



Soil Investigation
& Testing Division
(Advance Planning)
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महालेखाकारों के लिए लेखा संहिता

ACCOUNT CODE

FOR

ACCOUNTANTS GENERAL

(प्रथम संस्करण)

(FIRST EDITION)

वित्त मंत्रालय, व्यय विभाग, महालेखानियंत्रक द्वारा
जारी किया गया

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

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PREFACE

As a result of departmentalisation of accounts of the Union Government (Civil) in a phased manner from 1-4-1976 and other consequential changes, like

- (a) abolition of media of Exchange Accounts ;
- (b) replacement of the system of settlement account by settlement through cheque|drafts in the cases of inter-Government transactions ;

it has become necessary to revise the Account Code Vol. IV issued by the Comptroller and Auditor General of India.

2. Consequently, this code entitled "Account Code for Accountants General" is in replacement of the existing Account Code Vol. IV. It is prescribed by the President on the advice of the Comptroller and Auditor General of India under Article 150 of the Constitution of India and deals primarily with the accounts kept by the offices of the Accountants General in respect of the State and Union Territory Governments with which they are concerned, besides the limited category of Central transactions like Central Pensions.

3. The directions and instructions contained in this code shall, however, be subject to such modifications as may be authorised by the President on the advice of the Comptroller and Auditor General in their application to :—

- (i) Accounts to be kept by the Accountant General, J&K and the Accountant General, Sikkim.
- (ii) the classification and adjustment of transactions occurring in J&K and Sikkim, relating to Central Government or another State or Union Territory Government ; and
- (iii) the classification and adjustment of transactions relating to a State occurring in the other States or in the books of a Civil Accountant General or of a non-Civil Accounts Officer.

K. LALIT
Controller General of Accounts

Place : New Delhi.

Date : 23rd July, 1984

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CHAPTER 1 : DEFINITION OF EXPRESSIONS USED AND COMPILATION OF DEPARTMENTAL ABSTRACTS

Definition of Expressions used and Introductory

1.1 Unless the context otherwise requires, the following expressions used in this Code have the meanings hereby assigned to them, that is to say :

'Civil Accountant General' or 'State Accountant General' or 'Accountant General' means an Accounts Officer subordinate to the Comptroller and Auditor General of India.

"Debt Heads" means the heads of account under which the transactions of Government relating to Debt, Loans, Deposits, Reserve Funds, Advances and Suspense Accounts are recorded.

"Remittance Head" refer to heads of account to which transactions relating to remittance business are taken.

"Bank Treasury" means the treasury the cash business of which is conducted by the Bank.

"Non-Bank Treasury" means a treasury other than a Bank Treasury.

"State" wherever used in this code should also be construed to cover Union Territories with separate Legislature which are accredited to certain Accountants General, if the context implies.

"Sub-Accounts Officer" means an Accounts Officer, who performs counting functions on behalf of another Accounts Officer.

The definitions of certain expressions given in "Chapter-1-Introductory" of the "Form of Accounts of the Union and States (Basic) Rules 1983" apply also to the same expressions in this code.

The articles in this chapter shall not apply in their entirety to States|Union Territories where the treasuries follow the system of gross accounting for all-kinds of deductions made in bills such as those in Tamil Nadu. The Accountants General who are accredited as Accounts Officers of such States|Union Territories are authorised to make such modifications in the procedure prescribed in this chapter, as they may deem necessary, to adopt it to suit their local requirements.

Form of Departmental Classified Abstract

1.2 Save as provided otherwise, transactions relating to each Civil department or a major head of account not co-extensive with any particular department, shall be collected for the whole of the State|Union Territory with which an Accountant General is concerned, month to month in a 'Departmental classified abstract'. Separate Departmental classified abstracts should be maintained for 'State' and 'Union Territory' transactions besides separate classified abstracts in respect of transactions on account of 'Central Pensions' occurring in the State|Union Territory to which the Accountant General|Director of Audit is accredited as an Accounts Officer.

NOTE 1.—One Departmental Classified Abstract should ordinarily be maintained for each department or major head of account, but in the case of small departments or major heads under which the transactions are few, the transactions of two or more such departments or major heads, may, at the discretion of the Accountant General, be recorded in a single classified abstract.

NOTE 2.—Classified Abstracts are not to be maintained separately for major heads relating to debt, deposit and remittance transactions. Such transactions appearing in the Treasury Cash Accounts and List of Payments and in the Departmental and other abstracts shall be collected from month to month for the whole circle of account under each major head of account in a Detail Book (see Chapter 6).

3. Each Departmental Classified Abstract shall consist of parts :—

Receipt side—

(1) *Detail of Revenue.*—A vertical column should be provided, in the prescribed order, for each detailed head opened under the major and minor heads relating to the abstract and a number of columns in their proper places for the total receipts of a treasury, etc., under each minor head. In abstracts where transactions under more than one major head are included, there will be columns for major head totals also. In the case of big departments, an abstract of minor head totals may be prepared in the same form at the end and the major head totals worked out there, Horizontally, a line should be provided in the abstract for each treasury, then as many lines as the Accountant General may deem necessary for entering receipts transferred through suspense slips from the Settlement Account and the abstracts of other Departments; and finally a line for transfers adjusted through the Combined Transfer Ledger and Abstract prescribed in Article 1.19

In their proper places, lines are provided for totals of the treasury transactions and for grand totals.

(2) *Detail of debt, deposit and remittance receipts brought to account through the departmental abstract.* This will be in the same form as part (1) of the abstract.

(3) *Detail of recoveries from payment vouchers.*

On the Disbursement side :—

(4) *Detail of expenditure.*—The arrangement will be similar to that of part (1).

(5) *Detail of debt, deposit and remittance disbursements brought to account through the departmental abstract.*—The arrangement will be similar to that of part (2).

(6) A proof sheet for the receipt side, for each month showing (i) total revenue; (ii) total debt, deposit and remittance receipts; (iii) total of (i) and (ii); (iv) total amount of the detailed head concerned under the suspense head "Departmental Adjusting Account"; (v) total under the minor head "Refunds"; (vi) total amount of cash recoveries taken in relation of expenditure in the Departmental Abstract for the payments; (vii) total of (iii), (iv), (v) and (vi); (viii) total deductions from payment vouchers taken as receipts; (ix) net adjustments through the Combined Transfer Ledger and Abstract, (x) the total of (vii) minus (viii) plus or minus (ix) which should agree with the aggregate of the certified total of the treasury schedules of receipts and of the suspense slips representing items transferred from other sections.

(7) A proof sheet for the payment side similar to that for receipts.

Procedure in Posting

1.4. On receipt of the schedule and vouchers in the compilation group of the Treasury/Departmental Audit Sections, the Departmental Auditor, should compare the vouchers with the schedules, ascertain that none are missing and arrange them in the order of major and minor heads. He should then proceed with the Compilation work and posting of the Departmental Classified Abstract. After the compilation for either schedule of payment is over, the Vouchers should be transferred to the Audit Group of the Treasury/Departmental Audit Sections, Gazetted Audit Sections and other Audit Sections for audit.

CHAPTER 9

MONTHLY AND ANNUAL ACCOUNTS OF THE CENTRAL AND STATE GOVERNMENTS ARISING IN THE BOOKS OF ACCOUNTANTS GENERAL AND SOME DIRECTORS OF AUDIT

Monthly Accounts of the Central and State Governments

9.1 (a) Each State Accountant General should, as soon as the accounts of a month are closed, submit to the State Government a monthly account of its transactions in Form A.C. 31 which may, however, be modified, if necessary, in consultation with Government to suit local requirements. The figures for this account should be taken from the Consolidated Abstracts. A certificate should be furnished by the Accountant General on each account to the effect that the balance shown under the head "Cash Balance—Deposits with the Reserve Bank" has been checked and reconciled with the balance of Government on the books of the Bank as shown in the statement of balances rendered by the latter. Any difference between the cash balance in treasuries and the balance shown in the Cash Balance Report should be worked out and explained on the face of the Account.

1. Progressive accounts incorporating adjustments made in the accounts for March Final and any Supplementary adjustments made after the close of these accounts should also be submitted to State Governments.

(b) An account of all Central (Civil) transactions (viz. Civil pensions), and transactions of Union Territories (with Legislature) which pertain to the Public Account, and of all transactions of Union Territory Administrations brought to account by each Accountant General, should be submitted by him to the Controller General of Accounts in the Ministry of Finance (Department of Expenditure) in such form and detail as prescribed by the latter, by the last day of the following month.

1. A progressive account incorporating the adjustments made in the accounts for March should also be submitted to the controller General of Accounts.

The Annual Accounts of the Central and State Governments

9.2 The annual accounts (including Appropriation Accounts) of each State|Union Territory Government shall be prepared in the form prescribed by the President on the advice of the Comptroller and Auditor-General of India under Article 150 of the Constitution of India.

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

Material for the preparation of the Appropriation Accounts relating to the 'Pension' Demand for Grant of the Central Government and relating to the Demand for Grants of Union Territory Administrations whose accounts are not separated from audit, shall be submitted by each Accountant General to the Director of Audit, Central Revenues, by the date prescribed by the latter.

9.3 The Finance Accounts submitted to the Governor|Lt. Governor shall be an auditor's presentation of the General accounts of the State|Union Territory Government to the Legislature showing the accounts of the receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of the Public debt and the liabilities and assets of the Government concerned as worked out from the balances recorded in the accounts. The Accounts shall be prepared in two parts, as shown below, commencing with the certificate of the Comptroller and Auditor-General and introductory note :—

Part I—Summarised Statements

Part II—Detailed Accounts and Other Statements

Section A—Receipts and Expenditure,

Section B—Debt, Deposits and Remittances and Contingency Fund.

The Finance Accounts of the State Governments shall be prepared by the respective Accountant General. Each Accountant General concerned shall submit in respect of transactions and balances appearing in the Central section of his books, material to the Controller General of Accounts, Ministry of Finance (Department of Expenditure) for purposes of the Union Government Finance Accounts in the form prescribed by the latter in consultation with the Comptroller and Auditor-General.

The Combined Finance and Revenue Accounts of the Central and State Governments in India

9.4 The Combined Finance and Revenue Accounts presents the accounts of all the Governments in India on a common and comparable basis and are prepared mainly on the basis of the figures contained in the respective Finance Accounts of the Governments concerned. These accounts are in two parts : (i) General Accounts, and (ii) Subsidiary Accounts. General Accounts give : (a) a summary of Receipts and Disbursements of all Governments by sectional heads of account, and (b) accounts of Receipts and Disbursements by Major Heads of Account of all Governments in the Revenue Account, Capital Account and all other sections. The Subsidiary accounts give details, generally by minor heads, of all the figures shown in the General Accounts relating to each type of Governmental activity. Each subsidiary Account contains separate statements for (i) Receipts (ii) Expenditure met from Revenue (iii) Capital outlay showing also the scheme-wise progressive outlay and (iv) Loan Transactions. Notes giving a brief description of the nature of transactions relating to each Account and, in some cases, the accounting procedure thereof are incorporated in the subsidiary accounts wherever necessary.

9.5 The Combined Finance and Revenue Accounts shall be prepared mainly from the following accounts :—

Name of Account	From whom received	Latest date of despatch
(i) Finance Accounts of the State	Each Accountant General	31st January
(ii) Finance Accounts of Central Government (in manuscript if printed copy is not ready)	Controller General of Accounts	28th February
(iii) Accounts of the Posts and Telegraphs Department.	Director General, Post and Telegraphs.	31st December
(iv) Accounts of the Railways	Ministry of Railway (Railway Board)	-do-
(v) Accounts of the Defence Services	Controller General of Defence Accounts	-do-
(vi) Subsidiary returns	Vide details given in the Annexure to this Chapter.	

Proforma Accounts

9.6 The rules relating to the proforma accounts of the Public Work Department which Accountants General may be required to prepare are given in Appendices 1 and 2.

ANNEXURE : (Referred to in Article 9.5)

Statement required in connection with the preparation of the Combined Finance and Revenue Accounts

Sl. No.	Name of Statement	From whom due	Latest date of despatch	Remarks
1	2	3	4	5
1.	Face value of Securities held in the Famine Relief Fund-investment Account Nominal and Market separately	All Accountants General	31st December	
2.	Defence Services portion of the Combined Finance and Revenue Accounts in the prescribed printed form	Controller General of Defence Accounts	31st December	
3.	Posts and Telegraphs portion of the Combined Finance and Revenue Accounts in the prescribed form	Director General Posts and Telegraphs	31st December	
4.	Railway portion of Combined Finance and Revenue Accounts in the prescribed form	Ministry of Railways (Railways Board)	31st December	

1	2	3	4	5
5.	State Public Works Finance Schedules	All Accountants General	15th November	In respect of irrigation Embankment and Drainage Work, the details of all Schemes above Rs. 1 crore individually and below Rs 1 crores collectively may be furnished.
6.	Account of Contingency Fund.	(i) All Accountants General (ii) Controller General of Accounts	15th Nov. 31st December	
7.	Coinage Accounts	Ministry of Finance, Deptt. of Economic Affairs	15 October	
8.	Statement of balances of Branch Line Companies.	Min. of Railways (Railway Board)	15th October	
9.	Statement showing the actual expenditure of the Indian Audit and Accounts Department including Posts and Telegraphs and Railway Audit Offices	Director of Audit, Central Revenues	15th October	
10.	Statement [showing the Capital and other expenditure outside the (Revenue Account) to end of the year and the Principal sources from which funds were provided for that expenditure	All Accountants General	15th November	

1	2	3	4	5
11.	Details of Receipts and payments of the Central Government— Account No. 6 of the Combined Finance & Revenue Account	Controller General of Accounts	15th April of the second succeeding year to which the Accounts relate	
12.	Statement showing the value of one Rupee Note issued	Ministry of Finance	16th August	

APPENDIX 1

(See Articles, 2.3 and 9.6)

Rules relating to the preparation of capital and revenue accounts of residential buildings

Note:—The rules in this Appendix may be adopted by each Government with such modifications as may be agreed upon between that Government and the Comptroller and Auditor General, See also rule 14 of the form of Accounts of the Union and States (Basic) Rules 1983.

Introductory

An Accountant General should, if so required by Government, prepare Capital and Revenue Accounts of residential buildings with the objects of reviewing the financial results of the year and of determining whether the annual allowance fixed for maintenance and repairs is sufficient to protect Government against any losses arising from the operation of the rules made by it for recovery of rent for residential buildings. These accounts may be prepared and reviewed, at such intervals as may be settled between the Government and the Accountant General.

Buildings

2. Residences of any specified class may, if Government so direct, be omitted from the Capital and Revenue Accounts. All other residential buildings including buildings which are occupied partly as office buildings will be included whether they were acquired or constructed at Government expense or only leased for use as residences.

Ordinarily, residences falling under the following categories may be excluded from the Capital and Revenue Accounts:—

- (1) residences for use of the Governors of States including staff quarters and other buildings appurtenant thereto, and the Heads of Union Territories;

- (2) buildings which are situated within the precincts of jails, hospitals, police lines, tehsils, educational institutions, provided that they are allotted rent-free under the orders of Government to Government servants who are required to occupy particular houses in order to ensure the proper performance of their duties;
- (3) Buildings which are not intended to be used as regular residences, e.g., dak bungalows, rest houses, circuit houses, inspection houses and other buildings of a like nature;
- (4) petty buildings the cost of which does not exceed Rs. 5,000 or any other limit which may be prescribed by Government.

3. The buildings for which Capital and Revenue Accounts are maintained may be grouped into two classes:—

Class I.— Buildings which will ordinarily be occupied by Government servants liable to pay the full standard rent subject to the limit of a prescribed maximum percentage of their emoluments.

Class II.— Buildings from which the recovery of the full standard rent is not expected, that is, buildings which will ordinarily be occupied by Government servants who are entitled to accommodation rent free or at reduced rents, under the sanction of competent authority.

NOTE 1.—Buildings should not ordinarily be transferred from one class to the other unless there is a permanent change in the conditions under which they will be rented. The transfer should be made under the orders of the competent authority and should normally have effect from the commencement of a financial year.

NOTE 2.—Buildings for which rent is recovered for a season only such as those meant for the migratory staff of Government may be shown under class I if they are allotted to Government servants liable to pay the full standard rent limited to a specified percentage of their emoluments. Such buildings may, however, be exhibited under a separate subgroup of that class.

4. A building should be brought on to the Capital and Revenue Accounts at the official year following that in which any of the events enumerated below has taken place; but if the event takes place on the 1st of April the building should be brought on to the accounts of the same year:—

- (a) its acquisition or construction was completed, or

- (b) it was leased, or
- (c) being a building already in existence it was first brought into use as a residence.

5. A residential building which has once been included in these accounts should not be excluded therefrom without the sanction of Government or of such other authority as Government may prescribe in this behalf.

6. If, under the rules of the Government concerned, a number of residences in a particular area or of a particular class or classes is grouped for the purpose of assessment of rent, the collective results of all such buildings should also be brought out in the accounts.

Installations and other Services

7. Transactions relating to the capital cost and maintenance of sanitary, water supply and electric installations and fittings of a residence included in these accounts should be included in those for the building itself. Similar transactions relating to other services excepting furniture, such as gardens, tennis courts, etc., for which additional rent is recovered under the rules, should be shown separately for each such service, below those relating to the building itself. The furniture provided for all such residences in each circle of superintendence or other unit for which a separate account is prepared (*vide* paragraph 11), is treated as an item by itself.

Form of Accounts

8. These accounts should be compiled in Form A-C 32. For their preparation, the Executive Officers concerned may be required to furnish the Accountant General with necessary data in a suitable form which, the Accountant General may prescribe according to local requirements. Any additional information which the Accountant General considers necessary for testing the accuracy of the standard rents fixed, may, if required, be also obtained. These data should be scrutinised in the Account Office as far as possible.

9. Both in respect of capital outlay and maintenance charges, the actual charges only should be taken, no addition being made on account of establishment and tools and plant charges or on account of the cost of accounts and audit.

NOTE. 1.—If a building is occupied partly as a residence and partly as an office, the best possible approximation should be made, in consultation with

the Superintending Engineer or other officer prescribed by Government for the purpose of assessing the capital value of the portion used as a residence, the revenue charges being proportionately distributed for the purposes of the accounts.

NOTE 2.—In the case of non-residential buildings which are converted into residences, if the original cost cannot be ascertained from the records, the capital value should be based on the estimated value of the buildings subject to any rules which Government may have prescribed.

10. Column 15 of the accounts Form A.C. 32 "Interest on capital outlay to end of years under report or rent payable by Government" should be filled in as indicated below:—

(i) *Leased buildings.*—Rent payable by Government to the lessor should be noted in this column. When charges for maintenance of and repairs to the building or municipal or other taxes relating thereto, are also borne by Government, those charges should be noted in columns 12 to 14.

(ii) *Government buildings.*—As interest for the year is generally calculated at the rate which is in force as the standard of return from productive irrigation works at the time of acquisition or construction of the building, it is necessary to calculate interest separately on (1) capital outlay to end of previous year and (2) capital outlay during the year. The interest on (1) will be the figure entered in the last account or if there was any capital outlay during the previous year, it will be that figure *plus* interest on half the amount of that capital outlay. The interest on (2) will be calculated on half the amount of the capital outlay of the year at the rate of interest for the year. The total of (1) and (2) should be noted in column 15.

11. These accounts should be prepared in such detail as Government may desire, but in respect of buildings under the control of the Public Works Department usually it will be found sufficient to prepare a separate account for each circle of superintendence, so that copies of the account may be sent to Superintending Engineers to enable them to review the results of the areas in their respective charges, and to take such action as they may deem necessary to effect economies in working.

Review

12. The accounts, when completed, should be reviewed in the light of the rules made by Government governing the assessment and recovery of rent and the allotment of residences; and the results of this collective review should

be embodied in a concise report, with which the accounts should be submitted to Government by such date as may be fixed in consultation with the latter. If, in any particular case, or generally the standard rents need revision, or the maintenance charges are excessive or the realisation inadequate, these points should be mentioned in the report, with any suggestions regarding the working or suitability of the rules which the Accountant General may wish to make. The true annual cost to the tax-payer on account of the residences included in these accounts should also be reviewed. For this purpose, a lump sum (which should be estimated by the Accountant General with due regard to the rules relating to allocation of these charges) representing charges for establishment and tools and plant should be added to the total capital cost, including value of site, of all buildings which form the subject of a single review. If, the capital cost of any building does not include the value of site, the estimated value of this site should be ascertained and added to its capital cost for this purpose. A similar lumpsum addition for departmental charges should also be made to the total average maintenance charges of all buildings forming the subject of a single review, and the interest charges should be calculated on the (gross) capital cost worked out in the manner indicated above. The total of the maintenance and interest charges thus worked out should be compared with the total realisation of rent. In all comments and observations, leased buildings should as far as possible, be distinguished from those owned by Government, and each of the special services such as furniture which are exhibited separately in the accounts (see paragraph 7) should be dealt with separately.

NOTE 1.—The Accountant General should satisfy himself that sanctions exist for (1) every building appearing in the accounts which is stated to be occupied rent-free or at reduced rent; and (2) residences completed during the previous year but omitted from the accounts under review, in terms of clause (2) of the second sub-paragraph of paragraph 2.

NOTE 2.—In cases where Government have issued orders writing down the capital cost of any residence the calculation for the purpose of the review prescribed in this paragraph should be based on the reduced cost; but the extent of reduction made should be clearly indicated in the Capital and Revenue Accounts for the year in which those orders take effect.

APPENDIX 2

(See Article 2.3 and 9.6)

ADMINISTRATIVE ACCOUNTS OF IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS, ELECTRICITY PROJECTS AND MULTIPURPOSE RIVER-PROJECTS

NOTE 1.—The rules in this Appendix may be applied in relation to the accounts of a Government with such modifications as may be decided by the Government after consultation with the Comptroller and Auditor General. See also rule 14 of the Form of Accounts of UNION AND STATES (BASIC) RULES 1933.

NOTE 2.—The rules in this appendix are primarily intended to apply to the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works. They may, however, be applied *mutatis mutandis* to the Administrative Accounts of the Electricity Projects and Multipurpose River Projects.

Introductory

1. The Accountant General may be required by Government to prepare annually *proforma* accounts (otherwise known as Administrative Accounts) of irrigation, navigation, embankment and drainage projects for which capital and revenue accounts are kept. These accounts should be prepared in Form A.C. 33 which is divided into the following six parts:—

Part I.—General Abstract of Financial Results.

Part II.—Detailed Account of Capital Expenditure.

Part III.—Revenue Account.

Part IV.—Interest Account.

Part V.—Account of Indirect Charges.

Part VI.—Statement comparing Capital Cost with Sanctioned Estimates.

Accounts of individual projects are kept in Parts II to VI for each, and the general results of all projects are abstracted in Part I.

Classification

2. The projects for which Administrative Accounts are prepared are classified thus:—

A.—Irrigation Works.

- (1) Productive.
- (2) Unproductive.

B.—Navigation, Embankment and Drainage Works.

- (1) Productive.
- (2) Unproductive.

In Part I projects should be grouped according to this classification, and on all separate Accounts of them the detailed classification of each project should be indicated prominently.

NOTE.—The classification of works into (1) productive and (2) unproductive is governed by such general principles as may be laid down in this behalf by the Government concerned in consultation with the Accountant General. See also Article 26 of Volume III of the Account Code.

(Part I.—General Abstract of Financial Results

3. Part I is a summary of the financial results of all projects in the province excluding those for which no capital accounts are kept, the figures in respect of individual projects being taken from the detailed accounts as brought out to other parts.

NOTE.—Projects should be arranged serially in the order of the dates on which the construction estimates were closed. Projects whose construction estimates have not been closed should come next in the arrangement and they should be detailed in the order of the dates of sanction to the estimates. This arrangement should not, however, interfere with the classification of projects between Irrigation and Navigation, etc., and between productive and unproductive prescribed in the preceding paragraph.

Part II.—Detailed Account of Capital Expenditure

4. Part II, the Detailed Account of Capital Expenditure, is a statement of the total direct charges incurred to end of the year against all the sanctioned estimates of capital expenditure. The outlay should be detailed by such branches and sections of the projects as are shown separately in the sanctioned project estimate, and under each it should be given in full detail of minor heads (including "Receipts and Recoveries on Capital Account") and detailed heads.

NOTE 1.—Charges under the minor heads "Establishment" and "Tools and Plant" should be detailed only if the entire expenditure of a circle of superintendence, or of any other prescribed unit of distribution of charges relates to a single project; in other cases, the charges to be shown under each of these two heads will be the lump sums which may be debited to a project according to the rules of distribution of such charges made by Government in consultation with the Accountant General. See Article 42 of Volume III of the Account Code.

NOTE 2.—In the case of projects for which completion reports have been submitted, it is not necessary to show details of expenditure by detailed heads under the sub-division of minor heads.

NOTE 3.—In the case of projects in respect of which the construction estimates have been closed and the completion reports approved by Government and in respect of which no further capital expenditure is being incurred under open capital estimates, all details of capital expenditure should be omitted, references being given to the Administrative Accounts of the years in which the capital accounts were shown in detail.

NOTE 4.—The particulars of apportionment of the capital expenditure among the Irrigation Major Heads need not be shown in the capital account.

5. Expenditure on surveys which was incurred before construction commenced should be brought on to the account by an entry in the column headed "To end of the year", qualified by a suitable explanation in the column for "Remarks".

6. For purposes of comparison with estimates, the form of Part II provides a column for "Cost of construction as now estimated". This column is written up thus :—

(i) If the construction estimate is still open.	}	the estimated cost.
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- (ii) if the construction estimate is closed. the aggregate of (1) actual expenditure on the closed construction estimate, (2) actual expenditure on all closed estimates of open capital and (3) estimated cost of all open capital estimated the accounts of which are still open.

In the case of projects the construction estimates of which have been closed the difference between the figures in this column and column 4 of Part VI will indicate the amount of the open capital sanctions still operative i.e. the further authorised liabilities of the project.

7. If the construction estimate has been closed, the date on which it was closed should be noted in the column for "Remarks".

Part III.—Revenue Account

8. Part III, the Revenue Account, is a statement making an up-to-date comparison of the gross (*i.e.*, direct as well as indirect) figures of the receipts and the working expenses of a project yielding revenue. The receipts should be detailed by minor heads, and the working expenses by both minor heads and sub-divisions of minor heads. The difference between the gross receipts and the gross charges will represent the net revenue or the deficit, as the case may be.

NOTE.—The Revenue Account should be opened for a project as soon as any section of it is completed and begins to yield revenue.

Part IV.—Interest Account

9. Part IV, the Interest Account, is a simple debit and credit account showing on one side the charges for the interest and on the other the net revenue, or deficit, as worked out in Part III.

10. Interest is adjusted in the Administrative Accounts of Irrigation, etc., projects stated below:—

- (a) for capital outlay met out of specific loans raised by Government, at such rate of interest as may be prescribed by Government having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them;

- (5) for capital outlay provided otherwise, at such rate of interest as may be determined by Government in consultation with the Accountant General.

NOTE 1.—By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite intimation is given at the time of the raising of the loans that for the purpose of accounts they are to be regarded as specific loans.]

NOTE 2.—Interest is calculated on the total direct capital outlay to end of the previous year *plus* half the outlay of the year itself.

Part V.—Account of Indirect Charges

11. Part V, the Account of Indirect Charges, which is prepared in two separate sections—capital and revenue—is a simple statement of the indirect charges shown below.

Capitalised abatement of land revenue.—At twenty times the annual amount of land revenue remitted.

NOTE.—This charge should not be made in cases when the capitalised value has been awarded in lieu of abatement and has been debited as a direct charge.

Audit and Accounts Establishment.—The actual expenditure, where it is readily ascertainable as in the case of separate Audit and Account Offices constituted for specific projects otherwise, 1 per cent on works expenditure.

11-A. The proceeds of "Betterment levy" though treated as 'Indirect Receipts' in the Accounts, should be taken in reduction of Indirect Capital Expenditure in the Administrative Accounts.

Part VI.—Statement comparing Capital Cost with Sanctioned Estimates

12. Part VI compares both the direct and indirect charges incurred up-to-date on a project with the amount of sanctioned estimates.

13. If the construction estimate is still open, no entries should be made in columns 2 to 4, headed "Charges against closed sanctions" and in column 8 "Total charges to date against old and current sanctions". But, if it has been closed, all the columns of the form should be written up

columns 2 to 4 being used in respect of all working estimates (construction or open capital which have been closed, and columns 5 to 7, headed "Current Sanctions", in respect of all working estimates of open capital, the accounts of which are still open. Particulars of the sanctioned estimates, e.g., the numbers and dates of the orders of Government issued from time to time, the amounts of estimates, etc., need not be entered in either case.

Review

14. The Administrative Accounts should be submitted to Government in print as soon as possible after closing the final accounts for March. The Accountant General should review the accounts and send with them a report of the points which his review may suggest. In the report should be mentioned specially all points requiring attention, e.g., (1) cases in which, in the Accountant General's opinion, a change of classification of projects from "productive" to "unproductive" or *vice versa* may be indicated, (2) cases in which an abnormal increase under "Working Expenses" is not accompanied by an adequate increase in the "Receipts", or (3) cases in which "Receipts" show a marked decline and there is no known reason for this.

NOTE 1.—For the purpose of the review the figures shown against the minor head "Recoveries of Expenditure" should be deducted both from "Gross Receipts" and from "Gross Working Expenses".

NOTE 2.—Any practical suggestions calculated to reduce the working expenses, to develop the gross receipts, or to effect economies otherwise, which may occur to the Accountant General, should ordinarily be made separately, the report being confined to mentioning the salient features of the accounts in a manner intelligible to an outsider".

15. Two copies of the accounts (with Report) should also be submitted simultaneously to the Comptroller and Auditor General. If printed copies cannot be despatched so as to reach the Comptroller and Auditor General by the dates prescribed in Annexure to Chapter 9, the first copy should be sent on the due date in manuscript. A separate report should also be submitted at the same time reviewing the working of the various Irrigation projects with reference to the desirability of changing the existing classification of particular work or works from "Productive" to "Unproductive" or *vice versa*, on the basis of the actual yield and the anticipated return from such works. This review may, however, if Government has no objection, be included in the report to Government which the Accountant General submits under paragraph 14 above.

LIST OF FORMS

No. of Form	Name of Form
A.C.	1 Schedule of amounts credited to Funds.
.. ..	2 Statement of Disbursers' Accounts.
.. ..	3 Register of Adjustments with the Reserve Bank.
.. ..	4 Advice of Inter-Government Adjustment.
.. ..	5 Memorandum of clearance by Central Accounts Section of the Reserve Bank.
.. ..	6 Outward Settlement Accounts.
.. ..	7 Schedules 'C' and 'D' of Settlement Accounts.
.. ..	8 Subsidiary schedule of Settlement Accounts for provident fund transactions.
.. ..	9 Covering list of subsidiary schedules of Settlement Accounts for provident Fund transactions.
.. ..	10 Objection book for Settlement Accounts
.. ..	11 Adjustment register of inward Settlement Accounts.
.. ..	12 Suspense slip.
.. ..	13 Outward Suspense slips register
.. ..	14 Classified Abstract of receipts and payments of Settlement Accounts.
.. ..	15 Objections statement for Settlement Accounts.
.. ..	16 Outward claims register.
.. ..	17 Requisition for a bank draft.
.. ..	18 Special letter of outward claims
.. ..	19 Credit slip.
.. ..	20 Inward claims register
.. ..	21 Detail Book
.. ..	22 Consolidated Abstract.

No. of form	Name of Forms
A.C. 23	Transfer Entry.
" " 24	Transfer Entry Number Book.
" " 25	Combined Transfer Ledger and Abstract.
" " 26	Journal.
" " 27	Ledger for Debt. and Remittance heads closed to Balance.
" " 28	Ledger for Debt. Loans, Deposits, Suspense, and Remittance heads closed to Balance.
" " 29	Ledger for heads closed to Government.
" " 30	Trial Balance sheet.
" " 31	Monthly Accounts of State Governments.
" " 32	Capital and Revenue Accounts of Residences.
" " 33	Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works/Electricity Projects/Multi-purpose River Projects.

FORM A.C. 1

(See Note 2 under article 1.6)

Schedule of Amounts credited to Fund

(Obverse)

Schedule of amounts credited to _____ Fund in the account of the
Department during month of....19.....

No. of Voucher	Amount recovered	No. of Voucher	Amount recovered	No. of Voucher	Amount recovered	No. of Voucher	Amount recovered

(Reverse)

No. of Voucher	Amount recovered	No. of Voucher	Amount recovered	No. of Voucher	Amount recovered	No. of Voucher	Amount recovered
						TOTAL Account credited through Cash Amount	
						GRAND TOTAL	

Grand Total verified with Classified Abstract.

Auditor.

FORM A.C. 31

(See Article 9.1)

Monthly Accounts of State Governments

Monthly Accounts of the Government of (State) for 19 .

General Statement of Accounts

	Current Month	Progressive	Budget <hr/> Revised	Progressive last year
Total—Revenue heads .				
Total—Expenditure within the Revenue Account				
Total—Capital expenditure outside the Revenue Account				
Net—Debt, Deposit, etc. heads.				
Total transactions				
Opening Balance				
Closing Balance				

FORM A.C. 31—contd.

Heads of Account	Receipt		Outgoings		Net Receipts Plus or Minus		Budget Net— Revised
	Cur- rent	Pro- gressive	Cur- rent	Pro- gressive	Cur- rent	Pro- gressive	
(Debt, Deposit, etc. heads as in the List of Major and Minor Heads of Account).							

Certified that the accounts of the Government of for the month of were completed and signed by me on the and have been filed in my office.

2. The General Statement of account is given below:—

Opening Balance	.	.	.	.	.	.	.
Cash in treasuries	.	.	.	.	.	.	.
Cash in transit	.	.	.	.	.	.	.
Deposits with the Reserve Bank	.	.	.	.	.	.	.
Receipts of the month	.	.	.	.	.	.	.
					Total	.	.
Disbursements of the month	.	.	.	.	.	.	.
Closing Balance	.	.	.	.	.	.	.
Details of Closing Balance:—							
Cash in treasuries	.	.	.	.	.	.	.
Cash in transit	.	.	.	.	.	.	.
Deposits with the Reserve Bank	.	.	.	.	.	.	.
					Total	.	.

Certified that the closing balance under "Deposits with the Reserve Bank" has been checked and reconciled with the balance of the Government of on the books of the Bank as shown in the statement of balances rendered by the Manager, Reserve Bank of India, Central Accounts Section, Nagpur.

3. The closing balance in the State Treasuries as per cash balance report was Rs. and differs from that noted above by Rs. as follows:—

	Additions	Deductions
As per this Account		
As per Cash Balance Report		
Total		
Net		

The.....19...

Accountant General

PAR 1 III.—Revenue Account for and to end of the year 19.....19...

Date of closing of construction estimate

Gross Receipts			Gross Working Expenses			Remarks
Total			Heads of Account (Minor and Detailed heads)	Total		
Minor Heads	During the year	To end of the year		During the year	To end of the year	
	1	2		3	4		5	6	7
Direct Receipts			Direct charges			
Total Direct Receipts			Total Direct Charges			
Indirect Receipts Portion of Land Revenue due to Works			Indirect Charges as per Part V.			
Total Indirect Receipts						
Total Gross Receipts			Gross Charges			
Net Deficit (if any)			Balance Net Revenue			
GRAND Total			GRAND Total			

*"Column 7—Amount of Revenue foregone should also be noted in the Remarks Column".

FORM A.C. 33—Contd.

PART IV.—Interest Account for and to end of year 19....-19.....

Interest	Amount	Net Revenue	Amount
Total Interest to end of previous year.		Net Revenue realised to end of previous year.	
Interest Charges for the year.		Net Revenue realised during the year as per Part III.	
Total Interest to end of year		Total Net Revenue realised to end of the year as per Part III	
*Balance		*Balance	
TOTAL		TOTAL	

*Balance will be entered on the interest or the Net Revenue side as may be necessary.

FORM A.C. 33—Contd.

PART V.—Account of Indirect charges for and to end of the year 19.....19..

Particulars	Amount	
	During the year	To end of the year
Capital Account—		
Capitalised abatement of Land Revenue .		
Leave and Pensionary Charges .		
Audit and Account Establishment .		
Total .		
Less—Betterment Levy		
Total Capital Account		
Revenue Account—		
Capitalised abatement of Land Revenue		
Leave and Pensionary Charges		
Audit and Account Establishment		
Total Revenue Account		

