts the C.D.A finds that an item has been passed on to him erroneously and which he cannot accept, he will re-credit or re-debit it to the Pay and Accounts officer concerned and include it in the next weekly intimation to be sent to the later along with the supporting vouchers.

606. The payments in respect of the M.E.S. will also be adjusted by Stores Audit section as under:-

- (i) Where the head of account is completely indicated in the bills or supporting vouchers attached to the claims, the payments should be debited accordingly.
- (ii) In case where the head of account shown in the bills or supporting vouchers is incomplete or is of a doubtful nature, the payments should be debited to main Head 7 sub - head "F" Stores, subject to readjustment by AAO, M.E.S. formations in the following month.

607. There are mainly three different kinds of payments made to contractors by the pay and Accounts officer, viz:-

- (i) Final 100 percent payments;
- (ii) Advance 95 percent payments and connected balance 5 percent payment.
- (iii) Advance 100% payment.

The procedure for scheduling vouchers for each class of payments is set forth below:-

(a) Vouchers pertaining to M.E.S.:-

The vouchers relating to M.E.S. will be sent to the AO/AAO M.E.S. formation concerned, under intimation to Engineering section, for readjustment if necessary in the following month's account at the latest, after getting the vouchers allocated to the correct head of account expeditiously from the M.E.S. Authorities in the normal manner. Engineering Section will be responsible to ensure that all claims paid by Stores Audit section are adjusted to the proper final head of account.

(b) The vouchers pertaining to units/formations including M.E.S. will be scheduled to the LAOs/RAOs/SLAs/AAOs (MES), as under:-

- (i) **Final, 100 percent payments:-** In this case the 5th copy of the inspection note duly receipted by the consignee accompanies the contractor's bill (form W.S.B.-116) and is sent to the C.D.A. in support of the weekly account. The receipted inspection note will be scheduled to the consignee's L.A.O. In the case of M.E.S. however, both the documents viz. CP Vouchers for final 100% payments as well as the receipted Inspection Note by scheduled to the AAO M.E.S.
- (ii) **Advance 95 percent payment and connected balance 5 percent payments:** - A register on the proforma given in volume II of this manual will be maintained to link the advance 95 percent payments the connect balance 5 percent payments.

Advance 95 percent payments are made on contractor's bill (form W.S.B.-116) duly complete. The inspection note duly receipted by the consignee is not sent in support of the account for advance 95 percent payment and is sent only at the time of claiming the balance 5

percent. Payment the Contractor's bill received in support of the account for advance 95 percent payment will be scheduled to the LAOs/RAOs/SLAs/AAO MES of the consignee for linking after entering the same in the advance 95 percent payment registers. When the bills for the balance 5% payment supported by receipted copy (No. 5) of the inspection Note are received the same will be scheduled to LAO/RAOs/SLA/AAO MES.

LAOs/RAOs/SLAs/AAO MES, will maintain a register in the Annexure 'G'. On receipt of the 95% advance payment bills, the same will be entered in this register. Likewise when the corresponding 5% balance payment Bills together with Inspection Notes are received from the CDA, these will also be entered in this register against the entry relating to the advance payment. Where necessary, follow up action to call for the wanting documents will be taken by LAO. Where after matching, it is seen that the 95% voucher was not already linked with the Credit in the Ledger of the Depots/Units, the same will be linked with the help of receipt details contained in the Inspection Note. Any case of double payment coming to notice at the time of entering / linking of 5% balance payment Bill against with the corresponding advance payment entry would immediately be referred to the CDA for taking up the matter with the Pay & AO concerned.

In the case of MES, however, the CP Voucher relating to 5% and 2% payments along with the relevant receipted copies of inspection Notes and other supplementary CP vouchers will be scheduled to the AAO MES.

Where the bill for the balance 5 percent is not supported by the consignee's receipted copy (No. 5) of the inspection note the bill will be stamped by the Pay & accounts Officer to the effect that the payment has been made without the consignees' receipt. In the case of 5% balance payment, such payments will be made by the P & AO after three months from the date of 95% advance payment even without consignee's receipt certificate, subject to the contractor agreeing to make good any defect or deficiency that the consignee may report within six months from the date of dispatch of the stores to him. When the bill are so stamped, it will be the duty of the CDA to watch the receipt of the acknowledgment of stores from the consignee as well as to watch recoveries in cases where discrepancies or deficiencies are recorded by the consignee in his receipt certificate. For this purpose, outstanding items for which consignee's receipt certificate is not forthcoming within a fortnight of its being called for, should be extracted to each LAOs/RAOs/SLAs/AAO MES separately in the form given in Annexure 'E' to this chapter and forwarded to him in duplicate. The LAOs/RAOs/SLAs/AAO MES will act quickly on the communication to obtain acknowledgment of the depot concerned in column 9,10 & 11 of the form and return one copy thereof the CDA for record within 15 days of its receipt after verifying credit in the stores ledgers. The LAOs/RAOs/SLAs/AAO MES will get the discrepancies if any regarding stores short received or rejected noted in the remarks

column of the proforma by the Depot authorities. Particulars of the intimation sent to the Pay & AO regarding these deficiencies/discrepancies should also be got noted on the proforma. They will be taken up with the Pay & AO concerned by the CDA for affecting necessary recoveries from the contractors.

The CDA will also check the particulars of the railway receipt number and date and the station of dispatch of stores as recorded in the receipt certificates with those furnished in the duplicate copy of the bill of the contractor for the balance of 5% payment received from the Pay Accounts officer and bring any discrepancy to the notice of that officer for further action.

- (iii) **100 percent advance payment:** In respect of 100 percent advance payments made to contractors, the C.D.A. will be responsible for collection of the receipted copies of inspection notes (copy No. 5) from the consignees. The consignee's receipts as soon as received will be carefully examined and shortages and discrepancies in the quantities of stores as proposed by the consignees intimated to the pay and accounts Officer concerned for taking steps to effect recoveries from the contractor. Thereafter the receipts will be linked with the duplicate copies of 100 percent advance payment bills received in support of the weekly account. After the above action has been taken the consignees' receipts will be scheduled to the L.A.O. concerned in the normal manner. A special register called the "Acknowledgement Register" will be maintained in the Stores Audit section in the proforma given in volume II of this manual to watch the consignees' receipts. Full particulars of the bill will be entered in the register at the time of passing the weekly account and a certificate to this effect recorded in the body of the duplicate copy of the bill. The bills will be kept in separate jackets according to L.A.Os. The entries in the register will be attested by the AAO/SO (A) consignees' receipts, when be closed weekly and reminders issued for items for which receipts have not been received for over a month. Items for which consignees receipt have not been received within three months of the payment of the bill will be extracted for each L.A.O. separately in the form given in Annexure "E" to this chapter and forwarded to him in duplicate. The LAO will obtain acknowledgement of the depot concerned in columns 9, 10 and 11 of the form and return one copy thereof the C.D.A. for record. The second copy will be retained by the L.A.O. for necessary action.

A register as per proforma given in volume II of this manual will be maintained in the Stores Audit Section for scheduling the vouchers received from the pay and Accounts officers to the L.A.Os of the consignee units/formations for verification of credit of stores and their acknowledgments obtained and noted in the register.

Claims (other than central purchase of stores)

608. The claims (other than those relating to central purchase of stores) received from pay and accounts officers with whom transactions are required to be settled on cash basis will also be received in Stores Audit section and settled in the manner laid down in Para 605. Thereafter the paid vouchers will be scheduled to the section concerned.

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ADJUSTMENT OF TREASURY RECEIPTS

610. Besides the treasury receipts mentioned in Paras 582 and 583, treasury receipts in respect of the following transactions are also received in the Stores Audit Section. The treasury receipts will be adjusted in the manner laid down in the chapter on the Accounts Section.

- (i) Hospital stoppages rolls in respect of non-entitled Personnel admitted into hospitals.
- (ii) Recoveries made on account of losses of stores.
- (iii) Recoveries made on account of hire of Government transport for amenity purposes.
- (iv) Recoveries of hire charges for issue of Ordnance stores on hire.

Note: *In the case of recoveries on account of hire charges for issues of ordnances stores on hires, it should be ensured that proper machinery exist for watching the receipt and adjustment of treasury receipts where recoveries are made on cash basis and of the receipted copies of issue vouchers where book adjustments are made. In either case, it should be ensured that there is no delay in realizing the dues to Government.*

ADJUSTMENT OF CHARGES ON ACCOUNT OF MEDICAL TREATMENT BETWEEN THE DEFENCE SERVICES AND STATE GOVERNMENTS (OTHER THAN TAMIL ANDU)

611. In the case of a State employee admitted into a military hospital an advance intimation of the admission and discharge of the individual concerned (as and when it takes place) will be sent by the O.C. the military hospital to the Account Officer paying the State employee under treatment, through the PCDA/CDA of the area in which the hospital is located. Such advance intimations from the Military Hospital will be received in Stores Audit Section and acknowledged after keeping a suitable record of the case in the demand register. They will then be sent to the Accounts Officers concerned for information and such action as they may consider necessary for recovery from the individuals concerned of the amount payable by them (Government servant) under their rules.

612. Os.C hospitals will as usual render hospital stoppage rolls on a month to month basis to the PCDA/CDA concerned quoting the number and date of the advance intimation already sent and endorsing prominently thereon the name of the State Government to which the employee belongs. These hospital stoppage rolls will be acknowledged to the hospital concerned in the usual manner. The transactions will be linked with the relevant entry made in the demand register (vide Para. 611) and arrangements made at the end of each month for raising debit against the Civil Accounts Officers concerned (supported by those hospital stoppage rolls) on account of the cost of treatment at the rates given in Government of India, Ministry of Defence letter No. 3056/DGAFMS/DG3(a)/5123/DIS&MED, dated 27-11-51. The entry in the demand register will be cleared by noting against the item the number and the month's account in which the debit has been raised.

613. In the case of service personnel (including commissioned officer) treated at civil hospitals, advance intimations of the admission and discharge will be received by the C.D.A. paying them and debits on the account will also be raised against him by the Civil Accounts Officers concerned. That PCDA/CDA will be responsible for the adjustment of such debits against the Defence Services Estimates and for the recovery of hospital stoppages under the normal rules from the individuals concerned. For this purpose, it will be necessary to keep a suitable record of such intimation through which the recovery of hospital stoppages (where due) can be watched and debits received from the Civil Departments accepted after check and linking.

614. The state of Tamil Nadu remains outside the scope of the above arrangement except for Personnel of the National Cadet Corps and personnel of the Defence Services serving with NCC units.

RECOVERY OF EXTRA EXPENDITURE INCURRED BY THE DEFENCE SERVICES IN CONNECTION WITH AID TO CIVIL POWERS

615 (a) When troops are called out in aid of civil powers during occasions like famine, earth quake, floods, strikes etc., statistics of extra expenditure and loss of revenue will be maintained by Store Audit Section. When a demand for aid is received by the Defence Authorities, HQrs of Commands will allot a nickname to the aid and furnish the same to the PCDA/CDA concerned together with completed details of the nature of the aid.

(b) With reference to the detailed procedure laid down in the 'Note on expenditure incurred when troops are called out in aid of Civil Powers, 1962', information/documents are made available to the PCsDA/CsDA to assess independently the expenditure incurred in connection with a particular aid which is recoverable from the civil authorities concerned.

(c) Recovery of expenditure incurred by the Defence Services in connection with a particular aid to Civil Power will be affected centrally by the Regional PCDA/CDA in whose audit area the aid is rendered regardless

of the fact that the expenditure in respect of the aid might have been incurred by other PCsDA/CsDA.

(d) To facilitate PCsDA/CsDA in effecting recovery extra expenditure in connection with the aid for which he is responsible, the transaction appearing in the books of other PCsDA/CsDA in connection with the aid should be intimated by them to the concerned PCsDA/CsDA quarterly in the proforma in Annexure 'F'.

(e) The PCsDA/CsDA concerned will consolidate all the transactions relating to particular aid which is rendered in their area and raise debits against the Account Officers or recover cash when the recipients of the aid are local bodies etc.

(f) They will furnish to the CGDA, New Delhi a quarterly statement in the proforma in Annexure 'F' indicating the month's accounts through which the recoveries have been affected from the parties concerned. The statement should be submitted to reach the CGDA. by the 10th of the second month following the quarter to which it relates. Nil reports are also required to be rendered.

616. BLANK.

ADJUSTMENT OF CLAIMS FOR LOSS OF STORES IN TRANSIT

617. When a claim on the railway authorities for loss of stores in transit has been accepted, a copy of the acceptance letter from them indicating the total cost accepted is received from the consignee in the PCDA/CDA's office. Debit for the amount will be raised against the railway Accounts Officer concerned through the CGA, New Delhi duly supported by a copy of the acceptance letter and credit taken to the relevant store head of account.

618. In respect of imported stores, except Naval armament stores (explosives), a copy of the claim on account of stores short landed/damaged will be received from the Embarkation Commandant by the PCDA/CDA in whose area the Port is located for watching the progress of the claim. The amounts recovered from the shipping companies will be credited into the treasury on Military Receivable Orders. The treasury receipts will be received by the PCDA/CDA and adjusted by him finally in his books to the appropriate receipt head. As regards Naval armament stores (explosives), a copy of the claim will be received by the PCDA (Navy) who will be responsible for watching the progress thereof. The treasury receipts for the amounts recovered will also be adjusted by him.

FINANCIAL REVIEW OF THE WORKING OF MANUFACTURING ESTABLISHMENTS

619. In order to enable the Financial Adviser, Defence Services to submit to the Government of India, his annual financial review of the working of the various Army manufacturing concerns, the LAOs concerned will, as soon as the annual accounts of the concerns are ready, compile a critical review and

forward the same to the PCDA/CDA so as to reach him before 1st October each year. The PCDA/CDA will send his report to the D.F.A. concerned so as to reach him on or before 26th October endorsing a copy to the CGDA.

The report should be so framed, as to give an intelligent account of the working of the concerns during the year and should, inter-alia, deal with the following points:-

- (a) Loss or profit on the year's working, reasons being given.
- (b) Variation in holding as depicted by the opening and closing balances, definite reasons being assigned for the increase, or decrease.
- (c) Fluctuations in prices of commodities which have affected the year's working.
- (d) Effect of indirect charges on the working of the concerns, any difference being adequately explained.
- (e) Losses written off by Competent Financial Authorities.
- (f) Increase or decrease in out-turns as compared with the previous year with reasons.
- (g) Variations in the value of obsolete and surplus stores disposed off during the year as compared with the previous year.
- (h) Any other point of interest.

620. As a safe guard against fraudulent payments Banks and Treasuries may be requested by General Circular addressed to them, to exercise adequate care and caution whenever Defence Cheques are drawn in favour of Banks and the proceeds thereof are creditable to the personal account of an individual.

(New Para 620 inserted vide CS 246/98)

ANNEXURE 'A'

(Referred to in Para 567)

Proforma showing statistics required for working out free issue/recovery rate of bread

Month's Account	Floor		Atta		Fire wood		Charcoal		Steam coal		Salt		Malt		Hops		Oil cooking		sugar		bread produced	Sample leaves	Losses written off	AAO/SO (A)'s initials	
	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.	Qty	Amt.							
April																									
May																									
June																									
July																									
Aug																									
Sept																									
Oct																									
Nov																									
Dec																									
Total																									
Jan																									
Feb																									
Mar																									
Total																									

ANNEXURE 'B'

(Referred to in Para 605)

Form P.A.O.-9

No.....
Office of the
Dated the

To,
The _____

Two schedules (Form P.A.O.-7) of receipts and disbursements which arose in the accounts of this office during the week ending
20.....and are adjustable in your books are sent herewith along with a cheque/Govt. Draft No. dated with the request that a cheque/Govt. Draft of Rs. or Rs. Rupees.....as per details below:-
as per details below drawn in favour of the may be sent to the undersigned by name within seven days of the receipt of this claim.

Please return the lower half of this letter duly signed, immediately in token of acknowledgment.

	Rs.	P.
Receipts		
Payments		

Receipts
Net -----
Payments

(Signature)
(Designation)

Details of enclosures	
No.	
Scheduled in form P.A.O.-7	-----

Supporting vouchers	-----

Govt. Draft/Cheques	-----

(Lower Half)

Office of the.....

.....

Receipt is hereby acknowledged of the account received with his letter No..... dated..... along with the cheque/Govt. Draft No..... dated for Rs. and steps are being taken to send a cheque/Govt. Draft in settlement of the account.

(Signature)
(Designation)

To,

The

Issue No dated the

ANNEXURE 'C'

(Referred to in Para. 605)

Form P.A.O. - 7

debits
 Schedule of ----- adjustable by
 credits
 Transaction from 1-8 20.....
 9-16 20.....
 17-24 20.....
 28
 25-----/30/31.....20.....
 29

No. of accompanying vouchers or schedules	Particulars	Amount		Remarks
1	2	3		4
		Rs.	P.	
		Total		

Office of the
 The.....20

(Signature)
(Designation)

ANNEXURE 'D'

(Referred to in Para 605)

Form P.A.O.-11

No.....
Office of the
Dated the

To,

.....
.....

As requested in your letter No.....dated..... a cheque/Govt. Draft No..... dated.....for Rs.....(Rupees.....) is sent herewith in settlement of your account for the week ending19..... as per details below.

Please return the lower half of this letter duly signed, immediately in token of acknowledgement.

Rs. P.

Receipts.

Payment

Receipts

Net-----

Payments

Details of enclosures

Govt. Draft/Cheque.....

(Signature)
(Designation)

Office of the
.....

Receipt is hereby acknowledged of his letter No.....dated.....along with the cheque/Govt. Draft No.....dated.....for Rs.....(Rupees.....)

(Signature)
(Designation)

To

The
.....

Issue No. Dated the

ANNEXURE 'E'

(Referred to in Para, 607)

(Statement of outstanding consignees receipts)

Depot

Name of consignee-----

base

S. No.	Month of payment	Account no. and date	Particulars of stores	Quantity	No. and date of bill	No. and date of inspection note	No. and date of Railway receipt	Acknowledgement of depot			
								9			
1	2	3	4	5	6	7	8	Date of receipt	Reference to page No. of ledger	Initials officer-in-charge	Remarks

Forwarded in triplicate to -----

ANNEXURE 'F'

(Referred to in Para 615)

Statement showing the extra expenditure incurred in connection with aid to civil powers during the quarter ending

.....

(Note: Separate Proforma to be used in respect of each Aid)

1. Nick name
2. Place where aid rendered
3. Period of aid
4. Nature of the aid
5. Authority requisitioning the aid
6. No. & date of order requisition the aid

Sl. No.	Main head under which charges are complied	Expenditure for the Qr. Cash Store		Total to the end of previous Qrs. Cash Store		Total from 1st April to the end of Qr. Cash Stores		Remarks
1	2	3	4	5	6	7	8	9
1	Pay and other charges of extra establishment							
2	Extra allce. to Permanent establishment.							
3	Compensation for losses etc.							
4	Conservancy charges							
5	Travelling and detention allowance.							
6	Pay and Allowance of auxiliary force personnel							
7	Other charges on a/c of employment of auxiliary force							
8	Miscellaneous expenses							
9	MES expenditure (by the sub minor and detailed head affected).							
10	A.S.C. Stores (a) Ration and forage and other allce. in lieu of field services scale of ration. (b) P.O.L. (c) Stores other than (a) and (b) above.							
11	Ordnance Stores							

	(a) Ammunition (b) Clothing (c) Field engineer Stores of AOD supply (d) other stores (e) M T Stores				
12	Medical & other stores				
13	Cost of animals				
14	Cost of services rendered by Govt. Animal Tpt.				
15	Cost of service rendered by Govt. M.T.				
16	Hired Tpt. charges				
17	Rail and sea moves				
18	Gratuities Total				

Certified that the expenditure has been audited with reference to rules and orders on the subject (and that the services for which debit has been raised, have actually have been rendered)*

****Note:** The additional certificate in bracket based on the certificate obtained from Admin. Authorities should be given by the PCsDA/ CsDA while rendering report to the Controller General of Defence Accounts.*

Accounts Officer

ANNEXURE 'G'

(Referred to in Para 597)

Credit Verification of High Value Imported and Indigenous Stores

MIS for PCsDA/ CsDA

S. No.	Contract No. & SA/AA date	LoC No.	Supplier	Invoice No. & Date	Amount of Invoice
1.	2.	3.	4.	5.	6.

Bill of Landing/AWB No. & Date	Landing Officer/ Intermediate Consignee	Consignee PCDA/ CDA Code	Service HQrs letter no. & date dicerting consignment	Remarks
7.	8.	9.	10.	11.

ANNEXURE 'H'

(Referred to in Para 597)

Credit Verification of High Value Imported and Indigenous Stores

MIS for LAOs

S. No.	Contract No. & SA/AA date	LoC No.	Invoice No. & Date	Amount of Invoice	CRV No. & Date	Amount
1.	2.	3.	4.	5.	6.	7.

DR Raised Claim				Loss Statement		Remarks
Qty Claimed		Quality Claimed		Letter No. & date	Amount	
Letter No. & date	Amount	Letter No. & date	Amount			Letter No. & date
8.	9.	10.	11.	12.	13.	14.

ANNEXURE 'I'

(Referred to in Para 597)

Credit Verification of High Value Imported and Indigenous Stores

Format for Quarterly Report on Discrepant Items

Contract No. & SA/AA date	Name of the Firm	Invoice No. & Date	Item	Quantity	Value	Number of discrepant items
1.	2.	3.	4.	5.	6.	7.

Quantity/ Quality Claim	Value	Date of Quantity/ Quality Claim	Consignee
8.	9.	10.	11.

CHAPTER IX – TRANSPORTATION SECTION

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OBJECTIVES

621. The objective of Transportation Section is to make prompt payment of entitled Travelling Allowances to Defence Personnel / Civilians paid out of Defence Service Estimates.

DUTIES

621A. The duties of the Transportation Section are:-

- (i) to pay advances of travelling allowance admissible under rules and to watch their adjustment or to communicate them to the audit officer concerned for adjustment;
- (ii) to deal with the claims for travelling allowance (including conveyance allowance) and those for the transportation of personal effects of Services personnel of the Army, Navy and Air Force and civilians paid from the Defence Services Estimates;
- (iii) To deal with claims for transportation charges debitable to the annual training grant;
- (iv) to deal with claims for daily allowance of Service officers undergoing courses of instructions;
- (v) to audit road and river warrants and to deal with claims for road and river journeys when warrants are not issued;
- (vi) to audit and pay sea passage claims of shipping companies;
- (vii) to audit and pay passage allowance claims under, Travel Regulations ammended from time to time;
- (viii) to deal with air passage and air freight claims;
- (ix) to audit expenditure relating to concessions admissible to Defence Services officers for railway journeys while travelling on leave at their own expenses;
- (x) to deal with training camp allowance claims of Territorial Army and NCC Officers;
- (xi) to audit travel concession claims of civilian Government servants availed of during regular leave;
- (xii) to audit T.A. claims of civilian Government servants on retirement.

Note: The term 'travelling allowances' as used in this chapter includes mileage and daily allowances.

621B. All bills irrespective of their nature will be received only in the Record Section of the PCsDA/CsDA's Office and will be sent to the respective section after being duly diarised. Under no circumstances should any bill be received by any Section directly.
(Added vide CS 238/98)

**VERIFICATION OF SPECIMEN SIGNATURES IN CASE OF SANCTION
FOR EXPENDITURE ISSUED BY MINISTRY OF DEFENCE INCLUDING
DDPS AND DRDO**

621C. In respect of each Jt. Secretary wing of the Min. of Defence including Deptt. Of Defence Production and Supplies and DRDO a Nodal Officer will be nominated by the concerned Jt. Secretary who will send Specimen Signatures of all officers of the wing i.e. Desk Offices, under Secretaries, Dy. Secretaries, Directors and Jt. Secretary of that wing who are authorized to Signature the Govt. sanctions involving Defence expenditure, to the Pr. CDA New Delhi and other Controllers of Defence Accounts concerned who are required to audit and pass the claims with reference to the said sanctions. In the case of any subsequent change in any of the incumbents in the wing, immediate amendments to the list of specimen signatures shall also be sent to Pr. CDA New Delhi & other controllers concerned by the Officer.

(ii) A Monthly list of all Govt. sanctions issued by each Jt. Secretary wing under the Ministry of Defence including Deptt. Of Defence Production and Supplies & DRDO authorizing incurring of expenditure, shall be sent by the Nodal Officer of each wing to Pr. CDA New Delhi and other controller concerned so that any other sanctioned stated to have been issued by Ministry of Defence are precluded from accepting in audit & making payments.

(iii) Before acting upon sanctions for expenditure issued by Ministry of Defence including DDPS & DRDO and passing the claims with reference to said sanctions an Audit Officer must satisfy himself that:-

- (a) Signature it bears have been verified with reference to specimen signatures forwarded to him by the Nodal Officer nominated by the Jt. Secretary of the concerned wing of Min. of Defence.
- (b) Sanction so acted upon is included in the Monthly list of Govt. sanctions received from Nodal Officers.

(iv) Any claim or bill for which sanction for expenditure is signed by a person other than so authorized signatory and/or not included in the Monthly list of Govt. sanctions issued, received from the Nominated Nodal Officer and vice-versa, should be proceeded from accepting in Audit and immediately be brought to the notice of the Higher authorities.

622. Transportation (including conveyance allowance) claims in respect of the following classes of personnel are, however, dealt within the audit office noted against each :-

Category of Personnel	Name of the audit office
(i) Officers of the Army (including Territorial Army) and Civilian gazetted officers serving with units and formations located in Operational Areas.	PCDA (Officers), Pune
(ii) JCO's, Other Rank and Non-Combatants (Enrolled) of the Army (including Territorial Army),	PAO of the Corps or Regiment to which the

Category of Personnel	Name of the audit office
and Civilians serving with units and formations located in Operational Areas.	individual, belong.
(iii) Officers, other ranks and Civilians of the Navy.	PCDA (Navy), Mumbai
(iv) Officers, other ranks and Civilians of the Air Force.	PCDA (Air Force), Deharadun
(v) Civilian personnel employed in Ordnance and Clothing Factories and the Directorate General Ordnance Factories.	PC of A (Factories) Kolkata
(vi) Non-official members appointed to Committees, Commissions, and Boards of enquiry set up under the orders of the Government.	Area Accounts Office (Pay), Western Command, Delhi Cantt.

Note 1: *Claims relating to road mileage allowance of JCO's and Other Ranks and rail fare to recruits under Rule 193 (b) Travel Regulations are dealt with by the PAO concerned*

Note 2: *Claims relating to railway warrants, credit notes and concession vouchers in respect of Defence Service personnel (JCOs/ORs) are dealt with by the PCDA/CDA concerned PAO (ORs) of the Corps/ Regiment to which they belong.*

Note 3: *Claims relating to air passage of Army personnel and air freight on stores Ex-India are dealt with by PCDA, New Delhi. Similar claims in respect of Air Force and Navy are dealt with by PCDA, Air Force and Navy respectively.*

Note 4: *Claims for daily allowance of officers undergoing courses of instruction at authorized schools of instructions are dealt with by the Regional PCsDA/CsDA.*

ADVANCES OF TRAVELLING ALLOWNACE

623. The general principles relating to the grant of advances to Government servants governed for purposes of T.A. by the Supplementary Rules are contained in Rule 82 to 85 of Compendium of Advances, 2005; so far as officers and others to whom Travel Regulations apply are concerned, the relevant orders are contained in Rule 17 thereof.

624. Officers and others who are eligible to draw travelling allowance may be granted an advance of such allowance, to the extent admissible under rules, when proceeding on temporary duty to an out-station or when permanently transferred to another station. Administrative officers and others who proceed on tours of inspection regularly may draw an advance sufficient to cover their tour expenses, from the PCDA/CDA concerned which may not only include rail fares but also road mileage and daily allowance calculated with reference to such information as is available at the time.

In case of T.A. admissible on retirement, an advance of T.A. may be sanctioned by the authority competent to sanction such advances in cases of journeys performed during leave preparatory to retirement or during refused leave but not in cases of journeys performed after the date of retirement.

625. Advances of T.A. will ordinarily be drawn on I.A.F.A.-194 or on a simple receipt, stamped where necessary, for the amount of the advance. A copy of the order or other authority sanctioning the move should be furnished along with the application. The amount of the advance should be limited to the amount of travelling allowance admissible under the rules for the journey in question. Advances of travelling allowances (not amounting to less than Rs. 50) will ordinarily be drawn from a PCDA/CDA/PAOs concerned. In an emergency and in exceptional circumstances when time does not permit of money being so obtained, an advance of the amount admissible provided it exceeds Rs. 50 may be drawn from field imprest in respect of Service officers. Emergency Cash Requisitions (I.A.F.A.-205) will not be used for the purpose.

Note 1: *In case of Air Force personnel advances of TA admissible under rules are paid by the AAO or Imprest Holders and the relevant vouchers forwarded to PCDA (AF), Dehradun along with the public fund account, which on receipt are subjected to a general scrutiny. They also deal with T.A. claims which are simple and straight forward. Doubtful claims are paid by them only after pre-audit by PCDA (Air Force) Dehradun. The paid bills after noting the particulars of cash account relating to the recoveries and adjustment of advances drawn are forwarded to PCDA (Air Force), Dehradun along with the public fund accounts for post audit and record.*

Note 2: *In the case of personnel of the Navy, advances of T.A. to the extent admissible under rules may be paid by Base supply officer/ Commanding Officer ships or shore establishments, who are required to notify such payments to the PCDA (Navy), Mumbai and obtain his acknowledgement.*

626. When paying an advance of travelling allowances, care should be taken to see that the advance paid is not likely to exceed the amount admissible under rules. Any instance of overdrawal owing to incorrect information having been given by an individual at the time of applying for the advance or any case of overdrawal from a field imprest holder or drawal of an advance of Rs. 50 or less from a field imprest holder etc., should be brought to the notice of the PCDA/CDA concerned. In such cases, the PCDA/CDA will consider the advisability of addressing the immediate superior official of the individual concerned, or of addressing Area Commander, or Command Headquarters in the case of Air Force personnel, on the subject.

627. In case of Civilians, the normal rule of obtaining the advance from the PCDA/CDA concerned should be followed. In exceptional cases, where time does not permit of an advance being obtained from the PCDA/CDA concerned, the Station Commander may pay the advance to the extent admissible out of his imprest.

627A. Advance for L.T.C to Defence Civilians will be dealt with in Transportation Section and the following general points will be observed:-

- (a) The requisition for advance has been signed by the claimant and countersigned by the Controlling Officer;
- (b) The details of family members indicating sex, relation, date of birth *etc.*, are submitted duly countersigned by the Controlling Officer;
- (c) The basic pay has been indicated;
- (d) The place of visit has been specified;
- (e) In the case of LTC for self, the period of leave has been specified;
- (f) The advance is restricted to 90% of the approximate entitlement;

627B. Adjustment of advance of LTC will be watched and cleared in the same manner as for advance of Temporary duty. Rules 14 & 15 of LTC Rules provide that the claim for reimbursement of the expenditure incurred is to be submitted within three months after the completion of return journey if no advance had been drawn and within one month of the completion of the return journey if advance had been drawn. Subsequently, powers have been delegated to the Ministry Of Defence to relax these provisions where a Government Servant is not in a position to submit the claim within the prescribed time limit and the Ministry is satisfied that the individual was not able to do so due to compelling circumstances beyond one's control.

MOD with the concurrence of Financial Advisor can admit the claims in such cases in relaxation of the provisions subject to the following time limits:

- (a) Where no LTC Advance is taken, LTC Bill submitted within a period not exceeding six months;
- (b) Where LTC Advance has been drawn the LTC Claim for reimbursement submitted within a period of three months after the completion of return journey (provided the Government servant refunds the entire advance within 45 days after the completion of return journey)

ADJUSTMENT OF ADVANCES

628. All advances of travelling allowances will be entered, at the time of payment, in the Demand Cum Audit Register for Travelling Charges maintained in Transportation Section. Advances of travelling allowance drawn from field imprest holders will also be entered in the demand register immediately on receipt of the intimations along with the stamped receipts. All advances of travelling allowance, which are communicated by any other audit officer through last pay certificates or I.A.F.A.-524 will also be entered in the demand register. To ensure this being done, all last pay certificates

received in the office from other audit offices, in which advances of travelling allowance are recorded, will invariably be sent to Transportation Section for noting these advances in their demand register. The last pay certificates will be returned to the section(s) concerned after note.

629. Advances of travelling allowance will be adjusted by the submission of bills on completion of the journey or tour; such bills will invariably be called for if not received within a reasonable time. If a bill in adjustment of an advance is not received within a fortnight (excluding the time taken in transit each way), after being called for, a reminder will be sent to the individual concerned who will be informed that should the bill not be received before the submission of her/ his pay bill for the second month following that in which the journey or tour was completed, the full amount of the advance will be summarily retrenched therein. In case of Army officers for whom IRLAs are maintained the full amount of the advance will be intimated to the Ledger Section for summary debit in the accounts of the officer for the second month, and acknowledgement obtained. However, in the case of Air Force personnel, if the bill is not received by the PCDA/CDA (Air Force) with the cash accounts, by the fourth month following that in which the advance was paid, the same will be intimated by PCDA/CDA to the AFCAO for effecting recovery through the IRLA of the individual concerned.

630. Advances of travelling allowances to individuals transferred to the payment of another audit officer will be communicated to him for adjustment through their last pay certificates. Advances to those who are already in the payment of another audit officer will be communicated for adjustment on I.A.F.A.-524. If an individual who has drawn an advance of travelling allowance on transfer to a station in the audit area of another PCDA/CDA is again transferred to another station outside the latter's audit area, the demand on account of the advance drawn in respect of the first journey should not be passed on to the PCDA/CDA or the accounts officer to whose audit area the individual is subsequently transferred, until the travelling allowance claim in respect of the first journey is finally adjusted.

631. The entry in the demand register will be deleted by noting the number and date of the last pay certificate on which the demand is intimated to the new audit officer, under the dated initial of the AAO/SO (A). However, in cases, where demands have been intimated through I.A.F.A.-524, the entry in the demand register will not be deleted until an acknowledgement has been received from the audit officer concerned. The number and date of the acknowledgement will be noted in the demand register under the dated initials of the AAO/SO (A).

632. Bills received in adjustment of advances of travelling allowance will be audited with reference to the orders in force at the time the journey was performed. If the amount of the travelling allowance due to an individual exceeds the amount of advance drawn, the balance between the amount claimed and that of the advance drawn will be paid to the individual. If the amount of travelling allowance due exceeds the amount claimed, the individual concerned should ordinarily be asked to submit a supplementary

claim for the difference. Where, however, the difference involved is inconsiderable or is due to arithmetical errors, the amount in excess of that claimed may be paid and necessary alterations made in the bill. In such cases, the officer in charge of the section will use his discretion as to whether the payment may be made without the production of a supplementary claim.

When the amount of travelling allowance due is less than the advance taken, the individual concerned will be informed that the claim has been taken in part adjustment of the advance and he will be asked to credit the balance due from him in his next travelling allowance claim or pay bill whichever is submitted earlier. In the latter case the section drawing the pay and allowances of the individual concerned will be informed of the amount due from him and an acknowledgement obtained. In case of Army / Navy officers, the amount due from such officers will be communicated to the Ledger Section of the PCDA.(O), Pune / Supply officer-in-charge, I.N. Pay Office, Mumbai, for debit in the IRLA's and acknowledgements obtained. As regards, Air Force officers the amounts involved will be intimated to the unit concerned for recovery in cash from them.

633. In all cases in which retrenchments are made from travelling allowances claims, or in which bills are passed for more than the amount claimed, full details explaining how the difference has been arrived at, will be furnished to the claimant on I.A.F.A.-471. This applies equally to cases in which no advance of travelling allowance has been drawn.

When claims are required to be returned un-passed for any reason, full particulars of the objection will be communicated on I.A.F.A.-576.

SCOPE OF AUDIT

Bills

634. All bills for travelling and daily allowances are pre-audited cent per cent; however, for bills in respect of Air Force personnel-see Note 1 under Para 625.

Concession Vouchers

635. The scope of audit on Railway Warrant concession vouchers and Military Credit Note will be as under:-

(a) Railway Warrants (including Flat rated vouchers / Concession Vouchers –“Form D” :-	
Upto the value of Rs.1000	General Scrutiny
Rs.1001- 2000	30%
Rs.2001& above	100%
(b) Military Credit Notes :-	
Upto the value of Rs.1000	General Scrutiny
Rs.1001 to 4000	20%
Rs.4001 & above	100%

AUDIT PROCEDURE

General

636. In conducting the audit of travelling allowances claims it will be seen, in addition to the checks prescribed in Paras 47 and 62 Defence Audit Code, that :-

- (a) the claims for travelling allowance for journey by rail, road, river, sea or air, have been submitted on the prescribed forms in accordance with the instructions printed thereon, and that they are supported by all the necessary certificates as prescribed in regulations;
- (b) the journey was performed as expeditiously as possible, and that no bill has been submitted for it before;
- (c) the duty on which the journey was performed is such as to entitle the individual who performed it to travelling allowance under rules and that the sanction of the competent authority has been accorded where it is necessary.
- (d) the rates of railway, steamer or air fares charged agree with the tariffs of railway, steamship or air company concerned;
- (e) the distances for which mileage has been claimed are correct, where these can be checked from data available in the audit office, as for example, fare or time-tables. In any case of journey by road or by river, if the distance for which mileage is claimed is not susceptible to check in the audit office, it will be accepted on the responsibility of the countersigning officer who is required to ensure that correct distances are charged for. In cases of doubt, as to the correctness of the distances for which the allowance has been drawn, the local M.E.S. authorities will be consulted;
- (f) no allowances have been claimed which are not covered by regulations or orders;
- (g) claims are countersigned by controlling officers, where necessary;
- (h) any advance of travelling allowance taken in respect of the particular journey for which the claim is preferred has been brought to account in the claim;
- (i) the sanction accorded for travel by air, vide Note 3 under Rule 137 Travel Regulations 1991 Edn, is prima facie in order with reference to the data given in the T.A. claim itself.

637. The different kinds of claims and bills received and dealt with in the section, the forms on which they are prepared and submitted, vouchers and certificates required in support, and the particular rules governing each kind of claim are given in Annexure 'A' to this chapter.

638. The important items referred to in Annexure 'A' are given below and the procedure observed in their disposal is described in succeeding paras :-

- (a) Permanent duty or transfer claims.
- (b) Temporary duty or tour claims (including daily allowance claims).
- (c) Sea passage claims of shipping companies.
- (d) Passage allowance claims.
- (e) Road and river warrant bills.
- (f) Travelling allowance claims payable out of the annual training grant.
- (g) Concessions admissible to Defence Services officers for railway journeys while travelling on leave at their own expenses.
- (h) Air passage and air freight claims.

Permanent duty or transfer claims

639. In these claims, individuals who are eligible for travelling allowance claims the amount admissible for conveyance of self, family, personal effects, motor cars, etc., from old to the new station of duty as also Composite Transfer Grant(CTG).
(Amended vide CS 230/92)

After the claims have been audited, with reference to the relevant orders and action taken as detailed in Para 632 of the adjustment of advances, they will be entered in the Demand-cum Audit Register (I.A.F.A.-515). Detailed instructions for the posting of claims in this register are given in the fly-leaf Instructions thereto (see volume II of this Manual).

Temporary Duty or Tour Claims (including D.A. claims)

640. Action for disposal and adjustment of these claims is similar to those of permanent duty or transfer claims.

Sea Passage Claims

641. Bills for the cost of sea passages provided for individuals are received from shipping companies supported by I.A.F.T.-1724. They will be audited and paid by the PCDA/CDA in whose audit area the port of embarkation is situated. The cheques issued to the shipping companies will be accompanied by a cheque forwarding memo on I.A.F.A.-838 and acknowledgement of the receipt of cheques watched. Detailed rules regarding the audit and adjustment of such claims and of the recovery of messing charges from personnel from whom such recovery is leviable are laid down in Defence Audit Code. After the bills are passed for payment, they will be entered in the audit register (I.A.F.A.-518).

In the case of Sea passages for Navy personnel, claims from the shipping companies are dealt with by the PCDA (Navy), Mumbai.

Passage Allowance Claims

642. All Passage Allowance claims will be audited with reference to the rules in Travel Regulations and paid by the Controller who deals with the audit of the travelling allowance bills of the claimant.

Road and River warrants

643. Warrants supported by a schedule in duplicate are received from the Stores Contract Section. The audit check to be applied to these warrants are laid down in Defence Audit Code. The warrants need not be entered in the audit registers, I.A.F.A.-515 or I.A.F.A.-518, but the objections on them should be watched through an objection register (I.A.F.A.-473). After audit, these warrants will be returned to Stores Contract Section for record.

Claims payable out of the Annual Training Grant

644. Travelling allowance claims debitable to the training grant under the rules in Annexure 'A', Appendix-1 to Financial Regulations Part-II, are in some cases sent to the PCDA/CDA's office for pre-audit; in other cases they are received in Miscellaneous Section of the PCDA/CDA's office as supporting vouchers to the training grant account.

When the claims are received in 'Miscellaneous' Section with the training grant account, they will be passed on to Transportation Section for audit. The latter section will treat these bills as post-audit bills and communicate the result of their audit to Headquarters, Area or Sub-Area concerned through objection statements (I.A.F.A.-565), which will be posted in the register of objection statements (I.A.F.A.-473). When the audit has been finally completed Miscellaneous Section, will be informed where the credit of final disallowances has been promised, to enable that Section to watch recovery of the demand. An acknowledgement too will be obtained from the section on this account. Thereafter the bills will be returned to Miscellaneous Section for record with the training grant account.

In cases where the claims are sent for pre-audit, they will be received in Transportation Section, where they will be audited and the amounts admissible under rule en faced on the bills. Necessary corrections will be made in red ink where found necessary and full reasons for the amounts disallowed communicated by means of memoranda to Headquarters, Area or Sub-Area concerned.

Concessions admissible to Defence Services officers for railway journeys while travelling on leave at their own expense

645. (i) The debits on account of the difference between class I and class II fares chargeable against the Defence Services Estimates will be raised by the railways against the PCDA/CDA concerned on the basis of the endorsement made on the concession vouchers, and will be accepted by the PCDA/CDA after check in the normal manner.

- (ii) The check will be, mainly, to see:-
- (a) whether the amounts charged against the Defence Services Estimates are correct;
 - (b) whether the debits against the Defence Services Estimates are borne out by the details recorded on the concession vouchers supporting the debits;
 - (c) that the forms have been issued in accordance with the rules;
 - (d) that in the case of officers (as distinct from their families) the concession forms are issued only when the officers are on leave;
 - (e) that the officers and the members of their family, in respect of whom, the forms are issued are entitled to the concession;
 - (f) that the forms are issued and utilized only for journeys performed at officer's own expenses and not for journeys in respect of moves on permanent and temporary duties for which free conveyance in any other form is admissible;
 - (g) that the forms are not used while proceeding on leave pending release;
 - (h) that the concessions are not abused from a higher audit point of view.
 - (i) that an entry for each journey (for self and family) is made in the folio of the audit register assigned to the officer concerned.

(iii) These instructions are not exhaustive but indicate only for the main purpose of the audit check. Cases of misuse of the forms will be promptly reported to the local Commanders or other higher administrative authorities and the recovery of the amount involved and the disciplinary action taken against the officers misusing the forms be watched in the usual manner. Each and every case of misuse of the form should be included by the PCDA/CDA in the report on the General State of Accounts with full details of the name of the officers, places between which used, the purpose of the journey, amount involved and the particulars of disciplinary action, if any, taken after ascertaining the same, if necessary, from the administrative authorities.

Air passage within Indian limits

646. (1) Travel by air is permissible on temporary or permanent duty as per the following entitlements:-

(a) (i) For service Officers & personnel

Chief/Vice Chief/Army Cdrs/DGAFMS/Lt.Gen & Officers drawing Grade Pay Rs 10000 & above	Business/Club Class by Air/ AC 1st by train
Officers drawing Grade Pay Rs 7600,8700 & 8900	Economy class by Air/ AC Ist by train
Officers drawing Grade Pay Rs 5400, 6100 & 6600	Economy class by Air/ AC Ist by train

(ii) For Civilians

Officers drawing Grade Pay Rs10000 & above those in pay scale of HAG + and above	Business/Club Class by Air/ AC 1st class by train
Officers drawing Grade Pay Rs 7600,8700 & 8900	Economy class by Air/ AC Ist class by train
Officers drawing Grade Pay Rs 5400and 6600	Economy class by Air/ AC II tier class by train

(iii) Scientific Adviser to the Ministry of Defence at their discretion may travel in any class.

(b) In case of individuals to whom sub-clause (a) above does not apply will require approval of competent authority notified from time to time based on certification that air travel is urgent and necessary in public interest and that an appreciable saving of time would actually result from the person travelling by air instead of by surface transport

- (I) Advances of Travelling allowance and adjustment of such advance against travelling allowance bills will be in accordance with the normal procedure for rail journeys, except that travelling allowance claims for air journeys must be supported by a copy of the sanction accorded by the competent authority, where necessary.
- (II) When air passage arranged by an officer cannot be availed of by the officer solely due to official reasons and cancellation has to be made, the officer may be reimbursed by Government the net deductions made by the air company on cancellation of the air passage. The reimbursement may, however, be limited to such of the officers as are eligible for journeys by air and as have been authorized by a competent authority to travel by air.
- (III) An individual who is not authorized to travel by air but who performs a journey by air on tour, can draw only the mileage allowance to which she/ he would have been entitled had she/he travelled by rail/road/steamer, or the mileage allowance as admissible for a journey authorized to be performed by air, whichever is less.

(IV) Travelling allowance for journeys by air on transfer will be calculated as follows:-

- (i) An individual authorized to travel by air on transfer is entitled to draw the travelling allowance which would have been admissible had the journey or journeys been performed by rail and/or steamer, and in addition to the difference between rail and/or steamer fares of the class to which she/he is actually entitled and the air passage fares actually paid for self and the members of one's family.
- (ii) An individual, not so authorized to travel, who performs journey or journeys by air on transfer, may draw only the travelling allowance to which he would be entitled if she/he had travelled by rail and/or steamer.
- (iii) An individual whether authorized or not to travel by air on transfer between places connected by road only is entitled to draw the travelling allowances which would have been admissible, had the journey or journeys been performed by road.

Air freight within Indian limits

647. (i) Defence stores, the urgent movement of which is essential on medical ground or for operational reasons, may be dispatched within Indian limits by selected services of civil airlines. Such dispatches may be authorized only by officers of the rank of Brigadier and above.

In all other cases, dispatch of stores by air within Indian limits requires prior sanction of the Government of India. When time does not permit of prior sanction being obtained, a simultaneous report will be submitted to the Branch concerned at Army Headquarters for obtaining ex-post facto sanction.

(ii) Cash payment in respect of air freight for Government stores will be made to the operating company from the imprests / permanent advances of the formations concerned (obtained from the regional PCDA/CDA concerned under the rules in Pay and Allowances Regulations, Volume II) in the first instance and necessary receipts obtained for such payment. No payment shall, however, be made from public funds on account of personal baggage. Charges on such account will invariably be met by the individuals themselves.

(iii) The amount paid from imprest or permanent advance on account of freight for Government stores will be claimed from the regional PCDA/CDA concerned on the authority of the competent authority's sanction. The provisions of Rules 483 to 488 Pay and Allowances Regulations, Volume II, will generally apply for the payment and reimbursement of amounts paid from the imprest/permanent advance. All such claims will be duly supported by:-

- (a) Competent authority's sanction.
- (b) Certificate as to urgency of air dispatch which will be signed by an officer not below the rank of Brigadier in the following form:-

Certificate as to urgency for air dispatch

(To be completed and attached to all applications for air freight)

- 1. *Deadline date for arrival at destination.*
- 2. *Reasons why consignment was not available in time for movement by surface route.*
- 3. *Reasons why dispatch by air is essential.*

*Signature of Sponsor
(Not below the rank of Brigadier)
Designation, rank and name of sponsor to be typed*

- (c) Receipt obtained from the company for the cash payment made.

Air Passage and Air Freight Ex-India

648. Claims relating to air passage and air freight Ex-India are dealt with centrally in the PCDA, New Delhi.

- (i) In auditing claims for air passage and air freight Ex-India, the following main points should be observed:-
 - (a) Application for air passage Ex-India (a copy of which together with the duplicate air passage warrant is received from the Q.M.G.'s Branch Army H.Q.), has been submitted on the proper form;
 - (b) The application is signed by an officer of the sponsoring Branch or Department not below the rank of Brigadier;
 - (c) Authority exists for air passage;
 - (d) The air passage warrant has been properly prepared by the QMG's Branch;
 - (e) The air transport company's or their agents bills are supported by original air passage warrants, only standard air fares are charged and the bill pre-receipted over one rupee revenue stamp.
 - (f) The baggage, the cost of carriage of which is included in the bill, does not exceed the weight authorized by the QMG after taking into consideration the free allowance permitted by the company.

- (g) The original air passage warrants received with the bills of air travel agent/air transport company are linked/ paired with the duplicate air passage warrants received from the Q.M.G.'s Branch, Army H.Q.
- (h) The bills are entered in the audit register.
- (ii) **Return Air Passage:-** When return air passages are sanctioned by the Government (this being more economical than the air passages booked separately for forward and return journeys) air passage warrants are issued by the Q.M.G.'s Branch and advance payment is made to the air transport company on their authority. The amount on this account is noted as a demand against the officer concerned in the demand register which is cleared on receipt of a journey completion certificate from the officer.
- (iii) **Excess Baggage:** - Bills on account of excess baggage for forward / return journeys will be dealt with in the same ways as air passage bills.

Admittance of Ex-India Claims in respect of Army Officers & JCOs/ORs

648A. The Ex-India Claims pertaining to deputation, training course, temporary duty and permanent posting involving drawl of advances dealt within the audit office are as under:

S. No.	Category of Claimant	Dealing Office
1.	Army Officers claiming TA/DA while proceeding abroad	PCDA (O), Pune may sanction the advance and watch the adjustment / recovery thereof.
2.	PBORs claiming TA/DA while proceeding abroad	Respective PAOs where the IRLA of the PBORs is being maintained may sanction the advance and watch adjustment / recovery thereof
3.	Defence Civilians claiming TA/DA while proceeding abroad	Respective PCsDA/CsDA from where the individual is drawing his pay and allowances.
4.	All claims in r/o Army Officers / JCOs/ORs and Defence Civilians where Ex-India Posting is not involved eg. Deputation / Long term	May be dealt by PCDA, New Delhi as per the HQrs circular dated 4/1/2013. Supplementary claims received where, the earlier claim was admitted by some other office may be forwarded to that

S. No.	Category of Claimant	Dealing Office
	course Joint Exercise etc.	particular office for linking and auditing of the same.
5.	“Air Passage” as the exchange Orders from the Airlines for the Ex-India Claims in respect of Army Personnel / Defence Civilians	PCDA, New Delhi

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Travelling allowance claims of DAD/ Non-DAD Personnel

650. The points to be ensured while processing the TA / DA / LTC claims and TA claims on Temporary duty / retirement etc., detailed under HQrs Important Circular No. AT/IV/DAD/15301/XXXIX, dated 06 April 2000 reproduced in Annexure ‘B’ to this Chapter should be strictly adhered to.

650A. The following checks may be exercised in the audit of LTC claims for Home Town in addition to the usual audit checks contained in Defence Audit Code:

1. The journey was completed by the entitled Class by Rail / Bus / Steamer.
2. The casualty regarding grant of permission to avail LTC with the specific mention of place of Home Town, has been published in the office order. In case of LTC for self the period of leave has been specified.
3. Details of family members indicating name, sex, date of birth, relation etc., have been submitted duly countersigned.
4. Adjustment of advance of LTC will be watched and cleared in the same manner as for advance of Temporary duty. Rules 14 & 15 of LTC Rules provide that the claim for reimbursement of the expenditure incurred is to be submitted within three months after the completion of return journey, if no advance had been drawn and within one month of the completion of the return journey if advance had been drawn. Subsequently, powers have been delegated to the Ministry Of Defence to relax these provisions where a Govt. Servant is not in a position to submit the claim within the prescribed time limit and the Ministry is satisfied that he was not able to do so due to compelling circumstances beyond his control.

MoD with the concurrence of Financial Advisor can admit the claims in such cases in relaxation of the provisions subject to the following time limits:

- (a) Where no LTC Advance is taken, LTC Bill submitted within a period of six months;
 - (b) Where LTC Advance has been drawn the LTC Claim for reimbursement submitted within a period of three months after the completion of return journey (provided the Govt. servant refunds the entire advance within 45 days after the completion of the return journey)
5. The journeys undertaken by Taxis / Private Car or Bus, van or other vehicle owned by the private operators are not admissible for LTC except on account of disability of the Govt. Servant or dependent family member after obtaining following papers / conditions to avoid misuse of such relaxation :
- (i) Medical Certificate from Competent Authority
 - (ii) Undertaking from Govt. Servant that journey in authorized mode is not feasible and he actually travelled by own car / hired taxi.
 - (iii) Such claim should not be more than journey performed by the entitled class by Rail/Air by the shortest route.
6. Certificate by the Claimant and Controlling Officer as prescribed in Rule 190 TR, are submitted.

650B. The following checks will be exercised in the Audit of LTC claims for journeys to any place in India, in addition to the usual audit checks prescribed in Para-650A above:

1. The casualty regarding grant of permission to avail LTC with the specific mention of place to be visited, the block of 4 years, has been published in the office order. In case of LTC for self the period of leave has been specified.
2. The Leave Travel Concession to any place of India is admissible irrespective of distance of place of visit from the HQrs of the Govt. Servant, once in a Block of 4 years such as 1986-89, 1990-93 and so on.
3. It will be ensured that the declared place of visit is actually visited by the Govt. servant and no change of place of visit is permissible after the commencement of the journey. No relaxation in this regard can be made without the sanction of the Administrative Ministry / Department or Head of the Department, as the case may be.
4. LTC will qualify for the purpose of availing if the tour is conducted by ITDC/STDC either in their own buses or buses

hired or chartered from outside provided the ITDC/STDCs certify that the journey has actually been performed by the government servant and his family members for which he is claiming the LTC. Tours conducted by IRCTC will also qualify for the purpose of availing LTC, subject to the issuance of the certificate by IRCTC Ltd., that the journey has actually been performed by the government servant and his family members for which he is claiming the LTC.

SPECIMEN SIGNATURES

650 C (i) Before admitting a claim, an audit officer must satisfy himself that the signature it bears is genuine. To enable to do so, he will obtain a specimen copy of the signature of every officer who is paid by him or who is eligible to render claims to him and record it in the personal file of the officer or other relevant file or in a register of specimen signatures.

(ii) Verification of specimen signature of claimants and sanctioning authorities in respect of personal claims (other than regular salary bills) received from Gazetted officers will be made by the Supervisory officers according to the following percentage:

AAO/ SO (A) 100% in respect of claims over Rs. 1000/-

SAO/ AO 100% in respect of claims over Rs. 5,000/-

Auditors will continue to exercise 100% check of specimen signature in respect of all claims and sanctions.

ANNEXURE 'A'

(Referred to in Para 637)

List of bills and claims dealt with in the Transportation Section

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
1	Permanent duty moves by rail, road, river and air, in case of personnel governed by passage regulations	I.A.F.T.- 1715	(1) A certified copy of the order authorizing the move. (2) Receipt and vouchers in support of charges on account of conveyance of personal effect and conveyance (motor car, motor cycle or cycle), where transported. (3) In case of third and fourth grade individuals claiming actual fares by a mail/express train a certificate to the effect that the journey was performed by such a train.	Rules 57, 58, 61A, 62,67,70 Travel Regulations.	
2	Transfer moves by rail, road, river and air, in the case of personnel governed by Supplementary Rules, (i.e., the personnel of the Defence Accounts Department and those of Military Lands and Cantonments Services)	IA.F.T.- 1715	(1) A certified copy of the order authorizing the move. (2) Receipts and vouchers in support of charges on account of conveyance of personal effects and conveyance (motor car, motor cycle or cycle), where transported. (3) In case of third and fourth grade individual claiming		S.R. 116 and Government of India decisions 3 and 4 below S.R. 36.

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			actual fares by a mail / express train a certificate to the effect that the journey was performed by such a train.		
3	Temporary duty moves by rail, road, river and air in the case of personnel governed by passage Regulations.	I.A.F.T.- 1716	(1) A certified copy of the order authorizing the move. (2) Certificate as at item 3 against serial No. 1 and also a certificate from the controlling officer that the journey was performed by mail / express train in the public interest. (3) Either of the following certificates in respect of an individual claiming higher rates of road mileage :- (a) I certify that I did not perform the road journey for which mileage allowance has been claimed at the higher rates prescribed in Para 138 P.R.Part-I by taking a single seat in any public conveyance (excluding a steamer) which plies regularly for hire between fixed points and charges fixed rates. I also certify that the journey was not	Rule 92,95,102,107,108 ,119 of Travel Regulations	

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			<p>performed in any other vehicle without payment of its hire charges or incurring its running expenses.</p> <p>Or</p> <p>(b) Certified that the road journeys for which mileage allowance has been claimed at the higher rates was performed in my own car.</p> <p>(4) Service Officers and civilian officers of the first grade, claiming road mileage at the permanent station between fixed point and railway station and fixed point or place of duty, will furnish a certificate to the effect that Government transport was not used for such journeys.</p>		
4	On tour moves by rail, road, river and air, in case of personnel governed by Supplementary Rules (i.e. Personnel of Defence Estate Services)	I.A.F.T.- 1716	<p>Same as against Sl No. 3 except that in case of DAD personnel:</p> <p>(a) The Certificate at item no. 4 thereof is required only in respect of IDAS officers</p> <p>(b) The Certificate at item no. 5 thereof is to be endorsed on the TA Bills by the claimant himself.</p>	Rule 92,107,108,111,114 of Travel Rregulations	SR. 34,40,45,48 A
5	Conveyance Allowance	I.A.F.T.- 1718	Requisite Sanction of the competent		SR 25 to 27

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			authority		
6	Bills for Road and river warrants	Contractor's and river steamer company's bills supported by I.A.F.T.-1712 and 1747			
7	Passage allowance claims	I.A.F.T.-1717	(1) A copy of the sanction of the GOC-in-C or the QMG, or the CAS, or the C.N.S., as the case may be. (2) Receipts from shipping company showing the amounts paid.		
8	Sea Passage bills	Shipping company's bill supported by I.A.F.T.-1724.			
9	Bills for air passage Ex-India	Agent Airways Company's bill supported by air passage warrant.			
10	Travelling allowance claims debitable to annual training grant	I.A.F.T.-1716		Appendix 1, F.R. Part II.	
11	Travelling allowance	I.A.F.T.-1716	Same as at items 1 to 4 of Serial No. 3	Rules 123 and 124 T.R.	

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
	(mileage and daily allowances) for individuals attending examinations and courses of instructions		<p>with the following additional certificates :-</p> <p>(1) A certificate showing the period of detention at the examination/course signed by the officer holding the examination / commandant of the school at which the course is held, or if it is held at local centre by the officer holding the course.</p> <p>(2) The following certificate over the signature of the applicant or his O.C. :-</p> <p>“I certify that I have not/he has not attended a previous similar examination or course held at my/his own station, nor have I/has he drawn travelling the daily allowances for attendance at a previous similar examination or course held at an outstation”.</p> <p>Note: – The submission of this certificate is not necessary in case of a senior officers refresher course, a course other than a qualifying one, or a course for the purpose of renewing a certificate obtained at a previous</p>		

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			course.		
12	Witnesses attending military and civil courts	I.A.F.T.-1716	(1) A certificate of attendance given by the summoning court. (2) A certificate to the effect that the facts as to which the claimant gave evidence came to his knowledge in the discharge of public duties and that he did not accept any payment of travelling or subsistence allowance from the court. (3) Other certificates etc., as on temporary duty.	Rule 131 & 132 of TR	S.R. 154
13	Journeys to obtain medical advice	I.A.F.T.-1716	(1) A certificate from the medical officer consulted that the journey was in the officer's opinion absolutely necessary. (2) Other certificates as at items (2), (3) and (4) of Serial No. 3.	Rule 154 TR	
14	Journeys to obtain medical certificates in the case of civilians only	I.A.F.T.-1716	(1) Certificates as at items (2), (3) and (4) of Serial No. 3. (2) In support of a second or subsequent journeys a certificate from the medical officer concerned of the medical board that the individual was required to	Rule 153 TR	S.R. 157 & 157-A

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			undertake such journey or journeys at the behest of that authority.		
15	Journeys to obtain anti-rabies treatment		(1) Certificates at items (2), (3) and (4) of Serial No. 3. (2) (a) In the case of personnel governed by Passage Regulations, a copy of the order of the competent medical authority in support of move. (b) In the case of personnel governed by Supp. Rules a certificate from the authorized medical authority that the journey was in his opinion absolutely necessary.	Rule 156 of TR	
16	Conveyance for relatives of Service personnel in cases of dangerous illness or bereavement etc.	I.A.F.A.-115	A certificate from the Hospital authority concerned to the effect that illness or death was not due to individual's own fault.	Rule 161 of TR	
17	Post Audit of Concession Voucher form D in respect of Service officer travelling on leave at their own expenses	I.A.F.T.-1709-A received in support of the debit raised by the railway authorities.		Rule 181 TR	
18	Free conveyance in	I.A.F.A.-1115	A reference to or a copy of the order	Rule 150,150A,	

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
	conjunction with annual leave		notifying the grant of leave. A certificate to the effect that leave concessions either under A.I. 874/45 or under Para 212 (Q), P.R.I. were not previously availed of in the current calendar year.	150B,151 of TR	
19	T.A. to Central Government servants on retirement	I.A.F.A.- 1715	<p>1. Copy of the order of retirement and copy of order terminating the individual's re-employment under Central Government where applicable.</p> <p>2. Receipts and voucher in support of charges on a/c of conveyance of personal effects.</p> <p>3. Certificate as at item 3 against Serial No. 1.</p> <p>4. Certificate by the Controlling Officer (a) showing the home town of the individual (b), that in the case of Quasi permanent / temporary Government servant she/he has put in a total service of not less than 10 years under the Central Government at the time of retirement / invalidment / retrenchment, (c) that she/he has/has not availed</p>	A.I. 279/60 Rule 200A & 200B of TR	Government of India Ministry of Finance (Department of Expenditure) New Delhi O.M. No. 5 (109) E. IV/57, dated 11 th July 1960.

S. No	Description of claims or bills	Form on which submitted	Supporting vouchers and Certificates	Reference to Regulations	
				Military Rules	Civil Rules
1.	2.	3.	4.	5.	6.
			of LTC during one year preceding the date of retirement of commencement of leave preparatory to retirement.		
20	LTC Claim in respect of Defence Civilians (Amended vide CS 230/92)	I.A.F.T.-1716	1. Certificate as prescribed in Annexure-I & II of Para 190 T.R. 2. A copy of office order notifying the place of visit, name of Home Town, period of Leave. Details of family members permitted to avail LTC.	Rule 190 of TR	

ANNEXURE 'B'

(Referred to in Para 650)

**FOR KIND ATTENTION AND PERUSAL BY THE CDA
IMPORTANT CIRCULAR**

No. AT/IV/DAD/15301/XXXIX
Office of the CGDA,
West Block-V, R.K. Puram,
New Delhi-110066.
Dated : 06th April 2000

To,
The Pr. CDA/CDA (By Name)

Sub: Pre-Audit and payment of TA/DA/LTC claims and TA claims on Temporary duty / retirement etc.

During recent inspections of some of the Controller Offices, conducted by this HQrs, it was noticed that final LTC claims, TA claims (on retirement), and TA claims (on Temporary Duty) submitted by the officials of both DAD and non-DAD were being audited and passed in a routine and indifferent manner by the Controller's Offices without exercising basic audit checks prescribed thereof. There was hardly any evidence of intelligent scrutiny of the claims having been carried out by the offices. On the contrary, in many cases, doubtful claims were passed with utmost urgency and promptness without adhering to the basic prescribed audit checks. This being a matter of serious concern, the undersigned also sample checked some of the claims personally and ordered a special Audit of these claims in respect of both DAD and Non-DAD employees which reconfirmed the above mentioned position.

2. While the responsibility of having admitted the doubtful nature of claims rests squarely with the DAD officers, the responsibility for recommending the claims of doubtful nature for payment in respect of Non-DAD civilians, devolves on the concerned administrative authorities of units / formations. But even in the case of Non-DAD civilians also, the DAD officials, as Audit authorities, have the responsibilities of exercising close/intelligent scrutiny of the claims submitted by the units / formations. It is regretted to say that, in these cases, the DAD officials have not been displaying the required alertness in discharging their duties by not referring back the doubtful claims to unit / formation authorities for special investigation. Instead, all such claims were admitted in an irresponsible manner without adhering to the basic audit principles / checks. The most disturbing part is also the admittance of LTC claims, which have become time barred in terms of LTC rules (and thus stand forfeited due to belated submission of the claims by the individuals), resulting in overpayment of huge amounts. It was also seen that such time barred claims of Non-DAD

civilians, involving payment of above Rs. 10,000/- were passed at the level of AAO in a Controller office without proper authority.

3. Some of the serious irregularities/ deficiencies observed by us, on such claims in respect of DAD and Non-DAD cases, during our inspection are listed below: These observations/ objections are based on perusal, mostly of computerized journey cum reservation tickets/ photocopies thereof which revealed glaringly, the absence of basic intelligent scrutiny of the claims on the part of Controlling Officers and also on the part of audit:

- (a) LTC journeys were stated to have been performed by self and family members including aged dependents, to long distant places involving huge expenditure say Rs 20,000/- to Rs 35,000/-, without drawl of advances. Such journeys without drawl of advances were stated to have been performed by the low paid employees viz. LDCs/UDCs/Cooks/MT Drivers/Sr. Auds etc., to quote a few.
- (b) The reservation tickets for onward journey for long journeys were found booked only 2 or 3 days prior to the date of commencement of onward journeys. For instance, reservation for tickets for commencement of journey on 16.12.1998 was made only on 14.12.1998. Generally, journeys for LTC, especially with family members are required to be planned well in advance and not decided on the last minute as getting confirm reservation at such short interval tends to become extremely difficult.
- (c) Reservations for onward and return journey were found made booked on AC 2 tier for entire family costing Rs 12,500/- to Rs 17,500/- each way depending upon the size of family by low paid Govt. Servants, who are not at all entitled to travel by AC 2 Tier. The tickets were booked without drawl of advances.
- (d) The reservation tickets were found waitlisted in AC 2 tier, the waitlisted numbers running up to 72. It is also observed that the waitlisted numbers in both onward and return journey tickets were identical. Passengers holding confirmed reservations only are allowed to travel in AC 2 tier. Even where reservations are confirmed immediately after the rail journey commenced, the ticket conductors used to issue a fresh receipt in token of the reservation charges having been received. Such receipts were not found enclosed with the tickets.
- (e) The reservation for onward journey was found done after the date of commencement of the journey. For example the date of commencement of onward journey was on 22/12/1998 but as per the Xerox copy of the ticket attached with the bill, it was revealed that this onward journey ticket for journey on 22/12/1998 was booked on 28/12/1998 and taken by the individual while commencing the journey which is ridiculous.
- (f) Manipulations/ corrections have been made in the computerized reservation tickets for onward journey and the same submitted after clever photocopying, in support of return journey also.

- (g) The reservation for onward journey by train has been done from an intermediate station and not from the duty point where such travel facility by train to declared place of visit exists and possibility of getting reservation is more than at the intermittent station having less quota. The journey between the duty station and the intermittent railway station from where the onward journey reservation, to declare place of visit had been booked, was performed by them by bus. But no bus tickets were found enclosed.
- (h) The ticket numbers quoted on the claims and sometimes ticket numbers / PNR Nos., in photocopies of reservation tickets produced, differ from the ticket numbers of ticket already produced for verification to the competent authorities before commencement of journeys, in the cases of advances drawn by the claimant (DAD employees). This leads to a reasonable conclusion that there is an organized 'racket', which facilitates free circulation of photocopies of computerized tickets to whosoever desired for preferring spurious claims.
- (i) LTC claims were found admitted in respect of individuals, who had not drawn advances, without obtaining prior intimation indicating their intention to avail LTC facilities for self and family members before commencement of the onward journey.
- (j) LTC claims were preferred in respect of brothers / sister *etc.*, of the Govt. employees based on the family details furnished by them as far back as 1978 / 1979 and were admitted. The daughters aged 36 years, 34 years, 32 years *etc.*, were shown as unmarried and dependent likewise sons of 30 years and above were shown dependent. No observations were made.
- (k) Advances for LTC claims were found admitted twice against the same block of two years due to improper maintenance of Demand Registers.
- (l) Belated submission of LTC claims beyond the permissible period of 3 months from the date of completion of return journey, requiring forfeiture, as per LTC rules, were admitted and paid. Even claims submitted, without showing the dates of submission of claims by the claimants were admitted.
- (m) Journeys on LTC commencing from different places in respect of dependants, instead of commencement of the journey from the duty point of the individual were admitted without a modicum of scrutiny. LTC availed of for journeys for visiting long distance places & back were completed within in an incredibly short period. Instances of doubtful LTC claims, received directly by the concerned auditors of TA Section from the units (without being diarized by the 'R' section) and passed with utmost speed, have also come to our notice.
- (n) Essential details such as date and time of departure of train, train number and name have not been quoted in the LTC claims preferred by the claimants. In some cases, where the details were indicated on the claims, it was observed that the departure time of the train was shown

as earlier than the scheduled departure time. It is pointed out that scheduled departure time of train are not at all advanced.

- (o) In some cases, the LTC claims have been found preferred by the claimants for journeys by a particular train, to the declared place of visit on days on which the said train does not run. In some cases, claims were found preferred for journeys performed by those trains to the declared place of visit, when such trains do not touch the declared place of visit. Such claims were found admitted in audit.
- (p) In some cases, it was noticed that Senior Citizen concessions in respect of eligible dependants were not found claimed as per the entitlement and the amount thereof not deducted from the claim.
- (q) In one claim, the onward journey was shown as performed with three male children, while the return journey was shown as performed with two male children and one female child. This point was not at all observed before admitting the claim in audit.
- (r) Clear fudging (by overwriting, rubbing, using white fluid) of essential details on the LTC claims were noticed, which were not at all observed. Such claims were found admitted.
- (s) In some cases, the outward journey was not found commenced before the expiry of the Block year for which the LTC was proposed by the claimants but were admitted in audit. For instance, the LTC for block year 94-97 was to be utilized by commencing the outward journey by 31.12.1998. But in some cases the outward journey for block year 94-97 was shown as commenced on 01.01.1999, after the expiry of the deadline viz. 31/12/1998 and such claims were admitted in audit, ignoring the basic fundamentals.
- (t) Claims of LTC, in respect of DAD cases were found countersigned by AO (AN) instead of DCDA (Admin).
- (u) In the case of TA claims on retirement, the claims were preferred only for claiming transportation of personal effects and transfer grant without actual fare for either self or family members. In addition, it was noticed that no Part-II office order, indicating the full address of the claimant indicating the place where he intended to settle finally in support of his TA claim, had been published.
- (v) Final adjustment claims on account of TA/DA on temporary duty performed by the officials were not preferred within 15 days from the date of completion of the return journey where advances were drawn.
- (w) As per TA Rules, not more than two advances should be paid to any individuals on temporary duty. However, in many cases more than two advances (sometimes 6 to 8 advances) were found paid without insisting on the submission of final adjustment claims for the earlier advances which were outstanding in Demand Register at the time of passing the TA/DA advances.
- (x) In the case of Pt. transfer TA/DA claims, it was noticed in one of the Controller office that permanent transfer claims were preferred by

officials for full amount for shifting the family and Transportation of personal effect from old duty station to new duty station, without drawal of advance.

- (y) In many cases, drawal of advances, be it TA/DA on Temporary duty or LTC, were found noted on the demand registers (in respect of both DAD and Non-DAD) by respective dealing sections, based on the information of amount of advances drawn, furnished by the individuals on the final adjustment claims submitted by them,. This is a very serious lapse as the advances for TA/DA/LTC, which are required to be drawn from main office by the units/formations are found drawn by the AAO's GE out of cash assignment and the demands were not at all found intimated to concerned sections in main office by the AAOs GE for noting the demands in the Demand registers for watching adjustment claims. If the demands are to be noted from the final adjustment claims submitted by the individuals, there could be any number of cases where advances were drawn by the units through the AAOs GE but the demands would not come to light and the submission of the final adjustment claim would not be watched. Such serious violation of procedures is to be stopped forthwith and the practice of payment of Advances on TA/DA/LTC/permanent transfer cases by AAOs GE should be stopped forthwith.
- (z) The TA/DA/LTC claims which are signed by the claimant without date or where the date on the claim & date shown under signature of claimant differ are also admitted without raising any questions.

4. This Headquarter has taken a very serious note of the serious lapses (commissions and omissions) mentioned in Para 2 above and does not accept this as merely a failure on the part of the concerned officers and staff of DAD. The imperatives demand that such lapses should become a matter of serious concern at the level of GOs/Jt. CDA/CDA. In order to enforce the LTC rules and the codal provisions strictly in letter and spirit and to enable the CsDA to understand the implications of various lapses and monitor the work very carefully, please find enclosed herewith the Annexure 'A', where we have attempted to list out in an as exhaustive manner as possible, various lapses on the part of the Controlling officers and Controllers offices (as Audit officers). This Headquarters desires that all our Controllers; implement at once the following steps:

- (a) The contents of this circular especially these brought out in Para 3 above and the Annexure 'A' should be got noted by all the dealing SOs(A)/AAOs/AOs/Sr.AOs and the GOs of 'T' section and AN section for strict compliance. They should suitably brief their staff on this at once. In future, when change of incumbents in groups / sections of your office take place, the new incumbents must familiarize themselves with these instructions for which a regular system of handing over / taking over should be devised.
- (b) CsDA should institute a mechanism by which they obtain, in particular, a regular monthly report on the receipt of LTC claims and TA claims (on retirement) from 'R' section, ensure proper maintenance

of Bill register, observance of pre-audit checks as prescribed in rules before admitting the claims in audit. Special watch should be kept on those claims which are preferred for high value of amounts, and for which no advances were drawn and such claims should be monitored at the level of /CDA/JCDA. The trend of preference of such type of claims should be analyzed monthly and taken up, at the level of CDA/JCDA, with concerned higher administrative authorities of the units / formations bringing to their notice the seriousness of the issue for causing suitable remedial measures to be taken at their end. Instructions should also be issued to the dealing officials of the TA section / AN (Pay Section) that claims of such type (where no LTC advances are drawn) are to be put up to the level of GOs before considering the admittance of such claims. GOs on their part should exercise stricter control on the receipt and disposal of the LTC claims by calling for the pending pads and checks with the entries in the work books / bill registers to ensure that FIFO principle is not violated and also to ensure that bills have not been directly received by the auditors from the reps of units and paid with utmost speed.

- (c) The latest family particulars of all Non-DAD civilians should be obtained along with the dependency certificate and kept in the record by the Administrative authorities.
- (d) The basic responsibility of (c) above and for checks to be exercised in respect of genuineness of the LTC claims preferred by Non-DAD civilian employees, before countersigning their claims should be that of the executive authorities. In case they fail to exercise the same, despite our request, DAD should take up such check as an exception and not as a rule.
- (e) The Controller also should suitably address the executive authorities for making them aware of their role as the Controlling officer as per LTC Rules / TA Rules in a suitable manner enclosing there with the extracts of these rules, orders and instructions for ready reference.

5. In regard to DAD cases, the Controller have to act as controlling authorities as well as audit officers. In this case also, the CsDA are to exercise close and intelligent scrutiny of claims, submitted by the officials of DAD, so as to ensure their genuineness. The family particulars of DAD officials along with dependency certificates should be obtained from all as and when change take place at the time of verification of their service books once in two years by them. The acceptance and countersigning of the claims upto the level of SAO should be delegated only to GO (AN) and not to AO (AN) as is being done in some Controller office. Similarly, the claims of IDAS officers should be put up to CsDA for countersignature as controlling officers, after prescribed checks (both basic and intelligent) are exercised by the 'AN' section. Whether the claims pertain to DAD or Non-DAD, the Controller may use their discretion fully for admitting the claims within the ambit of rules and regulations and related instructions.

6. The lapses on the part of controlling officers, as brought out in Annexure 'A', to this circular, equally apply to DAD Cases also. A checklist

has been prepared and enclosed to this circular containing basic intelligent checks to be observed and followed by concerned audit staff (Annexure 'B'). A copy of this checklist should be got handed over to each dealing staff (*i.e.*, clerk / auditor / SA) dealing with LTC claims in TA section and Admin. Section and their signature obtained and recorded. The points listed in Annexure 'B' should be read with points for scrutiny of LTC claims as given in CCS LTC Rules (Swamy's Compilation).

7. Any deviation in following the correct procedure should make the concerned staff and officers liable for disciplinary action.

8. If any inconsistencies are noticed or any doubts felt, the same may please be referred to this HQrs.

9. This is issues with the approval of the CGDA.

10. Please acknowledge receipt.

(Encl.: As above)

Sd/-xx
(M. Kumaraswami)
Addl. CGDA (Inspection)

Annexure 'A' to CGDA's Important Circular

1. Lapses on the part of the Controlling officers.

- a. Non-verifications, in a critical/intelligent manner, as per LTC Rules, by the Controlling officers and their staff, the preference of LTC claims by their subordinate officials, claiming abnormally high amounts, when no advances in particular were drawn in respect of long distance journeys. Some typical examples are as under:-
- (i) Some clever manipulations/corrections made at some place in the computerized reservation tickets for onward journey and the same produced as photo-state copies in support of return journey.
 - (ii) The date of reservation for return journey as shown in the photocopy of computerized ticket stated to have been issued at the station of commencement of journey, clearly proves that such reservation was done when the individual was already at the place of choice station. This, to say the least is preposterous.
 - (iii) The ages of family members shown in the onward journey reservation tickets differs from that shown in the photocopy of the reservation ticket for return journey.
 - (iv) Even a cursory look at some of the computerized reservation tickets/photocopies thereof gives prima-facie, the feeling that, they are not genuine.
 - (v) Reservations for onward journey have been found made in AC 2 Tier, two to three days prior to the commencement of onward journey for entire family having wait list numbers running upto say 72. The photocopies of the return journey tickets attached with the claims also bears the same waitlisted numbers shown in onward journey tickets which is very strange.
 - (vi) Prior intimations from individuals, who had not drawn any advances, indicating their intention to avail LTC to declared place have been received or not, has not been certified.
 - (vii) Reservations for visit to declared place at a long distance which is not connected by direct train were found booked directly from duty station to the declared station, involving change of travel in another Train at some places to the declared destination. The reservation of berth allotted pertains to the travel in a particular train between duty station and change of station. Proof of travel with reservation in higher class involving long distance journey from change of station to destined station in different train has not been produced and not insisted upon.
- b. Non-verification, by the Competent authority, of the Railway tickets where advances have been drawn by the individuals, or non-insistence

on production of such reservation tickets within 10 days of the drawal of the advance by individuals as required under rules.

- c. Non-maintenance of proper registers/records to note the full details of travels made in respect of each individual against each block year.
- d. Countersigning all the claims in routine manner without exercising an intelligent/ judicious scrutiny especially of claims where no confirmed reservations at the starting points of journeys exist in higher class of accommodation in Trains and both onward and return journeys have been completed in short span of time covering such long distances.
- e. Latest family details have not been obtained.
- f. Non-issuing of certificates to the Audit authorities to the effect that Railway Tickets were produced for verification within 10 days of the drawal of advances and the ticket numbers verified and quoted in the claims are correct.
- g. Not looking for other material evidence in support of an LTC claims such as any Hotel Receipts of the places visited where the individuals with their family members would have stayed or some vouchers concerning purchases made etc. with proper enfacement and dates to ensure the genuineness of the claims, before countersigning the claim. It is also interesting to note that a few purchase vouchers produced as proof were on the face of it, found to be spurious, on minute examination thereof.
- h. Most of the claims were not sent through forwarding memos. Some of them are found directly handed over personally to the Auditors/ clerks for seemingly extraneous considerations.
- i. Submission of time barred claims to Audit without exercising proper check. Submission to Audit of claims where the individual sign the claims without indicating the dates of signing/preferring the claims.
- j. Insufficient details in publication of casualties in part II office order which do not conform to the details mentioned in claims such as TA claims on retirement.

II. Lapses on the part of DAD:-

- a. Acceptance of claims by the office of the CDA without insisting on their submission through forwarding memos. Some of the claims were accepted by hand directly in the TA section.
- b. Record's section stamp with date not found embossed on each claim.
- c. Non-maintenance of bill register to control receipt and disposal of claims to ensure FIFO system.
- d. Not looking for the requisite certificates from the controlling authorities that the individuals who had not drawn any advances, have intimated their intention to avail LTC for self and family well in

advances prior to commencement of onward journey to the declared place of visit.

- e. Non-insistence of the certificates regarding verifications of Tickets, in respect of cases where advances were drawn by the claimants, from the controlling officers.
- f. Admittance of claims in audit without properly verifying the dates of submission of claims by individuals, which were time barred (and thus stood forfeited), resulting in payment of inadmissible claims.
- g. Admission of claims on outdated family details in service records which were neither updated nor called for afresh.
- h. Not looking for additional proof, in support of genuineness of claims of high amounts, from the controlling officers especially when such claims were preferred without drawal of advances and or when conformed reservations were not available in higher class of accommodation and travel in higher class of accommodation is not permitted without confirmed reservation.
- i. Acceptance of the claims where dates indicated under signature and the date shown on the LTC claim differed and also the claims which were submitted without dates by the claimant.
- j. True position of the outstanding of TA/DA/LTC claims is not reflected in the MPR being submitted to HQ office.
- k. Submission of claims quite belatedly by units/formations long after these were supposedly submitted in time by the claimants without assigning any reasons thereof. No. questions were raised.

Annexure 'B' to CGDA's Important circular

Points to be ensured by audit while processing LTC claims/TA claims on retirements etc.

I. General

1. Whether the claims have been received from units/formations through a forwarding memo in respect of Non-DAD civilians and bear the 'R' section dated stamp on the body of each bill. Any bills received 'by hand', and not through 'R' section (with their dated stamp), should not be entertained.
2. Enter the Bills in Bill register by giving serial numbers date wise of their receipt and then enter them in Work Books to control receipt and disposal on FIFO basis.
3. In the case of DAD officials, ensure that the claims are received with forwarding memos from each section through intersectional diary register and dated initials of SO(A)/AAO of recipient section be given for their receipt. Thereafter, the claims are to be entered in Workbooks to ensure disposal on FIFO basis.

II. Specific Points to be seen on the Non-DAD claims:-

- a. Check the dates of preference of claims by the individuals (as given on the back portion of the certificate), with the date of completion of return journey given in the claims to ensure that the claims are submitted within the stipulated time.
- b. If claims are not submitted within the stipulated time by the individuals and therefore stand forfeited, such claims should be put up to GO/JCDA/CDA indicating the position through office notes for appropriate orders for recovery where advances are drawn. If advances are not drawn, then such belated submission of claims should be recorded in office with the approval of JCDA/CDA through office notes and such facts should be communicated to the Executive authorities with full particulars under the signature of GO.
- c. In the case of non-drawal of advances, if the claims are submitted in time, look for a certificates from the executive authorities that the prior intimations for availing of LTC were given by the claimants well in advance, prior to the commencement of onward journeys.
- d. Look for the evidence of detailed verification carried out by the controlling officers of units on claims, with heavy amounts, preferred by the individuals without drawal of advances in the following manner:
 - (i) whether clear copies of reservation Tickets are attached with the claims for both onward and return journey without any clever manipulations/corrections.
 - (ii) Reservations for onward journeys were done well in advance and not after the commencement of onward journey.

- (iii) Ages of family member shown on the Reserved Tickets for both onward and return journey are identical.
 - (iv) Ensure that the copies of computerized Reservation Tickets attached with the claims are genuine.
 - (v) Ensure that the travel in higher classes are preformed with confirmed Reservations and proof of such confirmed reservations are obtained in respect of Tickets showing wait listed numbers.
 - (vi) Ensure that the prior intimation of journey to declared place of visit has been furnished/certified in respect of cases where advances were not drawn.
 - (vii) Ensure that clear proof of confirmed Reservation on different Trains between intermediate station to declared place of visit and vice versa are given by the claimant where no direct Train between duty station and declared place of visit exist necessitating journey by change of Trains, even though direct tickets from the duty station to the declared place of visit has been purchased.
 - (viii) Ensure that essential details such as date and time of departure of train, train number and name have been quoted on the claims correctly and that the train reaches the declared destination.
 - (ix) Ensure that claims for senior citizens availing the concessions are being claimed correctly.
 - (x) Ensure that claims for both onward journey and return journey have been claimed in respect of the same persons as per the declaration made.
 - (xi) Ensure that no erasure/overwriting has been made on the claims and if found made, the entries are attested properly.
 - (xii) Ensure that the outward journey has been performed within the block year to which the claims relate to.
- e. Verify whether the journeys performed both ways are on confirmed reservation on entitled class. If not look for other evidences in support of the claims such as Hotel/Guest House receipts where the individuals with family stayed at the declared place of visit, proper/printed cash memos bearing dates in support of articles purchased etc. The genuineness of hotel/guest house/cash memos in support of purchase of articles etc should be minutely scrutinized to see whether by any chance they are on plain paper.
- f. Call for & obtain certificates from the Controlling officers, in the cases of advance drawn that the Railway Tickets have been produced for verification by the individuals within 10 days of drawal of advance and the Ticket produced for verification and the numbers quoted on the claims are identical.

- g. Ensure that the claims on LTC are claimed and admitted on the shortest route as per LTC Rules 1988.

III. For DAD cases:-

1. In addition to General Audit checks and specific checks prescribed at (a) to (f) above, the controlling officer should ensure that the verification of the Railway Tickets are centrally done in AN section dealing with the LTC claims and the Ticket numbers should be noted against the Remarks column against the respective individuals who have drawn the advances. This should be cross checked with the Ticket numbers quoted on the adjustment claims.
2. This work of verification of Tickets should not be left to be done in sections where the individuals are serving in Main office as is being done at certain places now. Controller are requested to stop this practice forthwith and ensure that the procedure envisaged at (1) above are followed with immediate effect.
3. In the case of claims submitted by Sub-offices, in respect of individuals serving under them, the responsibility for verification of tickets rests with the Head of office and a certificate from them that the tickets verified by the office and the ticket number quoted on the claims by the individuals are identical should invariably be obtained.
4. Verify that the title of claim exists and the claims preferred by the officials in respect of family members are as per the latest family details and dependency certificates recorded in service books.

The Audit checks prescribed for 'T' section and 'AN' Section dealing with LTC claims as per Annexure 'B' are only illustrative and not exhaustive. In addition to the prescribed checks in Annexure 'B', the Controller can use their discretion in enforcing further special checks on the LTC claims which are capable of detecting all the serious irregularities mentioned in Para 3 of the main letter to ensure that no fraudulent claims are entertained for payment.

CHAPTER X
ENGINEERING SECTION

651. The conduct and disposal of work dealt with in Engineering Section will be as laid down in O.M.Part VIII.

CHAPTER XI

INTERNAL AUDIT SECTION

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OBJECTIVES

652. Objectives of Internal Audit Section are:-

- (i) To assist Administrative and Executive authorities in improving the financial administration of the units and formations under their Command.
- (ii) To ensure that financial and other resources placed at the disposal of the Administrative & Executive authorities are utilized in the best interests of State.
- (iii) To evolve methods to increase the cost effectiveness of the expenditure incurred by Administrative & Executive authorities.
- (iv) To keep the Administrative and Executive authorities and CGDA informed periodically of the General State of Financial Management.

DUTIES

652A. Duties of Internal Audit Section are:-

- (i) To ensure that internal audit of sanctions/ expenditure and local audit of store accounts/ inspection of cash accounts in respect of units/ formations covered by the organization is carried out effectively and results thereof are reported and followed up.
- (ii) Receipt, examination and circulation of Government letters etc. in respect of matters affecting local audit of store accounts and other checks carried out by local audit officers as also matters affecting audit of sanctions.
- (iii) Examination of Defence expenditure with a view to exploring ways and means of achieving economy where practicable.
- (iv) Examination of important internal audit points emerging from audit of sanctions as also the audit points received from LAOs/ RAOs and Audit sections of the Main Office.
- (v) Audit of Sanctions of expenditure by Competent Financial Authorities lower than the Government of India exercise of the Financial Powers conferred on them with or without Financial Concurrence/ Consultation.
- (vi) Tendering Financial Advice to the local administrative authorities and rendition of quarterly report to the CGDA showing items of Financial Advice and higher audit tendered.
- (vii) Disposal of special reports and outstanding objections of units and formations moving out of Command/ disbanded.
- (viii) Monitoring of Local Test Audit Reports (LTARs)

- (ix) To monitor follow up action on test audit objections. The Internal Audit section should also maintain a record of the action taken on LTARs, Draft Paras and Audit Paras and render a progress report to HQrs Office on monthly basis.
- (x) Consolidation and editing of the quarterly report on Major Financial Accounting Irregularities.
- (xi) Consolidation and rendition of Annual Audit Certificate to the CGDA.
- (xii) Audit including higher audit of Loss Statements and preparation of the statement of losses for inclusion in the Appropriation Accounts under Para 547 of Defence Audit Code.
- (xiii) Action on references from LAOs/ RAOs on audit and procedural matters.
- (xiv) Approval of half yearly Local Audit Programmes and scrutiny of monthly local audit completion certificates and related works.
- (xv) Action on tour notes, Super Review reports and reviewing officers' reports.
- (xvi) Action on Audit inspection reports, audit notes and the Consolidated Annual Accounts of Cantonment Boards.
- (xvii) Editing and submission of half yearly Internal Audit Reports to HQrs Office.
- (xviii) To establish a linkage between various Audit reports viz. MFAI, IAR and AAC. It should also be ensured that the items suggested for inclusion in IAR and AAC have invariably been included in the MFAI Report earlier.
- (xix) To liaise with HQrs Office and other PCsDA/ CsDA to identify areas for Performance Audit, Super Review and Special Audit. The Internal Audit section must create a database of reports/ recommendations of such special audit projects towards the end.
- (xx) To analyse the audit observations included in MFAI, IAR and AAC and suggest systematic/ procedural changes to prevent recurrence of irregularities.
- (xxi) To monitor follow up action on internal audit observations and update the status in reports submitted to HQrs Office.
- (xxii) Higher Audit of 'Contract Management' especially the Contracts relating to acquisition of weapon systems and purchase of stores including rations.

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EXAMINATION AND CIRCULATION OF GOVERNMENT LETTERS, ETC

654. All Government, Army Headquarters and C.G.D.A's letters in respect of matters affecting local audit of store accounts or other checks carried out by Local Audit Officers will be received in I.A.Section. It will be ensured that, if they are not capable of clear implementation, clarifications are obtained. These orders (as well as the method of their implementation) will then be communicated to the Local Audit Officers.

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EXAMINATION OF DEFENCE EXPENDITURE FOR EXPLORING MEANS OF ACHIEVING ECONOMY

656. The function of audit is not merely to see that the authority for expenditure exists, but also on legitimate occasions to investigate the necessity for it. It will examine whether the individual items were in furtherance of the scheme for which the budget provided; whether the same results could have been obtained otherwise with greater economy, whether the rate and scale were justified in the circumstances; in fact, it will ask every question that might be expected from an intelligent tax-payer bent on getting the best value for his money. For this purpose, comparison of expenditure of cash and certain important kinds of stores selected in each unit will be necessary in respect of (a) the same unit as between different quarters of the year and (b) units of the same type during a particular period. Investigations for financial advice will cover the whole field of Defence expenditure but particular attention will be paid to those items where extravagance is more likely, for example:—

- (i) the working of hospitals by comparison between the costs of diets, extras, *etc.*;
- (ii) the riling or back-riling of stores (by examination of counter-foils of credit notes);
- (iii) use of Government transport;
- (iv) the cost of M.E.S. maintenance and repairs;
- (v) working of contracts, both A.S.C. and M.E.S.
- (vi) critical examination of the practical working from the financial point of view of various measures introduced by Government.
- (vii) general scrutiny of Part II orders of units (this may disclose matters on which financial advice may usefully be tendered to administrative authorities);
- (viii) condemnations of equipment *etc.*, in different units of the same arm of the service;
- (ix) scrutiny of estimates and expenditure pertaining to large works or projects with a view to seeing whether there have been material modification or deviation from the sanctioned estimates;

- (x) if the accounts for the month of March of any G.E.'s office or the statement of cheques issued during March received from it, indicate an unusual and serious rush of payments towards the close of that month, the section should investigate the causes and the effects of the rush and hurried payments which it must have involved.

657. It will be the sole responsibility of the L.A.Os/R.A.Os, to take on, in local audit the functions of financial advice and to furnish the Internal Audit Section with such useful points as may come to their notice in their day-to-day audit and which merit investigation for financial advice purpose so that they may be dealt with more critically and comprehensively in that section. Similarly, audit sections will also be responsible for bringing to the notice of Internal Audit Section cases which in their opinion may, with advantage, be investigated in detail. A record of items of financial advice and higher audit tendered to OsC units and administrative authorities, and the result thereof will be kept by audit sections in a register to be maintained for the purpose. A quarterly report showing such of the items as have been accepted by the administrative authorities will be sent to I.A.Section who will compile and submit the same to the CGDA (vide Para. 660 below), after being seen by the PCDA/CDA./Jt./Addl.C.D.A.

EXAMINATION OF SANCTIONS TO EXPENDITURE BY COMPETENT FINANCIAL AUTHORITIES LOWER THAN THE GOVT. OF INDIA

658. All cases in which authorities lower than Govt. of India, have exercised their financial powers vested in them, should be critically examined vide Rule 65, 66 and 67 F.R. Part-I and important cases in which it is noticed that the powers have not been properly exercised or the advice tendered by the PCDA/CDA has been disregarded will be closely watched and reported to the C.G.D.A. where necessary.

REVIEW OF THE ORGANISATION OF PCDA/CDA'S OFFICE

659. The Section will (i) maintain statistics relating to the organization of the main office and Local Audit Office, (ii) work out the details of administrative policy initiated by the PCDA/CDA/Addl. CDA or the J.C.D.A. in this regard and, (iii) submit for their orders and changes in organisation or procedure that might in its opinion be called for by any situation that may arise.

PCDA/CDA should feel no hesitation in submitting for the C.G.D.A.'s consideration matured schemes of audit of cash and store expenditure which, they are satisfied, will result in reduction of the cost of audit, in simplification of work, or in greater efficiency. With this object in view, small experiments may even be undertaken provided that these do not necessitate the employment of extra establishment for which sanction is necessary.

**TENDERING FINANCIAL ADVICE TO THE LOCAL ADMINISTRATIVE
AUTHORITIES AND RENDITION OF QUARTERLY REPORT THEREON TO
THE C.G.D.A.**

660. Financial advice tendered to local administrative authorities can be divided into two portions namely:-

- (i) Responding financial advices, which consists of (a) advice on definite points referred to PCDA/CDA and (b) advice as the result of investigations into facts which are normally accepted on the statement of Commanding and Administrative officers and,
- (ii) Original financial advices, which consist of advising the administration of any method of which equal efficiency can be obtained with less expenditure.

The Internal Audit Section will ordinarily carry out only original financial advice work which will be under the personal guidance of the PCDA/C.D.A./Addl.CDA/JCDA. The responding financial advice work will be dealt with by the audit sections concerned, invoking the assistance of the Internal Audit Section in cases of special importance.

The result of a PCDA/CDA's investigation on all individual points of higher audit and financial advice and the conclusion he has formed thereon will be presented by him to the local military authorities concerned, if he considers that the results justify such a course. No item of financial advice will, however, be pressed upon without the knowledge of the Command or Area Staff with whom the proposition should be fully discussed. PCsDA/CsDA should prominently bring to the notice of the C.G.D.A. cases in which suggestions made by them could not be implemented due to the unhelpful attitude of the local administrative authorities and also the further remarks of the PCDA/CDA thereon is submitted to the C.G.D.A.

Besides tendering financial advice, it is one of the primary duties of PCDA/CDA to institute measures which would assist service officers and the officers under their control in their day to day accounts work and in putting them wise not only to their responsibilities on the maintenance of accounts but also to the likely pitfalls that may be encountered and the preventive measures to be taken.

A quarterly report showing items of financial advice and higher audit tendered and accepted by the administrative authorities should be submitted to the C.G.D.A. by the 10th of the month following the quarter.

**SPECIAL REPORTS AND OUTSTANDING OBJECTIONS OF UNITS AND
FORMATIONS MOVING OUT OF COMMAND OR DISBANDED**

661. (i) Units moving within Indian Limits: - The local audit of the accounts of a unit under orders to leave the audit area of one PCDA/CDA for that of another will be completed upto the end of the month preceding the final visit of the local audit staff and all objections (including those already

outstanding) will as far as possible be settled before the unit leaves the station. A special report showing the exact state of the unit's accounts and the month upto and for which the accounts have been audited will be sent by the auditing L.A.O. to the Internal Audit Section of his PCDA/CDA. The special reports will be accompanied by the documents mentioned in Para 311 of Army Local Audit Manual Part-I Vol-II.

On receipt in the Section, the special report will be scrutinized and orders of the Addl.CDA/J.C.D.A. obtained in respect of any item falling within their financial powers which is not considered worthwhile to pursue. The items waived by the JCDA/ Addl. CDA/C.D.A./PCDA will be deleted from the report which will then be sent to the PCDA/CDA to whose audit area the unit has proceeded. The PCDA/CDA will forward the report together with its enclosures to the L.A.O. concerned for necessary action and obtain his acknowledgement. In case the accounts of the unit are reported to be in an unsatisfactory state, a report to the effect will be made by the PCDA/CDA to the Area Commander and the case should be included in the report on Major Financial and Accounting Irregularities.

(ii) Units disbanded, demobilised etc. :- The audit of the accounts of units and formations under disbandment, demobilisation *etc.*, will be carried out generally on the lines indicated in Para 312 and 313 of Army Local Audit Manual Part-I Vol-II except that local audit will be conducted to the date of the move of the unit to the demobilisation Centre. On completion of final audit, the L.A.O. of the station at which the unit is located before leaving for the demobilisation Centre will forward a special report as prescribed in Para 16 *ibid.* through the PCDA/CDA to the L.A.O. of the demobilisation Centre. At the same time, a copy of the special report will be sent directly to the L.A.O. of the demobilisation Centre, to enable the latter to take up the audit of the store accounts at the demobilisation Centre without waiting for a reference from the PCDA/CDA. The following items will find a place in the special report.

- (a) Items that required the orders of the Commandant of the demobilisation Centre under the financial powers delegated to him.
- (b) Items that required the sanction of an authority higher than the Commandant of the demobilisation Centre.
- (c) Items that cannot be disposed off under the financial powers of the PCDA/CDA of the area in which the unit was located before move to the demobilisation Centre.

On receipt in 'IA' Section, the special report will be examined with a view to ensure that no items which can be disposed off under the financial powers of the Defence Accounts officers concerned is passed on for disposal to the L.A.O. of the demobilisation Centre. Action should also be taken by the L.A.O. of the original station from which the unit moved to advise the O.C. of unit to obtain the sanction of the Commandant of the demobilisation Centre in cases where such sanctions are necessary. It will then be for the L.A.O. of the demobilisation Centre to not only deal with the objections raised by himself in the final audit of the accounts checked by him but also

with those objections which have been intimated to him by the L.A.O. of the station from which the unit moved to the demobilisation Centre. The final statement of objections *etc.*, which cannot be disposed off even under the powers of the Commandant of the demobilisation Centre should be scrutinised by the PCDA/CDA of the area in which the demobilisation Centre is located. These objections will be reported by the PCDA/CDA by inclusion in the quarterly report on Major Financial and Accounting Irregularities to the Commander of local Headquarters whose duty it will then be to institute such enquiries as may be deemed fit and to report the items through proper channel to the Branch concerned at Army Headquarters for their orders.

The above instructions deal with the procedure to be adopted mainly in the case of consuming units moving from the area of one PCDA/CDA to another in which the demobilisation Centre is situated. The principles underlying these instructions are generally applicable to other units and formations which are disbanded, demobilised *etc.*, and to units and formations which though located at different stations are in the audit area of the same PCDA/CDA. In the case of units located at the demobilisation Centre itself, all necessary audit will be carried out by the L.A.O. of the demobilisation Centre.

Note: *As the responsibility for watching the disposal of balances of cash and fund accounts devolves on the audit section concerned, the Internal Audit Section will forward extracts from undisputed reports to them for necessary action and obtain their acknowledgements.*

TEST AUDIT REPORTS

662. A Test Audit objection statement will be entered in the register of Test Audit objections to be maintained in order to watch their prompt settlement. The objections will then be dealt with in accordance with the instructions contained in Para 512 et seq., O.M. Part I. (Amended vide CS 226/91).

DRAFT PARAS OF LOCAL AUDIT INTEREST RECEIVED FROM DIRECTOR OF AUDIT DEFENCE SERVICES FOR INCORPORATION IN THE AUDIT REPORT, DEFENCE SERVICES

663. The material required for the Audit Report, Defence Services is collected by the Director General of Audit, Defence Services, from various sources as indicated in Appendix IV to the Manual of Audit Department, Defence Services, Part I. Much of this material originates in the shape of Draft Paras prepared by the Deputy / Assistant Directors of Audit, Defence Services. The D/A. Ds.A., D.s., are required to have the facts contained in these Draft Paras verified by the PCDA/CDA concerned and then submit the same to the Director of Audit, Defence Services, for incorporation in the Audit Report. After the Director of Audit, Defence Services, has accepted the Draft Paras for inclusion in the Audit Report, he refers them to the D.H.Q. Branch concerned and the C.G.D.A. for remarks and/or acceptance.

664. On receipt of the Draft Paras, in PCDA/CDA's offices, it will be entered in the Draft Para Register on the format as contained at Sl. No. 12, Section 2, Chapter XI of OM Part II Vol. II. The Draft Paras will be checked to see that:-

- (i) the statement of facts as made therein is correct;
- (ii) the responsibility, if any, for the irregularity has been clearly brought out and accepted by the authority concerned; in case the responsibility is directly of the Defence Accounts Department, it should be so stated;
- (iii) remedial measures if any, necessary have been taken and a statement to that effect also been made in the Paras; and
- (iv) if a Draft Para is based on a case taken up by internal audit, this fact is acknowledged in the Draft Para itself.

The Draft Paras will be immediately brought to the notice of the Command Headquarters concerned (for examination and comments) with a view to making sure that the Draft Paras are factually correct and their presentation is objective and fair as Paras which are likely to appear in the final Audit Report and which would come to the special notice of the Public Accounts Committee. A period of 30 days will be allowed to Command Headquarters for furnishing the final replies to Draft Paras. Copies of the Draft Paras will be endorsed to Lower Formations and concerned simultaneously while addressing the Command Headquarters to avoid delays.

After action as indicated above has been taken the Draft Paras will be returned to the DGADs, D.A., duly accepted or with such other remarks and modifications as may be considered necessary within 6 weeks of their receipt.

A copy of each Draft Para as finally concurred in by the PCDA/CDA will also be forwarded to the administrative authorities concerned.
(Amended vide CS 228/92).

665. To enable the C.G.D.A. to be sufficiently well posted regarding facts etc., stated in the Draft Para in time, an advance copy of the Draft Para duly concurred in by the PCDA/CDA should be sent to the C.G.D.A. giving complete information of the circumstances of the case in the Proforma given in Annexure 'A' to this chapter.

Note 1: *In forwarding the Draft Paras, copies of correspondence should not be forwarded to the office of the C.G.D.A. but only a brief, properly edited and lucid summary of the case dealing with varying aspects thereof particularly the extent of responsibility, if any, which can be attributed to failure on the part of the D.A.D., should be sent to the C.G.D.A.*

Note 2: *The Draft Paras should be forwarded to the C.G.D.A only after any amendments proposed by PCDA/CDA have been accepted or otherwise by the Test Audit.*

Consolidation and Editing of the Quarterly report on Major Financial and Accounting Irregularities

666. Quarterly Report on Major Financial and Accounting Irregularities (M.F.A.I.) deal with matters relating to units and formations in various Arms and Services which are worth bringing to the notice of Headquarters Command or the Administrative authorities concerned. The following types of irregularities will be included in these reports:-

- (a) (i) Cases involving irregular maintenance or non-maintenance of Accounts which, in the personal opinion of the PCDA/CDA, have serious implications.
- (ii) Cases in which the value of financial irregularity or loss involved is Rs 5 Lakh or more in each case.
- (iii) Cases of serious irregularities which cannot be translated into financial terms, but which in the personal opinion of the PCDA/CDA should be brought to the notice of Army Commanders / Air Headquarters/Naval Headquarters/ DGOF (in case of Factories) and Administrative Heads of Departments / Organisations (in other cases).
- (b) Apart from the cases of financial irregularities coming to the notice of PCDA/CDA through audit processes in the main office, Local Audit Offices, Sub Offices and reports from administrative authorities, special attention should be paid to the following items :-
- (i) Utilisation of Plant and Machinery for the purpose of which purchased and installed.
- (ii) Identification of slow moving and non-moving items of stores in Depots/Store holding formations.
- (iii) Deterioration in the condition of stores due to unduly long/inadequate storage.
- (iv) Defective planning and implementation of projects involving significant investments, highlighting in particular major deviations from original time and cost targets.

667. 'IA' Section is responsible for scrutiny, consolidation and rendition of the quarterly report on Major Financial and Accounting Irregularities for the quarter ending June, September, December and March each year by 20th of the month following the quarter. For this purpose LAOs/RAOs, Sub Offices and Sections in the Main Office will render their quarterly reports to the I.A Section. The consolidated report termed "Major Financial and Accounting Irregularities" report will be prepared for the Command as a whole and will be rendered to Command Headquarters etc., as laid down in Para 668 below.

The report will be rendered in two parts viz., Pt. I and II as per Annexure 'B' and 'C' to this chapter. Part I is for indicating fresh irregularities and Pt. II for irregularities reported previously but still outstanding. Both the Parts have been divided into two Sections each, viz. Section A and B. Section A is for indicating Cash Irregularities and Section

B for Store Irregularities. In Pt. II of the report besides giving item No. and the month / quarter of the reports in which the items were originally excluded, against each item in brief should also be given inter alia indicating the latest position for readily drawing the attention of the authorities concerned.

The report will be forwarded on the Proforma reproduced at Annexure 'D' to this chapter (Forwarding memo for the report).

668. The reports which will be signed by the PCDA/CDA or by the Addl. CDA/JCDA in the absence of the PCDA/CDA will be addressed and copies endorsed to the parties concerned in the following manner:

- (a) In the case of Army units / Formations the report will be addressed to GOC-in-C Command by name with copies to Area / Sub-Area Commanders enclosing items pertaining to their Areas / Sub Areas. The names of units / Formations will be arranged Sub Area / Area-wise.
- (b) A copy of the report with relevant items only may also be endorsed to the concerned Directorate at AHQs whenever items of irregularity pertaining to the Units like Central Ordnance Depots / Base Workshops (MES) etc., are included therein as the regularisation action with the concerned Directorate. CsDA may pursue with the Directorate, cases of delay in regularisation action.
(Added vide CS 225/91)
- (c) PCDA/CDA of Defence Accounts (Air Force and Navy) will address the reports to the respective Command Head quarters.
- (d) Reports in respect of DGOF, DGNCC, DGR&D, DGI, BRDB and Inter Service Organization etc. will be addressed to the Departmental Heads with copies to concerned laboratories / Estt. etc., together with items pertaining to them.
- (e) Copies of all reports will be endorsed to the CGDA and Sr. DGAS/Dy DGADS/Asst. DGADS concerned.

669. The reports should be drawn up and edited with the greatest care so as to achieve the object for which they have been introduced. The narration in Part I of the report should be concise and to the point, highlighting the specific nature of irregularity, the degree of seriousness, the amount involved, the precise point at which the failure is revealed and reference to the relevant rules and orders etc. In order to draw the attention of the concerned authorities effectively, the narration should not normally exceed two pages. The following points should also be explicitly mentioned in the narration of each case of irregularity, wherever necessary.

- (i) Whether the irregularity has come to light during a percentage audit and/or during process of check over selected items; or whether it is a case of erroneous certification by the executives and;

- (ii) The precise point at which and the extent to which failure on the part of the executives is revealed.

Cases which, in the personal opinion of the PCDA/CDA, are so important or significant as to be reported to the Ministry of Defence / Service Headquarters / Ministry of Defence (Finance) will be included in Proforma I reproduced in Annexure 'B'. Nil reports will also be indicated. All other cases will be included in Proforma I, reproduced in Annexure 'B'.

In order to enable action being initiated by the CGDA and by authorities at Armed Forces Headquarters / Administrative authorities concerned in cases referred to in the preceding paragraph, full particulars of the action already taken at Headquarters Commands or by the CDA and the nature of action suggested for consideration at CGDA's level will also invariably be indicated. Copies of relevant correspondence that has passed on at Command level etc., will also be enclosed for information.

***Note:** Items in the MFAI/IAR reports which are subsequently included in the CGDA's certificate appended to the printed Appropriation Accounts, will be formally taken out of the MFAI report but pursued to finality in the normal course. As for other items in the MFAI reports, the same should continue to be exhibited till the cases are finally settled.*

670. Inordinate delays in the inclusion of an irregularity in the Report on Major Financial and Accounting Irregularities almost defeat the object of these reports. It is, therefore, essential that cases of financial irregularity detected during a month are reported promptly either in the same or in the month following that to which the report on the Major Financial and Accounting Irregularities, relates. Whenever there is an abnormal delay either in the detection of irregularity or in its inclusion in Major Financial and Accounting Irregularities after its detection, the reason therefore should invariably be communicated to the CGDA either through the report itself or simultaneously with it.

671. To ensure that there is no undue delay in reporting to the administrative authorities cases of important financial irregularities, the L.A.Os, will bring all such cases to the personal notice of the PCDA/CDA through special reports. On receipt of these reports, they will be examined in the Internal Audit Section and the cases reported to the administrative authorities with full particulars as expeditiously as possible. Similar action in regard to the irregularities detected in the main office will be taken by the sections concerned and the number and date of the communication under which the report was made, communicated to the Internal Audit Section along with quarterly report.

A register of financial irregularities as per Proforma in Vol. II of this Manual will be maintained in each audit section of PCDA/CDA's office and by other Audit Officers.

INTERNAL AUDIT REPORT

671A. PCDA/CDA's Internal Audit Report is to be drafted and rendered to Headquarters. The report is to be rendered half-yearly covering the period upto 31st March and 30th September of every year under the following broad categories :-

- (a) Regulatory Audit
- (b) Loss of Revenue
- (c) Generation of Revenue
- (d) Optimal Resource Management and
- (e) Economy suggestion

The report will contain items of importance and significance which have come to notice during the half-year, which merit attention of the highest echelons of Ministry of Defence and Services Headquarters.

Items submitted by PCsDA/CsDA are consolidated and submitted to the FA (Defence Services) and Defence Secretary by the CGDA. Individual items included in half yearly reports are brought to the notice of PSOs at Service Headquarters and Heads of organizations concerned for initiating necessary remedial action.

PCsDA/CsDA will continue to pursue the items included in the report at their level with the executive authorities till finality.

ANNUAL AUDIT CERTIFICATE

672. PCsDA/CsDA will submit annually to the CGDA so as to reach him by 1st August each year, the certificate as laid down in Paras 535 to 541, Defence Audit Code. They may make in the certificate any reservations / qualifications considered necessary as a result of test checks exercised by them. The consolidated Audit Certificate published in the Appropriation Accounts of the Defence Services will be taken as guide by PCsDA/CsDA. The instructions contained in Para 535 et seq. Defence Audit Code should be complied with by PCsDA/CsDAs while submitting the certificate. Details in support of qualifications / reservations made by PCsDA/CsDA in the certificate will be furnished by them in the relevant proformae as prescribed in Annexure 'D' to 'K' to this chapter. Although the proformae have been prescribed for rendition of details in respect of certain common types of qualifications / reservations, PCDA/CDAs are only to make use of such of those Proforma as are necessitated by the result of their test checks. In case it becomes necessary to make any qualifications / reservations other than those for which Proforma 'D' to 'K' have been prescribed, PCsDA/CsDA will invariably furnish details in support of such qualifications / reservations.

673. The PCDA/CDA's certificate for a year should embrace all the expenditure contained in the accounts of that year and should also depict as a whole the correct results of internal audit conducted by the Defence Accounts Department vis-à-vis the entire field of Defence expenditure. Cases

in which ex-post-facto sanction of the Government of India has been refused for any item or items of expenditure already incurred and any special features or major changes introduced during the period covered by the certificate, will also be included in the body of the certificate. The certificate, which should be signed by the PCDA/CDA / (Addl. CDA/ J.C.D.A., if holding independent charge) and only in his absence by the next senior officer “for the PCDA/C.D.A. / Addl. CDA/ J.C.D.A.” subject to post approval by the PCDA/C.D.A./ Addl. CDA/J.C.D.A., should be self-contained, comprehensive and precisely worded. In cases of reservations or qualifications made in the certificate a few specific and glaring instances in support of each such reservation or qualification should be furnished separately as an Appendix. The relative position (i.e., extent of improvement or deterioration noticed) as compared to the immediately preceding years in regard to certain important features of accounting such as state of accounts, positions of stock verification outstanding on account of payment issues, etc., should also be brought out in the certificate proper, duly supported by necessary details which should be furnished separately.

674. In respect of items of unauthorized expenditure or irregular issue of stores, etc., if any, for which Government sanction is awaited and the audit certificate in respect thereof cannot consequently be given, a statement should be appended to the certificate giving full particulars of all such items, the head of accounts in which they are included, the precise circumstances in which the expenditure was incurred or the stores were issued prior to the receipt of Government sanction etc. Information regarding the relevant authority under which, or the reasons for which, Government sanction is necessary and the action taken to regularize the expenditure in each case will also be invariably included in the statement. Only those transactions whose monetary value exceeds Rs 50,000/- and which normally require the sanction of the Government of India prior to their occurrence, e.g., items involving extra / irregular expenditure, transactions like unauthorized provision of free conveyance, extra issue of rations, stores, etc., need to be included in the above mentioned statement. Cases of actual losses of stores, building, etc., for which sanction of Government, where required, has inevitably to be accorded ex-post-facto will not be included therein, as these will find a place in the statements of losses of stores or cash, as the case may be. Similarly, cases where ex-post-facto sanction has been refused by the Government of India will not be included in the statement, as they are to be included in the body of the audit certificate.

Cases of serious irregularities detected in internal audit will be listed in a separate Annexure to the AAC furnishing brief particulars of the nature of irregularity when it was detected and the action taken subsequently.

675. The following points should be carefully observed in the preparation of the statements referred to above:-

- (i) The narration of each item should be self-contained and complete giving full particulars of the expenditure and clearly indicating the circumstances, so far known to the PCDA/CDA at the time of rendition of the certificate, in which the payment

was made or the expenditure incurred in the absence of the necessary Government orders.

- (ii) In cases where full particulars are not available at the time of rendition of the audit certificate, it should be indicated in the remarks column against the item that they are being obtained or will be furnished later when the case is routed through them for furnishing an audit report while applying for the requisite Government sanction for the expenditure.
- (iii) In cases, however, where there has been delay on the part of the executives in answering the objection or in furnishing the reasons for incurring the expenditure in the absence of or prior to the receipt of the Government sanction therefore, the item should be so annotated in the statement and such items should also invariably be exhibited in the quarterly report on Major Financial and Accounting Irregularities. In case the item had already found a place in the report on Major Financial and Accounting Irregularities, a reference to the item number in the report on Major Financial and Accounting Irregularities should be cited.
- (iv) The following basis will be adopted for reporting outstanding on account of Payment Issue of stores supplied / services rendered (including hire charges of tools and Plants) and rent and allied charges etc., :-
 - (a) Payment issue of stores supplied / services rendered (including hire charges of tools and plants). Issues made upto the 31st March outstanding as on the 30th June.
 - (b) Rent and allied charges-Rent bills issued upto the end of February outstanding on 30th June.
 - (c) Outstanding audit objection - Objections issued upto the 31st March remaining outstanding on the 30th June.

Note 1: *Statement showing outstanding on account of payment issue of stores supplied / services rendered (including hire charges of tools and plants) and rent and allied charges should give an analysis of the outstanding party-wise and year-wise and also indicate briefly the reasons for the outstanding under each category as well as the steps taken to liquidate the same. The break-up of the details of rent and allied charges (outstanding will be rendered service-wise) (i.e., separately for Army, Air Force and Navy).*

Note 2: *The number of cases where the amount of outstanding on account of payment issues and rent etc., exceeds Rs 50,000/- in each individual case and has remained outstanding for more than a year should be mentioned. The details thereof will be furnished in Proforma as prescribed in Annexure 'N-I' and 'O' respectively to this chapter.*

Note 3: *A copy of the statement on account of rent and allied charges together with corresponding statement alluded to in Note 2 above will also be*

endorsed to CHGS Branch, E-in-C Branch and D.F.A. (W)/Equivalent authorities.

- (v) In cases of non-linking of issue vouchers/CRVs/vouchers not produced for audit etc., the total number will be indicated in the body of the certificate. Particulars of more important cases involved will be given in the statement attached in the AAC, indicating inter-alia, the reasons for non-linking of CRVs with the issue vouchers, non-production of vouchers etc.
- (vi) In cases of non-maintenance/ improper maintenance/ non-production of accounts the statement enclosed to the AAC should contain full details of the irregularity, such as the name of the Unit, the particular account and the period involved, the precise nature of irregularity (in the case of improper maintenance of accounts) and information whether the irregularity has since been set right at the time of submission of the certificate.
- (vii) The number of important cases of expenditure under objection exceeding Rs 5000 in each case where the sanction of the Government of India is required and which were enumerated in the previous years' Appropriation Accounts but are still awaiting regularization will also be mentioned in the details furnished in the proforma prescribed in Annexure 'P' to this chapter.
- (viii) Cases of losses awaiting regularization for more than one year and where the amount involved is substantial enough to require sanction of the Government of India will be exhibited in the proforma prescribed in Annexure 'Q' to this chapter.

676. Where it has not been possible to include any items of unauthorized expenditure actually incurred in or relating to the year in that year's certificate already rendered to the CGDA, owing to delay in their detection due to other causes, the items affected will be dealt with as follows:

- (a) If the unauthorized expenditure even in subsequent year/ years for which an audit certificate has yet not been rendered, the entire period to which the expenditure relates and the total amount involved (including that for the previous year/ years) will be shown in the statement appended to the certificate to be rendered for that year.
- (b) In cases where entire expenditure relates only to the previous years, the period and the amount involved, etc. will be shown separately in the certificate of the year in which the unauthorized expenditure was first actually brought to light, in the form of annexure to the regular statement of the year.

677. Items of expenditure awaiting regularization under orders of and/ or which may be regularized by the Competent Financial Authorities lower than the Government of India are not required to be exhibited in the statements appended to the certificate.

678. In respect of stock verification carried out by the administrative authorities, a self-contained explanatory note giving the general position and result of stock-verification during the year should be appended to the audit certificate for that year.

This note should inter alia, contain information regarding the number of units / formations in which stock-verification was either not conducted at all or was incomplete; whether or not it was subsequently conducted or completed; whether the result of stock-taking revealed a satisfactory state of affairs; the particulars of units in which the position was unsatisfactory and whether the discrepancies between ground and book balances were considerable and if so, their extent and their value; and such other information as will enable a complete appreciation of the stock-taking carried out during the year as a whole.

Note: *Cases of non-verification / partial verification of stock where the delay involved in the completion of stock-verification for the financial year etc., is only of a few days, need not be included. Only clear cases of non-verification of stock need to be reported. In cases of partial stock-verification the number of items not verified and the proportion they bear to the total number of items required to be verified should also be indicated.*

679. In order to enable the C.G.D.A. to render an audit certificate in respect of the “Special grants-in-aid” made to Cantonment Boards, the account of which are not susceptible to test audit by the D.G.A.D.S. the PCsDA/CsDAs concerned should include in their certificate a separate Para, on the following lines :-

“I also certify that the expenditure met from special Grants-in-aid granted to Cantonment Board from the Defence Services Estimates has been audited under my directions and that the conditions on which the grants have been made have been or being fulfilled/have not been or are not being fulfilled in the following respects.”

(To be mentioned in the certificate)

680. In respect of items of expenditure, which are not audited by the Defence Accounts Department e.g., expenditure on Q.M.G.'s installations (like flour mills); expenditure incurred by the High Commissioner for India (in U.K.); expenditure incurred by the Director General of Supplies and Disposals on the purchase of stores for the Defence Services (including purchases by India Supply Mission Washington) a suitable note should be inserted at the foot of the audit certificate to the effect that the certificate does not cover such items.

The certificate should also be qualified suitably to indicate that losses of stores (as distinct from cash losses which are to be regularized under the normal rules in F.R. Part I) due to enemy action and destruction by our own forces owing to operational necessity, as also losses of stores due to abortive air drops and those occurring in units and formations on war system of accounting etc. in respect of which no formal regularization is necessary under existing rules have not been included therein.

681. After dispatch of the certificate to the C.G.D.A., a copy of the certificate and its Appendix will be shown by PCsDA/CsDA to the Deputy Assistant Director of Audit / Assistant Audit Officer, Defence Services, or equivalent authority concerned, to enable the Test Audit authorities to ensure that all cases of expenditure (1) held under objection for want of Government sanction and (2) for which ex-post-facto sanction of the Government of India has been refused, have in fact been include in the C.G.D.A.'s certificate.

682. To facilitate the preparation of the annual audit certificate, a register will be maintained in each audit section of a PCDA/CDA's office and by each local audit officer, showing items of the nature referred to above placed under objection and the subsequent progress of the objections with notes or the final orders issued.

PCsDA/CsDA will submit to CGDA periodically, progress reports duly supported by the detailed statements in respect of all items included in AAC as indicated below:

Name of Report	Date on which due to reach CGDA's Office
(a) Position of cases included in the AAC as on 30 th September	7 th November
(b) Position in respect of the same as on 31 st December	20 th January
(c) Further progress in respect of the same as on 31 st March of the succeeding year.	15 th May

Items of expenditure reported through Annual Audit Certificate which require the sanction of Government of India, will be reviewed by the PCsDA/CsDA on receipt of necessary sanction and their settlement or otherwise communicated to the CGDA separately in each case as early as possible.

AUDIT OF LOSS STATEMENTS

683. (i) The section is responsible for audit and scrutiny of loss statement of stores as well as cash of units and formations including MES. PCsDA/CsDA will scrutinize the loss statements in a two-fold capacity as audit officer confining their scrutiny with reference to rules and orders and as financial advisors examining the merits of the case from a higher audit point of view. To minimize the time lag, these two functions will be discharged in a single process and for this purpose, loss statement will be scrutinized before sanction in cases where the CFA is required to consult the PCDA/CDA under rules FR Part-I

(ii) All loss statements falling beyond the financial powers of authorities mentioned in Note 1 below will be pre-scrutinized by the PCDA/CDA's Main Office.

Note 1: (a) The LAOs/RAOs would pre-scrutinise the loss statements and render final audit reports to Competent Financial Authorities (including departmental authorities at Command HQrs and below) in respect of all losses up to the financial powers of Bde/ Sub-Area Commander specified for units/formations concerned to which the loss pertains.

(b) In case where powers are not exercised by the Bde/ Sub-Area Commander for a particular unit/formation in respect of a particular type of loss (viz due to or not due to theft, fraud or neglect) the LAOs/RAOs would similarly deal with all loss statements up to the financial powers of departmental authorities at Command level including Director NCC (States) and below.

(c) Pre-scrutiny of loss statements for amount not exceeding Rs 500/- whether due to or not due to theft, fraud or neglect is however, not necessary.

Note 2: Loss Statements requiring the sanction of the Government of India or authorities at Armed Forces Headquarters will be received by PCDA/CDA through the LAO concerned.

Note 3: Loss Statements of MES stores including building and furniture will be received through the GE concerned duly priced by his Unit Accountant/AAO/AO (GE).

- (iii) The loss statements will be scrutinized to ensure that;
- (a) They have been correctly prepared and priced;
 - (b) No breach of accounting rule has contributed to loss;
 - (c) The loss has been properly investigated according to rules;
 - (d) The loss is a real one and not fictitious;
 - (e) The remedial and / or disciplinary action suggested by the administrative authorities is adequate and satisfactory;
 - (f) The PCDA/CDA agrees to the write off of the amount involved by the competent financial authority indicated;

EXHIBITION OF LOSSES IN THE APPROPRIATION ACCOUNTS

Losses of cash, overpayments etc.

684. Losses of cash, overpayments etc., written off by the Government of India and other competent financial authorities, and claims abandoned as irrecoverable and finally dealt with during the year are shown, under the following two main categories, in Appendix 'A' to the Appropriation Accounts of the Defence Services :-

(1) Cash losses, overpayments, irrecoverable claims etc., due to theft, fraud or neglect;

- (a) Details of losses etc., exceeding Rs. 25,000/- in each case.
- (b) Aggregate of all losses, etc., Rs. 50/- but not exceeding Rs. 25,000/- in each case.

(2) Cash losses, overpayments irrecoverable claims etc., due to other causes:-

- (a) Details of losses etc., exceeding Rs. 50,000/- in each case.
- (b) Aggregate of all losses etc., exceeding Rs. 50/- but not exceeding Rs. 50,000/- in each case.

(Amended vide CS 212/90 & CS 227/91)

Note: *In regard to cases of irregularity whose monetary value cannot be assessed, should be included in the Appropriation Accounts only when they are considered important enough to merit the notice Public Account Committee.*

(3) Details of the following types of losses written off are reflected in the Appendix 'B' of the Appropriation Accounts:

- (a) All store losses due to theft, fraud and gross neglect exceeding Rs. 75,000/-.
- (b) All store losses due to other causes exceeding Rs. 2 Lakhs.
(Added Para 684(3) vide CS 212/90)

685. The narration of each case of loss etc., to be included in categories 1(a) and 2(a) above should be brief, self-contained and provide information as to the exact period to which the loss pertains; amount involved; name of unit of formation; the competent financial authority by whom that loss was written off and the date of write off; action, if any, taken towards its investigation; the exact circumstances of the loss; the recommendations of the court of enquiry, if any, held; particulars of disciplinary action taken; and the remedial measures instituted. The number and date of the letter in which the loss was written off should be mentioned against each item.

686. In respect of all losses of cash etc., written off by Government of India or lower authorities statistics will be maintained by LAOs / RAOs and various sections in PCDA/CDA's office as given in Chapter V to IX of Office Manual Pt. II Vol. II in a register in IAF (CDA) 182, which will be examined by the LAOs / RAOs / Section Officers monthly. From this register LAOs / RAOs / Sections in PCDA/CDA's office will prepare quarterly details of important losses in the Proforma at Annexure 'L' to this Chapter and submit the same to the Internal Audit Section of PCDA/CDA's office for consideration and submission to CGDA through the local representative of DADS. LAOs / RAOs sections in PCDA/CDA office will also prepare annually a consolidated statement of total amount of cash losses finally dealt with during the year in the Proforma at Annexure 'N' to this Chapter and submit it to the Internal Audit Section for consideration and submission to the CGDA through local representative of DGADS.

The quarterly statements for the first quarter should be submitted so as to reach the CGDA not later than the 15th of August and will include the losses written off during the first quarter etc., from April to June. The statements for the subsequent quarters should reach the CGDA by 15th November, 15th February and 31st May. The consolidated annual statement of cash losses finally dealt with during the year should be rendered so as to reach the CGDA by 31st May each year.

Note 1: For purposes of the above statements each sanction by a competent financial authority should be viewed as an individual transaction irrespective of the number of transaction and the period covered by it and should be annotated at one place only in the statement of important losses.

Note 2: The annotation of important losses, viz., those mentioned at 1(a) and 2(a) above, should conform, as far as possible, to the form in which it is printed in the Appropriation Accounts and a self contained and complete history of each case should be furnished separately along with the statement of losses.

Note 3: Objections waived and irrecoverable amounts etc., written off by officers of the Defence Accounts Department and the Audit Department, Defence Services, under Rule 177, Financial Regulations (Part I) and Article 248 of Audit Code respectively need not be exhibited in the statement; Figures of “unidentified advances” and debtor balances written off by the PCDA (Officers) and the concerned Regional PCsDA/CsDA and their subordinate officers will, however, be shown in the statement of cash losses under the appropriate headings.

Note 4: (i) Losses due to enemy action and destruction by our own forces due to operational necessity as also losses due to abortive air drops and those occurring in Units and formations on war system of accounting which do not require formal regularization under the existing rules will not be reflected in the statement.

(ii) Cash Losses due to enemy action which are required to be regularized under normal rules in F.R. Part I, when regularized, will be included in the statement. Such cash losses awaiting regularization by Government of India will also be exhibited in the Proforma 4 prescribed in Annexure ‘Q’ to this chapter inserted vide C.S. No. 103 of 67.

Note 5: Cases involving provision of Government or hired transport to non-entitled personnel regulated under the orders of the competent financial authority should be treated as cash losses and shown in the statement of cash losses under the proper heading.

Note 6: Losses written off in respect of stores short landed at ports by shipping agents, the claims against whom are repudiated by or are not realizable from them in part or in full, should be classified as losses of cash and exhibited in the statement under the appropriate heading.

Note 7: Details of losses etc., to which no precise monetary value can be assigned should also be included at the bottom of the statement.

Note 8: The general criterion for determining whether items of unauthorized expenditure which have subsequently been regularized by sanction of the Competent Authority should be included in the statement or not will be as follows :-

If the sanction, besides regularizing past expenditure originally incurred without adequate or proper sanction, has the effect of making the item of expenditure an authorized charge subsequent to the date of sanction the item should not be included in the statement as in such cases government

recognizes the need for the expenditure but failed to provide for it earlier. Cases of ex-post-facto sanctions to expenditure involving no actual losses to the Government are also not to be included in the statement.

Note 9: *Losses pertaining to issue of stores in which cash recoveries are required to be made etc., irrecoverable payment issues or free issues where issues are authorized on payment only, are to be classified as cash losses.*

Note 10: *Losses pertaining to Cantonment Funds will not be included in the statement as these are not required to be incorporated in the Appropriation Accounts.*

Ex-gratia Payments

687. A statement of ex-gratia payment exceeding Rs. 20,000/- in each case made during the quarter will be submitted by PCsDA/CsDA quarterly on the dates prescribed in Para 686 to the CGDA through the local representative of the DADS giving full particulars of the items as indicated in Para 685. Aggregate value of all items of ex-gratia payment exceeding Rs. 50/- but not exceeding Rs. 20/- in each case showing inter-alia the number of cases involved should also be exhibited in lump sum in the quarterly statement. In addition an annual statement showing the aggregate value of ex-gratia payments exceeding Rs. 50/- but not exceeding Rs. 20,000/- in each case showing inter-alia the number of cases involved will also be submitted to the CGDA through the local representative of the Director of Audit Def. Services so as to reach the former by the 31st May of the year following that to which the statement relates. Amount actually paid during the financial year irrespective of the date of sanction should be exhibited in these statements. To facilitate the submission of the above report, each section of a PCDA/CDA's office will maintain a register for the purpose on the lines indicated in Vol. II of this manual.

Infructuous Expenditure

688. PCsDA/CsDA will submit half yearly to the CGDA through the local representative of the DGADS on the dates prescribed in Para 686, a statement of infructuous expenditure (other than MES) in two parts viz. (a) individual item of infructuous expenditure Rs. 1 lakh in each case with complete details as indicated Para 552 of Defence Audit Code and (b) Aggregate value of all items of infructuous expenditure exceeding Rs. 10,000/- but not exceeding Rs. 1 lakh in each case showing inter-alia the number of cases involved for exhibition in lump sum. The reports for the half year ending Sept. and March will be submitted so as to reach CGDA not later than the 7th Nov and 31st May each year respectively. As far as possible all items dealt with finally during the half year will be included in the statement for that half year, but any items which could not be included therein should be incorporated in the statement for the next half year with suitable remarks (showing inter-alia the number of cases involved). In addition an annual statement showing the aggregate value of all items of infructuous expenditure exceeding Rs. 10,000/- but not exceeding Rs.1 lakh in each case showing inter-alia the number of cases involved will be

rendered to the CGDA through the local representative of the DGADS so as to reach the former by 31st May of the year following that to which the statement relates. From these statements the CGDA will prepare and forward a consolidated statement to DGADS on the 15th August each year for eventual transmission, after test check, to the Secretary Defence/Finance/Financial Adviser Defence Services for inclusion in the Appropriation Accounts as Appendix 'C' to Section V.

A statement of infructuous expenditure (MES) will also be submitted by PCsDA/CsDA to the DFA (W)/Equivalent Officer on similar lines through the local representative of the Director of Audit Def. Services.

Each audit section of the PCDA/CDA's office will maintain a register to facilitate the submission of this statement..

Losses of stores, over issue of stores etc.

689. Losses of stores, over issues of stores etc., written off during the year by the Government of India and other competent financial authorities are shown in Appendix 'B' to the Appropriation Accounts of the Service vide proforma at Annexure 'M' to this chapter. Stores losses below Rs. 500/- in consuming units will not be included in this statement.

Details of important losses etc., will, however, be furnished in respect of the following losses in an Annexure to this statement, on the lines provided for cash losses:-

- (1) Losses exceeding Rs.75,000/- in each case due to theft, fraud or neglect.
- (2) Losses exceeding Rs. 2,00,000/- in each case due to other causes.

Note: *In regard to cases of irregularity, whose monetary value cannot be assessed, should be included in the Appropriation Accounts only when they are considered important enough to merit the notice Public Account Committee.*

690. Statistics in respect of losses of stores will be maintained by the local audit officers in a register in I.A.F. (C.D.A.)-341 and by the AO/AAO M.E.S. formations in a register as provided for the purpose. The detailed procedure for the maintenance of such statistics and submission of statements of losses by the local audit officers is laid down in the Army Local Audit Manual. Similar instructions for the AO/AAOGE M.E.S. formations are laid down in the M.E.S. Unit Accountants' Manual. From the statement furnished by the L.A.O.'s and the AO/AAOGE M.E.S. formations, PCsDA/CsDA will prepare statement in the Proforma at Annexure 'L' and 'M' to this chapter and submit the same to the C.G.D.A. through the local representative of the D.G.A.D.S. The statements for the first quarter should be submitted so as to reach the C.G.D.A. not later than 15th August and will include all losses written off during the first quarter, *i.e.*, from April to June. The statements for the subsequent quarters should reach the C.G.D.A. by the 15th November, 15th February and 31st May.

Note 1: The provisions of notes 1, 2, 4, 7, 8 and 10 below Para 686 apply to the cases of stores losses also.

Note 2: In respect of losses of buildings and furniture on charge of Air Force units and Indian Navy, the PCDA/CDA (AF) and the PCDA (Navy) will be responsible for inclusion of the items in their statements. The regional PCDA/CDA in whose area such losses occur should not, therefore, include these cases in their statements.

Note 3: All irregular issues or over issues of stores should be treated as store losses.

Note 4: Each item figuring in the statement of important losses should contain a reference to the particular heading and category in which it has been included in the main statement (viz., Head I, Food, Head H (a), P.O.L. etc.)

REFERENCE FROM LAO's / RAO's

691. The section will be responsible for giving decisions on doubtful points raised by LAO's / RAO's on matters affecting audit or procedure.

STRENGTHENING OF INTERNAL AUDIT

691A. To strengthen the functioning and to improve the quality of Pre/Post audit , it may be ensured that :

- (a) The audit observation/ objection should be issued by at least a GO level officer except for cases where only certain documents/classifications are required to be called for verification by the SAOs/AOs.
- (b) Care should be taken to ensure that the best reporting standards are maintained while communicating objections to the executives and objection statement should be issued to OC of Units. The level should be raised in case of non-reply / delayed reply.
- (c) Trivial and flimsy observations should be avoided. Observations of common nature should be frequently circulated to the executives to desist them from recurrence of similar type. The observations should be noted in the Audit Progress Register (APR) and proper follow up action should be taken till finality. The APR and correspondence files should be put up for review by the IDAS officer on a regular basis.
- (d) Pre / Post audit of bills and vouchers conducted by SAOs/AOs should be randomly scrutinized by the Group Officers by carrying out judicious scrutiny to the extent of 5% and 10% of all bills and vouchers respectively. In addition to this the Jt.CsDA should carry out random audit / vigilance check of 2% of Pre/Post audited bills and vouchers on a Monthly basis to see that proper quality and procedure of audit is in place.

- (e) The hand receipts received from MES will be put up to GOs irrespective of the amount before the payments are finally approved / released at the end of SAOs/AOs . The scrutiny of CWE contracts should also be carried out at the level of GO and important points observed during scrutiny should be submitted to higher authority.
- (f) The Post audit of OP works Engr.Regt(S&S Imprest A/c) as well as paid vouchers received from AO GEs alongwith cash assignment be carried out at the level of GO on monthly basis and results thereof be submitted to Jt.CsDA/Addl. CDA/CsDA. The Jt.CsDA may carry out random check of Post audit in E section including OP works paid vouchers .
- (g) Addl. CDA/Jt.CsDA will frequently monitor the working and effectiveness of LAOs/AOs GE by visits / discussions.

The detailed instructions contained in CGDA NO.IA/AT-System/2013 dtd 26.04.2013 may be referred

VERIFICATION OF SPECIMEN SIGNATURES

692. The ACDA/SAO/AO in-charge of 'IA' Section will carry out the verification of specimen signature for the bills (at least 100) selected by PCDA/CDA (and in their absence, the JCDA) and render a report on the correctness of the same to the PCDA/CDA. The concerned Head of Office will satisfy himself regarding the correctness of the specimen signature and the procedure in place for the verification. A record in r/o the above will also be required to be kept by the Head of office.

In respect of sub-offices under Main Offices- viz Area Accounts Offices which do not have Internal Audit Section, the senior most LAO, co-located with the sub-offices, shall carry out the check on specimen signatures in respect of bills received in the concerned sub-office. The LAO concerned will render a report on the same to the IA Section for the information of CDA/PCDA.

TOUR NOTES AND REVIEWING OFFICER'S REPORTS

693. Tour notes of the CDA or JCDA will be dealt with in the Internal Audit Section in so far as they raise points of financial interest or local audit procedure.

Similarly, the reports of IDAS officers sent out for "Super-Review" (See Appendix II, O.M., Part I) should be progressed in this section.

ENTRY/EXIT CONFERENCES TO BE HELD BY GROUP 'A' OFFICERS WHILE CONDUCTING AUDIT BY PCsDA/CsDA

693A. Lack of communication between the executive and audit came as a major concern. There is a dire need for more interaction between the executive and the audit at the micro and macro level. The seminar as a

forum for interaction between executive and audit authorities should be held more frequently at both HQrs office and field PCsDA/CsDA level.

Cantonment Boards – Audit Inspection Reports and Audit Notes

694. LAOs will refer only such cases of objections to Internal Audit Section which have not been properly replied to / settled by Cantt. Board and also cases of serious irregularities through the monthly reports on the general state of accounts as in the case of the army units and formations. Cases where there has been remission of revenue or where the collection of Cantt. dues has not been done with sufficient promptitude will also be referred to this section for taking further action in consultation with the G.O.C.-in-C. Command.

Consolidated Annual Accounts

695. One copy of the Consolidated Annual Account vide Rule 40(4) of the Cantt. Account Code shall be forwarded by the LAO duly checked with local records, through the PCDA/ C.D.A. to the GOC-in-C together with the following certificates:-

“Certified that the account has been compared with local records and found correct subject to the following remarks.”

Losses

696. No pre-scrutiny of Loss statement of stores / cash losses in respect of Cantonment Boards is undertaken by the Defence Accounts Department. An audit report will be furnished by the PCsDA/CsDA in terms of Rule 14(1) and (2) of Cantt. Account Code as and when such report is called for by the G.O.C.-in-C.

ANNEXURE 'A'

(Referred to in Para 665)

Subject: Draft Audit Para for the year _____.

1. (Name of the Unit).
2. (a) Period to which the irregularities referred to in the Draft Para pertain.
(b) Whether the facts stated in the Draft Para are fully correct, if not, state in what respect it requires modification.
3. (a) Under which of the following Heads does the point raised in the Draft Para fall:—
 - (i) Interpretation of rules, or
 - (ii) Audit methods and procedure, or
 - (iii) Higher audit
(b) Indicate the point at issue in brief

Note: *If more than one heading is involved, separate proforma dealing with each of the headings should be prepared.*

4. If the subject matter of the draft Para was dealt with in separate correspondence with the C.G.D.A.'s office earlier, cite reference to the previous correspondence.
5. Whether the irregularities were detected in internal audit/test audit.
6. If detected in internal audit, state:—
 - (a) Whether internal audit stepped in at the appropriate time, giving the date on which the objections were raised.
 - (b) whether the irregularity was reported through the monthly report on the general state of accounts; if so, give the month in which it was included, if not, safe reasons thereof.
 - (c) whether it was reported to the administrative authorities and if so, with what result.
 - (d) After detection in internal audit, whether the same was pursued vigorously with a view to finalizing the case. The present position, in case not finalized, should be indicated.
7. If not detected in internal audit in time but at a later date, state in addition to the particulars in item 6(b), (c) and (d) :—
 - (a) The month in which detected and the reason for the delay.
 - (b) If no valid reasons exist for the delay, whether the disciplinary aspect of the case was considered and if so, with what result.
8. If not detected in internal audit at all but detected only by Test Audit:—

- (a) Reasons for non-detection in internal audit.
 - (b) If the non-detection was due to a defective rule or absence of rule, why the same could not be pointed out in internal audit.
 - (c) Disciplinary action taken against the person(s) responsible for the failure.
 - (d) Whether the irregularity existed during the previous audit of the unit by Test Audit Staff and whether they also failed to detect it on the previous occasion.
9. Whether the contents of the draft Para were brought to the notice of the administrative authorities and discussed, and if so with what result.
 10. Whether remedial measures were taken by the administrative authorities or D.A.D. to avoid recurrence of the irregularity.
 11. Whether any disciplinary action was taken by the administrative authorities against the persons responsible and, if so, whether the PCDA/CDA is satisfied with the action taken, giving details of the nature of disciplinary action taken.
 12. Whether there was any tendency of dilatory attitude on the part of the administrative authorities in the investigation of the case and taking disciplinary action and if so, the action taken by the PCDA/CDA in regard to the same.
 13. Whether prompt action was taken for stopping the irregularities of the nature pointed out and if not, the action taken by the PCDA/CDA.
 14. If the disciplinary action taken by the administrative authorities is considered inadequate by Test Audit, state whether the same has been reviewed by the PCDA/CDA in consultation with administrative authorities, after the receipt of the draft Para.
 15. Any other information on points not covered by the above which will be helpful for answering queries of the Public Accounts Committee on the Para.

ANNEXURE 'B'

(Referred to in Para 667)

PROFORMA I (FRESH CASES)

**REPORT ON MAJOR FINANCIAL & ACCOUNTING IRREGULARITIES
Part I Section-A Cash Irregularities (Fresh Cases)**

Sl. No.	Name of the Unit / Formation	Particulars of Irregularity	Financial Effect	Period of Accounts Affected	When was the irregularity noticed in audit affected and to whom it was reported	Latest position of the case indicating action taken so far by the lower authorities	Remarks
1	2	3	4	5	6	7	8

Part I Section-B Store Irregularities (Fresh Cases)

Sl. No.	Name of the Unit / Formation	Particulars of Irregularity	Financial Effect	Period of Accounts Affected	When was the irregularity noticed in audit affected and to whom it was reported	Latest position of the case indicating action taken so far by the lower authorities	Remarks
1	2	3	4	5	6	7	8

Authority: – CGDA's Letter No. 12031 / ATR dated 25.08.1980 (Annexure 'A' to CGDA Letter)

Note : (i) *The Proforma will also be utilized in respect of cases which in the personal opinion of Controller in terms of Para 669, are to be reported to Ministry of Defence / Service Hqrs., Min. of Finance (Defence) etc.*

(ii) *The names of units etc., should be arranged Area wise / Command wise.*

ANNEXURE 'C'
(Referred to in Para 667)

Proforma II CS. No. 183/81

REPORT ON MAJOR FINANCIAL & ACCOUNTING IRREGULARITIES
LIST OF CASES ALREADY REPORTED BUT STILL OUTSTANDING

Part II Section-A (Cash Irregularities)

Sl. No.	Name of the Unit / Formations	Item No. & quarter of Reporting	Brief list of the irregularity	Latest position	Remarks
1	2	3	4	5	6

Part II Section-B (Cash Irregularities)

Sl. No.	Name of the Unit / Formations	Item No. & quarter of Reporting	Brief list of the irregularity	Latest position	Remarks
1	2	3	4	5	6

Authority: CGDA's Letter No. 12031 / ATR, dated 25.08.1980 (Annexure 'A' to CGDA)

Note: *The names of the units etc., should be arranged Area wise / Command wise.*

ANNEXURE 'D'

(Referred to in Para 667)

Confidential

No. _____

Office of the PCDA/CDA

Dated: _____

To,

GOC-in-C (By Name)

Subject: Quarterly report on Major Financial & Accounting Irregularities- QE _____

Reference: This office Confidential Letter No. _____ dated _____

The report on the above subject for the quarter ending is enclosed for your information and necessary action.

Part I Section A: Cash Irregularities Fresh items.

Part I Section B: Store Irregularities Fresh items.

Part II Section A: Cash Irregularities Items already reported but still outstanding.

Part II Section B: Store irregularities items already reported but still outstanding.

Cases of other irregularities noticed in audit have been reported to the concerned authorities as necessary.

PCDA/CDA

Copy for information to :-

- (1) The CGDA
Ulan Batar Road, Palam,
Delhi Cantt-110 010.
- (2) Sr. D.D.A. (DS)
- (3) Headquarters-together with the details of items show in the margin.

ANNEXURE 'E'
(Referred to in Para 672)

Statement showing items of expenditure incurred in the accounts for the period 1st April__ to 31st March __ in respect of which the required certificate cannot be given

Sl. No.	Brief Particulars of Item	Head of Account in which included	Name of Unit / Formation	Amount involved		Period to which expenditure relates
				For the whole period	Year-wise if it relates to previous years as well	
1	2	3	4	5	6	7

Circumstances under which expenditure was incurred without obtaining the sanction of the Government of India or was admitted without proper authority	No. & date of letter under which reported to A.H.Q. for obtaining Government sanction	Present stage of action taken to regularize the expenditure	Remarks
8	9	10	11

ANNEXURE 'E-I'

**Statement showing items of expenditure incurred during previous years
in respect of which the required certificate cannot be given**
(Annexure to statement at Annexure 'E')

Sl. No.	Brief Particulars of Item	Head of Account in which included	Name of Unit / Formation	Amount involved		Period to which expenditure relates
				For the whole period	Year- wise if it relates to previous years as well	
1	2	3	4	5	6	7

Circumstances under which expenditure was incurred without obtaining the sanction of the Government of India or was admitted without proper authority	No. & date of letter under which reported to A.H.Q. for obtaining Government sanction	Present stage of action taken to regularize the expenditure	Remarks
8	9	10	11

ANNEXURE 'F'

(Referred to in Para 672)

Amended vide CS No. 147

Non-Maintenance of Accounts

Sl. No.	Name of the Unit / Formations	Period of Accounts	Name of Particular accounts not maintained	Latest position in each case stating whether subsequently maintained, if so, from which date	Remarks (Comparative position i.e., No. of units and accounts affected last year should also be shown in the certificate proper)
1	2	3	4	5	6

Improper Maintenance of Accounts

Sl. No.	Name of the Unit / Formations	Period of Accounts	Name of Particular Accounts not maintained properly	Latest position in each case stating whether subsequently set right, if so, from which date	Remarks (Comparative position with regard to the previous year should also be shown in the certificate itself)
1	2	3	4	5	6

ANNEXURE 'G'

(Referred to in Para 672)

Amended vide CS No. 147

List of units and formations whose accounts could not be audited during ____ and their present position

Sl. No.	Name of the Unit / Formations	Period of Accounts	Present Position regarding audit of account	Reasons for not auditing the accounts during the year	Remarks
1	2	3	4	5	6

ANNEXURE 'H'

(Referred to in Para 672)

Amended vide CS No. 147

Statement showing stores not brought on ledger charge

Sl. No.	Name of consignee Unit / Formation	Name of consignor Unit/ Formation	Number of Vouchers in respect of which stores consigned have not been brought on charge	Remarks (Comparative position vis-à-vis the previous year. No. of such vouchers would be shown in the certificate proper). Latest position of vouchers settled so far)
1	2	3	4	5

ANNEXURE 'I'

(Referred to in Para 672)

Statement showing number of C.R.V.'s not linked with the consignor's issue vouchers

Sl. No.	Unit / Formation	No. of C.R.V.'s not linked	Since linked subsequent of the close of the financial year	Balance	Remarks
1	2	3	4	5	6

Note: The comparative position vis-à-vis last year should be shown in the certificate.

ANNEXURE 'J'

(Referred to in Para 672)

Statement showing number of vouchers not produced for audit

Sl. No.	Name of Unit & Formation	No. of Vouchers not produced for audit	Remarks (Comparative position vis-à-vis last year should be shown in the certificate proper)
1	2	3	4

ANNEXURE 'K'

(Referred to in Para 672)

Statement showing the position of stock verification in Ordnance Depots, Vehicle Depots etc., during the year

Sl. No.	Unit Formation	Total No. of items for which stock verification was done	Item for which stock verification was not done	Approximate percentage of items for which stock verification was not carried out
1	2	3	4	5

Items for which stock verification has since been done subsequently <i>i.e.</i> , after (date)	Balance of items not verified	Percent age of discrepancies	Years <i>i.e.</i> , percentage of discrepancies during (year)	Value of deficiencies	Value of surpluses	Remarks (Comparative position vis-à-vis the previous year to be shown in the certificate proper)
6	7	8	9	10	11	12

ANNEXURE 'K-I'

List of Army units and formations where stock verification was not done at all/partially done (to be prepared separately) during the year

Sl. No.	Name of Unit/Formation	Whether stock verification has since been carried out or completed and if so, on what date	Reasons for non-verification of stock	Remarks (Comparative position vis-à-vis the previous year to be shown in the certificate proper)
1	2	3	4	5

Note: Similar statements in respect of M.E.S. Units / Formations should be prepared and sent.

ANNEXURE 'L'

(Referred to in Para 690)

Statement of Losses

Sl No.	Name of Unit / Formation in which the loss occurred	Particulars of the loss	Period to which the loss pertains	Amount	Circumstances under which the loss occurred
1	2	3	4	5	6

Details of the recommendation of the court of inquiry it held	Particulars of disciplinary action taken	Remedial measures instituted or proposed to be instituted for the prevention of losses in future	No. and date of the loss statement or Government letter under which regularized	Other remarks, if any
7	8	9	10	11

ANNEXURE 'M'

(Referred to in Para 689 and 690)

Statement showing by various categories, the total amount of stores losses pertaining to the Defence Services finally dealt with during the year

Categories of losses	Food & Forage	P.O.L. & aviation spirit	Other A.S.C. Stores	M.T. Vehicles & connected Stores	Other Ordnance & clothing Stores	Medical Stores	M.E.S. Stores & buildings	Misc. Stores	Aviation Stores	Naval Stores	Total
1	2	3	4	5	6	7	8	9	10	11	12
Head I. Actual Losses due to theft, fraud or neglect.											
Head II. Actual losses due to other causes :											
(a) Fire											
(b) Deficiencies in actual balance											
(c) Deterioration in actual balance											
(d) Defective storage											
(e) In Transit											
(f) Misc. causes											
Total of Head II											
Grand Total of Heads I & II											

(The figures in the statement should be rounded to the nearest Rupees)

ANNEXURE 'N'

(Referred to in Para 686)

Statement showing by various categories, the total amount of cash losses pertaining to the Defence Services relating to Post / Preparation finally dealt with during the year

Categories of losses	Losses of cash property	Overpayments and irrecoverable claims	Fraudulent use of Rly. warrant	Demurrage charges	Unauthorized use of Govt. or hired transport	Other categories	Total
I. Losses due to theft, fraud or neglect							
II. Losses due to other causes							
Total II							
Grand Total I & II							

ANNEXURE 'N-I'

(Referred to in Para 675)

Statement showing details of outstanding on account of payment issues / services rendered (including hire charges of Tools & Plants) for the period ending 31st March _____ as on _____

(Individual items of over Rs 50,000/- in each case outstanding for more than one year)

Sl. No.	Name of the consignor or the authority which rendered service	Name of the party from whom due	Period for which the amount relates	Amount	Remarks
1	2	3	4	5	6

ANNEXURE 'O'

(Referred to in Para 675)

Statement showing details of outstanding dues on account of rent and allied charges for the period ending 31st March _____ as on _____
(Individual items of over Rs 50,000/- in each case outstanding for more than one year)

Sl. No.	Name of the Unit / Formation	Name of the party from whom due	Period for which the amount relates	Amount	Remarks
1	2	3	4	5	6

ANNEXURE 'P'

(Referred to in Para 675)

Statement showing items of expenditure exceeding Rs 50,000/- in each case which were included in Annexure-1 to C.G.D.A.'s certificate Appropriation Accounts (D.S.) for previous years and which are still awaiting regularization

Sl. No.	Year to which the appropriation account pertains	Sl.No. of Annexure 1	Present position of the case and action taken to expedite regularization	Amount	Remarks
1	2	3	4	5	6

ANNEXURE 'Q'

(Referred to in Para 675)

Statement showing details of losses awaiting regularization by Govt. of India and are outstanding for more than 1 year

Sl. No.	Name of the Unit / Formation No. and date of loss statements	Amount	Particular of loss	Present position	Remarks
1	2	3	4	5	6

CHAPTER XII

ORGANISATION AND METHODS (MANAGEMENT SERVICES) CELL

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ORGANISATION AND METHODS GROUPS

OBJECTIVES

697. The Objectives of O&M is to ensure rational Organisation by keeping in view span of control's and scalar process to assess requirement of staff on scientific basis through methods study and standard norms in the areas allotted by the C.G.D.A. and to review the same through periodical systematic review.

The Organisation and Methods group deals with study of various sections in order to achieve economy and efficiency in all areas of work.

FUNCTIONS

698. The main functions of O&M Group are:-

(a) Preparation of Job Description Sheets for nominated section and for new areas of work, as well as updating of existing Job Description sheets. Different PCsDA/CsDA are nominated for preparation of Job Description Sheets of various Sections, by the CGDA as indicated below:-

CDA (Army), Meerut	'Pay' & 'IA' Section
Pr. CDA (WC), Chandigarh	'E' and 'A/Cs' Sections
CDA, Patna	'M' and 'TA' Sections
Pr. CDA (SC), Pune	'AN', 'R', 'D' and Stores (Contract & Audit) Section

(b) The under mentioned PCsDA/CsDA will be responsible for issuing corrections to the departmental codes, manuals, etc. mentioned below:

Code/ Manual	Responsibility
Defence Audit Code	PCDA (SC), Pune
Defence Account Code	PCDA (SC), Pune
Office Manual Part-I	CGDA's Office
Office Manual Part-II	CDA (Army) Meerut
Office Manual Part-III	PCDA (AF), Dehradun
Office Manual Part-IV	PCDA (Pensions) Allahabad
Office Manual Part-V	J.CDA (Funds) Meerut
Office Manual Part-VI	PC of A (Fys), Kolkata
Office Manual Part-VII	PCDA (Navy), Mumbai
Office Manual Part-VIII	CDA (Army) Meerut
Office Manual Part-IX	PCDA (O), Pune
Office Manual Part-X	PCDA, Bengaluru
Office Manual Part-XI	PCDA (R&D), New Delhi
Army Local Audit Manuals	PCDA (SC), Pune
MES Accountants' (UA) Manual	CDA (Army) Meerut
MES Local Audit Manual	CDA (Army) Meerut
Pension Payment Instructions	PCDA (Pensions) Allahabad
Navy Local Audit Manual	PCDA (Navy), Mumbai
Air Force Local Audit Manual	PCDA (Air Force), Dehradun

Coast Guard Manual	PCDA (Navy), Mumbai
Office Manual Part-XII	PCDA, New Delhi
Office Manual Part-XIII Vol-I & II	PCDA (BR) New Delhi
Office Manual Part-XIV	PCDA (R&D), New Delhi
Office Manual Part-XV	CDA (PD), Meerut Cantt

(c) Examination of the suggestion received from various personnel under the "Suggestions Scheme" and after scrutiny by Local Suggestion Committee to project the approved suggestions to CGDA for finalization.

(d) Collection and supply of data and other particulars required by Staff Inspection Unit, Department of Expenditure, Ministry of Finance (SIU) and to render an yearly report to CGDA.

(e) The following areas of work are also dealt with:-

- (i) Introduction of level jumping.
- (ii) Improvement in the filing system.
- (iii) Introduction of sophisticated office machines.
- (vi) Standardization of office Notes of repetitive type.
- (v) Elimination of delay in disposals by introducing suitable steps.
- (vi) Elimination of inter-section forwarding memos and notes wherever possible.
- (vii) Review of printed forms for improving the designs, reducing the size, combination/elimination of forms.
- (viii) Re-organization of office layout for quicker flow of work and diminution of avoidable movement of documents and records
- (ix) To study the organizational set up in order to remove bottlenecks, if any and to render half-yearly report to CGDA.

(f) Rendition of half yearly report to CGDA indicating the areas of O&M Studies conducted in the PCsDA/CsDA offices by 10th July and 10th January.

(g) To render following reports to the office of CGDA:-

- (i) Quarterly Achievement Report to CGDA office by the 10th of the month following the quarter on the progress of the personal targets fixed for the PCsDA/CsDA.
- (ii) Monthly report on Strengthening of Post Audit
- (iii) Annual report on Implementation of Archival Policy Resolution.

INSPECTION GROUP

699. An Inspection Group may constitute a part of existing O&M Cell or an independent group directly responsible to the Addl.CDA/Jt.CDA/PCDA/CDA. This group will conduct Inspection of various sections in the Main Office, once a year and also of Sub Office according to the directions given by the PCDA/CDA. PCsDA/CsDA may also conduct personal inspection, on a random sampling basis, of the sections of their main office and of their Sub Offices during tours.

OBJECTIVES

700. The objectives of Inspection are:-

- (i) to enable the PCDA/CDA to ensure that his ultimate responsibility for the efficiency and effectiveness of his office and sub offices under his area, is adequately discharged.
- (ii) to ensure that suitable remedial measures are taken to avoid recurrence of omissions/lapses pointed out and
- (iii) to suggest changes in procedures or introduce new procedures as found necessary.
- (iv) to see whether the procedures running within the organization are necessary and sufficient to carry out the organizational task.
- (v) to ensure that procedures as prescribed are actually implemented.
- (vi) to ascertain the degree of commitment of the top management towards not only compliance but also continual improvement.

FUNCTIONS

701. Functions of the Inspections group are:-

- (i) to carry out, on behalf of PCDA/CDA, periodical inspection of various sections in Main Office and Sub office under his jurisdiction.
- (ii) to issue Inspection Reports to the concerned Sections/Sub Offices duly approved by JCDA/ADDl.CDA/CDA/PCDA.
- (iii) to take follow up action to watch the rectification of omissions /lapses pointed out in the Inspections reports.
- (iv) to ensure that suitable remedial action is taken by sections/sub offices to avoid recurrence of similar lapses in future.
- (v) to keep a record of Inspection of sections/sub offices carried out.
- (vi) to keep the Inspection Manual up-to-date in conformity with revised orders/procedures issued from time to time.

- (vii) to render a half yearly report by 31st October, and 30th April to CGDA indicating the details of inspection carried out upto the end of the half year ending September and March the more important points noticed and the remedial action taken.
- (viii) To nominate JCDA/Addl.CDA or in his/her absence, another IDAS officer as 'Quality Manager' in each office. He/She shall formulate internal inspection schedules based on peer audit. For this 3 or more teams from amongst the staff of different sections would be formed for conducting quality audit, headed by an SAO/GO level officer. For example, if X,Y and Z are Quality Audit groups, then X may inspect sections pertaining of Y. Y will inspect sections of Z and Z may do inspections for X sections. Typically the inspection may be done on Quarterly basis but frequency can be reduced for well- compliant sections and increased for sections having poor compliance levels. Un-resolved points of these inspections will be put to the "Management committee" for review.
- (xi) The Management Committee would be formed by Head of the Organization. Quality Control Officer would be Ex-officio Secretary and other members would be nominated by the Head of the Organization. The following are the mandatory agenda points for discussion in the management review committee:-
 - (a) Results of inspection carried out and resolution of issues brought out therein.
 - (b) Customer satisfaction and feedback based on question & answer response, the number, type of complaints received during the period and those resolved.
 - (c) "Corrective" action points. Corrective action means only correction of objected issues but also to ensure that these do not occur.
 - (d) Preventive Management issues: These arise from experiences from other offices and their prevention in the office in question.

SCOPE OF WORK

702. The Inspection of various Sections/ Sub Offices is carried out on a random sampling basis. The Inspection will aim at ascertaining, through judicious and careful sampling of various items or work done in the Section/Sub Office, whether

- (a) the prescribed processes of audit and accounting had been followed correctly and efficiently.
- (b) recurring typical omissions/lapses of a particular type of work persist.

- (c) there is evidence of faulty supervision at various levels.
- (d) any lacuna in the systems and procedure existing in a particular section/sub-offices.

703. The inspection group will generally be guided by the Inspection Manual. The particular item of work or document to be examined and the extent and manner of checks will be decided at the discretion of JCDA/Addl.CDA/CDA/PCDA. Any portion of the work selected for random sampling may however be subjected to detailed and extensive scrutiny, but trivial details and cases of isolated lapses which have no significance from the point of view of overall performance of work need not be given undue importance.

704. The inspection of the sub-offices of the PCsDA/ CsDA should be carried out preferably by the PCsDA/CsDA himself or by a senior enough nominated officer for this purpose. PCsDA/CsDA must ensure periodical inspection of the sections in the Main Offices

PREPARATION AND DISPOSAL OF INSPECTION REPORTS

705. (a) The point arising out of Inspection should first be discussed by the AAO with SO (A)/AAO, Officer-In-Charge of the section/sub-office concerned, subsequently the points may be discussed by the AO with the Sr. AO/ AO-In-charge /G.O. Omissions/lapses noticed which cannot be settled at this level or items for which action is pending with the Sections/sub Offices, will be incorporated in the Inspection Report for submission to JCDA/Addl.CDA/CDA/PCDA.

(b) The report will be prepared in two parts. Part I will contain instance of grave irregularities, failure of audit/accounting system which have wide repercussions, defalcation of cash or any other issue, which in the opinion of the PCDA/CDA, may be of immediate interest/ or which merit immediate attention of CGDA/Ministry and Part II will include all other procedural discrepancies/defects. The points raised in Part I of the inspection report of Major sub-offices, such as Area Accounts Offices, Zonal Office (Pension), DPDOs, AOs (R&D), Branch Accounts Office (Fys) and PAOs (ORs) etc. will be reported to CGDA, New Delhi, through special report after completion of the inspection along with PCDA/CDA's personal appreciation indicating specifically measures taken/proposed to be taken to eliminate the inadequacies/deficiencies.

(c) The inspection Reports should be clear and precise. The report should, as far as possible refer to the relevant rules or orders violated.

(d) A summary of all important omissions/lapses and recurring mistakes noticed will also be prepared and highlighted in the forwarding memo of Inspection report to enable the PCDA/CDA to have a correct appreciation of the overall situation and efficiency of the work in the concerned sections/sub Offices.

(e) Three copies of the inspection Report, after approval by the ADDL.CDA/JCDA/PCDA/CDA, will be typed and distributed as follows:-

- (i) Two copies will be sent to Group Officer-in-Charge of the section/officers in charge of Sub Office inspected within three weeks (15 working days) of completion of the Inspection.
- (ii) the section/Sub Office concerned will furnish replies within one month of receipt of the Inspection Report.

INSPECTION PROGRAMME

706. The Inspection Group will prepare a tentative programme for Annual inspection of all the sections in Main Office/Sub Offices financial year by April each year for approval of the Addl.CDA/JCDA/PCDA/CDA. The programme will be so prepared so as to ensure inspection of all the sections of main office during the year and of Sub Offices during the period stipulated by the PCDA/CDA.

PCsDA/CsDA would send their annual programmes for inspection of their sub-offices/sections in main office, to CGDA office. After completion of each inspection, the PCsDA/CsDA will send an Executive Summary of the deficiencies noted during these inspections. These would be monitored by the concerned Jt.CsGDA in CGDA office. PcsDA/CsDA would report the follow-up action taken to rectify the deficiencies once in a quarter to CGDA office.

INSPECTION REPORTS OF CGDA

707. The receipt of the inspection Reports of CGDA and their further processing will also be undertaken by the Inspection group. For this purpose, necessary liaison will be maintained with other sections/sub offices to obtain replies regarding rectification of the omissions/lapses pointed out and the consolidated progress reports will be furnished to the CGDA for finalization of the observation.

A monthly follow up action report will be rendered to CGDA office, with the approval of PCsDA/CsDA after receipt of inspection report from CGDA. The report will be addressed to the Jt. CGDA concerned by name. Further, PCsDA/CsDA will be required to make a presentation to CGDA office every quarter on the items of inspection report not yet settled and reasons therefore, till settlement of all items. This mechanism will ensure -

- (a) adequate promptness in addressing the deficiencies noted during inspection and
- (b) finding methods to resolve issues which, at present, remain outstanding for years

SYSTEMS AND PROCEDURES GROUP

OBJECTIVES

708. In the light of modern management practices consistent with the requirements of Defence Services, the objective of this group is to maintain the audit and accounting procedure & systems at high level of efficiency by prescribing new procedures and systems and reviewing or revising existing ones in the areas of work assigned by the CGDA.

FUNCTIONS

709. The functions of this group are to examine various existing procedures and systems in vogue which need reorientation and stream-lining and to submit proposals to CGDA for approval. The proposal should contain an analysis of the existing systems and procedures together with authority, its failure and short comings as revealed by practical and detailed examination of the practice and suggestions for improvement together with justification thereof.

710. The specific areas of work assigned to various PCsDA/CsDA are as given below:-

PCDA/ CDA	AREA ASSIGNED
PCDA (SC), Pune	Local Audit and Store
PCDA, Border Roads	Border Roads
CDA (Army), Meerut	MES and Accounts
PCDA (WC), Chandigarh	Pay & Allowances (Civilians)
PCDA (NC), Jammu	'TA' and Review of various forms used in DAD

711. The Progress made against the areas undertaken will be shown in the Quarterly Achievement report of the PCDA/CDA concerned.

TRAINING INFRASTRUCTURE

712. Training to IDAS Officers of the Defence Accounts Department is imparted through Departmental Training Institution as well as other National Level Training institutions like Lal Bahadur Shastri National Academy, National Academy of Defence Financial Management, Indian Institute of Public Administration, Defence Staff College, National Defence College etc.

The Departmental training is imparted through Centre for Training & Development (CENTRAD), Delhi Cantt, National Academy of Defence Financial Management, Pune, Regional Training Centers at Meerut, Lucknow, Kolkata, Pune and Bengaluru and Defence Pension Training Institute, Allahabad. Sufficient exposure is also given to IDAS Officers about the Services and other Defence Organization including field attachment and visits to establishments.

Group 'B' officers and staff are given orientation/refresher trainings at various Regional Training Centers as well as on the job training given by various PCsDA/CsDA.

The Training Division of the CGDA i.e. CENTRAD is functioning from October 1996 and has since been conducting training programmes/seminars for Service Officers as well as senior officers of the Defence Accounts Department.

Broadly, the following type of training and development activities are envisaged:-

- (a) Induction programme(s) for newly recruited employees at all levels;
- (b) Orientation programmes(s) for the employees at the verge of promotion at all levels;
- (c) In-service training programmes both internal as well external
 - (i) Value added general courses.
 - (ii) EDP/IT Course.
 - (iii) Special job related courses.
- (d) Pre-examination training courses;
- (e) Research and Development avenues;
- (f) Workshop; and
- (g) Seminars.

712A. As per the Defence Accounts Department's Training and Development Policy 2013:

- (i) The JCDA/Addl.CDA in a PCDA/CDA office shall be the training manager for their respective offices. In the absence of the JCDA/Addl.CDA, the ACDA/DCDA looking after the O&M section could be the training manager,
- (ii) The training manager in a PCDA/CDA office may be adequately trained through 'Training for Trainers' programme etc., conducted by ISTM and others.
- (iii) The PCDA/CDA will be overall responsible for the competence development of his staff and their effective training and performance.
- (iii) The role of the training manager in PCDA/CDA's office is provided at Annexure 'C' of the 'Training and Development Policy 2013.

713-715.

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CHAPTER - XIII COMPLAINT CELL

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OBJECTIVES

716. The objectives of Complaint Cell are:-

- (i) To eliminate inordinate delay in Principal Controllers'/ Controllers' offices in dealing with personal claims on account of Pay & Allowances, fixation of pay, grant of increment, TA/DA claims, final settlement of Provident Fund accounts, finalization of terminal benefits due to retired/deceased Defence Service Personnel, Defence Civilians and Defence Accounts Department Employees, as well as third party claims, such as claims from contractors/suppliers for supplies made/services rendered.
- (ii) To ensure fair and impartial treatment to employees to make the administration more responsive to their needs.

FUNCTIONS

717. The functions of the Complaint Cell are:-

- (i) To receive and register all complaints relating to personal claims in respect of Defence Personnel, Defence Civilians and DAD Employees, as well as those relating to third party claims.
- (ii) To ensure expeditious disposal of complaints by constant monitoring and liaising with the sections/sub offices concerned.
- (iii) To maintain, update and review Complaint Registers and submit the same to the GO/Jt.CDA/Addl.CDA and PCDA/CDA regularly.
- (iv) To render monthly report regarding registered complaints received through CGDA in the prescribed format, by 7th of the following month to the CGDA.

SCOPE OF WORK

718. All complaints relating to personal claims, third party claims etc. will be sorted out by 'R' section with the help of a representative of the complaint cell, shown to PCDA/CDA/Addl.CDA/JCDA at Dak stage and thereafter sent to complaint cell on day to day basis. Each complaint will then be allotted a control number and entered in the Complaint Register maintained in the format as in Annexure 'A' to this chapter [Fly Leaf instructions for

maintenance of complaint register is at Annexure 'C' to this chapter]. The complaint will, then, be passed on to the Group Officer of the concerned section for immediate disposal under a standard forwarding memo (see Annexure 'D') boldly embossed "COMPLAINT CASE" at the top, on the same day. Disputes regarding acceptance of a complaint by a particular section will be settled by the GO of the complaint cell/JCDA/Addl.CDA whose decision shall be final. Intersectional correspondence will be strictly avoided.

The compliant cell will ensure that each complaint is settled by the concerned section within 7 days from the date of receipt, under intimation to the complainant. In case the section is not in a position to settle the complaint within 7 days due to the fact that some information is required to be obtained from an agency not located in the station the wanting information will be called for by the section concerned at the level of GO/JCDA as per Annexure 'D' to this chapter which will be pursued and obtained on priority basis. In such cases the section concerned will give an interim reply to the complainant. CGDA's office too will be informed of the specific circumstances under which the complaint could not be settled, as well as the action taken, in respect of those complaints which have been received through CGDA's office. The outer time limit for settlement of such complaints for which information is wanting should be 6 weeks from the date of receipt.

Registered complaints received through CGDA's office are addressed to the PCDA/CDA/JCDA by name. Those complaints will be received ultimately by the complaint cell through the GO. Such complaints will be entered in a separate complaint Register, viz; CGDA complaint Register in the proforma at Annexure 'B' to this chapter.

The complaint registers will be reviewed weekly by the GO and fortnightly by JCDA. The registers will be submitted to PCDA/CDA on monthly basis not later than the 7th of each month as per Annexure 'E' to this Chapter, bringing out, among other things, the total number of complaints received during the month, action taken thereon, number of outstanding complaints, major defects if any noticed, and remedial steps suggested/taken, on a note.

719. In order to keep a record of complaints, and to monitor progress till settlement, all the sections in Main office/sub offices will maintain separate complaint registers in the proforma prescribed in Annexure 'A' to 'C' to this chapter. These registers will be kept and maintained by the officer-in-charge section/sub office and after proper review, will be submitted to the GO concerned every week for his review. The GO concerned will ensure that each and every complaint has been dealt with properly and expeditiously as prescribed in Para 818 above. Correspondence concerning complaints should be marked as 'COMPLAINT CASE' and signed by the GO/JCDA/Addl.CDA.

720. The AAO/SO (A) of complaint cell will monitor progress of each complaint and liaise with the concerned section to find out the reasons for delay in settlement of complaints. He will bring to the notice of the

concerned SAO/AO & GO delays in settlement of complaints and ensure that all complaints are settled satisfactorily and expeditiously.

721. In respect of complaints received through CGDA, monthly reports in the proforma as per Annexure E to this chapter will be sent to CGDA by the 7th of the following month. The report will show not only the position of outstanding complaints but also the action taken thereon upto the last date of the month. To illustrate, the MPR on complaints for Dec, 2001 will show the progress upto 31/12/2001 on all complaints received upto 30/11/2001 and will be sent to CGDA by 7th Jan 2002.

722. The procedure prescribed in the preceding paras will not, in any way, affect the procedure followed for complaints having vigilance angle.

PROHIBITION OF SEXUAL HARASSMENT OF WORKING WOMEN

723. (1) No Government servant shall indulge in any act of sexual harassment of any women at her work place.

(2) Every Government servant who is in-charge of a work place shall take appropriate steps to prevent sexual harassment of any woman at the work place.

Explanation - For the purpose of this rule, "sexual harassment" includes such unwelcome sexually determined behaviour, whether directly or otherwise, as

- (a) physical contact and advances;
- (b) demand or request for sexual favours;
- (c) sexually coloured remarks;
- (d) showing any pornography; or
- (e) any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.

(3) Any act of sexual harassment of women employees is definitely unbecoming of a Government servant and amounts to a misconduct. Appropriate disciplinary action should be initiated in such cases against the delinquent Government servant in accordance with the rules.

Complaints Committee regarding Prohibition of sexual harassment of working women

723A. The Complaints Committee should be headed by a woman and not less than half of its member should be women. The Committee constituted for redressal of the complaints by the victims of sexual harassment should be headed by an officer sufficiently higher in rank, so as to lend credibility to the investigations. Further, to prevent the possibility of any undue pressure or influence from senior levels, such Complaints Committee should involve a third party, either NGO or other body who is familiar with the issue of sexual harassment. The Complaints Committee must make an annual report to the Government department concerned of the complaints and action taken by them.

Report of Complaints Committee regarding Prohibition of sexual harassment of working women

723B. It is clarified that the findings of the Complaints Committee regarding sexual harassment of the complainant/victim will be binding on the disciplinary authority to initiate disciplinary proceedings against the Government servant(s) concerned under the provisions of the CCS (CCA) Rules, 1965. Further, “the report of the Complaints Committee shall be deemed to be an inquiry report under the CCS Rules. Thereafter, the disciplinary authority will act on the report in accordance with the rules.” Sub-rule (2) of rule 14 of the CCS (CCA) Rules, 1965 has accordingly been amended to provide that the Complaints Committee shall be deemed to be the inquiring authority appointed by the disciplinary authority for the purpose of these Rules.

MONITORING OF GRIEVANCES LODGED THROUGH CENTRALIZED PUBLIC GRIEVANCES REDRESAL AND MONITORING SYSTEM (CPGRAMS) PORTAL:

724. The PCsDA/CsDA can access the portal www.pgportal.gov.in viz. Central Public Grievance Redressal and Monitoring System (CPGRAMS) by using their respective User ID & Password provided by the CGDA’s Office and download the grievances forwarded by the CGDA’s Office. Status of the grievance needs to be updated in the Public Grievance Portal (CPGRAMS) regularly. Final reply to each grievance must be uploaded as a ‘CASE REPORT’ in the Public Grievance Portal (CPGRAMS) along with attachments if any.

To make the grievance redressal mechanism more effective, the following steps may be taken to ensure that the internal grievance redress machinery is in order for prompt redressal of grievances of citizens:

- (i) A grievance should be acknowledged immediately and at the most within three days of the receipt of the grievance. A grievance should be redressed within a period of a maximum of two months of its receipt.
- (ii) If finalization of a decision on a particular grievance is anticipated to take longer than two months, an interim reply should invariably be sent within this stipulated time limit, indicating the reasons for delay and additional time required for final redressal.
- (iii) Decision on grievances to be taken at a fairly senior level.
- (iv) In case it is not feasible to accede to the request made in the petition, a reasoned reply may be issued to the aggrieved petitioner within this stipulated time limit.
- (v) Prompt action may be taken to redress public grievances appearing in the newspapers, which relate to them, and take remedial action on them in time bound manner.

- (vi) Efforts may be made for prompt redressal and for identification of grievance prone areas to eliminate the causes of grievances.
- (vii) A monthly report by 2nd day of following month to be rendered to CGDA's Office on the status of the grievance(s), transferred to their Office/Section , earlier by post and subsequently passed on through pensioner's grievance portal, pending for more than a month in the Proforma at Annexure 'F' to this Chapter.

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ANNEXURE 'A'

(Referred to in Para 718 & 719)

REGISTER FOR COMPLAINTS RECEIVED DIRECT IN PCDA/CDA's OFFICE

Sl. No.	Control No. Allotted	Unit/Formation letter No. & date under which the complaint has been received	Name of the individual with Rank/post, office/unit	A/c No./Regtl. No./GPF A/c No	Subject matter	No. & Date of the letter under which action has been taken by the PCDA/CDA	Further ref. with No. & date, and monitoring action	No. and date of memo closing the complaint/intimation to the complaint	Initials SO(A)/AAO
1	2	3	4	5	6	7	8	9	10

ANNEXURE 'B'

(Referred to in Para 719)

REGISTER FOR COMPLAINTS RECEIVED THROUGH CGDA's OFFICE

Sl. No.	Control No. with reference to forwarding memo from CGDA	Name of the individual with Designation/Office/Unit	A/c No./Regtl. No./GPF A/c No.	Subject Matter	No. & Date of the letter under which action has been taken by the PCDA/CDA	Monitoring action	No. & date of CGDA's letter under which the complaint has been closed	Initials SO(A)/AAO
1	2	3	4	5	6	7	8	9

ANNEXURE 'C'

(Referred to in Para 718 & 719)

Fly leaf instructions for maintenance of complaint Register by PCDA/CDA.

1. All complaints received in the office will be entered in the Complaint Register in the prescribed proforma.
2. Complaints received through CGDA's office will be entered in the Complaint Register meant for CGDA complaints.
3. A distinct control No. will be allotted for each complaint.
4. As far as CGDA complaints are concerned the control No. allotted by CGDA will be entered in the relevant column of the register and no other control No. will be allotted.
5. Monitoring action will be entered in the relevant column under the dated initials of the SO (A)/AAO.
6. This register will be reviewed weekly by the GO, and fortnightly by the Addl.CDA/JCDA.
7. This register will be submitted to the PCDA/CDA on a monthly basis not later than 7th of each month bringing out, among other things, the total number of complaints received during the month, action taken thereon, number of outstanding complaints, major defects (if any) noticed & remedial steps suggested/taken, on a note.
8. This register may be utilized for preparing MPRs on complaints submitted to CGDA regarding registered complaints received through CGDA, by 7th of each month.
9. This register will be produced for inspection by CGDA's Inspection Team.

ANNEXURE 'D'

(Referred to in Para 718)

COMPLAINT CASE

FORWARDING LETTER

COMPLAINT CONTROL NO: (PCDA/CDA/CGDA).....

No. CC/.....

Office of the

Dated.....

To

Shri/Smt/Km.....

(Group Officer by name)

Sub: Complaint regarding

A copy of a representation/letter No..... dated.....received from.....is enclosed, along with all enclosures.

The matter may please be looked into and redressal action taken immediately under intimation to the complainant/ unit/formation, this cell & the CGDA (for CGDA complaint only) within 7 days from the date of receipt of this letter.

In case, it is not possible to give a final reply within seven days due to the fact that certain information is required to be obtained from an agency not located in the station the wanting information may be called for at the level of GO/JCDA/Addl.CDA, pursued & obtained, on priority basis. An interim reply to the complainant may be given within 7 days in such cases. The outer time for settlement of complaints in such cases should be six weeks.

FOR COMPLAINTS RECEIVED THROUGH CGDA

In respect of complaints received through CGDA's office, replies (interim, if a final reply is not possible) should be sent direct to CGDA within one week of its receipt in your section and the same also should indicate the reasons for delay in settlement of the complaint.

Correspondence relating to complaint should be signed by GO/JCDA/Addl.CDA.

ACDA/DCDA

Annexure 'E'
(Referred to in Para 721)

PCDA/CDA _____

**MONTHLY PROGRESS REPORT SHOWING THE POSITION OF
OUTSTANDING COMPLAINTS RECEIVED FROM CGDA**

MONTH _____

Sl. No.	CGDA's Complaint Number and date & nature of complaint	Name of Complainant	Latest position with action taken	Remarks
1	2	3	4	5

Annexure 'F'

(Referred to in Para 724)

Status of the Outstanding grievances as on

Reference	Name	Nature of Complaint	Regn. No.	Out of Pending Ref No. of cases in which Ack /Interim Reply has been sent	Reasons for Pendency (for more than one month in each case) (Separate case wise detailed sheet to be attached)
1.	2.	3.	4.	5.	6.
Online (CPGRAMS)					
Hard Copies (other than CPGRAMS)					

CHAPTER-XIV

IFA CELL

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INTEGRATED FINANCIAL ADVICE (IFA) SYSTEM

727. The resource crunch has called for a very efficient and effective strategy for management of finance and other resources in the Defence services to ensure that value for money is obtained without compromising the prioritized requirement of the services. The ever increasing demand on the available resources has led to the introduction of New Management strategy/Financial Management strategy, which involves greater decentralization of powers coupled with accountability and responsibility in the various areas of activities in the Armed Forces. This association of finance with management in decision making is the concept of Integrated Financial Advice (IFA) system covering expenditure sanctions accorded by the various executive authorities under their delegated powers.

The duties of PIFAs/IFAs are as under:-

- (i) shall be the Internal Financial Adviser;
- (ii) shall report directly to the respective Administrative and Executive authorities
- (iii) shall advice the various authorities on all financial matters under the delegated powers which are exercised in consultation with the IFA;
- (iv) Will concur/ scrutinize cases/proposals relating to purchase, projects, equipments, losses and disposals etc. under the delegated powers;
- (v) shall conduct pre-scrutiny of supply orders/contracts;
- (vi) shall streamline procurement procedures wherever necessary to reduce lead-time and overcome any other bottlenecks with the concurrence of MOD/MOD (Fin);
- (vii) shall keep himself closely associated with the formulation of important proposals from the conceptual stage;
- (viii) shall vet demands emerging as a result of item-wise provision review in respect of all Class 'A' stores and requirement of all

class 'B' stores restricted to items such as tyres/tubes, batteries etc;

- (ix) shall have access to upto date record of item-wise committed liabilities;
- (x) shall assist in formulation of budget at different stages and monitoring of expenditure against the budget allotments by constant review of the progress of expenditure;
- (xi) shall see the proposals for supplementary demands for grants and ask the executives to surrender the anticipated savings within the time schedule;
- (xii) shall ensure regular and timely rendition of various reports and returns;
- (xiii) shall maintain continuous liaison with the executive and financial authorities at different levels to ensure effective financial management;
- (xiv) shall participate in various TPCs/PNCs;
- (xv) shall assist in implementation of Authority-cum-Responsibility Centre concept through an effective MIS to the executives;
- (xvi) shall monitor the implementation of sanctions, commitments and liabilities for taking effective measures to achieve economy, cost effectiveness and better resource planning.
- (xvii) shall monitor the processing of Draft Para (s)/Audit Para (s)/ Internal Audit objections to ensure attention and speedy clearance and get remedial measures initiated;
- (xviii) shall assist in rationalization of maintenance expenditure and inventory management and management procedures;
- (xix) shall scrutinize all financial proposals requiring Government sanctions;
- (xx) shall scrutinize proposals for enhancement/re-delegation of powers to various administrative/executive authorities.
- (xxi) shall devise and maintain an adequate MIS;
- (xxii) shall undertake vetting of tender documents prior to being issued to vendors/contractors;
- (xxiii) shall insist association with post contract stage developments having financial bearing like granting of extension of time, levy, recovery/ waiver of liquidated damages, risk purchases etc;
- (xxiv) In case of doubts/difference of opinion the matter should be referred to higher IFA/CGDA for a decision.

LEVEL AND IFA COVERAGE

728. Dedicated IFAs and nominated IFAs (PCsDA and CsDA working as IFAs) of HAG/SAG/JAG/NFSG/JTS/STS level have been posted in the offices of the Defence Accounts Department to provide IFA Coverage to the units/formations mentioned against each of such offices as per CGDA letter No. PIFA/IFA Coverage Vol-III dated 01-05-2009 (IFA COVERAGE-2009) and amendments issued by the CGDA Office from time to time.

SCRUTINY OF PROPOSALS AT VARIOUS STAGES OF PROCUREMENT

729. The proposals of procurement of goods and services under different grants are being received in IFA offices/IFA Cells for concurrence for following stages:-

- (a) **Acceptance of Necessity (AON) Stage:** - This stage covers five aspects viz. Necessity angle, Quantity vetting, Competence of CFA, Mode of Tendering and Vetting of draft RFP.
- (b) **Technical Evaluation Committee (TEC) Stage:** - This stage covers only one aspect of advice on commercial clauses in TEC report as per Para 4.12.8 of DPM-2009.
- (c) **Tender Evaluation Negotiation (TEN) Stage:** - At this stage three aspects viz vetting of CST, Brief for PNC and Nomination of rep are seen.
- (d) **Expenditure Angle Sanction (EAS) stage:** - This stage covers four aspects viz Decision on Acceptance/Re-tender/Appportionment, vetting of Draft supply order/Contract/Sanction and allotment of U.O. number.
Note: Mission Excel IT(MEIT) covering IFA System has been designed under the framework of DPM -2009 and covers all above stages.
- (e) **Post Contractual Monitoring:** - At this stage extension of Delivery Period (DP), waiving/imposition of Liquidity damages, risk purchases and issue of corrigendum to the supply orders etc are covered.

WORKING

730. The flow of work being handled by IFA Cell is as under:

- (a) Proposals received in Receipt Section and after diarizing are being handed over to IFA Cell.
- (b) General Seat Task Holder in IFA Cell distributes them among the task holders dealing with proposals.
- (c) When the proposal related to AON/ Qty Vetting/ CNC/ PNC/ EAC/ UO No. are finally returned with the concurrence of IFA then the same will be entered in the respective registers, before the case file

is dispatched to the concerned Dte. As per provisions of CGDA Circular No. 03/2012

- (d) After carrying out initial scrutiny task holder submits these proposals to SO (A)/AAO.
- (e) After carrying out detailed scrutiny SO(A)/AAO submit these proposals to AO.
- (f) AO after further scrutiny submits these proposals to IFA.
- (g) After IFA's remarks the proposal is returned to concerned unit with concurrence or with advises, if any.

RECORD MANAGEMENT

731. The retention period of Files/Registers/Documents maintained in IFA Offices as provided by the CGDA vide their letter No. IFA/10 dated 16/11/2012, are given in Annexure 'F' to Chapter-I 'Record' Section.

REPORTS & RETURNS

732. Report & Returns on format prescribed by the CGDA vide letter No. IFA/37 dated 09-03-2011 (Circular No. 1 of 2011) and amended from time to time, are required to be furnished to HQrs Office on or before the prescribed dates.

CODES AND MANUALS USED IN THE IFA / IFA Cells

733. An indicative list of various manuals used by IFAs for proper discharge of their duties is as under:

1. IFA Manuals issued by CGDA office for the respective Services
2. Compendium of IFA instructions (2007 onwards) and circulars issued by IFA Wing of CGDA from time to time. These instructions/orders are available on the CGDA's web-site (www.cgda.nic.in)
3. Delegation of Financial Powers to the Services- 2006
4. Defence Procurement Manual- 2009
5. Supplement 2010 to Defence Procurement Manual- 2009
6. Defence Works Procedure- 2007
7. Defence Procurement Procedure – 2013 (for capital procurement)
8. Other relevant codes and manuals

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CHAPTER XV-OFFICE AUTOMATION SYSTEM

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OFFICE AUTOMATION SYSTEM

741. An integrated office automation System for automating various items of work in PCDA/CDA's office starting from dak diary to issue of cheques and the post payment activity of cheque linking etc. has been envisaged and the system consists of the following modules;

Module-1: Computerisation of payment of contractor's bill for supplies/services.

Module-2: Computerisation of personal claims received in 'T', & 'Medical' section

Module-3: Computerisation of Dak/Diary and marking of disposal in respect of complaints, special/DO letters, , valuables etc.

Module-4: Cheque linking in Accounts section.

Module-5: Maintenance of Debt Head Registers.

The system has been developed in-house and Software has been designed for distributed application for implementation under client-server network environment. It is the first on-line system of the Department wherein processing is to be done by staff/officers themselves. The role of EDP Personnel is limited to system administration and maintenance. The system is quite user friendly and requires only a basic knowledge of using personal computers. Audit checks to be carried out on the bills has not been disturbed. Authentication of documents at various levels as laid down in Manuals has been kept intact.

742. Module wise details of activities automated in the system are as under:

(A) Modules 1, 2 & 3: Bills/Letter Module

(1) 'R' Section:-

- (a) All the bills/valuables/special letters/DO letters/ etc. received in the office are to be diarised on computer on day-to-day basis.

- (b) Each document will be marked/stamped with a system generated unique ID No. This will be the key for access of documents on-line by the concerned processing/audit sections.
- (c) Daily receipts are then passed on to the respective sections along with section-wise top list.
- (d) Summary reports can be generated as and when required.

(2) 'Store' & 'M' Section:-

All bills received in the audit section from R-Section will be processed manually as hithertofore. The system basically aims at creating a database for enabling online monitoring and control of work by management, computerized maintenance of records/ registers, to facilitate certain audit checks such as duplicate payments, recovery of demands, monitoring of scheduling of vouchers etc. In addition, the system also proposes to generate punching medium, cheque slip, DP Sheet on computer. After audit, following activities are carried out on computer:

- (a) Rejection memo generated if not passed in audit.
- (b) Advance copy of Supply Order is linked and total amount paid is updated.
- (c) In case of LCH Bills, fund position is checked online by the concerned Audit Section (without sending the bills to Account Section)
- (d) Generation of Punching Medium, Cheque Slip after the bill has been passed by the AAO/ AO/ Sr.AO
- (e) Generation of top lists, sub lists for scheduling of vouchers to LAO/ SLA.
- (f) DVs are allotted by the system and DP Sheet generated by selecting from the list of passed bills displayed.
- (g) Generation of ITR, S&S Imprest Report, Class II Punching Medium, Monthly DV Register, Time Barred securities report and pending bills report.

(3) 'Accounts' Section:-

- (a) Allotment database for LCH will be created. The database is updated on receipt of allotment letters.
- (b) A printout of allotment entry will be taken and authenticated by SAO In-Charge of Accounts Section.
- (c) Monthly Expenditure Report and Provisional Payment Report will be generated.

(4) 'Pay' Section:-

- (a) Monthly pay bills and other bills including medical and loans and advances bills are processed on computer after manual audit for generating Punching .Medium, Cheque Slip, DP Sheet.

- (b) Audit Report, Disallowance, Rejection Memos, etc. are generated on computer.
- (c) Demand Register (loans & Advances Masters) for all the outstanding demands will be created and updated every month on computer.
- (d) Monthly recovery schedule will be generated for verifying recoveries from the pay bills. The verified recovery schedule will then be the source for updating demand register.

(5) 'TA' Section:-

- (a) All the outstanding demands in Audit-cum-Demand Register will be captured on Computers after due reconciliation.
- (b) All the Bills- TA/DA/LTC/ Permanent Transfer Advances and their final adjustment bills, conveyance allowance bills, hand receipts and demands received from other CsDA are processed on computer and P.M, Cheque Slip and DP Sheet etc. generated whenever cheques are to be issued.
- (c) The system generates Audit-cum-Demand Register for monitoring of demands.

(6) 'D' Section:-

- (a) All the MICR as well as non-MICR Cheques are printed on computer.
- (b) Generation of Schedule-III and mailing list on computer.

(B) Module-4: Cheque Linking

- (a) Scroll details and cheque details are data entered which are concurrently checked with Schedule-III Master and linked.
- (b) Schedule-III data for cheques issued by sub-offices are captured and used for linking.
- (c) Month/ Bank-wise total amount received report is generated for comparing with DMS and statement received from CAS, RBI, Nagpur.
- (d) Section-wise report on cheque issued/ linked is generated to reconcile total amount of cheques issued by a section.
- (e) Report on cheques unlinked for more than 3 months is generated.

(C) Module-5: Maintenance of Debt Head Registers

- (a) Creation of Loans & Advances Master
- (b) Generation of monthly recovery schedules
- (c) Updation of master on the basis of verified recovery schedules.

743. (1) Operating Procedure for processing services/supplies bills under OA Systems is as under:

- (a) The bills received from "R" section will be task marked and passed on to concerned group/auditor.
- (b) The bill will be audited by the concerned task holder as prescribed in Codes /Manuals.
- (c) If bill is to be returned due to some valid reason, the concerned task holder invokes OA system and enters details of rejection and generates rejection memo. (The system has provision for on-line approval to be accorded by GO/JCDA/CDA before rejection is allowed by the system).
- (d) If bill is to be passed for payment, the concerned task holder invokes OA system and enters details of bills invoice number & date, CRV/I-note number, amount passed, code head to be booked, unit code, type of bill, amount.
- (e) Availability of fund is checked at this stage by the concerned task holder by accessing allotment database maintained by "Accounts" section and bill booked, if funds are available, otherwise bill is processed for taking orders of PCDA/CDA for provisions payment. In later cases, details of provisional payment such as note number & date approving payment is also captured.
- (f) The bill thereafter is put up to AAO/AO for passing alongwith the updated contractor payment register (currently manually maintained.To be put on computer).
- (g) Once bill is passed for payment, P.M. and cheque slip is generated by the task holder and put up for signature of the concerned officers. If the bill is not passed then return memo is generated using OA system and all previous entries are retracted.
- (h) Allotment of DV numbers, consolidation of amounts and Generation of DP Sheet is done automatically by the system based on the details of passed bills available on the computers. (No data entry).
- (i) Passed bills alongwith PM, CS, DP Sheet is passed on to 'D' section for payment.

(2) Validation checks in the system

- (a) Bill entry is not possible without a valid ID No. available in "R" section.
- (b) Bill passed amount cannot be greater than the claimed amount
- (c) Cheque amount cannot be greater than the passed amount.

- (d) Cheque slip amount is checked with the amount compiled against Cheques & Bills (CB) in P.M.
- (e) No change permissible after booking and passing the bills.
- (f) The entries in the cheque slip and P.M. cannot be edited once DV no. is allotted.

(3) Security System

- (a) No individual can enter the section/module without a valid password.
- (b) Users can be added only by the system administrator.
- (c) Sections cannot access each other's module/data.
- (d) No deletion facility at the section level.
- (e) Record once entered and saved; can only be modified by the system administrator.

Implementation of Project 'SUGAM'- Office Automation system

744. Project 'SUGAM' OA system for regional PCsDA/CsDA has been developed in-house at CDA, Chennai with the objective of automating the functioning of Regional PCDA/CDA offices. It has been decided to migrate from existing Visual Fox Pro (VFP) based office automation system to this new automation system developed on PHP platform and my SQL database. The Project SUGAM has been implemented in CDA Chennai successfully. Phase wise implementation of the same in other Regional PCsDA/CsDA is under progress.

Implementation of Project 'NIDHI'

745. GP fund system of Non DAD Civilians has been developed on a new platform of PHP under Project 'NIDHI'. Data feeding/updating tasks are performed by respective pay audit sections/sub-offices connected with server held in OA cell of regional PCsDA/CsDA offices through LAN/VPN or BB etc. Consolidated data is forwarded by EDP section to CDA (Funds) Meerut on monthly basis.

Implementation of Project 'VISHWAK'

746. In order to computerize the working of AOs GE, a software using PHP/JAVA Script/HTML as language and MY SQL as a database has been developed in house under Project 'VISHWAK'. A server of appropriate system configuration has been installed at Regional PCDA/CDA's office and all AO GEs under jurisdiction of that PCDA/CDA office have been connected to this server through VPNoBB connections.

Project 'BHAWAN'

747. Project Bhawan (for working of AAO BSO office) has been developed in house wherein automated rent bills, license fee and other occupation/vacation returns etc are being generated through the system. All AAO BSOs implementing the Project Bhawan are forwarding rent bills for recovery to respective pay audit offices for effecting recovery in pay bills. However it has been decided that data files relating to recovery of L/Fee bills in respect of army officers will be forwarded by AAOs BSO/AOsGE to their main office, who will consolidate all such files and forward the data to PCDA (O) Pune through e-mails once in a month by the date prescribed by them.

SINGLE WINDOW SYSTEM

748. In order to leverage the benefits of Office Automation for higher client satisfaction, it has been decided by HQrs office to implement Single Window system in all Regional CsDA. The single window system offers facilities for processing of various types of advances, cash requisitions, cash assignments of immediate nature received from Units/Formation by hand.

Under this system all activities from the receipt of requisitions to processing/passing the advances and payment will be done on the day of receipt of requisitions itself. Acknowledgments of having received the requests, reasons if rejected will be given to unit representative at the counter itself.

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CHAPTER-XVI

AUDIT (ORs) SECTION

751. In order to improve the services to JCOs/ORs, the PAOs (ORs) have been placed under the administrative and functional control of Regional PCsDA/ CsDA w.e.f. 01st April 1993 onwards. Consequently, the work being done in the Accounts and Audit Section (s) of erstwhile CDA (ORs) will be done by the Audit (ORs) section. As such the provisions contained in **Appendix "G"** to OM Part - X Vol-I & **Annexure** to OM X Vol.II will be followed by the Audit (ORs) section mutatis mutandis.

752. Monitoring and Control of overall functioning in PAOs specially in the area viz. Enrolment of JCOs/ORs, Control on receipt, processing and rejection of DOs II, Action on Missing DOs II, Action on 'No DO II List since last 10 months', Manual insertion of DOs II & Adjustment vouchers, Bank details, PAN details, Payment Activities, Uploading of TDS, Reconciliation of IRLAs with reference to Enrolment/Transfer-in & out, Retirement /Death /Deserter, Pairing of Quarterly Nominal Rolls, Action on heavy Credit/Debit Balances, Action on System Circulars issued by IT&SDC and Orders /Instructions issued by HQrs office etc. is to be ensured by this Section. The Monthly Reports (MIS etc.) pertaining to PAOs will be reviewed by the Section critically. It will be seen that the procedures stipulated in OM Part-X *inter alia* with Government Orders/Instructions issued from time to time are strictly followed in the PAOs.

753. With the implementation of Monthly Pay System in PAOs and rationalization of procedure for disbursement of TA/DA payment, Salary, AFPP Fund, terminal benefits etc in respect of JCOs/ORs, the activities of D-Section and T-Section of PAOs will be centrally monitored through reports and returns by this Section.

754. Allotment of Imprest Account Numbers will be the responsibility of Audit (ORs) Section as per procedure laid down in Para 17 of OM Part-X Vol-I.

755. Adjustment of Transactions originating in the books of Post Nagpur, Field Treasure-Chest Receipt (FTCR) vouchers and account will be received in Audit (ORs) Section. The vouchers will be scheduled to RBI, CAS, Nagpur and clearance of Reserve Bank suspense will be done on receipt of clearance memo from RBI. Similarly for settlement of transactions in respect of NSG HQrs under Ministry of Home Affairs only Cheques received from NSG Headquarters will be adjusted through MRO and Defence receipts will be noted in the Outward Settlement Account Register maintained in the Audit (ORs) Section.

756. The Audit (ORs) Section will also maintain PAO-wise record of all transactions relating to monthly remittance of AGI premium, loan and advances recovery amount paid to AGIF, New Delhi by the concerned PAO along with copy of recovery schedules. The intimation of these payments will be sent to this section by the PAO within 1st week of the month following the month of recovery in IRLA of concerned JCOs/ORs. A register for this

purpose will be maintained in the Audit (ORs) Section as per format given in Annexure to this Chapter. The register shall be submitted to the Group Officer every month and bear a control No.

757. When a subscriber proceeds on deputation to a Civil Department, the credits on account of AFPP Fund deductions, AGI and PLI subscriptions etc will be received through Demand Draft/ Cheque in the Audit (ORs) section. This section will prepare MRO and adjust to the AFPP Fund, AGI and PLI head. Intimation in this regard will be sent to it's PAO maintaining the IRLA of the JCOs/ORs. Similarly service charges in respect of JCOs/ORs on deputation with ERE establishment will be received and adjusted by the Audit (ORs) section.

Annexure

(Referred to in Para 756)

Month of recovery	PAO name	AGI Premium amount	Motor conveyance amount	PC advance amount	HBA amount	TAGI Premium amount	Other payments if any	Date of payment through NEFT/RTGS/SBI CMP	Letter No & date of information from PAO
1	2	3	4	5	6	7	8	9	10

ABBREVIATIONS

A.F.P.P.	Armed Forces Provident Fund
AAO	Assistant Accounts Officer
ALAM	Army Local Audit Manual
B.S.O.	Barrack Store Organization
C.A.T.	Central Administrative Tribunal
C.G.D.A.	Controller General of Defence Accounts
CDA	Controller of Defence Accounts
CPIO	Central Public Information Officer
D.C.D.A	Deputy Controller of Defence Accounts
D.H.R.	Debt Head Register
D.I.D.S.	Defence Inter Departmental Schedule
DDO	Drawing and Disbursing Officer
G.E.	Garrison Engineer
G.F.R.	General Financial Rules
G.P.F	General Provident Fund
I.F.A	Integrated Financial Advisor
I.R.L.A.	Individual Running Ledger Account
L.A.O.	Local Audit Officer
M.E.S.	Military Engineering Services
M.R.O.	Military Receivable Order
MICR	Magnetic Ink Character Recognition
N.C.C.	National Cadet Corps
N.P.S.	National Pension System
NSDL	National Securities Depositories Limited
PCDA	Principal Controller Of Defence Accounts
QMG	Quarter Master General
R.M.E.S.	Regulations for Military Engineering Services
R.T.I.	Right To Information
RD&R	Revenue Debt & Remittance
SO (A)	Section Officer (Accounts)
T.L.B	Temporary Labour Bills
ACG	Annual Contingent Grant
ASG	Annual Stationery Grant

GLOSSARY

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CONCORDANCE TABLE

Chapter I Record Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
-	Period of retention of Records pertaining to IFA Work	Annexure 'F'	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.	Addition

Chapter II Administration Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
100	Register of Cash Received	100	CGDA letter No.A/III/121 57/MRO/PC dtd 18/2/2008	Partially Modified
Note (ii) Para 111	Recovery of Govt Dues	Note (ii) Para 111	Ministry of Personnel, Public Grievances & Pensions, Deptt. Of Pension & Pensioners Welfare OM No. 20/16/1998-P&PW (F) dated 11 th July, 2013	Partially Modified
126	Advance for purchase of Motor Car	126	Rule 29 of Compendium of Rules on Advances to Govt Servants 2005.	Partially Modified
143	Application for outside employment	143	Ministry of Personnel, Public	Partially Modified.

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
			Grievances & Pensions, Department of Personnel & Training OM No. 28011/1/2013-Estt (C) dated 23 rd December, 2013.	
-	Personal Information System (PIS)	154D	-	Addition
-	NPS	154E	Govt. of India, Ministry of Finance, Deptt. of Expenditure vide their OM No.F.No.1(T)(2)/2003/TA/19 dt.14.1.2004 & 4.2.04	Addition
-	RWA	154F	CGDA important circular No. AN/XII/18001/IV PP dated 01.11.2011	Addition
-	ROC	154G	CGDA, important circular No. AN/VI/17003 /I/VII/Orders dated 2 nd January, 2006	Addition
-	Procedure Concerning Direct & Indirect Taxes	154H	-	Addition
-	RTI	154J	RTI Act, 2005	Addition
-	Hindi Cell	154K	-	Addition
-	Disposal of	154L	Para 778 OM-	

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
	Attachment & Prohibitory Order		II (2001 Edn)	
-	Post Audit of Pay Bills: DAD Officers	Annex 'S'	Annex 'A' Pay Section OM-II (2001 Edn)	
-	Post Audit of Pay Bills: DAD Estt	Annex 'T'		
-	Model Constitution of RWA	Annex 'U'	CGDA important circular No. AN/XII/18001/IV PP dated 01.11.2011	Addition

**Chapter III
Accounts Section**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
176	March Residual Transactions	176	RBI, DGBA.GAD.NO.H-5495/42.01.029/2013-14 dtd 27/3/2014.	Partly Modified
-	CMP Accounting Procedure	177	CGDA Letter No.A/III/12157/CMP /2013-14 Dt 17.04.2013	Addition
-	e-Ticketing	178	Para 125 Defence Accounts Code (2014 Edn)	Addition
179	Defence Transactions at Non-bank treasuries	179	Para 101(a) &(b) of Defence Account Code 2014-	Partially modified
-	Military Identification Numbers for MRO	Note 3 under Para 182	CGDA No. A/III/ 12157 /MRO/PC Dt 18.02.2008	Addition
-	Remittance	Note 2 & 3 under Para	CGDA Letter No.A/III/12157/CMP /2013-14 Dt 17.04.2013	Addition

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
		188		
194 (iv)	Inter-Departmental Transactions arising in Books of Defence	Blank	Para 123 Defence Account Code (2014) -	Deleted
-	Inter-Departmental Transactions arising in Books of Defence (cash Basis)	194A	Para 123 Defence Account Code (2014)	Addition
195 (v)	Inter-Departmental Transactions arising in Books of Other Departments	Blank	Para 124 Defence Account Code (2014)	Deleted
-	Inter-Departmental Transactions arising in Books of Other Departments	195A	Para 124 Defence Account Code (2014)	Addition
-	Clearance of Outstanding ID Schedules	226 (v)	CGDA Accounts Section circular no. 46 of 11/2009	Addition
243 to 247	English transactions	243 to 247	Chapter 9 of Defence Account Code (2014)	Partially Modified
284	Cash Requirement Estimates	284	CGDA No. A/III/7896 /BE 2010-11 Dt 24.01.2011	Partially Modified
289	Review of Compilation	289	CGDA No. A/I/12273 /RDR-I Dt 15.12.2010	Partially Modified
-	Powers of Signing Punching	292A	Para 72 Defence Account Code (2014)	Addition

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
	Medium			
-	Closing of Annual Accounts	293	Para 29 Defence Account Code (2014)	Addition
294 & 295	Defence Ledger	294 & 295	Chapter 11 Defence Account Code (2014)	Partially Modified
296 & 297	Closing of Books	296 & 297	Para 172 to 174 Defence Account Code (2014)	Partially Modified
298	Review of balances	298	Chapter 11 Defence Account Code (2014)	Modified
302	Annual Consolidated Balanced Account of the Defence Services in India	302	Para 25 Defence Account Code (2014)	Modified
Annex 'F'	List of DAC/FPB	Annex 'F'	Appendix 6 of Defence Account Code (2014)	Modified

**Chapter IV
Disbursement Section**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
Note under Para 319A (i)	Definition of the term 'Bank'	Note under Para 319A (i)	RBI Act, 1934	Partially Modified
-	SBI-CMP	326A	CGDA Letter No.A/III/12157/CMP/2013-14 Dt 17.04.2013	Addition
-	SBI-CMP	330A	CGDA Letter No.A/III/12157/CMP/2013-14 Dt	Addition

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
			17.04.2013	
-	Authorisers for SBI-CMP	338A	CGDA Letter No.AN/XI/11060/Powers /AAO/ Vol-III Dt 17.04.2014	Addition
-	Preparation of Schedule-III	350	CGDA Letter no. Regns/103 /OM-II Dt 02.11.2004	Addition
-	ECS/EFT	354	Para 829 OM-II (2001 Edn)	Addition
-	SBI-CMP	354A	CGDA Letter No.A/III/12157/CMP /2013-14 Dt 17.04.2013	Addition

**Chapter V
Pay Section**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
Note 1 under Para 355B (i)	Pay Accounts of Civilian Gazetted Officers posted in field areas	Note 1 under Para 355B (i)	CGDA Letter no. AT-coord/13108/ PC/ CDA (O) Dt 22.04.2009	Partially Modified
355B (v)	Duties	355B (v)	CGDA EDP Instr no. 9 dt 26.4.2011	Modified
-	Duties	355B (vi)	CGDA no.5189/AT-I /NPS/XIII Dt 29.05.2008	Addition
-	PC Advance	381A	Rule 21 (5) Compendium of Advances for Govt. Servants, 2005	Addition
389	Demands	389	Para 732 to 742 OM-II	Partially

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
			(2001)	Modified
-	No Demand Certificate	389B	Para 744 OM-II (2001)	Partially Modified
390	LPC & Payment Authorities	390	Para 744 & 794 OM-II (2001)	Partially Modified
391	LPC & Payment Authorities	391	Para 745 & Note below Para 747 OM-II (2001)	Partially Modified
392 & 393	LPC & Payment Authorities	392 & 393	Para 745 & 751 OM-II (2001)	Partially Modified
399	Preparation & Audit of Pay Bills of DAD	76 to 84	-	Modified
-	Filing of various forms (TDS)	399	-	Addition
402 to 405	Life Insurance Policies	Blank	GPF (CS) Rules, 1960 as amended	Deleted
-	Contribution Towards Leave salary, pension & passage allowance for personnel on Foreign Service	406A to 406G	Para 756 to 762 OM-II (2001)	
-	Subsidiary Statements	407	Para 763 OM Part-II (2001)	Addition
-	Leave salary & pensionary charges in respect of Deputationists	407A to 407J	Para 764 to 772 OM-II (2001)	Addition
409	Powers of Signing Punching	409	Para 72 Defence Account Code (2014)	Partially Modified

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
	Medium			
-	NPS	411	Govt. of India, Ministry of Finance, Deptt. of Expenditure vide their OM No.F.No.1)T)(2)/2003/TA/19 dt.14.1.2004 & 4.2.04	Addition
-	Specimen Signatures	412	Para 743A OM-II (2001)	Addition
427 & 428	Service Book & Leave Account of Officers of DAD	117	427 & 428 OM II -2001	
430B	Data Distributed procedure for GPF	430B	CGDA EDP Inst No. 9 dt 26.04.2011	Partially Modified
430C	Fund Cell	430C	CGDA EDP Inst No. 9 dt 26.04.2011	Partially Modified
-	Disposal of Attachment & Prohibitory Order	430D	Para 778 OM-II (2001 Edn)	

Chapter VI
Miscellaneous Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
431	Objectives	431	GOI MOD Letter no. 10010/AI /FP-4/2421/ 2005-D (GS-I) Dt 19.10.2005	Partially Modified
440	Contingent & Misc. Expenditure of Military Attaches Abroad	440	CGDA no. A/I/12273 /PAO- AG/Susp/PC Dt 24.03.1998	Partially Modified
-	ECHS	495B to 495D	GOI MoD letter no. 22(1)/01/US (WE)/D (Res) Dt 30.12.2002	Addition

Chapter VII
Stores Contract Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
-	Verification of Specimen Signatures	497A (v)	CGDA letter no. AT/ Coord/13167 Dt 20.06.2002	Addition
-	Audit of Contractors' Bills	511 (xxx), (xxxii)	DPM 2009	Addition
-	Audit of Hired Transport Bills	512 (xviii)	CGDA NO. AT/IX- A/9504/Ex-post facto sanction dtd 16/10/2007	Addition
-	Measures for prevention of double	516A	CGDA letter NO. A/III/12157/CMP/2013- 14 dtd 17/4/2013	Addition

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
	payments			
779 to 781	Disposal of Attachment & Prohibitory Orders against contractors	517	Para 779 to 781 OM-II (2001 Edn)	
-	S&S Imprest	535B	Appx 28 FR Part-II	Addition
743B	Specimen Signatures of Imprest Holders	535C	Para 743B of OM Part-II (2001 Edn)	

Chapter VIII
Stores Audit Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
743C	Verification of Specimen Signatures	536C	Para 743C OM Part-II (2001 Edn)	Partially Modified
565 (ii)	General Rules for Audit of Cash Accounts	565 (ii)	Sch XII to GOI MOD Dt 26.07.2006	Partially Modified
597	Invoices and Packing Accounts of Imported Stores	597	CGDA letter No. AT/XII/12016/ATR/AA C/Vol XXI dt. 14/11/2013.) GOI MOD Letter no. 1635/D (MC)/2004 Dt 27.04.2007	Modified
598 to 601	Invoices and Packing Accounts of Imported Stores	Blank	GOI MOD Letter no. 1635/D (MC)/2004 Dt 27.04.2007	Deleted

Chapter IX
Transportation Section

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
743C	Verification of Specimen Signatures	621C	Para 743C Om Part-II (2001 Edn)	
Note 2 & 3 below Para 622	Audit Office for TA Bills	Note 2 & 3 below Para 622	CGDA Letter no. AT/IV/4462/ ORs/Vol-X Dt 11.07.2013	Partially Modified
627B	Adjustment of Advance of LTC	627B	DOP&T OM No. 31011/ 5/2007- Estt(A) Dt. 27.09.2007	Partially Modified
635	Scope of Audit of Railway Warrants & Concessional Vouchers	635	CGDA Letter No. AT-Coord/ 13300/PC Dt 23.07.2002	Partially Modified
646	Air Passage within Indian limits	646	GOI MOD Letter no. 12630/ Mov C/3737 /D(Mov)/08 Dt 29.12.2008	Partially Modified
648	Air Passage and Air Freight Ex-India	648	-	Partially Modified
-	Admittance of Ex-India Claims	648A	CGDA Letter no. AT/IV/4462 /ORs/Vol-X Dt. 10.07.2013	Addition
650A	Audit of LTC Claims	650A	DOP&T OM No. 31011/ 5/2007- Estt(A) Dt. 27.09.2007 & No. 31011/3 /2009- Estt(A) Dt 28.10.2009	Partially Modified
650B	Audit of LTC Claims for journeys to any place in India	650B	DOP&T OM No.31011/6/2002- Estt(A) Dt 30.07.2002)	Partly modified

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
743A	Specimen Signatures	650C	Para 743A OM Part-II (2001 Edn)	

**Chapter X
Engineering Section**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
Nil				

**Chapter XI
Internal Audit Section
(erstwhile Financial Advice Section)**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
652A	Duties	652A	CGDA letter no. AT/Coord/ 13039/V Dt 30.11.2006	Modified
688	Infructuous Expenditure	688	Para 563 Defence Audit Code	Partially Modified
-	Strengthening of Internal Audit	691A	CGDA letter No. IA /AT-Systems/2013 dtd 26/4/2013	Additions
-	Verification of Specimen Signatures	692	CGDA letter no. AT/Coord/ 13167 Dt 20.06.2002	Addition
-	Entry/ExitConferences to be held by Gp'A' officers while conducting Audit by PCsDA/CsDA	693A	CGDA letter No.CDA (IA)/Seminar/Internal Audit/2012 dated 09.01.2013	Addition

**Chapter XII (2001 Edn)
General & Miscellaneous**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
697 to 731	Objections on Audit	Nil	-	Paras of this Chapter have been incorporated under relevant chapters in OM II 2014 Edn.
732 to 742	Demands	389	-	
743A	Specimen Signatures	412 & 650C	-	
743B	Specimen Signature of Imprest Holders	535C	-	
743C	Verification of Specimen Signatures	536C & 621C	-	
744 to 755	LPC & Payment Authorities	389 to 393	-	
756 to 772	Contribution towards leave salary, pensions & passage contribution of personnel on foreign service	406A to 406G, 407, 407A to 407J	-	
773	No Demand Certificates	389B	-	
774, 776 & 777, 779 to 781	Disposal of Attachment Orders & Prohibitory Orders against contractors	517	-	
775, 778, 782 to 793	Disposal of Attachment Orders & Prohibitory Orders	154L & 430D	-	
794	Provisional Payments	80(ii), 84B & 514	-	
Annex 'A' & 'B'	Loan Statement & Reversion Statement	Annex 'H' & 'I' to Chapter-V 'Pay'	-	

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
		Section		

Chapter XII (2014 Edn)
{Chapter XIII (2001 Edn)}
Organisation & Methods Cell

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
795	Objectives: Organisation & Methods Group	697	-	Para renumbered
796	Functions: Organisation & Methods Group	698	Para 500 OM Part-I (2014 Edn)	Partially Modified
797	Inspection Group	699	CGDA Letter no. 13125/CGDA/Insp- I/Tour Prog dated 10.09.2010-	Partly Modified
798	Objectives: Inspection Group	700	-	Para renumbered
799	Functions: Inspection Group	701	-	Para renumbered
800 to 802	Scope of Work: Inspection	702 to 704	CGDA No. 13125/ Insp Cell/ 06-07 Dt. 28.07.2006	Partially modified
803	Preparation & Disposal of Inspection reports	705	-	Para renumbered
804	Inspection Programme	706	CGDA No. 13125/ Insp Cell/ 06-07 Dt. 28.07.2006	Partially modified
805	Inspection reports of CGDA	707	CGDA No. 13125/ Insp Cell/ 06-07 Dt. 28.07.2006	Partially modified
806	Objectives: Systems &	708	-	Para renumbered

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
	Procedure Group			
807 to 809	Functions: Systems & Procedure Group	709 to 711	-	Para renumbered
810	Training Infrastructure	712	-	Para renumbered
-	DAD Training & development policy, 2013	712A	-	Addition
811 to 815	Blank	713 to 715	-	-

Chapter XIII (2014 Edn)
 {Chapter XIV (2001 Edn)}
Complaint Cell

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
816	Objectives	716	-	Para renumbered
817	Functions	717	-	Para renumbered
818 to 822	Scope of Work	718 to 722	-	Para renumbered
-	Prohibition of Sexual Harrassment of Working Women	723	Para 353 OM Part-I (2014 Edn)	Addition
-	CPGRAMS-	724	GOI , Ministry of Personnel, Public Grievances and Pensions , Deptt of Administrative Reforms and Public Grievances No. K-15011/1/2006-PG dtd 22/5/2006. & NO. K-11028/1/2012-PG dtd 18/2/2013	Addition
	Monthly Report	724	CGDA No. AN/Greivance Cell/report/ VI Dt 01.11.2013	Addition
823 to 826	Blank	725 to 726	-	-

Chapter XIV (2014 Edn)
 {Chapter XV (2001 Edn)}
IFA Cell
 (erstwhile IFA System)

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
827	IFA System	727	-	Partially Modified
827A	Level & IFA Coverage	728	CGDA No. PIFA/ IFA Coverage Vol-III Dt. 01.05.2009	Addition
-	Scrutiny & Vetting of proposals at various stages of procurement	729	PIFA Instr No. 1 of 2010	Addition
-	Working	730	IFA Manual 2007	Addition
-	Record Management	731	CGDA Letter No. IFA/10 (PC) dated 08-11-2012.	Addition
-	Reports & returns	732	CGDA No. IFA/37 Dt. 09.03.2011	Addition
-	Codes & Manuals used in IFA Cells	733	-	Addition

Chapter XV (2014 Edn)
 {Chapter XVI (2001 Edn)}
Office Automation System

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
828	Office Automation System	741	-	Partially Modified

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
-	Details of activities automated in the system	742	-	Addition
-	Operating Procedure for processing bills under OA System	743	-	Addition
-	Project 'SUGAM'	744	-	Addition
-	Project 'NIDHI'	745	-	Addition
-	Project 'VISHWAK'	746	-	Addition
-	Project 'BHAWAN'	747	-	Addition
-	Single Window System	748	-	Addition

**Chapter XVII (2001 Edn)
ESC & EFT**

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
829	ECS & EFT	354& 354A	-	Incorporated in Chapter IV.

Chapter XVI (2014 Edn)
{Chapter XVIII (2001 Edn)}
Audit (ORs) Section
(erstwhile PBOR Section)

Para No. 2001 Edition	Title	Para No. 2014 Edition	Authority	Remarks
830	General	751	-	Partially Modified
-	Working of Audit (ORs) Section	752 to 757	-	Addition