

to Government through his immediate superior for orders. Payment of the pension, however, should not be suspended pending the result of such reference.

(8) For payment of pensions due to deceased pensioners, see Rule 5.3 of the Punjab Financial Rules Volume I.

Note.—It is not necessary that the life certificate should be in respect of the date on which the pension bill is presented for payment, if that happens to be later than signature of the pensioner on the bill.

4.100. Every payment is to be entered on the reverse of both portions of the order and attested by the signature of the Treasury Officer; in case of pensions paid at a sub-treasury where will be found only a copy of the order in English or vernacular with the District Officers' order thereon, the sub-treasury officer will make the entry on the counterpart and on his copy, while the Treasury Officer at the headquarters treasury will, from the receipt make the necessary note on this original of the order. Simultaneously, an entry of the payment should be made in the subsidiary register of pension payments and this entry and the pay order on the pensioner's receipt should be signed by the Treasury Officer.

In case of bank treasuries/sub-treasuries the pay orders on the pensioner receipts should be signed by the Treasury Officer/Sub-Treasury Officer. After the payment is made an entry of the payment should be made in the Sub-Register of pension payment under the initial of the Treasury Officer/Sub-Treasury Officer.

4.101. The payment of pensions not exceeding Rs 250** a month may be made by postal money order at the option of the pensioner. When this mode of payment is adopted, the following rules shall be observed :—

- (1) The procedure prescribed below may be applied *mutatis mutandis* to pensions the payment of which at a sub-treasury has been authorised under rule 4.175 *infra*.
- (2) A pensioner who elects to have his pension paid by money order should present in person to the Treasury Officer a declaration to that

*Note Added vide No. 104-6FRI-64/242 dt. 7-1-64.

**Sub : vide No. 7151-2FR-70/11154 dt. 8-4-71.

effect with his copy of the pension payment order. The Treasury Officer should then identify the pensioner as laid down in rule 4.95 above. After this has been done, he should paste the declaration and both halves of the pension payment order in a separate file headed "Pension payable by money order". On a date not later than the 10th of each month, a Treasury Office clerk deputed for the purpose should make out a money order form for each pension recorded in the file mentioned above, less money order commission, and make corresponding payment entries in the table at the back of the pension payment orders. The Treasury Officer should sign the money order form and initial the entries on the back of the pension payment orders after carefully comparing the three documents.

Note—If a pensioner applies for his pension to be remitted to him quarterly instead of monthly, his request shall be granted by the Treasury Officer and his pension shall be remitted, to him on a date not later than the 10th of January, April, July and October each year. For this purpose the Treasury Officer should maintain separate files of pension payment orders on which payment is to be made quarterly headed "pension payable quarterly by money order".

**Note*.—(2) "Pension upto Rs 250 per mensem may at the request of the Pensioners who are in receipt of pension above Rs 250 may also opt for drawing net amount of Rs 250 by money order at Government expense or the entire amount of pension at their own cost."

- (3) (a) In order to minimise the risk of fraud, the Treasury Officer should compare the signature on the money order receipt every month with the pensioner's signature on the pension payment order. The Treasury Officer should also satisfy himself once every one year in such manner as he thinks desirable that the pensioner is actually alive. In token of having done so, he should endorse on the schedules of payments for the month of April each year a certificate to the effect that he has satisfied himself that the pensioners were actually alive on the dates on which the pensions were remitted to them.

In cases where determination of a pension cannot be fixed for a precise date, the Treasury Officer should, before remitting the pension for December and June,

obtain from the pensioners the certificates in Form S.T.R. 38. *In the case of female pensioners whose pensions are terminable on their marriage or re-marriage however, before remitting their pensions for December, only, the alternative yearly declarations in Form STR-39 prescribe in Rule 4.99 above may be obtained.

Note.—(1) When a woman pensioner files a declaration electing to receive pension by money order, the Treasury Officer will supply blank forms of both certificates sufficient for a year and instruct the pensioner clearly as to the submission of the forms in question. The treasury office should supply the pensioner in December every year with forms enough for the ensuing year.

Note.—(2) The Treasury Officer should warn the pensioner that her pension will not be remitted until the necessary certificates are received. In cases where necessary certificates have not been received the Treasury Officer will take steps to obtain them before remitting the pension.

****Note.*—(3) Where due to old age or infirmity or in consequence of some physical disability, a pensioner is unable to appear in person if so required, the Treasury Officer will not insist upon his personal appearance (before him to satisfy himself that the pensioner is alive) and may accept in lieu there of a life certificate duly signed by any of the authorities specified in rule 4.104(a). The authority signing the life certificate shall specify therein the detailed reasons i.e. nature of sickness etc. due to which the pensioner has not been able to present himself personally for the purpose of annual verification."

- (4) Some village official or other suitable subordinate agency, such as the Police, should be made responsible for reporting promptly to the Treasury Officer the death of any pensioner whose pension is paid by money order.
- (5) It will not be necessary to prepare separate pension bills for such payments. The payments should be shown in a separate schedule which will serve as voucher. A certificate in the following form in the handwriting of the Treasury Officer should be endorsed on the schedule :—

"Certified that I have satisfied myself that all payments noted in the schedule have actually been remitted by money order".

Note.—(1) In the schedules for January and July each year, an additional certificate in the following form should be added :—

Certified (1) that I have obtained from each pensioner a declaration that he had not received any remuneration for serving in any capacity under Government or under a Local Fund during the past six months, and

*Sub : vide No. 5716-6FR-I-64/5578 dt. 16-6-64.

**Added vide No. 3/1(2)-82-2FR II dt. 11-11-82.

- (2) that in all cases where determination of pension cannot be fixed for a precise date, I have obtained the certificate in Form S.T.R. 38 or the declaration in Form S.T.R. 39 as the case may be.

*Note.—(2) The words “for the declaration, in form S.T.R.-39 as the case may be” appearing in the certificate above will be added in the certificate attached to the Schedule for Jan. only vide Rule 4, 99.

- (6) The amount to be remitted should not be paid to the post office in cash but by transfer to the credit of the post office. The money order forms should be sent to the post office with a certificate by the Treasury Officer that the amounts of the money orders and the fees thereon have been credited to the post office in the Treasury Accounts by transfer.
- (7) The Treasury Officer will watch for the money order receipts for all remittances shown in the special file and will also compare the signature in these receipts with the specimen signatures on the Treasury Officer's halves of the pension payment orders.
- (8) In the next months' schedule, the Treasury Officer will furnish the following certificate :—

“Certified (1) that I have satisfied myself that all pensions included in the schedule for the previous month have been paid to the proper persons and (2) that I have obtained all money order receipts in support of these payment and filed them in my office.”

- (9) In the case of pensions amounting to Rs 10.16 to Rs 10.30 the Treasury Officer is authorised to draw Rs 10.15 from the Treasury and remit Rs 10 per mensem to the pensioner, 15 naya paisa being paid as money order fee. The balance of 1 to 15 naya paise per mensem, as the case may be, should be remitted to the pensioner alongwith his pension for February payable in March each year. Similar marginal adjustments should be made if any when necessary.
- (10) On a money order being returned the net amount of the money order (minus to postal

commission) should be debited to the post office, and should be shown as a distinct item in the cash-book and in the monthly Cash Account. A note of the amount returned should also be made against the pension payment order concerned. When the amount less money order commission is repaid to the pensioner a note to that effect should be made against the former remarks.

4.102. (a) Where owing to old age or infirmity or in consequence of some physical disability it is not possible for a pensioner to present in person to the Treasury Officer a declaration electing to have his pension paid by money order, the Treasury Officer may accept instead of written declaration signed by the pensioner, which is duly verified by a gazetted Government employee, a Magistrate or a Justice of the Peace, *Social Education and Panchayat Officer, Block Education Officers, Block level Extension Officer, Inspector of Cooperative Societies, Inspector of Agriculture and Headmaster of a Government High School. The Officer verifying the declaration shall specify the circumstances in which he holds that it is not possible for the pensioner to present the declaration in person to the Treasury Officer.

(b) Should the pensioner be physically incapable of signing the declaration the Treasury Officer may authorise payment to the pensioner on production of a certificate from the Civil Surgeon of the District or other registered medical practitioner to the effect that the pensioner is alive but is unable to sign the required declaration. In such a case the pension may be paid to the heir, not being a minor, who would receive payment of the arrears of pension in the event of the pensioner's death, provided it is certified by the Collector that the person claiming to be the heir is in fact the heir and continues to be the heir throughout the period for which he draws the pension.

(c) *Identification of pensioners*

4.103. As a rule, a pensioner must take payment in person after identification by comparison with the pension payment order. A pensioner specially exempted by the Commissioner from personal appearance, a women

pensioner not accustomed to appear in public, or a male pensioner who is unable to appear in consequence of bodily illness or infirmity, may receive his or her pension upon the production of a life certificate signed by a responsible officer of Government or by some other well-known trustworthy person.

Note.—If a pensioner paid on pension payment order in form Pen. 10 of the Punjab Civil Services Rules, Volume II, is not known to the Treasury Officer, he may be required to produce a life certificate or other evidence of identity.

4.104. (a) A pensioner of any description who produces a life certificate signed by some person exercising the powers of a Magistrate under the Criminal Procedure Code or by any Registrar or Sub-Registrar under the Registration Act, 1908 (XVI of 1908), or by any pensioned officer who, before retirement, exercised the powers of a Magistrate or by any gazetted officer, or by Munsif, or by a Police Officer, not below the rank of Sub-Inspector in charge of a Police Station or by a Post-Master, a Departmental Sub-Postmaster, or an Inspector of Post-Offices ***or by the Sarpanch of the Panchayat of the village in which the Pensioner resides **or by a bank included in the second Schedule, to the Reserve Bank of India Act 1934, in respect of a pensioner drawing his pension through that bank, is exempted from personal appearance.

*** (b) A pensioner not resident in India may draw his pension in India through a duly authorised agent, possessing a legally valid power of attorney, who must produce a life certificate on each occasion unless the duly authorised agent has executed an indemnity bond to refund overpayments, in which case he has to produce the life certificate at least once a year.

A pensioner of any description resident in India is exempted from personal appearance if he draws his pension through a duly authorised agent,—*vide* Financial Rule 5.5, who must produce at least once a year a life certificate signed by any of the persons mentioned in clause (a) above.

The pension of an officer drawing his pension through an agent who has executed a bond to refund

*Inserted vide No. 8749-6FRI-65/21046. and **No. 2068-2FR-72/25329 dt. 4-8-72.

***Sub. vide No. 1740-1FR-67/11647 dt. 23-6-67.

over payments should not be paid on account of a period of more than a year after the date of the life certificate last received and the Accountant-General and the Treasury Officer should be on the watch for authentic information of the deceased of any such pensioner and on receipt thereof, should promptly stop further payments.

(c) When a pensioner is a minor or is for any other reason incapable of managing his own affairs, and has no regularly appointed manager or guardian or when no such manager or guardian is nominated by the sanctioning authority, the Collector may on application by, or on behalf of the pensioner and subject to such conditions as he may impose, declare any suitable person to be the manager or guardian for the purpose of receiving, on behalf of the pensioner, pension due to him, and payments of pension may be made to such manager or guardian in the same way as to the original holder, provided that sufficient proofs are forthcoming at the time of each payment of the original holder being alive and eligible to receive the pension for the period covered by the payment. Such declaration may, at any time, be revoked or altered at the discretion of Collector.

4.105. (a) In all cases referred to in rules 4.103 and 4.104 Treasury Officer must take precautions to prevent imposition and must, at least once a year, require proof independent of that furnished by the life certificate, of the continued existence of the pensioner.

(b) For this purpose he should, save, in cases of exemption from personal appearance granted by the Commissioner require the personal attendance and due identification of all male pensioners who are not incapacitated by bodily illness or infirmity from so attending and in all cases where such inability may be alleged he should require proof thereof in addition to the proof submitted of the pensioners' existence.

(c) When a male pensioner is specially exempted by the Commissioner from personal appearance, the fact should be noted on his pension payment order by the Treasury Officer.

(d) In all cases of non-appearance of a male pensioner a note will be made on pension payment order of the form in which proof was given, within each year,

of the pensioner's continued existence, e.g., "Pensioner visited the _____ on _____" and the initials of the Treasury Officer should be put against the note.

*Note—(1) The Treasury Officer is personally responsible for any payment wrongly made. In cases of doubt, he should consult the Accountant-General.

*Note.—(2) The Treasury Officer may, at his discretion and for reasons to be recorded, privately identify and verify the continued existence of a pensioner, and dispense with his personal appearance prescribed in this rule but this power shall be exercised only in cases of such persons who held high offices before retirement.

Note 3—If the Treasury Officer entertains any doubt as to the identity of a police pensioner, he may require the Local Inspector of Police to identify him. The Inspector would then be responsible for the correct identification of the pensioner.

4.106. (1) On the first appearance of a pensioner on or after April 1st each year the disbursing officer shall take, before him, an impression of the thumb and all the fingers of the pensioner's left hand on the pension bill. The pensioner should then be identified from the particulars given in the disbursing officer's half of the pension payment order. Identification should also be made by an examination of the impressions given on the bill with those pasted on the pension payment order or by a reference to the pensioner's photograph where one is pasted on the Disburser's portion of the Pension Payment Order if the pensioner cannot be identified by other means with absolute certainty.

Exception.—Literate pensioners, who can sign their pension bills, may be exempted from affixing their thumb and finger impression, on their pension bills. When, however, such a pensioner cannot be identified by other means with absolute certainty it would be open to the disbursing officer to take the impressions on his pension bill for examination with those pasted on the pension payment order.

(2) Illiterate persons who are exempted from personal appearance under rules 4.103 and 4.104 must give the thumb and finger impressions on their bills in the presence of the person who grants the life certificate.

(3) On the renewal of a pension payment order, the original impression must be cut off from the old, and attached to the new order.

(4) A pensioner of any description resident in India who draws his pension through a duly authorised

*Note 2 Sub. vide No. 3/1(2)-788-2FR-II dt. 28-2-79.

agent (who has indemnified Government against overpayments) must produce, at least once a year, a life certificate signed by any of the persons mentioned in clause (a) of rule 4.104, but shall not be required to appear in person before the Treasury Officer for the purpose of rules 4.95, 4.105 and 4.106.

* (5) In a case where a pension claim submitted by a pensioner is supported by a life certificate granted under the provisions of Rule 4.104, by a gazetted Officer whose specimen signature is on record with the Treasury Officer, or by a Government Officer exercising the powers of a Magistrate under the Criminal Procedure Code or by a Registrar or Sub-Registrar appointed under the Indian Registration Act, under their respective seals of office, personal appearance of the pensioner at the Treasury will not be insisted upon. The Treasury Officer, however, in all cases of doubt, will be competent to obtain proof of the existence of the pensioner independent of that furnished by the life certificate.

(d) *Gratuities*

4.107. (a) Gratuities will be paid by Treasury Officers in a single sum and not by instalments on authority received from the Accountant-General, to whom, under rule 10.10(a) of the Punjab Civil Services Rules, Volume II, the sanction is communicated by the sanctioning authority or by another Audit Officer. The payee must be required to produce his personal copy of the letter of the Accountant-General to the Treasury Officer authorising payment of the gratuity and the Treasury Officer should record the fact of payment having been made on the copy of the order so produced.

(b) Gratuities are payable only to and upon the receipt of the persons legally entitled to receive them and not to or upon the receipt of the head of the office or department in which the gratuitants formerly served.

**Provided that the payment of gratuities may be made, without the personal appearance of the gratuitant, through authorised agent, including a bank, who shall be required to give the Govt., separately in respect of

*Sub rule 5 added vide 7178-2FR-70/1640 dt. 30-12-70.

**Proviso added vide No. 11313-6FRI-64/12489 dt. 30-11-69.

each payment, a bond of indemnity which shall be duly stamped, in the following form :—

In consideration of our being authorised to draw gratuity amounting to Rs. (in words) payable to in accordance with the gratuity payment order No. dated issued by the A.G. we the (Name of the Bank or Agent) hereby engage to refund to the State Government on demand any over payment that may be made to us on this account.

(e) *Payments at a Sub-Treasury*

4.108. Treasury Officers may authorise a pension to be disbursed at a sub-treasury even in cases in which this is not specifically desired in the pension payment order. In all such cases the Sub-Treasury Officer will be furnished by the District Treasury Officer with an authenticated copy of the Disburser's half of the pension payment order, with the Treasury Officer orders for payment at sub-treasury endorsed thereon.

In issuing these copies of pension payment orders the head treasury will reproduce the full order of the Accountant-General, and thereon make the endorsement, "Made payable at _____ sub-treasury with effect from _____" a similar endorsement being recorded over the Treasury Officer's signature on the Disburser's half of the pension payment orders so that payment may not be made at head treasury.

***4.109.** The Assistant Treasury Officer may renew both halves of the Pension Payment Order himself in respect of the pensioners drawing pensions at the sub-treasury.

(ix) *Loans and Advances*

(a) *Loans to Municipalities, etc.*

4.110. The vouchers on which a loan or an advance is drawn must quote the authority sanctioning such loan or advance, but no part of such loan or advance can be disbursed from the treasury except under the orders of the Accountant-General.

*Sub. vide No. 7014-2FR-79/32352 dt. 27-10-71.

4.111. In repaying a loan or advance, the memorandum presented at the treasury must state the original date and amount of the loan or advance, or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified and if the repayment is a fixed periodical amount, including both interest and principal, the orders fixing the amount should be quoted.

4.112. The following special procedure is prescribed for drawing revenue advances which include takavi advances, advances under the Land Improvement Acts, and any other advances which Revenue Officers are allowed or directed to make in connection with Land Revenue, Agriculture, or Famine, under any Act of the Legislature, or under any order of Government, revenue advances will be issued from the treasury upon orders signed or countersigned by the Collector of the district or other duly authorised officer.

Note.—Takavi advances may be made either direct to the parties concerned and on their receipt (stamped when necessary) or in lump sums on abstract bills to Government employees disbursing takavi. In the former case, the charges should be supported by actual payee's receipts or where these are required for the Revenue Officer by a certificate from the Collector or other duly authorised officer to the effect that the payments have been made to the proper parties and their receipts duly taken and filed in the Revenue Office.

In the latter case, the following safeguards should be adopted :—

- (1) No Government employee disbursing takavi should be allowed to draw a second abstract bill without producing a detailed bill to account for the amounts already disbursed from the last advance taken, any balance left being at the same time refunded into the Government treasury. In no case should the submission of the detailed bill be delayed beyond the end of the month following that in which the advance was drawn from the treasury.

The disbursing Government employees should take the receipts of the payees on the spot as soon as the advances have been made, and certify at the foot of the detailed bill that the advances were duly sanctioned by them and paid in their presence.

Payees' receipts need not be sent with the detailed bill and their names need not be shown in it.

- (2) Collectors should prescribe a money-limit for the amount which can be drawn on abstract bills by each Government employee with due regard to the circumstances of each case.

(b) *Loans and advances to Government employees*

(Forms of Drawing and Repaying)

*4.113. Bills on which these advance are drawn should quote the authority sanctioning them and payment

will be made by the treasury on the authority of such sanction, only if the bill has been signed or countersigned by the authorities competent to sanction such loan or advance unless the sanction has been specifically communicated to the Treasury in which case the bill signed by the drawing officer of the office in which the loanee Government employee is serving will be entertained. Attested copy of the sanction should also be attached with the bill. The names of government employees with their designations and amounts of advance sanctioned for each should be clearly indicated in form to be used for the purpose.

Note.—(1) No authority competent to sanction a loan or advance to a government employee shall accord sanction to such a loan or advance unless a statement in writing is first obtained from the Finance Deptt. to the effect that the amount is available for such a loan or advance and has been earmarked for the purpose.

Note.—(2) Bills for payment of loans and advances to the gazetted Government Employees shall be drawn by the employee concerned. Bills for payments of loans and advances to those Gazetted Government Employees whose pay and allowances are drawn by the drawing Officer of their offices like those of Non-Gazetted Government Employees shall be drawn and disbursed by the Drawing Officer concerned in the manner stated above.

4.114. A personal advance to a public servant may be repaid, either in cash or by deduction from his pay or travelling allowance bill, as the case may be.

In repaying an advance, the memorandum presented at the treasury or the pay bill, as the case may be, must state the original date and amount of the advance, or otherwise give sufficient particulars for its identification. The recoveries of advances through the pay bills should be supported by the Schedules of recoveries of advances in Form S.T.R. 54, separate schedule being attached for the different types of advances. Remittance of the amount to the particular treasury where the advance was made is not necessary.

*The memorandum or challan for repayment of loan instalments or payment of interest, or both, shall be presented at any Treasury located within the jurisdiction of the Accountant General on whose books the loan or advance was adjusted at the time of payments and in case it is not convenient to the loanee to so present the memorandum or challan, he shall remit the amount to that Accountant General or the departmental officer responsible for the maintenance of detailed accounts of the loan, as the case may be, by cheque/bank draft drawn

on a bank at a place where the office of the Accountant General or the Departmental officer, as the case may be, is located.

**Note.*—Refunds on account of sums recovered from Government employees erroneously or in excess pertaining to various advances, like Wheat Advances, Festival Advances, Recreation Advance, etc. detailed accounts of which are not maintained by the Audit Office, may be paid without the intervention of the Accountant-General by the Drawing and Disbursing Officer just like other payments and drawn on a simple Receipt Form after observing due formalities. In case of Gazetted Officers, the detailed accounts of advances etc. are maintained by the Audit Office and as such, the refunds if any, will continue to be authorised by the Accountant-General.

(x) *Telegraphic Transfers, Bank Drafts and Government Drafts*

(a) *Check on Payment*

4.115. The advices received from the issuing offices should be opened in the presence of the Treasury Officer, and each dated and initialled by him after he has satisfied himself of its genuineness by examining the signature of the drawer and, if necessary, the post-mark. They should then be sorted and arranged according to the offices from which they are received and posted chronologically in guard files in such a way that advices received from each office may be kept together. These files should be kept under lock and key.

Note.—It may be as well to remind Treasury Officers of the security (against the fraud of altering after signature the amount shown in the advice) which is afforded by comparison of the total amount reported in words in the heading with the real total of the figured amounts of an advice. Any alteration of any entry whether of names or figures, in an advice requires the drawer's full signature so that it is scarcely possible that any fraud should be attempted by altering the advice before he has signed it, since at the time of signing he would notice any uncertified correction.

4.116. The advices arranged in the manner prescribed in the preceding rule will facilitate the examination and identification of drafts presented for payment. The entries made in advices should be a sufficient obstacle to the encashment of drafts forged or fraudulently altered; and their sequence effectually bars the use a second time of a particular number and suggests suspicion even of the advice where a high number follows a low one.

(b) Payment of Telegraphic Transfers

4.117. In paying a telegraphic transfer the following instructions should be followed by a Treasury Officer :—

- (a) The person claiming payment should be required to produce his telegraphic advice from the place where the transfer has been issued.
- (b) If the person to whom the transfer is payable is not known to the Treasury Officer, the Treasury Officer should require identification by a wellknown and responsible person who should certify that the payee is known to him.
- (c) The payment of the transfer should be reported at once by a letter to the issuing officer.
- (d) If the Treasury Officer has any reason to doubt whether the person claiming payment is entitled to it he should telegraph to the issuing officer for confirmation.
- (e) If the post copy of the telegram authorising payment is not received within three days of the date on which it should arrive, the Treasury Office should communicate with the issuing officer and ask for his confirmation of the telegram.

(c) Examination Drafts Presented

4.118. (a) On presentation of a draft for payment, the Treasury Officer should compare it with the advice received from the issuing office and should satisfy himself carefully that it is in order and that it is receipted on the back by a person able to give a legal quitance.

(b) The Government drafts are payable only as follows :—

- (i) to the payee on identification,
- (ii) to the payee's banker who should certify that the amount has been placed to the payee's credit, or

(iii) to a person holding a letter or authority from the payee whose signature must be known to the paying office, and, if the latter directs the paying office to pay the money to a certain named, person, that person must be identified to the paying office before payment can be made.

(c) It will, thus, be seen that the liability of the payee named in the draft can only be discharged by payment of the amount due thereunder to the said payee or his lawful agent or to a recognised bank, in whose favour it is endorsed for the purpose. In cases, therefore, where payment is not made on an endorsement in favour of recognised bank, the genuineness of the payee's signature to the receipt on the back of a draft is not sufficient. If the payee himself is not in attendance the Treasury Officer should assure himself that the presenter of the draft is the agent or messenger of the payee duly authorised to receive payment. If the presenter is unknown to the treasury officials, or, if known, should there be reasonable grounds for questioning his being in lawful possession of the draft, the Treasury Officer should demand a writing from the payee, authorising the presenter to receive payment on him, the payee behalf. Similarly in cases where payment is made on an endorsement to a recognised bank the Treasury Officer should assure himself that the presenter of the draft is the authorised agent of messenger of the bank which should certify that the amount has been placed at the payee's credit.

Note.—(1) Drafts are not payable at sub-treasuries save as expressly provided by notes in the 'List of Treasuries and Sub-Treasuries in India' or by the rules in the Punjab Financial Rules. But if the money payable on a Government draft drawn on a treasury is required at a sub-treasury, a cash order may be issued to the payee for presentation at the sub-treasury. In such a case the payee should receipt the draft as "Received payment by a cash order on—Sub-Treasury" and the Treasury Officer at the district treasury should finally deal with the draft and should take the same precautions regarding the delivery of the cash order as are prescribed in the case of payment in cash. If the money payable on a Government draft drawn on the bank conducting the business of the treasury at the district headquarters is required at a sub-treasury whose business is not conducted by the bank, the payee should endorse the draft in favour of the Treasury Officer, who will then endorse it as :—

"Received payment by transfer credit to cash order on the—sub-treasury" and issue a cash order in favour of the payee for payment at the sub-treasury.

Note.—(2) No duplicate or triplicate older than six months should be paid without previous reference to the Currency Officer. Nor should any duplicate or triplicate of a draft endorsed for payment at a sub-treasury be either cashed, or endorsed for payment at a sub-treasury, until the officer at the sub-treasury has certified that he has not paid the original and that he has recorded the issue of duplicate.

Before making a payment of claims in respect of lapsed drafts (*vide* rule 11.20 of the Punjab Financial Rules) the applicant should be directed to obtain the sanction of the Currency Officer.

4.119. Before paying a draft it should be seen that it has been advised; that it corresponds in all particulars with the advice; that it bears the genuine signature of the drawer; that it has not been tampered with; and, of course, that it is not a cancelled or a lapsed draft or one of which a duplicate has been paid. Yet a draft may be paid :—

(i) Without advice, if there is no reason whatsoever to doubt its genuineness, and if sufficient security is offered. In the case of well-known and reliable holders, this security may be dispensed with. The Treasury Officer should in all such cases apply for the necessary advice without delay.

(ii) Even though differing from the advice, at the discretion and risk of the drawee, provided there is no suspicion of fraudulent alteration, nor any possible doubt of the genuineness of the draft. But great caution should be exercised before paying on a draft on an amount larger than that named in the advice.

(d) *Doubtful Drafts*

4.120. In cases of erasure, alteration, or other serious cause for suspicion, the drawee should, before payment, refer to the drawer, the post office, or the bank, as the case may require. Any material alteration of a draft without the consent of the parties, after it has been drawn, or endorsed, affecting the date, sum or time or place of payment, will invalidate it; but the mere correction of a mistake, as by inserting the words "or order" in the endorsement of a bank draft will have no such effect. Government draft should not ordinarily bear any other endorsement than that of the payee (see rule 4.121 below) and Treasury Officers will be justified in declining to cash such drafts bearing any other endorsement whenever it may appear desirable to them to do so, but payment should be made, if so desired, on endorsement of the Government drafts in favour of a recognised bank.

Note.—There is no objection to the bank paying on its own responsibility, and for the convenience of its constituents, Government drafts bearing endorsements in addition to that of the payee. In all such cases, the bank must itself endorse the drafts. The special endorsement of the payee is as full an acquittance to Government as simple endorsement "Contents received". Consequently there is no doubt, of the stipulation on the face of the draft that it is NOT TRANSFERABLE.

(e) Form of Receipt

4.121. A Government draft is not transferable and is only payable to or on the receipt of the person named therein as payee, but payment will be made, if so desired, on the endorsement of such draft, in favour of a recognised bank. A bank draft, is transferable according to its form it is payable "to the order of A.B., and A.B., the original payee" can transfer his right by endorsement. This he may do by simply signing his name on the back, in which case it becomes payable to bearer, or he may write above his signature "pay to C.D." or "pay to C.D. or order" in which case C.D. stands in the same position as A.B. did originally and has the same powers of transfer. The writing by which such a right is transferred is called endorsement; an endorsement to "C.D. or order" is a special endorsement; and the persons to whom successively a draft is transferred are endorsees; and the person in rightful possession of a draft at any time is the holder.

4.122. For the sufficiency of the receipt, it is necessary to see that it is not for a part only of the draft and that it is given by the legal holder. On no account may a draft be paid by instalments; receipt for the full amount should be given on the reverse, and the full amount should be paid :—

- (a) If the legal holder be dead, payment should be made only to his legal representative; a draft for less than Rs 100 may, however, be paid without a certificate of administration.
- (b) If the receipt be signed by an agent or attorney, note of the existence, and of the record in the treasury, of the power of attorney, should be made on the draft.
- (c) If more than one person be named in a draft all must join in order to give a valid endorsement or receipt.
- (d) A draft payable to A. B cannot be cashed on the receipt of his partner C.D. without production of a formal power of attorney; a draft payable to A.B. and Co., can be paid on the receipt, as AB and Co., of any member of the firm.

- (e) Drafts payable to an incorporated company or any other corporate body may be paid on the receipt of the official authorised, generally or specially, by its regulations or by power of attorney to receive moneys payable to such company or body.

In the case of drafts payable to an unincorporated body payment may be made to a person holding authority to receive moneys payable to such body; but the Treasury Officer should first satisfy himself that the authority has been duly conferred.

- (f) If the amount of the draft be payable by transfer to some head of account, the head of account to which it is transferred, and the item in which it is included in the treasury accounts should be noted in the advice and separate credit should be given in the cash book or register concerned. The voucher submitted with the schedule (*vide* rule 11.35 of the Punjab Financial Rules) will contain a certificate to this effect over the signature of the Treasury Officer. If the draft be endorsed to the Collector or other public servant, he should endorse it "Credit to such a head of account" over his signature.

Note.—A public servant when he sends a Government draft to a treasury, not for cash payment, but for credit of its amount in the treasury accounts, must before he signs the receipt, add to the words "Received payment" the further words "By transfer credit". Omission to do this facilitates fraudulent appropriation of the money.

(f) *Government Drafts to Policemen*

4.123. The Government drafts are payable to the parties described in the roll. In cases of doubtful identity payment may be made on security at the discretion of the Treasury Officer.

4.124. *Deleted.*

(g) *Note of Payment*

4.125. As such telegraphic transfer or draft is paid, it must be stamped "paid", the date of payment being at the same time noted in the column provided for the purpose in the advice. The entry should then be

initialled by the Treasury Officer in the column provided therein. See also rule 11.36 of the Punjab Financial Rules.

(h) *Cancellation and Refund*

4.126. *Procedure at the issuing treasury.*—All parts being surrendered and the draft cancelled as prescribed in rule 11.18 of the Punjab Financial Rules, its amount may be refunded at the discretion of the Treasury Officer on the application and receipt of the remitter in the case of public service Government draft, and of the payee in the case of a bank draft or a private Government draft. If in either of the latter cases the receipt of the payee cannot be obtained, the remitter's application for cancellation, with explanation of the reasons for his request, and of the difficulty in the way of obtaining the payee's signature, should be submitted for orders of the Currency Officer. No exchange which has been levied can be refunded, but if, under any very peculiar circumstances, it is thought advisable to cancel a bank draft on which discount has been allowed, the amount of discount should be deducted, and no more refunded than the net amount received on the draft.

4.127. *Procedure at the treasury drawn upon.*—On receipt of advice of cancellation of any draft or on its lapse, the fact should be noted in the column 'date of payment' (of the relevant advice). Similarly notes of references touching irregularities, issue of certificates of non-payment, advices of seconds and thirds and of any other points of importance should be made on the advice.

(xi) *Deposits*

(a) *Revenue Deposits*

4.128. (a) A person claiming refund of a deposit must produce an order of the court or authority which ordered acceptance of the deposit; this order the Treasury Officer will compare with the entry in the register of receipts, and, the balance be sufficient, he will take the payee's receipt, make payment, and record it at once, under his initials, both in the register of repayments, form T.A. 21, from which the daily total is carried to the cash book, and in that of receipts, form T.A. 20,

noting in both also the date and amount of the repayment, See Article 66 of Account Code, Volume II, and note thereunder. If there be not a sufficient balance at credit of the particular item, the Treasury Officer will endorse this fact on the order and return it to the person presenting it.

(b) Earnest money deposits will be refunded only under the authority of an order endorsed upon the original deposit receipt of the Treasury Officer, by the departmental officer in whose favour the deposit was made. It must be borne in mind that no part payment can ever be made. If, however, the departmental officer desires that the deposit, instead of being refunded, be carried to the credit of Government, he will return the receipt with this direction, whereupon the Treasury Officer will make the necessary transfer on the authority of this voucher.

Note.—All intending tenders in other States should remit the earnest money deposits direct to the Departmental officers concerned by means of Bank Drafts from Scheduled Banks or the State Bank of India. The Departmental officer should credit the proceeds of the drafts so received immediately into the treasuries/Banks under the head "Revenue Deposits".

(b) Form of Voucher

4.129. In order to avoid the inconvenience and risk which accompany the payment of money upon proceedings recorded in the vernacular languages, and to insure caution in the issue of such orders, the Government has directed that every order issued by a court or office for the payment of money from a Government treasury shall be in English, unless the presiding officer is unacquainted with that language. If the disbursing officer does not understand English, and the officer ordering the payment does, the order for payment shall be both in the vernacular and in English.

Note.—(1) Form S.T.R. 41 has been prescribed for the repayment order and voucher for deposits repaid.

Note.—(2) A deposit repayment voucher must in no case be prepared at the Treasury or sub-treasury office and the repayment should never be authorised by the Treasury or Sub-Treasury Officer "for" the Judge, Magistrate or Collector.

Note.—(3) Deposit repayment orders will remain in force for a period of one month after which no repayment will be made on its authority unless it has been revalidated.

Note.—(4) As a safeguard against fraud the authority ordering payment shall enter the name and address of the payee after the words "passed for payment", thus "passed for payment to" in form S.T.R. 41.

(c) Lapsed Deposit

****4.130.** (1) Deposits, the detailed accounts of which are not kept at the Try. & which are credited to the Govt. under rule 12.7 of Pb. PFR Vol. I, cannot be repaid without the sanction of the A.G., who will authorise payment on ascertaining that the item was really received & was carried for the credit of the Govt. as lapsed & that the claimant's identity as title to the money are certified by the officer signing the application for refund.

(2) Deposits, the detailed accounts of which are kept at the treasuries and which are credited to the Govt. under rule 12.7 of Pb. PFR Vol. I, may be refunded without the sanction of A.G. The T.O. shall before authorising refunds in such cases, ascertain that the item was really received & is traceable in his records, was carried to the credit of Govt. as lapsed & was not paid previously & that the claimants identity & title to the money are certified by the officer signing the application for refund.

The application for sanction will be made in Form S.T.R. 42. There must be separate application for deposits repayable to each person, and it will be used as the voucher on which the payment is to be made and submitted to the Accountant-General with the list of Payments in which it is charged.

(d) Civil and Criminal Courts Deposits

4.131. There are two methods by which the civil court and criminal court deposits may be repaid :—

- (i) In the first of these when each deposit is separately paid into the treasury, repayments are made upon vouchers in form S.T.R. 41, passed by the presiding officer and setting forth the particulars necessary for the entries in the Treasury Registers.
- (ii) According to the other method when the civil courts and magistrates merely bank with the treasury, remitting without detail their gross deposit receipts for credit in a personal ledger,

repayments are made by cheques on the treasury which are taken to debit of the same personal account.

Note.—The second method is followed only in the case of small cause courts.

(e) *Persona Deposits*

4.132. Withdrawals are made only on cheques signed by the responsible administrator, which remain current for three months after the month of issue. The Treasury Officer's duty is simply to see that withdrawals are made only on cheques signed by the responsible administrator and that the withdrawals never exceed the balance in hand.

Note.—In the case of Personal Deposit Accounts, the withdrawals shall also be permissible on cheques signed by another gazetted Officer, authorised by the Disbursing Officer, operating on the account during the latter's absence on leave or on tour. On return to headquarters the Disbursing Officer shall satisfy himself that no fraudulent payment has been made during his absence and record a certificate to this effect, in token of his having accepted the responsibility for such payments.

(f) *Land Revenue collected at Sub-Treasuries payable to non-resident Jagirdars*

4.133. All sums collected through tahsil agency as land revenue payable to non-resident Jagirdars who will fail to come for their money within one month of the date of collection of jagirs revenue, should be drawn by the Tahsildars for remittance to the payees by money orders, the money order commission being deducted from the amount to be remitted. The receipts for the amounts remitted, given by the post office at the time of issue of the money orders, should be sent to the head treasury along with the deposit vouchers on which the money was drawn. The actual payees' receipts subsequently obtained through the post office should be sent to the head treasury for transmission of the same to the Accountant-General.

4.134. In the case of Jagirdars who are unable to appear in person in consequence of bodily illness or infirmity, the Government have allowed payment of the Jagir money upon the production of a life certificate signed by a responsible gazetted Government employee or by some other well-known and trustworthy person. The disbursing officer should, however, take precautions to prevent imposition and must at least once a year require proof, independent of that furnished by the life certificate of the continued existence of the jagirdar. Rules 4.103 to 4.106 *supra* may be followed as a parallel.

(g) *Tahsildari letters of credit and Cash Orders*

4.135. Payment in respect of a cash order is made to the

individual named therein who would obtain payment of the sub-treasury by presenting the cash order itself duly receipted. In the case of a tahsildari letter of credit, the Sub-Treasury Officer will disburse the amount, or such portion of the amount, as may be actually required for immediate disbursement, by issuing cheques in favour of the person or persons to whom the payment is due or in favour of the departmental officials authorised to make disbursements.

Note.—The Revenue Accountants of the Kulu and Siraj Tahsils of the Kangra District are empowered to sign cheques for the Tahsildars and Naib-Tahsildars when the latter are absent from the tahsil on duty.

4.136. When it is necessary to redraw lapsed items in letter of credit or lapsed cash order,—*vide* rule 2 under S.T.R. 4.5 this may be done on the usual bill or other forms according to the class of expenditure. For payment of such lapsed items the sanction of the Accountant-General will not be necessary. The Treasury Officer will sanction refunds in all such cases on his own authority. The original item of credit which appeared in the treasury cash account at the time of lapse always should be quoted in the bill with full particulars to facilitate reference.

(h) Deposits of Fees

4.137. In cases where recoveries from the private bodies are divisible between the Government and the Government employee concerned the amounts due to the Government employees concerned must be drawn on regular bills in the following manner.

The Government employee himself if a gazetted Government employee or the head of office on behalf of a non-gazetted Government employee must claim the amount due to him on a bill specifying therein the authority sanctioning the payment of fees and forward the bill to the Accountant-General through the Treasury Officer concerned who will furnish necessary details of the credit in the Treasury accounts. The Accountant-General will, after verifying the credits, authorise the payment and return the bills to the Treasury Officer who will pay it by debit to the deposit head.

(i) Payments at Sub-Treasuries

4.138. When the officer-in-charge of a sub-treasury has occasion to place in deposit an item, which, according to rule,

should be so dealt with, he may also be empowered to repay it on his own authority without formal authority from the district treasury.

4.139. Deposits repayable at a sub-treasury should not be made payable at the head treasury except in very rare cases to avoid inconvenience to depositors. If in any case it is considered desirable to make payment in this manner the head treasury should first inform the Sub-Treasury Officer concerned that payment is being made at head treasury and obtain an assurance that payment has not been made at the sub-treasury. After the payment has been made the Sub-Treasury Officer should be directed to make the original entries in the receipt register as paid. Similar procedure should be followed in a case in which it is considered desirable to make payment at a sub-treasury of deposits repayable at district treasury.

(j) Repayment of Deposits of less than Rs. 100

4.140. For the repayment of deposits when the amount does not exceed 600 see rule 4.59 under the sanction "Refund of Revenue".

1. (a) In the case of deposits exceeding Rs. 25 but not exceeding Rs. 600 the Collector or other officer concerned when crediting a deposit in the Treasury, either singly or together with others, should see if the deposit is one which can be refunded to the payee at once, and if it is, he should issue to the payee a notice of the character described in 4.59B(1) and an intimation to the effect that the refund order has been sent direct to the treasury with a note on it that a notice has been sent to the payee on and if no application for refund is made in the treasury within the period mentioned in the notice the Treasury Officer will proceed to remit the money in accordance with rule 4.59B(3).

(b) In the case of deposits for which refund orders cannot at once be given, the officer concerned should at the end of each month scrutinise the register of deposits in his court or office, and whenever he finds any deposits for which a refund order can now be issued he should issue an order and notice as in (a) above, and the further procedure should be as there detailed.

*(xii) Local Funds**(a) General*

4.141. The account of a local fund at the treasury is ordinarily a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure. The Treasury Officer need only see that the voucher or payment is in proper form and signed by the proper officer and that the amount does not exceed the amount at credit of the banking account.

Note.—If the charges of any Local Fund are, under any special orders drawn from the treasury on detailed bills in which case the gross amount will be charged by the Treasury Officer in the accounts the deductions on account of income-tax, fund subscription, etc., being credited by transfer in distinct entries.

4.142. Payment in excess of the balance at credit of the fund cannot under any circumstances whatever be made except upon the special authority of Government previously obtained.

(b) Municipalities

4.143. Money can be drawn from the treasury on account of Municipal fund only upon cheques signed by an authority or authorities when under the account rules of the local body as amended from time to time is or are competent to sign cheques on their behalf.

4.144. Payments from a fund can be made only at the treasury or sub-treasury where the running account of the fund is kept.

(c) District Fund

4.145. All disbursement from District funds should be made by Treasury Officers only upon cheques signed by the Chairman or Vice-Chairman of the District Board. As the accounts of district boards are kept at the head treasury payments on cheques will not be made at a sub-treasury unless the cheques have been made payable there by the district Treasury.

(xiii) Service and other Funds

4.146. (I) Advances from the Provident fund permissible under the rules of the fund, may be drawn by gazetted Government employees on form S.T.R. 42-A the bill being supported by a duly certified copy of the order sanctioning the advance. In the case of non-gazetted Government employees, the advance, if admissible, may be drawn on the same form, the bill being supported by a copy of the sanction, duly attested by

the head of the office. *The bill may also, if so desired be endorsed in favour of the non gazetted subscriber after having his signatures attested on the bill provided the amount of the advance exceeds Rs. 1000. The subscribers may re-endorse the bill in such a case to his banker or messenger for collection, the condition prescribed in Rule 4.7(1) (1) being applicable *mutatis mutandis*. Payment may be made on the authority and responsibility of the officer sanctioning the advance, without the previous authority of the Accountant-General, provided that the bill is supported by a certificate that the advance is covered by the balance at the credit of the Government employee concerned.

1. Payment, when authorised, will be made only on the personal receipt of the depositors or, when he is absent from India, on that of his duly authorised agent. In the event of his death, payment should be made only to his legal representative.

2. (a) Withdrawals from a fund when permissible under the rules of the fund to meet the payments towards policies of life insurance or subscriptions to a family primary fund may be made, as and when required, by heads of offices for their subordinates on their own authority and responsibility, without previous reference to the Accountant-General. Gazetted Government employees may also draw the amount required for their own policies, etc. in a similar manner and under similar conditions. The bills may be prepared in the same manner as for advances mentioned in sub-rule (1), the particulars regarding the policy or policies on which premium or subscription is to be paid being noted on the bills.

In all such cases, the drawing officer shall be responsible for seeing that there is no overdrawal, and a certificate in the following form shall be recorded by him on the bill presented at the treasury or any other office of disbursement :—

“Certified that the balance at my credit/credit of the subscriber, on the date of withdrawal covers the sum drawn on this bill.

(b) The bill in which the first premium is drawn must contain an additional certificate to the effect that the details of the policy have been communicated to and accepted by the Accounts Officer.

Note.—(1) Withdrawals from Provident Fund by officers and staff serving abroad for payment of insurance premia in India may be remitted by the Reserve Bank of India draft.

Note.—(2) (i) In so far as the withdrawal relates to a gazetted Government employee. The Treasury Officer should be informed by the Accountant-General, Haryana, while issuing the authority for the payment of first premium, on the details of the policies which are being financed from the provident fund account of the subscriber. These details will include name of insurance company, policy numbers and amount and date of payment of premia-etc., which will be on records of the Treasury Officer for the purpose of verification of withdrawals on subsequent bills and will be passed on to the Treasury Officer of the district to which the subscriber is subsequently transferred. In case of non-gazetted Government employees, such authority shall invariably be passed on to the head of the office to which the Government employee is subsequently transferred and a note of the drawn of the premium recorded on the last pay certificate by the head of the office issuing the L.P.C.

(ii) The first withdrawal for the payment of the premia will be made on the authority of the Accountant-General, Haryana.

(iii) An intimation should be sent to the Treasury Officer by the Accountant-General as and when an Insurance Policy is re-assigned or gets lapsed or in other contingencies involving non-payment of premia.

Note.—(3) No final payment or payment of *funds shall be made without the authority of the Accountant-General.

***Note.*—(3-A) No payment of non-refundable advances sanctioned to a Government employee after his submitting first part of the application for final payment shall be made without the authority of the Accountant General."

Note.—(4) Disbursing Officers are authorised to make payments on account of advances on the authority and responsibility of the officer sanctioning the advance without pre-audit by the Accounts Officer.

C. Procedure at Treasuries in paying out money.

4.147. The bill or other voucher presented as a claim for money will be received and examined under the supervision of the Accountant (which means the Assistant Superintendent Treasury in the case of a treasury and Sub-Treasury Accountant in the case of a sub-treasury) by affixing their dated initials on all such documents in token of check and if it is deficient in any of the following respects it should not be cashed but should be returned to the drawing officer for completion. Failure to do this is noted as an irregularity of the treasury for inclusion in the annual review on the working of treasuries.

(a) Prescribed Form; (b) signatures, countersignatures and transliteration of vernacular signature; (c) quotations of sanction or authority, where necessary; (d) affixing of receipt stamps where necessary; (e) arithmetical correctness of totals and calculations of broken periods; (f) attestation of alterations; (g) last pay certificates, and absentee statements for all officials on leave or deputations attached; (h) printed instructions on reverse of travelling allowance bill form strictly

*Amended vide No. 4790-2FR-74/35064 dt. 15-10-74.

**Inserted vide No. 804-2FR-II-76/12514 dt. 21-4-76.

complied with. It should then be laid before the Treasury Officer who, if the claim be admissible the authority good, the signature true and in order, and the receipt a legal quittance, will sign the order for payment at foot of the voucher taking care to adopt the precautions prescribed in rule 4.7(c) above. Care should be taken that all bills and vouchers passed for payment are paid on the same day and that no payment is made except under the written order of the Treasury Officer.

1. The Treasury Officer is required to examine the accuracy of arithmetical computations in a bill.

2. A list of the objections, which are ordinarily taken in auditing the payments made at district treasuries is printed in form S.T.R. 43 *form S.T.R. 43-A, Form S.T.R. 43-B, Form S.T.R. 43-C and should be referred to when making payments. When any of the objection are applicable the bill or other document should be returned to the claimant with a copy of his form or removal of the objection.

3. When a bill is presented for payment by a person who is not the actual payee, or is not known to be the servant or agent of the payee, he should be required to produce a letter authorising him to take payment.

Note.—(1) When any bill presented at a treasury cannot be paid on the date of presentation, a memorandum to that effect should be issued to the person presenting the bill. This memorandum should not, however, be issued for pay bills which are required to be presented before the last working day of a month, unless the payment on any such bill cannot be made on the first working day of the following month.

This procedure is intended to guard against misappropriations by persons or messengers presenting the bills for encashment.

Note.—(2) Treasury Officers when passing (1) cheques of all descriptions, (2) Reserve Bank Government drafts and (3) Reserve Bank drafts for payment entirely in cash, are only required to write the word 'pay' instead of repeating in the order of payment the amount of the cheques or drafts in figures and words. When however, payment is to be made, partly in cash and partly by transfer the amounts payable in cash and by transfer, respectively, should be separately stated at full length.

Note.—(3) In the case of cash orders, issued from district treasuries the amounts need not be repeated in the Sub-Treasury Officer's payment order which may be in the following form :—

"Pay"

Signature

with date

Sub-Treasury Officer,

(Name of Sub-Treasury).

Note.—(4) The ordinary rules regarding the signature and date of orders of payment will remain in force. The procedure authorised in notes (2) and (3) above does not relieve Treasury Officers of the obligation to exercise the greatest care in seeing that all vouchers are complete and in order before passing them for payment, and is

entirely confined to the documents above specified. The payment order on other forms of vouchers must remain as at present.

Note 5.—All cheques, bills and vouchers preferable at a Government treasury for payment being non-negotiable instrument can be endorsed only once in favour of the specific person to whom the money is to be paid. If this endorsement is made on a contingent bill in favour of a private individual/firm of suppliers the bill can be re-endorsed in favour of his/its banker to enable the latter to collect and credit the amount into his/its banking account.

4.148. A register should be kept in each treasury showing the names of all gazetted Government employees drawing their pay from that treasury and as each pay-slip is received from the Accountant-General, the amount of pay and allowances which it sanctions should be entered against the name of the Government employee concerned. As each pay bill is presented for payment reference to this register should be made to see that the sanctioned rate is not exceeded.

1. The Treasury Officer before paying any bill of a convenanted civilian must see that the deductions on account of Indian Civil Service Provident Fund have been made.

4.149. The Treasury Officer should take special care to see that receipt stamps are so defaced that they cannot be used again, and offer no temptation to the obstruction of vouchers for the sake of the stamps upon them. Several cases of the loss of vouchers have occurred owing to the neglect of this precaution.

Note.—Pay bills of Government employees and other receipts bearing adhesive stamps when presented for payment at a treasury or sub-treasury should be rejected as unstamped unless the stamp has been cancelled in the manner prescribed in section 12 of the Indian Stamp Act. If any person refuses to cancel the stamp, the document should be impounded for action by the Collector under section 63 of the Act, not otherwise.

4.150. The Audit Officer will supply all Treasury Officers within his audit area with a copy of the specimen signature of all gazetted officers serving under him who are authorised to sign payment orders on bills and vouchers or to issue letters of authority for payments to be made at treasuries. Before a Treasury Officer pays a bill on the authority of an order purporting to have been issued from the Audit Office he should verify the signature on the order by comparison with the specimen signature of the signing officer.

***4.150-A.** A Treasury Officer shall not permit the first withdrawal by a Drawing Officer of a newly created office unless an authority is received from the Accountant-General placing the new Drawing Officer in account with the Treasury and the specimen signatures of the new Drawing Officer are received in the manner laid down in rule 4.150 *ibid*.

4.151. After the voucher has been completely entered in the accounts and the order to pay signed by the Treasury Officer, it should be passed on together with the payee, to the Treasurer's department, when the Treasurer will make the payment, punch the stamp, stamp the voucher "Paid", and retain it for delivery to the Account Department when the books are compared.

Note 1.—When a payment is made "by transfer", that is, by entry of the amount in the accounts as received under some head of receipt no payment of cash takes place, so the voucher shall not be stamped "Paid" by the Treasurer. It should, however, be stamped by accountant as "paid by transfer to the credit of———(Revenue head concerned)."

Note 2.—Cheques received in payment of value of service stamps should be entered in the Treasurer's cash-book on both sides.

Note 3.—Receipt stamps affixed to bills and vouchers should be punched through without destroying the signature after the bills have been paid at the treasury or sub-treasury.

4.152. The Government may, by general or special order permit a Treasury Officer to remit by money order at the cost of Government to the drawing officer concerned the amount of any bills drawn at a treasury.

Note 1.—In the case of Government High Schools and other Government educational institutions situated at places which are not the headquarters of treasuries or sub-treasuries, Treasury Officers have been authorised to remit by money order to the Headmasters concerned the amounts of bills for pay, contingencies, travelling allowance or scholarships that may be presented for payment at such treasuries. The amount of the money order commission in such cases should be charged to treasury contingencies.

Note 2.—In the case of the outlying police stations mentioned below the Government, has prescribed the following procedure for the remittance by postal money order of pay allowances (including travelling allowance), contingencies and other dues of the staff, posted at such police stations :—

- (a) Money order forms duly completed should be attached to the bills relating to pay, travelling allowance or contingencies, etc., which are to be remitted by money order.
- (b) When the bills are presented at the treasury, the Treasury Officer should return the money order forms to the Superintendent of Police with a certificate specifying the amounts which have been credited to the post office by per contra book transfer to enable the money orders to be accepted at the post office.
- (c) An officer to be deputed by the Superintendent of Police should then present the money orders at the post office, together with the above-mentioned certificates.
- (d) Money order commission should be debited to head "Miscellaneous—Contingencies" in accordance with Police rule 10.46(v), except in the case of then on leave who should be required to pay the money order commission.

District	Name of Police Stations
Hisar	.. Tohana, Budhlada, Siwani, Dabwali.
Rohtak	.. Bahadurgarh
Karnal	.. Assandh, Thaska Miranji
Ambala	.. Kalka

4.153. (a) When a cheque is presented, care should be taken to ascertain by examination of its printed number, that it really was taken from the book notified as an use by the Government employee who is said to have signed it. The instructions given in rules 4.13 to 4.16 above should be specially borne in mind.

(b) Cheques crossed in accordance with the provisions of Chapter XIV of the Negotiable Instruments Act should be honoured when presented at the treasury.

(1) If the payee is unknown to the treasury, the Treasury Officer should make any enquiries he thinks necessary and should specially consider the date, serial No., and amount of the cheque as well as handwriting and, if suspicion arises, he may defer payment until he has referred to the drawer.

(2) Pass-books sent to the treasury to be written up should ordinarily be returned to the drawing officer the same day.

(3) In the case of cheques lost before payment in respect of which a certificate of non-payment has been furnished by the Treasury Officer to the drawing officer under the rules in the Financial Rules care should be taken to note the stoppage of payment of the cheque. For that purpose a board showing the particulars of stopped cheques should be hung up before the clerk concerned. If the original cheque be presented afterwards, the Treasury Officer will refuse payment and return the cheque to the person, presenting it after writing across it "Payment stopped".

(c) The Treasury Officer should carefully record the progressive total of payments made through cheques against letters of credit which show the maximum amount which the Treasury Officer has authority to pay or the officer credited has authority to ask for. Any further payment made is at Treasury Officer's risk.

Letters of credit lapse at the close of the financial year in which they are issued. When a letter of credit so lapses a cheque drawn before, but paid after the end of the year, will be taken against the letter of credit of the year in which it was drawn. If this causes overdrawal of the credit the excess will be treated as an overdrawal and the attention of the authorities concerned should be drawn to the irregularity.

4.153-A. All payments to private parties which are payable at treasuries or sub-treasuries under the jurisdiction of an Accountant-General other than the one in whose books the charges are adjustable should, as far as practicable, be made direct by the Drawing Officers by means of Government drafts instead of requesting their Accounts Officers for arranging payments through the Accountant-General concerned. *A certificate to the effect that the payment has been made to the proper person and that a proper acknowledgement has been obtained and filed in his office may be sent to Accountant General, by the Drawing Officer, as and when the payment is made to a private party.

The refund of earnest money deposits in similar circumstances would be made by means of Government drafts by the Accountant-General in whose books the deposits were finally adjusted. For this purpose the departmental officer concerned in the repayment of deposit should endorse the refund order on the original receipt granted by the Treasury Officer and send it to the Accountant-General.

4.154. Treasury Officers, when cashing bills of Government employees at a distance from the treasury, should furnish a note explaining the amount of cash and transfer receipts (if any) issued, and any deductions or alterations that may be made in the bill presented. The note should be in bilingual form, as it is important that the guard or messenger who receives the money should ascertain that the amount stated agrees with the actual cash or drafts delivered to him; and, when that person is unable to read, the Treasury Officer should himself explain to him the amount entered in the note.

The following form is recommended :—

Bills presented for pay, etc.	..	000
Bills presented for contingencies	..	000
Bills presented for sundries	..	000
Total	..	000
Paid in cash	..	000
Paid in draft	..	000
Deductions (if any)	..	000

(Explanation)

Signature of Messenger _____

Treasury Officer

1. Any deductions made by the Treasury Officer reducing that net amount claimed on a bill should be explained in a memorandum signed by the Treasury Officer to be given to the presenter.

4.155. The procedure in regard to the payment of money at district treasuries is generally applicable to sub-treasuries also.

PROCEDURE AT TREASURIES OF WHICH THE BUSINESS IS CONDUCTED BY THE BANK.

(i) Civil Charges

4.156. Bills for pay and allowances of gazetted Government employees and establishments and contingent expenses will be presented to the Treasury Officer in the first instance for examination. The Treasury Officer, if he approves and passes the charge, will enface on the bill an order to pay a specified amount, which order will be recorded in a register of payment orders issued, kept at the treasury for the purpose and will be numbered, dated and signed. The bill will then be returned to the presenter to be taken to the bank for payment in accordance with the Treasury Officer's order. The bank will be responsible only for strict adherence to this order and for obtaining upon the bill a proper discharge from the payee. This discharge must be in addition to the signature at foot of the bill.

Note.—When payment is desired wholly or partly in Reserve Bank Government draft or bank draft, a formal application should accompany the bill and the manner in which is desired should also be indicated in the drawer's receipt on the bill. If the Treasury Officer is satisfied that the grant of Reserve Bank Government draft or bank draft is permissible, he will specify clearly in the pay order the manner in which payment should be made.

4.157. There is no objection to the drawer of a bill endorsing it for payment to a messenger and when a bill is so endorsed the bank will be responsible for seeing that the endorsement is signed by the drawer of the bill and for taking the acknowledgement of the messenger in token of payment to him. A mere second signature of the Drawing Officer is not sufficient nor is the endorsement "received payment through so and so" in order. The Drawing Officer must in such cases specially endorse an order on the bill to pay to a specified person as "Pay to so and so." In such a case when the payment is made to the person specified in the endorsement the signature of the Government employee is a good discharge and the Government are protected. The bank would also be protected if it pays the money to the person specified in the endorsement and takes his signature in token of payment.

When a Drawing Officer, say "A", is or is likely to be away from his headquarters on tour and does not know beforehand which particular peon or messenger will be sent to bank on the particular date to receive payment and endorses the bill to "B", the manager or other Chief Officer, or cashier or nazir or other ministerial Government employee, "B" cannot re-endorse the bill in favour of "C" and a peon cannot receive payment through him. If the bank pays to the peon "C" and obtains his receipt and the peon "C" misappropriates the money the bank would be liable to make good to the Drawing Officer "A" the amount so misappropriated by the peon "C" for "A" had no hand in endorsing the bill to "C". The endorsing of bills in this manner is not, therefore, in order. [See also rule 4.7(b)].

1. Care should be taken that vouchers sent to the Collector are conspicuously marked by the bank with the word "paid". Inattention to this rule might lead to documents being paid twice, in the event of their falling into unscrupulous hands.

Note.—All vouchers and bills passed by Treasury Officers and the local Account Officer for payment at the bank as well as interest payment orders, etc., being non-negotiable instruments warrant special precaution on the part of the bank in the matter of identification of payees. No endorsements being permissible, all such vouchers have normally to be presented by the payee personally at the bank. To facilitate business the bank has undertaken as a special case to disburse payments of such claims when presented through messengers who can be identified provided the bank is previously in possession of specimen of payee's signature as recorded thereon.

(ii) *Departmental Payments—Public Works Department*

4.158. (a) Officers of the Public Works Department draw funds either by bills or by cheques.

(b) Bills will be cashed by the bank only on payment orders endorsed thereon by the Treasury Officer.

(c) Cheques are presented direct at the bank. An officer in charge of a division may, however, regulate the drawings of his Sub-Divisional Officers by letters of credit issued by himself. See also rule 4.87.

(d) Letters of credit issued by officers in charge of divisions may be acted on without further authority, the bank observing the prescribed limitations. Cheques not covered by letters of credit will be cashed without any limitation, if otherwise in order, in the same way as pre-audit cheques issued by the Accountant-General.

Note.—Where funds under a letter of credit are required only at headquarters, the

original letter of credit may be passed on by the Treasury Officer to the bank, but if funds are required both at the headquarters and at a sub-treasury, the Treasury Officer will retain the letter of credit and will advise the bank of the amount to be drawn against it at headquarters.

(iii) *Departmental Payment—Forest Department*

4.159. Officers of the Forest Department draw funds only by cheques which are presented direct at the bank. The provisions of rule 4.158(c) and (d) and the note under it apply *mutatis mutandis* in the case of Forest Department also.

(iv) *Refunds*

4.160. Refunds of revenue, fines, etc., will be made by the bank on bills bearing a payment order signed by the Treasury Officer.

4.161. *Discount on sale of stamps.*—Discount on sale of stamps is allowed by deduction from the amount paid in by the purchaser. The net amount will be received and brought to account, the receipted chalan being the payer's authority for receipt of the stamps from the Treasury Officer.

(v) *Interest on Public Debt*

4.162. Government Promissory Notes for debts on which interest may be due will be presented to the Treasury Officer of the district who having made the necessary examination and record under the rules in the Government Securities Manual will give the holder and order on the Bank in the following form :—

Pay to _____ Rupees _____
 being interest for _____ half year _____
 _____ at _____ per cent due _____
 on Government Promissory Note No. _____
 of _____ for Rupees _____

Treasury Officer.

(vi) *Deposit Repayment*

4.163. (a) Repayments of deposits standing at credit of individuals in the Collector's, Magistrate's or Judge's account will be made on the order of the officer on whose registers they are and by whom the usual check registers will be kept. Persons claiming repayments of such deposits must, therefore, apply to the officer who received them, who, after examining the check register and making the necessary record, will give the appli-

cant an order for payment at the bank. A Magistrate's or Judge's order must be taken to the Treasury Officer for counter-signature before being presented at the bank, unless the bank keeps a personal ledger account for the deposits of each court.

(b) Each Court should duly intimate from time to time to the bank the amount of lapsed deposits to be deducted from the Personal Ledger Pass-book.

(vii) Payment of Drafts

4.164. Reserve Bank drafts and Reserve Bank Government drafts are drawn upon and advised to the bank direct. Their payment is regulated in accordance with the instructions issued by the Reserve Bank.

(viii) Currency of Payment Orders

4.165. Payment orders are valid only for a time, not exceeding ten days, fixed by the Treasury Officer. If presented after the allotted time they will be refused payment by the bank, until revalidated by the Treasury Officer.

(ix) Advices and Certificates and Treasury Returns

4.166. Rules 2.24 and 2.25 apply *mutatis mutandis* in the case of payment also.

SECTION II.—LIMITATIONS ON THE POWERS OF TREASURY OFFICERS TO MAKE PAYMENTS

(Orders issued by Government under Treasury Rule 17)

4.167. (a) A Treasury Officer may not undertake correspondence for a Government employee making a claim to any special allowance, but will request him to address the Accountant-General either direct or through his own official superior.

(b) The Treasury Officer shall be competent to refuse the payment of bills where sanction to the creation of posts or to the drawal of other charges, which is otherwise required to be quoted on the bills is not recorded by the drawing and disbursing officers. The responsibility for quoting correct sanction rests with the drawing and disbursing officer and any failure will be treated as a serious irregularity.

Exception.—As an exception to clause (b) above, it has

been decided that in order to avoid undue hardship caused to the temporary non-gazetted staff posted in Kulu and Lahaul Spiti Valleys, a certificate should be issued by the head of the department concerned to the effect that the sanction for the continuance of the posts has been applied for and that the posts are likely to continue for a year and that certificate or its attested copy should be attached with the bills (relating to pays, travelling allowance and advances against pay and travelling allowance) only for the months of March, April and May every year. The Treasury Officer concerned should allow the payments on the basis of such a certificate.

SECTION III. PLACE OF PAYMENT, CASES IN WHICH PAYMENT MAY BE MADE IN A DISTRICT OTHER THAN THE DISTRICT IN WHICH CLAIM ARISES

(Orders issued by Government under Treasury Rule 19)

4.168. Pay bills are ordinarily payable only at the treasury of the district in which the claim arises.

4.169. Gazetted Government employees of the Public Works Department may present their pay and travelling allowance bills at the treasury or sub-treasury nearest to their headquarters or at any treasury or sub-treasury within their jurisdiction. After the place of payment has been selected, it may be changed only with the consent of the Accountant-General or if both the old and new places of payment are within his jurisdiction, of the Treasury Officer.

4.170. The bills for pay and allowances of the establishments of the Public Works Department are payable at the nearest district treasury with which they will be placed in account by the Accountant-General.

Note.—To prevent abnormal delays in payments to establishments in exceptional cases one or more of the following devices may be adopted under the orders of Government :—

- (1) Drawing Officers may be permitted to present the bills of their establishments direct at the nearest sub-treasury, but no officer should be allowed to draw on more than one treasury or sub-treasury.
- (2) The departmental receipts may be utilized to defray pay and travelling allowance charge,—*vide* Treasury Rule 7(2)(c).
- (3) Reserve Bank Government draft obtained by drawing officers in part payment of bills may, at the time of issue, be made payable at sub-treasuries of other districts within the State.
- (4) The pay and allowances of subordinates employed in out-of-the-way places may be remitted to them by postal money order at Government cost.

4.171. (1) In the case of a Government employee whose

duty requires him to travel on inspection continuously for long spells, his pay and allowances may be remitted by bank drafts or where it is not possible, by money order, at Government expense.

Note.—In the Public Works Department, a Superintending Engineer may admit to the benefit of this rule any Divisional Officer who is obliged to be continuously absent from his headquarters for more than a month at a time.

(2) When part of his establishment moves with an inspecting officer the head of the office may grant a last pay certificate for that portion in order to enable him to draw from another treasury such portion of the pay for it as may be desired, the balance, if any, being drawn at headquarters.

4.172. The Provident Fund balances of subscribers, both gazetted and non-gazetted may be paid at the treasury nearest to the place where they are residing.

4.173. The Extra Assistant Conservator of Forests attached to the Upper Bashahr Division has been authorised to issue cheques on the following treasuries on behalf of the Divisional Forest Officer to the extent noted against each subject to the condition that the Divisional Forest Officer should be made responsible for the amounts drawn and for rendering an account thereof :—

Phillaur Sub-Treasury	.. Upto Rs. 1,000 in any one month.
Ludhiana Treasury	.. Upto Rs. 1,500 in any one month.

SECTION IV.—PLACE FOR PAYMENT OF PENSIONS

(Orders issued by Government under Treasury Rule 21)

4.174. (a) The Government or the Accountant-General may, on application and on sufficient cause being shown, permit transfer of payment of pension from any treasury in the State to another inside or outside it.

(b) Treasury Officer may transfer pension on sufficient cause being shown from one treasury to another within the State subject to the following conditions :—

- (i) If at the time of transfer the pension payment order is renewed on account of the original having been

lost, the fact of its having been renewed and the circumstances leading thereto shall be intimated to the Treasury Officer of the District to which the payment is transferred.

- (ii) The transfer of the payment of pensions applied for by the pensioners proceeding to hill stations for summer months only shall not be allowed in any case.
- (iii) A copy of the letter effecting the transfer shall invariably be supplied to the Accountant-General, Haryana.
- (iv) The payment of such pensions shall be entered on a separate page of the relevant pension schedule giving the name of the district from which the pension has been transferred.

**Note.*—In the case of Civil Pensioners residing in Nepal who apply for transfer of pension from one pension disbursing officer to another, the submission of pensioners half of the pension payment order may not be insisted upon at the time of effecting the transfer of pension, the transfer being done, on the strength of the disbursers half of the pension payment order. The Pensioner's half shall be collected by the new Pension disbursing officer from the pensioner when the first reports to receive his pension and forwarded to the Accountant-General concerned under intimation to the old pension disbursing officer.

4.175. A Treasury Officer may authorise payment at any of the outlying sub-treasuries subordinate to his district treasury of a pension payable under proper authority, at his headquarters and may transfer the payment of a pension from such subordinate treasury to the district treasury, or from one subordinate treasury to another in the same district.

SECTION V.—RULES REGARDING THE FORM AND PREPARATION OF LAST PAY CERTIFICATES PRESCRIBED BY THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA

(See Treasury Rule 23)

4.176. The rules regulating the preparation of last pay certificates, the form of last pay certificates and other instructions relative thereto which have been issued by the Comptroller and Auditor-General of India have been reproduced in Appendix C to Volume II of this Handbook.

In the case of non-gazetted Government employees transferred to another audit circle or within the same audit circle (i) from one Department to another or (ii) from one Public Works Division to another the last pay certificate should give all the

*Added vide No. 4579-6FRI-65/10362 dated 19-6-65.

necessary information so that the classification of charge may be correctly noted by the drawing officer in the bill of the new office. In the case gazetted Government employees the responsibility for showing correct classification on the bills rests with the officers themselves.

SECTION VI.—TREASURY OFFICERS AUTHORISED TO CORRECT ARITHMETICAL INACCURACIES OR OBVIOUS MISTAKES IN BILLS

(Orders issued by Government under Treasury Rule 26)

4.177. When bills presented for payment contain obvious arithmetical mistakes or trifling mistakes which can easily be corrected, a Treasury or Sub-Treasury Officer should not return such bills but should correct them and pay the corrected amount of the bill.

4.178. Similarly where bills contain doubtful items which can easily be eliminated the Treasury or Sub-Treasury Officer should disallow the doubtful items and pay the remainder of the bill.

4.179. In all cases the corrections made and the reasons therefore should be intimated to the presenter of the bill and if necessary, to the Accountant-General (or to the Treasury Officer in the case of payment made at a sub-treasury).

SECTION VII.—PAYMENTS IN CIRCUMSTANCES OF URGENCY

(Orders issued by Government under Treasury Rule 27)

4.180. The following may be regarded as cases of urgent necessity coming under Treasury Rule 27 when a collector may authorise a Treasury Officer to make payments reporting the circumstances to the Accountant-General :—

- (1) Prevention of loss of life and property, resulting from disasters such as flood, cyclones, earthquakes, fires, etc.
- (2) Safeguarding against the loss of life and property threatened by the washing away of embankments, collapsing of bridges on rivers, canals, railways, etc.

**SECTION VIII.—INTIMATION OR NUMBER OF CHEQUE BOOK TO
TREASURY OFFICER**

(Orders under Treasury Rule 28).

4.181. In the case of sub-treasuries the advice of the number of the cheque book to be used should ordinarily be sent through the district treasury but in cases of urgency, it may be sent direct to the sub-treasury, a copy being forwarded simultaneously to the district treasury.

CHAPTER V. Transfer of moneys standing in the Consolidated Fund, Contingency Fund and the Public Account

(Rules issued under the Treasury Rule 30 after consultation with the Reserve Bank)

SECTION I.—RESOURCE

A.—NORMAL BALANCE

5.1. The responsibility for maintaining treasury balances at the most economic figure, sufficient to meet local demands without unnecessarily locking up funds, will rest with the Government. As a matter of administration routine, the currency Officer will continue to ask for explanations if such balances rise above the normal figure prescribed by the Government (*Vide* rule 5.2 below) and will arrange for the transfer of funds. But he will not be held responsible if an excess is not immediately brought to notice and rectified.

*5.2. In January of each year, the Finance Department will intimate to each Treasury Officer the normal balances fixed for his district for each month during the succeeding year. The balances so fixed will also be communicated to the Currency Officer. Treasury Officers should watch their balances carefully to see that they do not exceed by any appreciable amount the figure laid down by the Finance Department.

Note.—The balance at a treasury or sub-treasury where Government business is transacted by the Bank is nil.

*5.3. On learning from the Finance Department the normal balance fixed for his district, the Treasury Officer will fix the normal balances for each of his sub-treasuries during the succeeding year. If during the course of the year the fixed balance at a sub-treasury is exceeded by any appreciable amount, prompt steps should be taken to transfer the excess.

*5.4. A report should be submitted by the Treasury Officer to the Currency Officer, giving the total treasury balances in the district on the 7th, 14th and 21st of each month without any details as to denomination of notes or kind of coin. A copy of this should be sent simultaneously to the Finance Department. A report should also be sent to the Finance Department on the last working day of the month in regard to the treasury

*These rules are a non-statutory character.

balance on that date. If the balance shown in these reports or in the Cash Balance Report (*See* rule 5.5 below) exceeds by any appreciable amount, the normal balance fixed for the district, the reasons for the excess should be stated.

5.5. On the first working day of each month, a Cash Balance Report in Form S.T.R. 44 should be forwarded by the Treasury Officer to the Currency Officer. In districts where treasury business is conducted by the Bank, the report will show only the details of balances at places where there is no branch of the Bank and the certificate will be modified as shown in the form, but a separate memorandum will be attached showing the value of small coin of each denomination and of uncurrent coin of each class held by the bank, the necessary information being obtained from the Bank authorities on the last day of each month. The head of the district is responsible for seeing that the Cash Balance Report is submitted punctually. Delay in its submissions a serious treasury irregularity.

Note 1.—When the verification of the cash balance take place on a date other than is of a month, it should be reported to the Currency Officer in the usual form Cash Balance Report.

Note 2.—On the first of each month, each Treasury Officer should telegraph to the Currency Officer, (1) the total treasury balance in the district on the last day of the preceding month without any details as to denomination of notes or kind of coin and (2) the net amount credited or debited under the head "Reserve Bank Deposits" in the account for the preceding month separately under "STATE" and "UNION". No telegram to the Currency Officer is necessary when the Cash Balance Report itself would reach the officer concerned by the 3rd of the month.

Note 3.—At treasuries where there is a branch of the Bank there is no treasury balance and the certificates is modified as shown in Form S.T.R. 44.

Note 4.—See also rule 1.8 and 1.9 ante.

5.6. The total balance should be stated in words, and its distribution between the headquarters and sub-treasuries should be exhibited so as to show the amounts held in each in notes, in whole rupees, in small silver, in nickel, and in bronze and copper. The amount of notes of each denomination should be shown separately. The portion of the headquarters' balance under double locks, and under the treasurer's single lock, respectively, should also be noted.

B—SUPPLY OF FUNDS TO TREASURIES AND SUB-TREASURIES

5.7. The main objects of maintaining currency chests at treasuries and sub-treasuries [*Vide* rule 3.10(2)] are

to prevent money being unnecessarily locked up in treasury balances and to facilitate the transfer of funds as explained in the following rules.

5.8. Under the provisions of the Reserve Bank of India Act, the amount of currency and bank notes in circulation, which constitute the liabilities of the Issue Department of the Bank, should not exceed the assets of that Department held in gold, sterling securities, rupee coin and rupee securities.

Notes held in a currency chest are not notes in circulation, while coin held in a chest is a part of the assets of the Issue Department of the Bank held against notes in circulation. Assuming that there are no transactions elsewhere, the deposit of notes in a currency chest decreases the amount of notes in circulation and the deposit of rupees in the chest increases the assets of the Issue Department of the Bank. A deposit of notes or coin in a currency chest, thus, makes it possible to issue notes elsewhere up to the amount of the deposit without exceeding the amount of notes in circulation.

If, therefore, a transfer of funds from the treasury balance at A to the treasury balance at B is required, this can be effected at short notice and without the actual remittance of coin or notes by transferring money from the treasury balance to the currency chest at A and transferring the same amount from the currency chest to the treasury balance at B. A currency chest, thus, enables the treasury balance at a treasury or sub-treasury to be kept at a low figure as it is always possible to replenish the balance quickly by a transfer of money from the currency chest. It also obviates the necessity for frequent remittances of coin and notes, as surplus funds can always be deposited into the currency chest and made available for use elsewhere pending a convenient occasion for remittance.

5.9. Permanent currency chests are maintained at all treasuries and at sub-treasuries where the transactions are of such a magnitude that the additional facility for the transfer of funds afforded thereby reduces appreciably the locking up of money or the frequency of remittances of coin and notes. At sub-treasuries where there is not a permanent currency chest, temporary chests should be opened during the revenue collecting season in order that