

APPENDIX 5

(See Rule 28)

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

A—INTRODUCTORY

B.—PAY, ALLOWANCES, PENSIONS, ETC.

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

C—OTHER CHARGES

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

D— RECEIPTS

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

A.—INTRODUCTORY

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

B.—PAY, ALLOWANCES, PENSIONS, ETC.

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

1. The transit pay and allowances of a government servant transferred from one government/department to another either permanently or as a temporary measure or proceeding on deputation to another department/ government or reverting therefrom should in absence of special orders to the contrary, be borne by the Department/Government to which the government servant is proceeding. {Refer Correction Slip 2}

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Cost of repairs and maintenance.

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

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

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

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

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

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

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

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

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

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

(i) *Tools & Plant Engineering Stores*

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

(ii) *MT Vehicles*

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

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

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

(b) The recoveries in respect of stores equipment or vehicles issued in connection with aid to civil authorities will include hire charges for stores, equipment or vehicles assessed as per

normal rules and expenditure incurred on transportation handling etc. charges.

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

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

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

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

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

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

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

A.I (I)	16/S/48
A.F.I (1)	6/S/48
RIN (1)	4/5/48

provided that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Subject to any separate agreements that have been or may be arrived at between the various Governments, the pay and allowances including travelling allowances of a Government servant summoned to give evidence in his official capacity in a *criminal* Court or in a Civil Court in a case in which Government is a party or during the period of his absence, are debited to the Government under which he is employed. Actual expenses under the rules of the court, if admissible, are, however, payable by the court, and debited to court contingencies.

II. Incidence of Leave Salaries

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

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

III. Incidence of Pensions

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

The liability for pension including gratuity will be borne in full by the Central/State Government to which the Government servant permanently belongs at the time of retirement.

C.—OTHER CHARGES

IV. Incidence of expenditure involved in Audit and Keeping Accounts

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

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

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

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

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

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

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

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

(v) The Comptroller and Auditor General is not statutorily responsible for the audit of the accounts of local authorities (other than those in relation to the accounts of which specified duties have been entrusted to him by or under any law made by Parliament) whose accounts do

not constitute part of the accounts of the Union or of any State and of the accounts of private commercial and quasi-commercial undertakings (other than Government companies as defined in Section 617 of the Companies Act, 1956) in which Governments in India may be participating. Such Audit can be undertaken by the Comptroller and Auditor General only on a "consent" basis and on such terms and conditions as regards recovery of costs, etc., as be settled between him and the Government concerned.

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

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

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

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

(vii) The maintenance of the internal accounts of a Department of a State is part of the ordinary duties of a State Government and is therefore a responsibility of the State concerned. Thus, if the Comptroller and Auditor General is asked to scrutinise or advise on the modification of an existing system of internal accounts kept in a department of a State, such work can be undertaken by him on a 'consent' basis and on specified terms and conditions as in rule (v) above.

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

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

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

(i) Pay and all types of allowances in respect of GRP staff including office and supervisory staff upto the level of Superintendent of Police.

(ii) Office expenses and contingencies.

(iii) Cost of Pensionary charges.

(iv) Cost of rent of buildings occupied by GRP staff.

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

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

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

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

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

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

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

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

D. RECEIPTS

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

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

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

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

Correction Slips

Correction Slip No.: 1

Dated: 04-08-1993

1) Note (i) below Rule 8(3) - Page 7

Delete the words 'Central transactions and' appearing between the words 'of' and 'Union Territory' in line 1 and line 2 of this Rule.

2) Third sentence in Rule 12 Page 11 may be modified as below:

"Transactions on behalf of State Governments arising in these treasuries shall be classified in the treasury accounts under the head '8658 - Suspense Accounts - Suspense Accounts (Civil) - Accounts with Accountant General ' and settled in cash by exchange of cheques/demand drafts, as the case may be."

3)(i) Rule 13 - Page 12-13

Delete the words 'other than transactions of Central (Civil) Pensions' appearing the line 11 and 12.

(ii) Substitute the sub-rule (b) and (c) with the following:-

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

4)(i) Rule 14 - Page 13-17

Substitute the sub-rule (b) with the following:-

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

Note 1: In respect of payments pertaining to Central Government Securities, Principal Accounts Office, Department of Economic Affairs, New Delhi will bear the debits.

Note 2: In respect of Central (Civil) Pensions including High Court Judges and Freedom Fighters, the debits will be raised against the PAO in the Central Pension Accounting Office.

(ii) Sub-Rule (f) - Page 15

(a) Delete the words 'at State treasuries as' appearing between the words 'place' and 'at' appearing in line 1 and 2.

(b) Put a full stop (.) after the word 'account' appearing in line 9 and delete the remaining words viz. 'in respect of transaction appearing in the Central Section of his accounts.'

(iii) Sub-Rule (j) - Page 16

Add the words 'keeping accounts of Union Territories' after the words 'Accountants General' appearing in Line 4.

5) Insert the following Note at the end of Rule 14 (Page 17):-

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

Authority : T-14012/1/93-Codes

Correction Slip No.: 2

Dated: 2-8-1999

Appendix 5 - Page 97

Delete the words "including travelling allowance" appearing in para1 of Part-B to Appendix5.

(This takes effect from 1-4-99)
(Authority: T-14012/1/98-Codes)