

CHAPTER I

GENERAL

Constitution and Control

101: Both Book and Budget Wing consists of 2 main sections viz.

1. Book I section
2. Book II section.

The Sections are supervised by a Branch Officer and under the direct charge of the Principal Accountant General.

102: The strength of the Book and Budget Sections is as follows:

One Assistant Accounts Officer (Supervisory charge)

Six Assistant Accounts Officers (AAO (RT) and AAO(Adhoc))

103: The distribution of work amongst the Assistant Accounts Officers (RT and Adhoc) is as shown in the Duty Registers of Book I and Book II Sections.

104: The main items of work dealt within the Section are

Book I Section

1. Generation of Monthly State Civil Account
2. Preparation of Statement of balances relating to Debt, Deposit and Remittance Heads in respect of erstwhile Union Accounts towards the preparation of Union Finance Accounts.
3. State Finance Accounts
4. General issues relating to principles of classification, attest audit, standards issued by Government Accounting Standards Advisory Board, work relating to collection and furnishing of data in respect of Finance Commission etc., handled by a designated General Unit.
5. Miscellaneous

Book II Section

1. Ledger
2. Public Debt
3. Review of Balances
4. Finance Accounts
5. Budget Estimates of State Government
6. Miscellaneous

The detailed procedure to be followed in respect of the items of work referred to above is described in the succeeding chapters.

106: Calendar of Returns

This Section should maintain a Calendar of Returns as prescribed in para 20 of the C&AG's Manual of Standing Orders (Administrative). The Calendar of Returns showing the due and actual dates of

1. Despatch of returns due from the section
2. Submission of returns to the Branch officer in charge every Tuesday and
3. Submission of Calendar of Returns to the Principal Accountant General 5th of every month.

Annexure I to Chapter 1 is deleted.

CHAPTER II

CIVIL ACCOUNTS

201: The compilation of Monthly State Civil Account is done in Book-I Section and an account is rendered every month to the Finance Department of the Government of Tamil Nadu on or before 25th of the succeeding month (for April to February) and on or before 12th May in respect of March (Preliminary) accounts.

(Authority: CAG's Lr. No. 717-AC-MIS/212-2001 dated 24/12/2001)

Along with the Monthly State Civil Accounts, District-wise details of receipts in respect of major heads 0020 to 0045 both inclusive are furnished to the Finance Department.

202: The Civil Accounts are compiled from the following accounts/records received every month in this Office by using VLC System operated in Oracle 11g.

1. Treasury Main Accounts including accounts compiled by the State PAOs.
2. Accounts rendered by (a) Public Works Divisions and (b) Forest Divisions
3. Small Accounts rendered by Motor Vehicles Maintenance Organisation (Commercial concern)
4. Settlement Account Abstracts in respect of Inter Governmental Transactions.
5. Combined Transfer Entry Ledger and Abstracts

Note:

Data from items (1) and (3) above is directly input by Book I Section in the system.

Data from item (2) above is input by Public Works Compilation and Forest Compilation Sections respectively.

Data in respect of (4) above is input by AC Sections concerned.

Data in respect of (5) above is input by Book, PWC, FC, DC, LA, AC and Pension-28 Sections. Transfer Entries are recorded and get consolidated in the TE Ledger through VLC System.

203: The Treasury Main Accounts and the PAO Main Accounts duly checked by LA6 and Residential Audit Sections respectively in accordance with the provisions contained in the Manual of DC Sections, are received in Book Section after they are duly passed for booking by the Branch Officers concerned.

If there is any inordinate delay in the receipt of any Treasury Main Accounts, PWD Accounts/Forest Divisions Accounts, in consequence of which, the account is excluded from compilation, a note to that effect must be included in the Main Report to be submitted to Headquarters concerning the compilation of the relevant month.

204: The Civil Accounts, the Disburser's Accounts and the Consolidated Abstracts of Receipts and Disbursements are submitted to the Principal Accountant General for approval.

205: As soon as the Monthly Civil Account is furnished to Government of Tamil Nadu, a formal intimation is given to Headquarters in terms of **CAG's Lr. No. 13-AC-MIS/249-2006 dated 5/1/2007** regarding the dates of closure and despatch of the accounts to the State Government. The letter further informs the Headquarters regarding the date of despatch of Report on Expenditure for the month previous to the month of compilation.

206: The Main Report is forwarded to the Headquarters in the format specified in Annexure-I after the rendition of MCA to State Government.

(Authority : CAG's Lr. No. 29-AC/MIS/214-96 dated 14/1/1998)

207: In terms of **CAG's Lr. No. 29-AC/MIS/214-96 dated 14/1/1998**, a formal communication in the form of Follow-up Report is sent to Headquarters regarding the presence or absence of changes to Main Report, if any, for the compilation month.

208: In terms of **CAG's Lr. No. 157-AC-1/SP-III/51-2000 dated 7/4/2003**, Disaggregated details in respect of both receipts and charges upto sub detailed head level are prepared in MS Access form after the completion of sub account booking by all the Compilation Sections and after the despatch of Report on Expenditure are furnished to the State Government for the compilation month in electronic media.

209: It was decided by the Headquarters that key information/indicators emanating from the Monthly Civil Account prepared by the Accountant General should be posted on the internet as a means for dissemination of key information in the public domain **(Authority CAG's Lr. D.O. No. 617/AC-1/SP-III/ dated 28/8/2002)**. Further, Headquarters advised this office to obtain the concurrence from the State Government for the publication of information in the public domain since MCA is not a public document. State Government

communicated their consent in Finance (BC) Department's D.O. Lr. No. 74130/BC/2002-1 dated 11/10/2002.

In addition to the Hosting of Key Indicators, every quarter, a return in the prescribed form was being sent to Ministry of Statistics & Programme Implementation, New Delhi to enable computation of Gross Domestic Product.

In their **Lr. No. AC-III/432/CFR-ROB/2009 Vol I/217 dated 18/6/2013**, Headquarters rationalized the procedure for publication of key indicators by merging the monthly and quarterly returns above in the format which is furnished in Annexure II.

210: A critical review of the State Civil Account with an Appreciation Note is also sent to the Government of Tamil Nadu quarterly after the rendition of monthly accounts for June, September, December and March (Journal).

(Authority: CAG's D.O. Lr. No. 310-AC-I/SP-1/62-2006 dated 30/7/2007)

Paras 211 and 212 deleted

213: Separate Civil Accounts showing the adjustments made in March Supplementary Accounts with progressive actuals for the year are sent to the Government of Tamil Nadu, Chennai after the closure of March Supplementary Accounts.

214: State Civil Accounts are also rendered to Government of Tamil Nadu after necessary corrections to the accounts on account of Journal Entries are carried out.

215: Statement of Disburser's Accounts

This is prepared in form AC2 (Account code for Accountants General) and is intended to show the aggregate of the months receipts and payment with the Opening and Closing balances of all officers rendering accounts to the Accountant General. While the grand total of the Consolidated Abstract of Major Heads shows the amount received and paid on all accounts, the Statement of Disburser's Accounts shows the amounts received and paid by all Accountants. The grand total of receipts and payments in both should therefore, be equal. The statement thus furnishes an effective check on the grand totals made out in the Consolidated Abstract of Major Heads **(Article 4.1 to 4.3 Account code for Accountants General)**.

216: The check contemplated in Para 215 above is exercised by the VLC System.

217: Reserve Bank Deposits—This is a mere adjusting head and records the net results of cash transactions and adjustment with the Reserve Bank pending eventual transfer to '8999-Cash Balance- Deposits with the Reserve Bank' (vide Foot note under '8675-Deposits with Reserve Bank' in the List of Major and Minor Heads of account). The adjustments are made monthly. The figures thus adjusted in the accounts are added to Opening Cash Balance of the State for the month (Closing Balance of the Previous month) to arrive at the Closing Balance for the month. This closing balance is agreed with the closing balance reported by the Central Accounts Section of the Reserve Bank of India, Nagpur. Action is taken to reconcile and rectify the discrepancies, if any, through the broadsheet of Reserve Bank Deposits maintained by RBRD Section.

A statement indicating the major items of differences is included in the last page of Monthly Civil Account rendered to the State Government.

Ways and Means Advance sanctioned by Reserve Bank of India, Nagpur and shortfalls in the balances of the State Government with RBI

218: Under an agreement with the Reserve Bank of India, the Government of Tamil Nadu have to maintain with the Bank, a minimum cash balance of Rupees 325 lakhs on all the days. If the cash balance falls below this minimum, the deficiency is made good either by rediscounting Treasury Bills or by availing Ways and Means Advances from the Bank, which are however, limited to a maximum amount of Rupees 730 crores (Normal Advances). In addition, Special Advances not exceeding the holdings of the State Government in GOI securities are also made by the Bank, whenever necessary. On days when the cash balance falls short of the stipulated minimum balance even after rediscounting the Treasury Bills and availing Special Ways and Means Advances and Normal Ways and Means Advances up to the maximum limit, Government takes overdraft from the Bank.

219: The amount of shortfall in the daily cash balance of the State Government occurring in a particular month should be adjusted by means of a consolidated transfer entry in the accounts of that month. A statement indicating the daily balance, minimum balance to be maintained, amount of shortfall and outstanding Ways and Means Advances is furnished by

the State Government on the 10th of the succeeding month. The figures are then posted in the register maintained for this purpose in the following form:

Date	Closing Balance	Shortfall	Amount Repaid	Balance of Borrowing	Amount of additional Borrowing
(1)	(2)	(3)	(4)	(5)	(6)

Any increase in the shortfall should be considered as an additional borrowing and decrease as a repayment of the borrowing. At the end of month, the total amount of the shortfall should be credited and the amount repaid debited to the head 'E. Public Debt—6003 Internal Debt of the State Government—110 Ways and Means Advances form Reserve Bank of India' the difference being, adjusted under '8675-Deposits with the Reserve Bank'.

Note: The term short-fall (or overdraft) refers to the total amount which has fallen short of the minimum balance required to be maintained with the Bank on any day.

Out of the total amount which has fallen short of the required minimum on any day, the amount upto the limit of minimum balance is treated as shortfall and the amount over and above this limit is treated as 'unauthorised overdraft' by the Reserve Bank of India for the purpose of calculation of interest.

Vide para 223 infra

[(i) CAG's Lr. No. 248 Admn. II/73-62 dated 6-2-63 vide copy furnished in Annexure II-File Bk/Comp I/7-1/61-64

(ii) Lr. No. 33194/W&M/63-26 dated 28-1-66 from the Government of Tamil Nadu - File Bk/Comp I/7-1/65-66]

220: It has been held by the Government of India that every overdraft by a State Government constitutes a loan and has to be covered by a sanction of the Government of India as provided in Article 293(3) of the Constitution. The consent under Article 293(3) is to be sought in advance of the actual borrowing of the specified amount. In view of the difficulties involved in observing this requirement, the Government of India have decided, that as an exception to the normal procedure, the existing practice under which the State

Government approach the Ministry of Finance for ex-post facto consent to their short term borrowings from the Reserve Bank might be continued.

For obtaining ex-post facto consent, short term borrowings from Reserve Bank will comprise:

- (a) Ways and Means Advances;
- (b) Shortfall, if any from the agreed minimum balance; and
- (c) Debit balance.

In other words, the amount for which the consent should be obtained by a State Government would be the maximum amount of outstanding Ways and Means Advances from the Bank (normal and special) at any time during the year together with the maximum amount by which the State Government's Cash Balance with the Bank had on any day in the year, fallen short of the minimum cash balance (i.e) Rupees 325 lakhs which is required to be maintained by the State Government with the Bank.

[(1) Govt. of India, Ministry of Finance (DEA) Lr. No. F 13(27)- W&M/65 dt. 13.5.65

(2) CAG's Lr. No. 1159-Tech. Admn. II/73-62 (III) dt. 25.6.65

(3) Govt. of Tamil Nadu Finance [W&MI] Dept. Lr. No. 93182/W&M/76-1 dt 2.7.76 Fil Book/SCA/ 4-5/75-76]

221: A register in the form indicated in Annexure III is maintained showing the Ways and Means Advance sanctioned by Reserve Bank of India during the month, amount of Ways and Means Advance repaid and interest paid during the month and the balance of Ways and Means Advance outstanding after each transaction. Advices regarding grant/repayment of Ways and Means Advances received from the Reserve Bank of India Central Accounts Section, Nagpur are posted in the relevant columns in the register. At the end of the month, the clearance memo received from RBI in regard to these Ways and Means Advances are noted in the register and a consolidated Transfer Entry is proposed as follows:--

(i)For Ways and Means Advances sanctioned

Dr.8675—Deposits with Reserve Bank—Deposits with Reserve Bank

**Cr. 6003—Internal Debt of the State Govt.—110.Ways and Means Advances from RBI—AA.
Ways and Means Advances from RBI.**

(ii) For repayment of Ways and Means Advances and Interest

Dr. 6003. Internal Debt of the State Government –110. Ways and Means

Advances from RBI—AA. Ways and Means Advances from RBI.

Dr. 2049. Interest payments –01. Interest on Internal Debt – 115 Interest on Ways and Means Advances from RBI

Cr. 8675. Deposits with Reserve Bank ---Deposits with Reserve Bank

222: Based on the report of the 12th Finance Commission, Bezbaruah Committee was constituted to review and suggest principles for availment of Special Ways and Means Advances, Normal Ways and Means Advances and Overdraft of State Governments. The Committee submitted its report in October 2005. The salient features of the report are as follows:

- (a) Normal Ways and Means Advance to Government of Tamil Nadu was set at Rupees 730 crore for 2006-07 which may be reviewed every year.
- (b) Special Ways and Means Advance limits of Government of Tamil Nadu is linked exclusively to its holdings of Government of India securities adjusting for margin. These securities are revalued every quarter by CAS, Nagpur and the holdings of such securities by State Government can fluctuate on a daily basis.
- (c) State Governments would be required to avail Special Ways and Means Advance before Normal Ways and Means Advance.
- (d) The interest rate chargeable on Special Ways and Means Advance should be 1% below the Repo Rate.
- (e) The interest rate charged on Normal Ways and Means Advance upto 90 days should be the Repo Rate while Ways and Means Advance beyond 90 days should be charged 1% point above the Repo Rate.
- (f) The Committee noted the need for and role of Overdraft to meet temporary spikes in liquidity mismatch. The Committee recommends interest rate on OD upto 100 per cent of the Normal WMA limit should be charged 2 percentage points higher than the Repo Rate, while OD in excess of 100 per cent of the Normal WMA limit should be charged 5 percentage points above the Repo Rate.

Note: Repo Rate is the rate at which the central bank of a country (Reserve Bank in the case of India) lends money to commercial banks in the event of any shortfall of funds. Repo Rate is used by monetary authorities to control inflation. In the event of inflation, central banks increase Repo Rate as this acts as a disincentive for banks to borrow from the central bank. This ultimately reduces the money supply in the economy and thus helps in arresting inflation. The central bank takes the contrary position in the event of a fall in inflationary pressures. Repo and Reverse Repo rates form part of the liquidity adjustment facility.

223: Out of the total amount which has fallen short of the required minimum on any day, the amount upto the limit of minimum balance to be maintained is treated as 'shortfall' and the amount over and above this limit is treated as 'unauthorised overdraft' by the Reserve Bank of India for purposes of calculation of interest.

Annexure-I, IV and V deleted. Revised Annexure-I and II adopted.

Annexure-II, III, re-numbered as Annexures III, IV and retained.

ANNEXURE I

Status Report on compilation /rendition of Monthly Accounts as on the 10th of the each month for Main Report and 20th of each month for Follow-up Report.

1.Month of Account

State Government: TAMIL NADU

a) Date of submission to the Govt.

b) If not submitted, probable date of submission

c) Months of account in arrears other than (b) above

2. Reason for delay/non-submission of accounts:

3.Details of exclusion of initial accounts:

Total accounts rendering units	No. of Treasuries & PAOs	P.W. Divisions	Forest Divisions	Others

Current Month :

Sl. No.	Particulars	
1.	Total No. of accounts due in the month	
2.	Total No. of accounts received during the month on the due date	
3.	Total No. of accounts received after due date	
4.	Total No. of accounts compiled during the month	

5.	Total No.of accounts excluded while compiling the accounts of the month	
6.	Percentage of expenditure of excluded accounts	
7.	Date on which 95% of the total accounts were received	
8.	Despatch of Report on Disaggregated figures to the State Government	

Previous month's details:

Month	Accounts received	Accounts due	Accounts compiled	Balance accounts yet to be compiled

ANNEXURE II

Government of Tamil Nadu

Accounts at a Glance

As at the end of

(unaudited provisional figures)

(In crore of Rupees)

	Budget Estimates	Actuals upto	% of Actuals to Budget Estimates	
			Current year	Corresponding period of the previous year
(1) Revenue Receipts				
(a) Tax Revenue				
(i) Stamps and Registration Fees				
(ii) Land Revenue				
(iii) Sales Tax				
(iv) State Excise Duties				
(v) Other Taxes and Duties				
(b) Non-Tax Revenue				
(c) Grants-in-aid and Contributions				
(2) Capital Receipts				
(a) Recovery of Loans & Advances				
(b) Other Receipts				
(c) Borrowing and other Liabilities				

(3) Total Receipts (1+2)				
(4) Non-Plan Expenditure				
(a) Non-Plan Expenditure on Revenue a/c				
(b) Non-Plan Expenditure on Interest Payment				
(c) Non-Plan Expenditure on Salaries and Wages				
(d) Non-Plan Expenditure on Capital a/c				
(5) Plan Expenditure				
(a) Plan expenditure on Revenue a/c				
(b) Plan expenditure on Salaries and Wages				
(c) Plan Expenditure on Capital a/c				
(6) Total Expenditure (6(a)+6(b)+6(c))				
(a) Revenue Expenditure {4(a)+5(a)}				
(b) Capital Expenditure {4(d)+5(c)}				
(c) Loans and Advances Disbursed				
(7) Revenue Surplus(+)/ Deficit (-) {1-6(a)}				
(8) Fiscal Surplus(+)/ Deficit (-) {1+2(a)+2(b)-6}				

ANNEXURE III

Copy of C.A.G's letter No. 248/admn. II/73-62 dated 6.2.1963 addressed to all state Accountants General

Sub : Adjustment of amounts representing the shortfalls in the cash balance of the State Government with Reserve Bank of India

I am to invite a reference to this officer **letter No. 1435-Admn. II/73-62 dated 3.9.62** on the subject noted above and to state that on further consideration it has been since decided that the shortfalls in the cash balance of your State Government occurring in a particular month may be adjusted by means of a consolidated Transfer Entry in the Accounts of that month. For this purpose, a register should be maintained wherein the shortfalls as and when they come to notice and the amounts repaid should be noted. Any increase in the shortfall should be considered as an additional borrowing and a decrease as a repayment of the borrowing. At the end of the month the total amount of the shortfalls should be credited and the amounts repaid debited to the head "E. Public Debt- 6003 – Internal Debt of the State Government - 110 - Ways and Means Advances from Reserve Bank of India", the difference being adjusted under "8675 – Deposits with Reserve Bank".

An example of the manner in which the adjustment should be carried out is given below:--

Statement of Daily Balance received from the Reserve Bank of India

Date	Balance	Minimum balance to be maintained	Amount of Shortfall
17.4. 62	Cr. 4,00,000	Cr.30,00,000	26,00,000
18.4.62	Dr.61.00,000	Cr.25,00,000	86,00,000
19.4.62	Dr.61,00,000	Cr.25,00,000	86,00,000
20.4.62	Dr.119,00,000	Cr.25,00,000	1,44,00,000

21.4.62	Dr.122,00,000	Cr.25,00,000	1,47,00,000
22.4.62	Dr.153,00,000	Cr.25,00,000	1,78,00,000
23.4.62	Dr.141,00,000	Cr.25,00,000	1,66,00,000
24.4.62	Dr.141,00,000	30,00,000	1,71,00,000
25.4.62	Dr.103,00,000	Cr.25,00,000	1,28,00,000
26.4.62	Dr.103,00,000	Cr.25,00,000	1,28,00,000
27.4.62	Dr.73,00,000	Cr.25,00,000	98,00,000
28.4.62	Cr.17,00,000	Cr.25,00,000	8,00,000
29.4.62	Cr.25,00,000	Cr.25,00,000	..
30.4.62	Cr.17,00,000	Cr.25,00,000	8,00,000

Entries to be made in the Register

Date	Amount of Shortfall Rs. in lakhs	Amount repaid Rs. in lakhs	Balance of borrowing Rs. in lakhs
(1)	(2)	(3)	(4)
17.4.62	26	..	26
18.4.62	60	..	86
19.4.62	..	..	86
20.4.62	58	..	144
21.4.62	3	..	147
22.4.62	31	..	178

23.4.62	..	12	166
24.4.62	5	..	171
25.4.62	..	43	128
26.4.62	..	..	128
27.4.62	..	30	98
28.4.62	..	90	8
29.4.62	..	8	..
30.4.62	8	..	8
	191	183	8

Transfer Entry to be made in April Accounts.

Dr.	Cr.
	6003 - Internal Debt of the State Government
183 lakhs	110 Ways and Means Advance from the Reserve Bank of India
8 lakhs	8675 - Deposits with the Reserve Bank
	6003 - Internal Debt of the State Government
	110 Ways and Means Advance from the Reserve Bank of India
	191 lakhs
191 lakhs	TOTAL
	191 lakhs

2. In this connection clarification on certain related points are given below:---

(a) The procedure in this Office letter dated 3.9.62 cited above. (viz. the amount of the shortfall should be accounted for under the head 'E' Public Debt etc. irrespective of entries if

any, passed by the R.B.I.) may sometime result in a difference between the cash balance figures of the Accounts Office and of the Bank. In view of the stand taken by the Reserve Bank of India that passing of necessary adjustment entries in their books is not practicable, the occurrence of the difference between the Accounts Office and Bank figures cannot be eliminated altogether. As such, the difference, if any, may be explained by a suitable Foot-note in the monthly Civil Accounts of the State Government.

(b) The State Government should be required to obtain the approval of the Government of India whenever they run on overdraft with the Bank and it would not suffice if the maximum drawal by way of overdrafts on any particular date during the year is only covered by a sanction of the Government of India, under Art. 293 (2) of the Constitution of India (C.F. Government of India, Min. of Finance letter No. F5 (26)-B/52) dt. 8.1.53 addressed to Finance Secretaries of parts A and B States, copy of which was furnished with this office letter dated 3.9.62.

3. This also disposes of (i) A.G. Assam's letter No. Bk/19-1/54-55/732 dated 6.10.92 (ii) A.G.M.P.'s letter No. Bk-I/17-15/62-63/1930 dated 5.10.62 and (iii) A.G. Bihar's letter No. Bk. 10-3827 dated 15.11.62

**STATEMENT SHOWING THE DETAILS OF DAILY CASH BALANCE RECEIVED FROM
RESERVE BANK OF INDIA, NAGPUR**

Date Outstanding Advance	Closing Balance	Minimum Balance to be maintained	Amount of Shortfall	W & M
1.4.93	(-) 1859.83	110.00	1969.83	8360.00
2.4.93	(-) 1839.41	110.00	1949.41	8360.00
3.4.93	(-)13152.17	110.00	13262.17	8360.00
4.4.93	Holiday	....	....	....
5.4.93	(-)16230.11	110.00	16340.11	8360.00
6.4.93	(-)15775.82	110.00	15885.82	8360.00
7.4.93	110.87	110.00	....	4300.00
8.4.93	114.16	110.00	....	....

9.4.93	Holiday	....	....	...
10.4.93	110.07	110.00	....	....
11.4.93	Holiday	110.00	....	....
12.4.93	113.65	110.00	....	....
13.4.93	110.01	110.00	....	....
14.4.93	Holiday	110.00	....	....
15.4.93	110.06	110.00	....	738.00
16.4.93	110.26	110.00	....	727.00
17.4.93	110.12	110.00	....	750.00
18.4.93	Holiday	110.00	....	....
19.4.93	110.30	110.00	....	738.00
20.4.93	110.10	110.00	....	588.00
21.4.93	113.91	110.00	....	....
22.4.93	111.00	110.00	....	....
23.4.93	114.10	110.00	....	....
24.4.93	1618.84	110.00	....	....
25.4.93	Holiday	110.00	....	....
26.4.93	112.90	110.00	....	....
27.4.93	110.06	110.00	....	....
28.4.93	112.48	110.00	....	....
29.4.93	110.23	110.00	....	....

ENTRIES TO BE MADE IN THE REGISTER

Date	Closing Balance	Shortfall	Balance of borrowing	Amount of additional borrowing	Amount Repaid
1	2	3	4	5	6
1.4.93	(-)18,59,83,000	1,10,00,000	19,69,83,000	19,69,83,000	....
2.4.93	(-)18,39,41,000	1,10,00,000	19,49,41,000	....	20,42,000
3.4.93	(-)1,31,52,17,000	1,10,00,000	1,32,62,17,000	1,32,12,76,000	....
4.4.93	(-)1,31,52,17,000 (Holiday)	1,10,00,000	1,32,62,17,000	....	....
5.4.93	(-)1,62,30,11,000	1,10,00,000	1,32,62,17,000	30,77,94,000	....
6.4.93	(-)1,57,75,82,000	1,10,00,000	1,58,85,82,000	...	4,54,29,000
7.4.93	1,10,87,000	...	...	....	1,58,85,82,000
8.4.93	1,14,16,000	...	...	...	...
9.4.93	1,14,16,000 (Holiday)	...	..	...	....
10.4.93	1,10,07,000	...	...	...	...
11.4.93	1,10,07,000 (Holiday)	...	.	...	...
12.4.93	1,13,65,000	...	....	...	...
13.4.93	1,10,01,000	...	...	...	...
14.4.93	1,10,01,000	...	...	...	...
15.4.93	1,10,06,000	...	...	...	...
16.4.93	1,10,26,000	...	...	...	...

17.4.93	1,10,12,000	..	..	...	...
18.4.93	1,10,12,000 (Holiday)	...	...	...	...
19.4.93	1,10,30,000	...	...	...	...
20.4.93	1,10,10,000	..	..	...	...
21.4.93	1,13,91,000	...	...	...	...
22.4.93	1,11,00,000	...	...	...	..
23.4.93	1,14,10,000	...	...	...	...
24.4.93	16,18,84,000	...	...	...	...
25.4.93	16,18,84,000 (Holiday)	...	...	...	...
26.4.93	1,12,90,000	...	...	...	...
27.4.93	1,10,06,000	...	...	...	...
28.4.93	1,12,48,000	...	...	...	...
29.4.93	1,10,23,000	...	...	...	...
30.4.93	(-)1,12,73,000	1,10,00,000	2,22,73,000	2,22,73,000	...
Total Amount Borrowed/Repaid				1,65,83,26,000	1,63,60,53,000

TRANSFER ENTRY TO BE MADE

Dr.

Cr.

1,63,60,53,000 6003 - Internal Debt of the State Government
110 Ways and Means Advance from the Reserve
Bank of India-Overdraft from Reserve Bank of
India

2,22,73,000 8675 - Deposits with the Reserve Bank – 106 -
States - C.A.S. Reserve Bank

6003 - Internal Debt of the State Government
110 Ways and Means Advance from the Reserve
Bank of India-Overdraft from Reserve Bank of
India 1,65,83,26,000

1,65,83,26,000 TOTAL 1,65,83,26,000

Note: The examples given above have been worked out after taking into account the present monetary limits of shortfall to be maintained, ordinary and special ways and means advance and the revised classification.

ANNEXURE IV

Item No.	Balance of ways and Means Advance Outstanding Normal/Special (in lakhs) Rs. P.	Date of Advance/Repayment	RBI Reference No. & date	Amount Advance Repayment	Amount Sanctioned to ways and Means Advance	Clearance Memo. No. and date	Actual Amount repaid: including Interest (if any) Rs. P.	Amount of advance debited to ways and Means Advance	Balance i.e. Interest debited to "2049 Interest etc." Rs. P.

CHAPTER III

ANNUAL ACCOUNTS – STATE AND CENTRAL

301: The compilation of Finance Accounts of the State Government is the responsibility of the State Accountant General. As regards central transactions, a similar responsibility rests with the Controller General of Accounts who will be furnished with the necessary materials by the Accountants General to the extent they figure in the monthly Union Civil Accounts compiled by him. A list of returns to be submitted to the CAG for the preparation of Combined Finance and Revenue Account is furnished in the Annexure to chapter 9 of Account Code for Accountants General. It should be ensured that the returns are sent on the due dates. For this purpose, an office order should be issued in the first week of April each year detailing the due dates for the completion of the various processes involved for closing the March Supplementary accounts. The annual accounts should be closed on the prescribed due dates and the proof and final copies of the Finance Accounts are submitted to CAG on the due date.

302: Information regarding the actual date of completion of each stage of accounts is furnished to the CAG as soon as the accounts are closed at each stage. In exceptional cases, when it is not possible to close the accounts before the prescribed date, prior approval of the CAG should be obtained explaining the reasons for the delay and indicating the date by which the accounts are expected to be completed.

(i) CAG's Ir. No. 831 Comp/51—62 dt. 15.12.62 filed in Book/Comp/1-2/59-68 Ledger unit)

(ii) Do No. 100 Comp/107-78 dt. 1.3.79 from Director of Audit and Accounts O/o CAG. File CCA/1-1/75-79(Vol.III)

Paras 303, 304 deleted.

March Journal Entries

305: All Transfer Entries should be routed through Book Section and AAD and got approved by Pr. A.G./Group Officer as detailed below:

(a) Debt. Deposit and Advances, Suspense and Remittance Heads:

The entries for amounts exceeding Rupees 10,000 should be submitted to Principal Accountant General for approval. All other entries should be got approved by Group Officer.

(b) Other heads of accounts:

The entries for amounts exceeding Rupees 2,00,000 should be submitted to Principal Accountant General for approval. Entries exceeding Rs. 50,000 but not exceeding Rs. 2,00,000 should be got approved by the Group Officer .

The sections should take steps to reduce to minimum number of entries to be made in Journal Accounts by including all adjustments in the accounts for March (Suppl) wherever possible. Each Journal transfer entry containing full details of the transactions should be accompanied by a check slip approved by Branch Officer giving the particulars indicated below:

- (a) Reasons for the transfer entry (guide letters A.B.C as in form A.O. 51);
- (b) In case of 'A' full details of error in classification made by this office and why it could not be rectified earlier;
- (c) In case of 'B' why the misclassification was not detected during check of the Treasury/Departmental Accounts; and
- (d) In case of 'C' why the adjustments could not have been made in the accounts for March (Suppl) or of the earlier months

In the case of Journal entries, apart from giving in the check slip form, the reasons as to why the adjustment was not effected before the closing of March (Supplementary) accounts, the explanation of the persons responsible for the misclassification and the belated readjustment should also be furnished in a Special note along with the Journal entries.

Note: Book section will accept the Journal Entries only if the particulars mentioned above accompany them.

(O.O. No. Book/4/14/56-68/100 dated 2.2.68 Filed in Book/4-14/56-68)

After the Journal entries are routed through Book and Budget Sections and Appropriation Audit Department, the Sections concerned should obtain the approval of the Accountant General or the Branch Officer as the case may be and send the entries, in original, to Book

Section for consolidation in the form of an Abstract in Form A.O. 49. The Consolidation in form A.O. 49 should then be submitted to the Principal Accountant General for approval.

NOTE:-- In the Abstract in form A.O. 49 the total amount of gross debit and gross credit should be shown against each minor head and not the net result.

As soon as the Journal Accounts are closed, a statement showing section-wise number of Journal entries proposed is submitted to the Accountant General by 20th September every year for being marked for test check by IAD, a certain percentage thereof from each section.

(Para 627 of D.A Manual and draft para 79(J) of the Director of Inspection 1967).

306: The following instructions should be complied with in the preparation of the account in time,

(a) It should be ensured that,

(i) the dates prescribed for closing the various stages of accounts are strictly adhered to and no extensions are sought for under any circumstances; and

(ii) departmental reconciliation is done every month in a systematic and prompt manner as per the provisions contained in the General Financial Rules. If it is postponed to the fag end of the year there is every possibility of the adjustments not being carried out in time, as there cannot be any delay in the closing of accounts.

(b) Special steps should be taken to collect and settle all transactions involving inter-Governmental adjustments and to advise the transfers to the Central Accounts Section of the Reserve Bank of India in respect of the transactions of the financial year ended 31st March of the year by the 25th April of the same year.

(c) To complete the Accounts, it is of utmost importance to conduct a thorough review of all cases of periodical and annual adjustments which are to be carried out in the accounts of the year and ensure that no adjustment required to be made in the accounts for the year is left out therefrom and that all adjustments required to be included have been duly incorporated therein before closing the March Supplementary/Annual accounts as the case may be.

Paras 307 to 312 already deleted.

Annexures already deleted.

CHAPTER IV

FINANCE ACCOUNTS, JOURNAL AND LEDGER AND REVIEW OF BALANCES

401: Finance Accounts – The Annual Accounts of the State which the C&AG is required to submit to the State Government shall be designated as Finance Accounts. Finance Accounts are issued in 2 Volumes w.e.f. 2009-10 accounts. Book Section is responsible for the preparation of the following Statements/Notes to Accounts/Appendices of the State Finance Accounts. **(Authority :CAG's D.O.48/ACI/SP-I/101-2008 dated 09-02-2010 from Director General (AEC) and Director General (AEC)'s e-mail dated 29/8/2012)**

Volume I

- Table of contents
- Certificate of the CAG
- Guide to Finance Accounts (Introduction)
- Statement of Financial Position
- Statement of Receipts and Disbursements
- Statement of Receipts (Consolidated Fund)
- Statement of Expenditure (Consolidated Fund)
- By function
- By nature
- Notes to Accounts
- Appendix I : Cash Balances and Investment of Cash Balances
- In respect of Volume II, Book Section is responsible for preparing the following Statements:

Volume II

Part I: Summarised Statements

- Statement of Borrowings and Other Liabilities
- Statement of Loans and Advances given by the Government

Part II : Detailed Statements

- Detailed Statement of Borrowings and Other Liabilities
- Detailed Statement of Loans and Advances given by the Government

Note: As per the provisions of Indian Government Accounting Standards (IGAS-3), additional information in three parts is to be furnished w.e.f 2012-13 accounts onwards.

- Detailed Statement on Contingency Fund and Other Public Account Transactions
- Detailed Statement on Investments of Earmarked Funds.

Part III: Appendices

- V Details of Externally Aided Projects
- VI A Plan Scheme Expenditure
- VI B State Plan Schemes
- VII Direct transfer of Central Scheme Funds to Implementing Agencies in the State (funds routed outside the State Budget)
- VIII Summary of balances under Consolidated Fund, Contingency Fund and Public Account
- XIV Implications of major policy decisions of the Government on cash outflow

402: The main purpose of the Journal and Ledger is to bring out by a scientific method the balances of accounts in regard to which Government acts as a banker or remitter or borrower or lender. Though such balances are worked out in the regular Government accounts, their accuracy can be guaranteed only by a periodical verification with the balances brought out in the double entry accounts.

(Art. 20 of Account Code, Vol. I, Chapter 8 of Account Code for Accountants General)

403: The general instructions for maintenance and posting of the Journal and ledger are contained in Chapter 20 of Account Code, Vol. IV. (Chapter 8 of Account Code for Accountants General). The opening and the closing entries in the journal are made in accordance with the instructions contained therein. The figures for the entries are taken from the Consolidated Abstract of Major Head Totals. The ledger is posted annually from the Consolidated Abstract of Major Head and Totals for transactions under Revenue Receipts Revenue Expenditure and Capital heads and from the Consolidated Abstracts of Accounting

sections for transactions under Debt, Deposit and Remittance heads. The object of the ledger is to bring out the balances under Debt, Deposit and Remittance heads other than those which are closed to Government. The posting of Revenue Expenditure and Capital heads is required for the purpose of squaring the Ledger. The Revenue Receipts, Revenue Expenditure and Capital Expenditure should therefore be posted by totals only, while such of the Debt, Deposit and Remittance heads as are closed to Government should be posted by major heads. In respect of Debt, Deposit and Remittance heads that close to balance, it will be sufficient if the posting of the inner columns in the ledger is confined to the prescribed minor heads. Each prescribed minor and sub-head under Debt, Deposit and Remittance heads which close to balance shall be a separate ledger head, sub head wise figures for each ledger being posted in separate volumes set apart for this purpose.

404: As soon as the accounts of the previous year are closed, the balances should be carried forward to the books of the new year. The closing balances under the various heads are worked out after the accounts for Journal are closed.

Trial Balance Sheet

405: The accuracy of the ledger posting should be tested annually after closing of the accounts for March Journal by preparing the Trial Balance Sheet in Form A.C.30 (*vide* Art. 8.13 of Account Code for Accountants General). The work should be completed within six weeks after the Finance Accounts have been finally printed.

The following instructions should be observed in preparing the Trial Balance Sheet:

- (i) In the case of heads, the balances of which are carried forward to the next year's books, the totals excluding the closing balances, should be posted in the Trial Balance Sheet in the columns for "Account Amounts".
- (ii) The closing balances are posted on the right hand side of the Trial Balance sheet i.e., under the column for "Balance Amounts".
- (iii) The Government Account (A to D etc.) should be made out in a separate page in the ledger. In this account, the 'Opening Balance' including 'proforma corrections' should be posted and the totals of the balances under all the heads that are closed to Government should be brought on to this account. The 'Debit' and

'Credit' totals are posted under the relevant columns under 'Account Amount' and the balance shown under 'Balance Amount' column.

The total of Debits and Credits relating to the following heads of account, which are closed to Government, are posted in both the columns under 'Account Amount':

- Part 1- Consolidated Fund
- G. Inter State Settlement
- H. Transfer to Contingency Fund
- Part III Public Account
- (e) Miscellaneous "8680. Miscellaneous Government Accounts"
- Revenue Receipts
- Expenditure on Revenue Account
- Expenditure on Capital Account

The total debits/credits under "Grand Total _Expenditure/Receipts excluding cash balances" in the consolidated Abstract of the Major Heads is added to the opening balance and posted in the column "Accounts Amount" and the balance amount arrived at shown in the column "Balance Amount". The total of the 'Balance Account' (opening balance and transactions during the current year) is shown in both the columns under "Account Amount".

406: The accuracy of the Trial Balance sheet is proved by the following tests;

- (i) The total 'debits' and 'credits' under the column 'Account Amount' should agree.
- (ii) The debits and credits under 'Balance Amount' should agree.
- (iii) The grand total of----
 - (a) Totals under columns 'Account Amount'
 - (b) Totals under the column 'Balance Amount' and
 - (c) The figures shown under "8999- Cash Balance Deposits with Reserve Bank" in Consolidated Abstract of Receipts and Charges should agree with the journal total.

407: Statement 1 - Statement of Financial Position

Details of financial position of the Government for the year under reference are furnished in the form of Assets and Liabilities. There are two amount columns of which the inner column

contains the data for the current year and the outer column contains the data for the year previous to the current year to enable comparison.

408: Statement 2 - Statement of Receipts and Disbursements

This is a Summarised Statement of Receipts and Disbursements for the current year, further sub-divided into Section A: Revenue and Section B: Capital. This encompasses the transactions under all the three parts viz., Part I – Consolidated Fund, Part II – Contingency Fund and Part III – Public Account.

409: Statement 3 - Statement of Receipts (Consolidated Fund)

This is a Summarised Statement of Receipts confined to Consolidated Fund only containing actual realization under I. Tax and Non-Tax Revenue, II. Grants from Government of India and III. Capital, Public Debt and other receipts. The methodology used in the presentation of this statement is to avoid major head numbers and to present only functional nomenclature.

410: Statement 4 - Statement of Expenditure (Consolidated Fund) : By function and nature

This is a summarized statement wherein the first part contains grouping of expenditure by functions (major head-wise) and the second part by nature (object head level) . Grouping followed in the first part is as follows 1. General, 2. Social and 3. Economic Services. In the second part, the expenditure by nature, listing followed is object head wise in descending order.

411: Statement No. 6 – Statement of Borrowings and other Liabilities :

This is a summarized Statement drawn up in two parts viz., Public Debt and Other Liabilities . The accompanying Explanatory Notes to this Statement detail the amortization arrangements /appropriation for reduction or avoidance of debt, loans from Small Savings Fund, Loans and advances from Government of India, Market Loans etc., comparative information on the servicing of debt for the current year and year before current year.

412: Statement No.7 – Statement on Loans and Advances given by Government:

(i) This Statement contains sector/loanee-wise group information on the loans and advances given by Government. Details of loans and advances given by the State Government are furnished under the following categories:-

- (a) Loans for General Services
- (b) Loans for Social Services
- (c) Loans for Economic Services
- (d) Loans to Government Servants
- (e) Loans for Miscellaneous purposes.

(ii) This Statement is accompanied by details of recoveries in arrears of both principal and interest against Loans and Advances, the detailed accounts of which are maintained by the Departments. If this information is not made available, the fact of non-availability may be mentioned in this Statement. The expanded Statement also contains year-wise details for 3 years ending with the current year. Recoveries pending before this period are exhibited in aggregate in a separate column.

413: Statement No.15 – Detailed Statement of Borrowings and other Liabilities

This Statement contains details upto minor head level in respect of Public Debt and other interest bearing obligations of the Government. This Statement is accompanied by Annexure containing the following parts:

- (a) Item-wise details of Open Market Loans under the minor head “101”
- (b) Item-wise details of Loans from Other Institutions under the minor head “109”
- (c) Maturity Profile of Internal Debt payable in domestic currency
- (d) Maturity Profile of Loans and Advances from Central Government
- (e) Interest rate profile in respect of the Internal Debt of the State Government.
- (f) Interest rate profile in respect of Loans and Advances from Central Government

414: Statement No. 16 – Detailed Statement on Loans and Advances made by Government:

This Statement carries details upto sub head level of the loans and advances made by the Government during the year. Only those loans which close with a balance of Rupees 25 lakh or more are exhibited separately at sub head level. Loans with closing balances less than

Rupees 25 lakh are aggregated under the head "Other Loans " below the minor head concerned. Details of Loans and Advances for plan purposes are to be exhibited below each major head separately.

The additional information required to be given with effect from the year 2012-13 In respect of loans and advances as per IGAS-3 is as follows:

- Details of fresh loans issued during the current year
- Details of loans issued in perpetuity
- Details of loans issued to loanees from whom the recovery of past loans are in arrears

415: Statement No. 18 – Detailed Statement on Contingency Fund and Public Account transactions :

This Statement contains details of transactions at minor head level in respect of Part II Contingency Fund and Part III Public Account .

In respect of expenditure met from the Contingency Fund, the unrecouped amount, if any, relating to various heads of account should be indicated by means of a foot-note in Statement 18.

In respect of Part III Public Account, the following sectors are covered:

- (a) I Small Savings, Provident Fund etc.
- (b) J Reserve Funds
- (c) K Deposits and Advances
- (d) L Suspense and Miscellaneous
- (e) M Remittances .

In respect of Reserve Funds where separate investment account exist, care should be taken to separately work out and display credit balances of Fund Account and debit balances of Investment Account .by undertaking a thorough review of transactions occurring during the current year for tracing and correcting likely misclassification.

416: Statement No. 19 – Detailed Statement on Investments of Earmarked Funds

In this statement, the balances held under the various reserve funds including sinking fund/consolidated sinking fund are depicted with break up showing investments held and

cash balance held in a particular fund. In addition item-wise details of the investments held under sinking fund/consolidated sinking fund are furnished in the annexure to the Statement. Figures furnished in the Statement should agree with those in statement 18.

417: Appendix I :Cash Balances and Investment of Cash Balances:

The opening balance as on 1 April and the closing balance as on 31 March of the financial year under the following are furnished in this Statement.

- (a) General cash balance
- (b) Deposits with Reserve Bank
- (c) Investments held in the cash balance investment account
- (d) Other Cash balances and investments:
- (e) Cash with Departmental Officers viz., Public Works and Forest Departments
- (f) Permanent cash imprest for contingent expenditure with departmental officers
- (g) Investments of earmarked funds.

Explanatory notes are also given in respect of cash balance, details of investments from out of general cash balance and details of investments from out of earmarked funds.

418: Appendix V : Details of Externally Aided Projects.

This appendix gives the following details of Externally Aided projects:

- (a) Aid Agency
- (b) Scheme/Project name
- (c) Total Approved Assistance
- (d) Amount received from Government of India distinguished as grant/loan
- (e) Amount yet to be received from Government of India distinguished as grant/loan
- (f) Amount repaid to Government of India upto year preceding the current year, current year and the total.
- (g) Balance loan to be repaid to Government of India
- (h) Expenditure (Project/Scheme wise) upto the year preceding the current year, current year .

419: Appendix VI A : Plan Scheme Expenditure – (Central Plan)

This appendix gives details of Central Plan Schemes and Centrally Sponsored Schemes being operated in the State as follows:

- (a) Government of India Scheme
- (b) State Scheme corresponding to (a) above under which expenditure has been booked.
- (c) Type of Scheme viz. Normal/Tribal Sub plan/Scheduled Caste Sub Plan
- (d) Current year under Budget provision(State Budget)
- (e) Actuals for current year under
 - (i) Government of India release
 - (ii) Total Expenditure
- (f) Actuals for two preceding years in the same form as (e) above

420: Appendix VI B : Plan Scheme Expenditure – (State Plan)

This appendix gives a listing of 50 State Schemes arranged in descending order based on expenditure incurred during the current year. The following details are given:

- (a) Scheme name
- (b) Type of Scheme viz. Normal/Tribal Sub plan/Scheduled Caste Sub Plan
- (c) Plan Outlay for current year and two preceding years
- (d) Budget allocation for current year and two preceding years
- (e) Expenditure for current year and two preceding years

421: Appendix VII. Direct Transfer of Central Funds to Implementing Agencies in the

State In order to secure early implementation of Schemes, the Central Government have started the practice of transferring funds directly to several implementing agencies of the State Government/Non Governmental Organizations. The appendix gives details of 20 Schemes in descending order based on quantum of the funds transferred during the current year which are implemented by State Agencies.. Comparative figures for the year preceding the current year if available are also given. The appendix also contains a foot note indicating the amount of balance funds released to various agencies excluding the total arrived at in the Appendix. in the current year. The information for this appendix is obtained by

downloading from the designated portion of CGA's website and has to clearly indicate that the appendix contains unaudited figures.

422: Appendix VIII – Summary of balances under Consolidated Fund, Contingency Fund and Public Account

While preparing this Appendix, it should be seen that the opening balance in the "Government Account" agrees with that of last year's closing balance. If there is any difference between the current year's opening balance and the last year's closing balance (due to proforma correction), the details of all the Debt, Deposit and Remittance heads involved in these proforma corrections together with brief reasons should invariably be indicated for each individual correction below the Government Account. Full details of each particular item adjusted under section "Miscellaneous Government Account" and details of any other "Miscellaneous items" brought to Government Account should also be furnished. While doing so, the nature of the transactions adjusted there under should be indicated.

423: Appendix XIV. Implications of Major Policy Decisions of the Government :

This appendix lists the schemes implemented consequent on the policy decisions taken by the Government and the expenditure on the scheme with the following details:

- (a) Scheme name
- (b) Head of account operated
- (c) Final provision in the current year budget
- (d) Expenditure during the current year

As per instructions of Headquarters, the schemes to be selected for listing are to be identified by perusal of budget speeches to assess the magnitude of expenditure proposed on the scheme concerned

Consequent on the inclusion and numbering of the paragraphs 407 to 423, the paragraphs mentioned below will be renumbered as given hereunder:

SI no	Para number (existing)	Para number (revised)
1	419	424
2	420	425
3	421	426
4	425	427
5	426	428
6	427	429
7	428	430
8	429	431
9	430	432
10	431	433
11	432	434

424: The various processes should be completed on the due dates and the materials duly approved by the Accountant General, sent to the Appropriation Audit Department. Any delay in completion of this item of work should be brought to the notice of Accountant General and the section concerned warned in advance that the delay on its part is likely to entail corresponding delay in the compilation of the accounts.

425: A certificate in the form indicated below has to be furnished to the C&AG along with the printed copy of the State Finance Accounts. For this purpose the certificate in respect of each head is to be obtained from various DC sections dealing with Reserve Funds and Deposit Accounts and a Consolidated certificate furnished by Book Section to Appropriation Audit Department.

“ I certify that the debits and credits to the various Reserve Funds and Deposit Account were for the amounts authorized by the relevant Acts or rules of the Fund and there were no diversions for purpose other than those for which the funds were constituted or the grants were made.”

426: With the take over of the payment of central pensions hitherto paid at the state treasuries by the Public Sector Banks and the compilation thereof by the Central Pension

payment Authority, New Delhi, there is no question of rendition of Central Civil Accounts and statements relating to Union Appropriation Accounts and Statement of Central transaction by the Accountant General. However, the balances relating to Debt, Deposit and Remittance Heads of the Union Accounts relating to the various Ministries continue to be monitored by the Accountant General for purposes of proforma allocations of the figures to the Ministries concerned. A statement on this account is rendered to the Comptroller General of Accounts, with reference to the instructions to the instructions issued by him from time to time.

Review of Balances

Report on the clearance of outstanding balances under Suspense and Remittance heads and differences between Ledger and Broadsheet balances in respect of Debt, Deposit and Remittance Heads

427: After the final closure of the accounts for the year, an office order should be issued requiring all the sections maintaining the broadsheets for the various Debt, Deposit, Suspense and Remittance heads of Account to close the Broadsheets for the year duly incorporating the adjustments made in March Supplementary and Journal entries and to furnish necessary account particulars and other relevant materials in the forms prescribed after a thorough review of the outstanding balances and differences between the ledger and Broadsheet. Skeleton forms prescribed for use for the report are furnished in Annexures II to VI. These forms are to be used in subsequent years with suitable changes in the "Account years".

428: A report on the results of the review of outstanding balances under Suspense and Remittance heads and differences between Ledger and Broadsheet balances in respect of Debt, Deposit and Remittance heads of account is to be sent to CAG's office twice a year in the prescribed forms. The first report, otherwise called the "Main Report" for the year showing the position as at the end of the previous financial year and the clearance made upto 30th September is to be sent on 15th December and the follow up report by the 15th July of the following year showing clearances upto 31st March.

(CAG's letter No. 52-Comp 226-75 dated 14/1/76, filed in Book 2-2/Gen/79-80 Vol. II)

These reports should be accompanied by a report of personal appreciation by the AG indicating the progress of clearance and steps taken to clear the outstanding. The reports should be prepared in accordance with the instructions issued by the C&AG from time to time. The requisite materials for these reports should be furnished by the concerned sections in the prescribed forms so as to reach Book section by 15th October , 25th May of the year respectively. The action taken to clear the outstanding balances and differences should invariably be furnished by the sections along with the materials.

429: While submitting to the C&AG the report on outstanding balances under Suspense and Remittance heads and differences between ledger and broadsheet figures in respect of Debt, Deposit and Remittance heads a test check of the report shall be conducted by the IAD to satisfy (a) the completeness of the reporting of outstanding balances and differences to see that there is no omission of any head of account under which there is a balance; and (b) the reconciliability of the outstanding, so reported, with the net account figures to ensure that the total outstanding amounts agree with the net account figures. On the basis of this test check, a certificate to the effect that (a) the return is complete ie., that it is full report of outstanding balances and difference between ledger and broadsheet and (b) the balances reported in detail and in gross terms agree with the net figures in the Finance Accounts, shall be furnished with the report to be sent in December. If for any reason, such as non-completion of Finance Accounts etc. it is not feasible to do so with the first report, the certificate in any case must be furnished in the first follow up report.

Book Department should send the materials including ledgers and review reports furnished by the sections to IAD, a fortnight in advance to enable the latter to test check the report. In case of delay in finalizing the Finance Accounts, the materials should be sent immediately after the dispatch of the report so that the test check could be completed before finalizing the first follow up report.

(C&AG's letters No. 532-Comp/38-72 dated 18.5.72 and 674-Comp/179-71 dated 11.7.72, filed in Book 2-2/1972-73)

430: The sections should also furnish a statement of acceptances awaited under the Deposit and Loan head of account in the forms prescribed in Annexures IV A to enable Book

Department to consolidate these statements and forward them to CAG as Part III of the Suspense report.

431: A report detailing the arrears in the closing of Broadsheets due to be closed is also to be furnished to CAG as Part IV of this report. The sections should therefore furnish a report in the form indicated in annexure V showing the arrears in the closing of Broadsheets. If there are no arrears a 'nil' report should be invariably furnished.

432: The C&AG has also ordered that adverse or minus balances, if any, under Fund or Deposit heads should be specifically examined and immediate steps taken to correct them. As the action taken in this regard should be indicated as Part V in the Suspense reports on the Review of balances, the sections concerned should send a report to Book Department along with a statement prescribed as Annexure VI after a review of adverse balances if any, in the Broadsheets maintained by them.

433: Points which can be usefully touched upon in the appreciation Notes of the Accountant General to accompany the Suspense Report in terms of para 485 of MSO Tech Vol. I (Para 11.2 of Revised Edition) are indicated in Annexure VII.

(C&AG's letter No. 756-comp/223-75 dated 1.6.76)

434: The appreciation notes to be sent with the Reports should be exhaustive and should bring out critically the reasons for the outstanding balances/differences and concrete steps taken to reduce the balances/differences.

In order to have effective and qualitative review detailed analysis bringing out particularly technical difficulties, if any, in achieving early clearances strict observance or otherwise of codal provisions/procedures by the staff and officers concerned could be given in the Appreciation Notes.

Where large balances relating to old periods are in arrears, it should indicate the earliest date from which it fell into arrears, the reasons leading to the arrears, whether the reasons were pointed out by the Internal Audit Office and what measures were taken to rectify the discrepancy. As regards external factors, the difficulty faced in clearing the balance for such a long time, the latest reference issued to the Departmental authority or

State Government should also be indicated. Specific action taken in the case of a few large items should also be indicated.

(C&AG's letter No. 649-comp/118-79 dated 19.11.79)

Annexure I Deleted.

ANNEXURE II

PART I (MAIN REPORT 1993-94)

OUTSTANDING BALANCES (SUSPENSE AND REMITTANCE HEADS ONLY)

SEPARATE SHEETS SHOULD BE USED FOR EACH HEAD OF ACCOUNT

HEAD OF ACCOUNT:

DEBIT

CREDIT

Year	Out standing balance as on 31.3.94	No. of items	Clear ance made to the end of Sep.94	No. of items	Closing balance as on 31.3.94	No. of items	Year	Out standing balance as on 31.3.94	No. of items	Clear ance made to the end of Sep.94	No. of items	Closing balance as on 31.3.94	No. of items
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

PLUS ITEMS

PLUS ITEMS

From 19 to 19

1990-91

1991-92

1992-93

1993-94

TOTAL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-----	-----	-----	-----	-----	-----	-----	-----	-----	------	------	------	------	------

MINUS ITEMS

MINUS

ITEMS

From 19 to 19

1990-91

1991-92

1992-93

1993-94

TOTAL

Certified that (i) The Broadsheet for the Head has been closed to the end of March 1994.

(ii) The balance shown in the statement agrees with the figures to the end of 93-94 as per the closing .

Earliest year should be specified

Reference to clearance (in col. 4 and 10) if they pertain to clearance proposed in the Main Report

1993-94 should be furnished by means of footnotes distinctly.

ACCOUNTS OFFICER

ANNEXURE III

PART II (MAIN REPORT 1993-94)

OUTSTANDING DIFFERENCES BETWEEN BROADSHEET AND LEDGER (DEBT, DEPOSIT,
SUSPENSE AND REMITTANCE HEADS)

(SEPARATE SHEETS SHOULD BE USED FOR EACH HEAD OF ACCOUNT, SUB ACCOUNT)

HEAD OF ACCOUNT:

DEBIT

CREDIT

Year	Out standing balance as on 31.3.94	No. of items	Clear ance made to the end of Sep.94	No. of items	Closing balance as on 31.3.94	No. of items	Year	Out standing balance as on 31.3.94	No. of items	Clear ance made to the end of Sep.94	No. of items	Closing balance as on 31.3.94
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

PLUS ITEMS

PLUS ITEMS

From 19 to 19

1990-91

1991-92

1992-93

1993-94

TOTAL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-----	-----	-----	-----	-----	-----	-----	-----	-----	------	------	------	------	------

MINUS ITEMS

MINUS

ITEMS

From 19 to 19

1990-91

1991-92

1992-93

1993-94

TOTAL

Reference to clearance (in col. 4 and 10) if they pertain to clearance proposed in the Main Report 1993-94 should be furnished by means of footnotes distinctly.

(i) Certified that the Broadsheet for the above Head has been closed to the end of March 1994.

(ii) The differences shown in the statements agree with the figures of the Broadsheet closed to the end of 03/94.

ACCOUNTS OFFICER

ANNEXURE IV

SHOULD BE FURNISHED ON SEPARATE SHEETS FOR PART I AND PART II
 APPRECIATION NOTE REVIEW OF BALANCES FOLLOW UP REPORT 1993-94

1. Head of Account
2. Whether Part I Balances of Part II Differences
3. Broadsheet section
4. Sources from which Broadsheet figures is posted in the case of Part II differences

Nature of items		Total Balances/differences as on date as per col. 6 or col.12 of Part I or Part II		Clearance which will be shown in the next report		Proposals submitted if any, for writeoff		Amount which can be cleared by verifying records within our office		Amount under corresponde nce for clearance		Total of col. 3 to col.6	
(1)		(2)		(3)		(4)		(5)		(6)		(7)	
Amount	items	Amount	items	Amount	items	Amount	items	Amount	items	Amount	items	Amount	items

Debit

Plus Items

Upto 90-91

91-92

92-93

93-94

Debit

Minus Items

Upto 90-91

91-92

92-93

93-94

Credit Plus Items

Upto 90-91

91-92

92-93

93-94

Credit Minus Items

Upto 90-91

91-92

92-93

93-94

Col. 3: Reference to T.E's etc., and the month of adjustment may be indicated to guard against any wrong posting in this column by oversight.

Col. 4: State of action should be indicated in detail in respect of every item in this column indicating the sections with which the proposals are pending and from what date.

Col.5: In respect of each item pending, the nature of old records which is required to be verified such as Broadsheets, TE files, Treasury accounts, etc., should be clearly specified and also action taken to bring to the notice of the Group Officer/AG's cases of delay in making the records available to the Broadsheet sections.

Col.6: The items should be generally detailed treasury wise and department wise furnishing reference to the latest letter number indicating the level of correspondence (whether over the signature of Senior Deputy Accountant General of A.G.). if correspondence at the highest level has proved ineffective, it should be indicated whether the question of collecting the required data either through Inspection Party (ISC Inspections wing of Audit or Treasury Inspection of A.G,(A&E) or from the department has been considered and if so, with what results.

General: Various suggestions for quickening the process of clearance etc.

ACCOUNTS OFFICER

ANNEXURE IV A

(FOR APPENDIX III OF THE FINANCE ACCOUNTS)

PART III

MAIN REPORT 1993-94

STATEMENT OF ACCEPTANCE AWAITED UNDER DEPOSIT AND LOAN HEADS OF
ACCOUNTS

Head of Account

Section

Acceptance awaited as per previous report		Acceptance received upto 31.3.94		Balance due		Action taken to get the acceptance
Amount	No. of items	Amount	No. of items	Amount	No. of items	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Upto

1990-91

1991-92

1992-93

1993-94

(A) Earliest year should be specified.

Annexure IV B deleted

ACCOUNTS OFFICER

ANNEXURE V

PART IV

MAIN REPORT FOR 1993-94

STATEMENT OF BROADSHEETS MAINTAINED AND OF BROADSHEETS WHEREIN THE
CLOSING IS IN ARREARS

Head of Account	No. of Broadsheets maintained by the section	No. of Broadsheets for which closing is in arrears at the closing of 03/94 accounts	No. of months in arrears	Action taken to overtake the arrears
(1)	(2)	(3)	(4)	(5)

ACCOUNTS OFFICER

ANNEXURE VI

PART V

STATEMENT OF ADVERSE BALANCES

Head of Account	Year to which Adverse Balance relates	Amount	Action taken to clear the Adverse Balance
(1)	(2)	(3)	(4)

ACCOUNTS OFFICER

ANNEXURE VII

Point which can be usefully touched upon in the Appreciation Notes (of Accounts General) which are to accompany the periodical reports on balance/differences under Suspense and Remittance heads of Account in terms of para 11.2 of M.S.O. Tech (Vol.I)

PART I - BALANCES

- (i) Any unusually large increase in outstanding balances during the period under review under any head of account has to be examined and the reasons therefor analysed.
- (ii) Under some heads of account large amounts which remain uncleared may, in several cases, pertain to a relatively very small number of items. In such cases, some individual items for large amounts can be examined and reasons for their remaining outstanding analysed.
- (iii) Adverse or obviously incorrect balances which figure under certain heads of account should receive special notice.
- (iv) Where new offices have been created out of larger units or where balances have been adopted on allocation of balances due to reorganization of States etc., lack of descriptive details or itemwise breakup or other relevant data may be holding up action to settle the balances. In such cases where correspondence is not fetching the desired results taking administrative steps like sending a team of accountants to the parent unit to gather wanting data can be explored.
- (v) Huge balances under 'Suspense Accounts' may be indicative of undesirable practices such as drawal of imprests for pension amounts far in excess of requirements or delay in their adjustments. These can be examined critically and in depth in regard to specific cases.
- (vi) Outstandings under "PAO Suspense" may be due to deliberate in action on the part of the Departments concerned in settling the accounts due to the ways and means position of the Governments concerned. Scope for critical mention of such cases in the Audit Report can be examined.
- (vii) Outstanding under "Cash Remittances between Treasuries" would need special attention to ensure that systematic month by month linking and reconciliation of originating and responding transactions are done.
- (viii) Balances under "Departmental Adjusting account"/"unclassified suspense"/"RB Suspense" have to be examined to verify whether the drill laid down in paragraph 5.25 of MSO tech (Vol.I) in the case of the first head of account and the

procedures prescribed in Account Code for Accountants General for the others are being strictly observed.

PART II - Difference between Broadsheet and Ledger

- (i) Where differences relate to very old account years, the availability of relevant records in the accounts offices/Departmental Offices will be a relevant factor in guiding and directing lines of action.
- (ii) Remarks as at (ii) in Part I apply to this part also.
- (iii) Where individual items for petty amounts relating to old periods remain uncleared, scope for elimination of such items by resort to write-off may have to be explored.
- (iv) Where detailed accounts for the heads concerned are maintained by Departments and huge differences persist, institution of special procedures like deployment of special parties may have to be examined. These can be discussed in the appreciation Notes.
- (v) In certain categories of (iv) above a critical analysis of the reasons for the accumulation of the differences may throw up lacunae in procedure, if any. Analysis of some individual items by a special agency may be beneficial result.
- (vi) The state of maintenance of Difference Registers which should contain proper analysis of all the items of difference and the efficiency in reviewing these registers at appropriate supervisory levels in selective cases can be touched upon. The appreciation Notes may indicate specific heads of account where such an examination was conducted.

PART III – Acceptance of Balances

- (i) Outstanding items in regard to heads of account for which detailed accounts are maintained by the Accountants General would need more intensive attention than items pertaining to heads of Account for which the Departmental Officers maintain accounts. A tendency has crept in over the year to mechanically exhibit the outstanding items pertaining to very old periods even where the prescribed periods of repayment of loans might have expired long ago. In such cases, a critical examination of the outstanding items would be called for.
- (ii) In regard to head of account for which Departmental Officers are maintained detailed accounts, if acceptances are not being received for the same head of Account from the same Departmental officer for more than two to three years, the reasons for the same would need special examination in particular cases.

- (iii) Here also a review of selected cases to examine adequacy of the machinery watching acceptances and noting regularly receipt of acceptances may result in a reappraisal of the outstanding items.

PART IV – Arrears in Closing Broadsheets

- (i) The heads of account and the months of account for which the Broadsheets are not maintained have to be set forth in detail in this part. At present mere mention is made of the number of the period over which the Broadsheets are in arrears.
- (ii) In certain field offices, non-maintenance of Broadsheets relating to very old periods is being shown as arrears. These old arrears should receive special attention to check up (a) Reasons for the arrears (b) steps taken to reduce the arrears (c) the availability of relevant feeder records like schedules, vouchers, etc to facilitate clearance of arrears and (d) the relative importance of the particular Heads of Account. The Appreciation Note may cover all these aspects.

PART V - Adverse Balances

- (i) A review of items shown therein should be made to see the period from which the adverse balances continue to figure in the accounts. If such cases relate to old periods and involve substantial amounts, a critical analysis of individual cases would be necessary.
- (ii) Vague remarks such as “under correspondence with department’ etc. should be substituted by meaningful information as to the level at which correspondence is exchanged and the relevant dates thereof.

CHAPTER V

PUBLIC DEBT

501: The Public Debt of the State Government dealt with in Book Department comprises (i) Permanent Debt (ii) Floating Debt and (iii) Loans from the Central Government.

502: Permanent Debt: It includes all debt, which at the time when it is raised, has a currency of more than 12 months. The loans floated by the State Government in the open market under Art. 202 of the Constitution belong to this category.

503: Issue of New Loans: When the State Government decides upon the issue of a new loan, a loan notification is published in the Gazette. The notification details the terms and conditions under which subscriptions to the loan are to be received. The details are mainly in respect of:

- (1) the date/dates on which subscription will be received;
- (2) the total amount of subscription to be received;
- (3) the rate of interest payable on the loan;
- (4) the prices at which the securities will be issued and if the securities of any old loan are allowed to be converted, the terms for such conversion;
- (5) the date of repayment of the loan; and
- (6) the places at which subscription to the loan will be received.

504: A press communiqué indicating Debt position of the State is issued by the Government in connection with the floatation of each new loan. The draft material indicating the assets and liabilities of the State Government to be incorporated in the communiqué marked 'Secret' is sent to this office for verification of figures and for remarks.

(D.O.No.99229/W&MI/77-5, dt 26.07.77, File OML/8-38/77-78)

505: Copies of loan notification are forwarded to this office by the Government. The Reserve Bank of India, which arranges for the issue of scrips in accordance with the terms notified by Government, issues detailed instructions to all receiving offices in the form of "Loan circular letters" as the actual management of the loans and the maintenance of the loans and maintenance of the Central accounts relating thereto rest with the Reserve Bank

of India. Such loan circulars will specify the general and special features of the loan and the conditions of conversion of securities of old loans, if permitted and other instructions.

506: Entries to be passed in Government Accounts:

With the exception of payments on account of advance (anticipatory) interest on new loan, broken period/last half year's interest on old loans tendered for conversion and cash refunds on conversion, if any in terms of the relative loan notification, no entry will be passed in Government account in respect of the new loan. The net credits (net amount of cash received with applications for new loans and cash refunded in the case of partial allotment) which will represent the actual value of cash allotment calculated at the issue price will be transferred by the offices of the Reserve Bank of India and branches of Agent Banks for credit in Government Account at Reserve Bank of India, Central Accounts Section, Nagpur.

On receipt of the advice from these offices, the Reserve Bank of India, Central Accounts Section, Nagpur, will credit the amounts to Government Account and forward statements showing the names of the branches falling within the jurisdiction of each Public Debt Office, the amount credited by each of them and dates of credit, to the State Government and the Accountant General. On receipt of clearance memorandum from the Reserve Bank of India, Central Accounts Section, Nagpur and orders from the State Government the following adjustments will be made by Book Department.

Cash Portion:

Dr 8675 Deposit with Reserve Bank-
106. States – CAO Reserve Bank.
Cr. 6003. Internal Debt of the State Government –
101. Market Loans –
AA. Market Loans bearing Interest (Name of new loan)

Conversion:

Dr. 6003. Internal Debt of the State Government –
101. Market Loans –

AA. Market Loans bearing Interest (Name of new loan rendered for conversion)

Cr. 6003. Internal Debt of the State Government –

101. Market Loans –

AA. Market Loans bearing Interest (Name of new loan)

507: Branches of Agent Banks conducting Government Treasury business and offices of the Reserve Bank of India will pay advance (anticipatory) interest on the new loans, broken period interest/last half year’s interest on Government promissory notes of old loans offered for conversion and cash refunds on conversion if any by means of warrants which will be debited to Government Account on presentation and the fact of these payments certified on the relative application under proper authentication. The classified heads to which these debits will be taken in the Government Account will be as follows:

Nature of Debt	Classification
1.Advance (anticipatory) Interest on new loan	2049. Interest Payment 01.Interest on Internal Debt. 101. Interest on Market Loans ---% Loans (Name of the loan tendered for conversion)
2. Broken period of interest / last half years interest payable on the Government promissory notes of ----- tendered for conversion	-----do-----
3. Cash Refunds on conversion paid for difference between cash value of securities of -----(Name of the loan) tendered for conversion and the nearest lower multiple of the issue price of ----- ----- (Name of the new loan)	6003. Internal Debt of the State Government – 101. Market Loans -----Loan

Branches of State Bank of India not conducting State Government treasury business will transfer the debit to the nearest branch of the same bank conducting Government business for treasury adjustments in the manner explained above. These adjustments will appear in the treasury accounts.

(Para 36 of Reserve Bank of India Handbook on the issue of Government Loans)

508: On receipt of the Loan Notification and the Loan circulars issued by the Reserve Bank of India, they have to be scrutinized to see that the terms and conditions offered by the Government are within their competence, that the State Government have received necessary prior sanction of the Central Government under Article 293(3) of the Constitution and that the instructions issued by the Reserve Bank of India are complete in all respects from the accounting point of view.

509: When a loan matures for repayment the State Government issue a press communique announcing their intention to repay the loan on the date of maturity with all interest due. On receipt of the same, copies are sent to the Director of Treasuries and Accounts for issuing necessary instructions to the Treasury Officers. The Reserve Bank of India, Chennai also issues necessary instructions to the paying officers including the Treasuries. Please also see Para 415.

The amount representing unclaimed balances of old loans which have been notified for discharge and have ceased to bear interest from the due date of discharge will be transferred from the sub head "Market loans bearing interest" to the sub-head "Market Loans not bearing interest" and will appear under corresponding detailed heads under the latter sub-head. These unclaimed balances are usually retained in Government accounts as debt for 20 years from the date of discharge of the loan, as stipulated in para 205 of the Public Debt Office Manual of the RBI vide their inspection notes after which the balances are transferred to revenue by credit to the head "0075 – Miscellaneous General Services – 800 Other Receipts". Repayments of these amounts subsequently claimed are likewise debited to the head "2075- Miscellaneous General Services – 800 Other expenditure".

(Foot Note under the Major Head 6001. Internal Debt of the Central Government & the Major Head 6003. Internal Debt of the State Government in List of Major and Minor Heads)

510: Repayment of the principal of a security is made at the Public Debt Offices (Ahmedabad, Bangalore, Bombay, Calcutta, Hyderabad, Jaipur, Kanpur, Madras, Nagpur, New Delhi and Patna) or at the treasury, sub-treasury or branches of the State Bank of India

or its subsidiary Banks. In this State as the case may be, where it is enforced for payment of interest.

511: Securities discharged at Treasuries and Sub-Treasuries:

The procedure to be followed by the Treasury Officers and sub-Treasury Officers in making payment of the principal of Securities notified for discharge has been laid down in Chapter VIII of the Government Securities Manual (4th Edition).

512: In the case of payments at the treasuries and Sub-treasuries the debits are received through the Treasury Accounts (SA 27A), duly supported by the paid securities. After the discharge of securities are checked with the treasury accounts by LA VI and audited by AG(Audit), they are forwarded to the Public Debt Offices of the Reserve Bank of India concerned with a covering list by LA VI . A copy of the covering list should be sent to Book Department to reconcile the figures under 'Public Debt, Open Market Loans' in the books of this office with those of the Reserve Bank of India. On receipt of the securities in the Public Debt Office, Reserve Bank of India, whose which are in order are cancelled by that office. Securities which are not accepted are returned to the Treasury Officers concerned for rectification. The value of securities cancelled and held under objection is furnished to this officer in form C (Annexure III) every month by the Public Debt office of the Reserve Bank of India.

(Book /OML/9-1/211 dated 25.03..80)

513: Securities discharged at Public Debt Offices:

A security tendered for repayment of the principal amount due thereon at a Public Debt Office is passed for payment by that office, if the security is borne in its books; any security of foreign domicile (i.e) borne in the books of another Public Debt Office) is sent to the Public Debt Office) is sent to the Public Debt Office of domicile for payment.

514: The securities passed for payment by a Public Debt Office are cancelled in its books and the loan balance reduced. Payment is effected in the usual way or by means of a Government draft issued at par if the party desires 1 payment from a treasury or a branch of the State Bank of India or Reserve Bank of India.

515: Cancellation of securities passed for payment by a public Debt Office is reported to this office by the Public Debt Office concerned in form A (Annexure I). As all the securities passed for payment may not actually be encashed in the same month, a statement showing the details of securities paid and outstanding is also furnished by the Public Debt Office in the form B (Annexure II). This statement enables reconciliation of the difference between the balance reduced by the Public Debt Office and the debits raised in the books of this office on account of payments at Madras and other places in the State and debits passed on to this office by the other accounts officers on account of payment by other Public Debt Offices.

Note: The amount in column 2 of the statement in form B should agree with the total in statement in form A

516: Securities tendered for conversion:

The amount of securities accepted for conversion is reduced in the books of the Public Debt Office and this reduction is shown separately in the statement sent to this office every month by the Reserve Bank of India. After the applications for the new loan are disposed of, a detailed statement of all the applications (Cash and conversion) is furnished to this office by parent Public Debt Office. On the basis of this statement, the value of the securities shown by the Reserve Bank of India as discharged by conversion can be verified.

(Letter No. 25-63/64-3590 dated 30.11.63 from Reserve Bank of India file OML /9-5/79-80)

517: Reconciliation of balances relating to Loans under discharge.

In the case of loans under discharge differences are bound to occur between the balances of these loans as maintained by the Reserve Bank of India and those in the books of this office. This is mainly due to the following reasons:

- (i) In the case of securities discharged at treasuries, the debits in the accounts appear in the month in which the securities are paid, whereas the cancellation and consequent reduction in balances in the Public Debt Offices in respect of discharged securities can be made only 3 to 4 months later i.e., after the Public Debt Office, Chennai receives from this office the securities discharged at the treasuries.

- (ii) In the case of securities tendered for discharge at the Public Debt Offices, the securities are first cancelled and the loan balances reduced before pay order is issued, whereas the debits appear in the accounts only when the actual payment has been made.

Therefore, in the first case, the difference will be due to debits not corresponding, with cancellation and in the second case cancellation not corresponding with debits. The reconciliation of two sets of figures really amounts to watching cancellation against debits in the case of payments in treasuries and sub-treasuries and of debits against cancellation in the case of payments by the Public Offices. This reconciliation is done through loan Broadsheets, the procedure for the maintenance of which is detailed below.

519. The transaction in all Public Debt Offices during a month are consolidated by the Central Debt Section of the Central Office of the Reserve Bank of India, Bombay which sends to this office a quarterly statement, indicating loanwise, the opening balances on the first day of the quarter, receipts during the quarter, total payments during the quarter and the closing balance at the end of the quarter. The balances are verified and the fact reported to the Public Debt Office, Bombay. To analyze the difference between the balance of a loan as per the books of this office and the balance of the loan as per the Bank, Subsidiary Registers in forms 1 to 4 (Vide Annexure IV) are maintained, separate sets of pages allotted for each loan. (i) Register No. 1 is filled in from the statements in Form 'B' received from the various Public Debt Offices. (ii) Receipts of Debits in respect of payments made at various Public Debt Offices vide Register No. 1 are watched through the Register No.2. The sum total of the balances as arrived at in Registers No.1 and 2 indicates the amount yet to be debited in the accounts in respect of securities cancelled by the Public Debt Offices(vide para 514). (iii) In the case of securities tendered for conversion, a Register No.3 is maintained to watch the receipt of debit through transfer entries against securities cancelled on conversion as indicated in the statement received from the Reserve Bank of India, Central Debt Section, Bombay (iv) Register No.4 indicates the monthly debits in the treasury accounts and amounts of securities cancelled by the Public Debt Offices, Madras against those debits. Information regarding cancelled securities etc., is gathered from statement in form "C"

furnished by the Bank. The ‘balance’ will represent securities to be cancelled by the Public Debt Offices, Madras in respect of payments made at the treasuries (vide para 512).

SPECIAL SECURITIES

519(A): “Grant of loans from NSSF formed out of Small Savings Collections”

(i) As per the revised arrangements, the Central Government will make investments in Special State Government Securities issued by the respective State Government (MH-8007 Investments of National Small Savings Fund(NSSF)-103 -Investment in Special State Government Securities-Name of the State as sub Head). NSSF was created with effect from the year 1999-2000. Consequent on implementation of funding arrangements, with the advent of new NSSF, formed out of Small Savings Collections in the books of Central Government with effect from 01.04.1999, the mobilization of funds is done by the State Government through the issue of Special Securities. Hence, the funds mobilized are no longer classifiable under the Major Head- 6004.Loans and Advances from Central Government but must be classified under ‘MH- 6003-Internal debt of State Government – 111.Special Securities issued to NSSF of Central Government.

(ii)Notification in the official Gazette

The State Government through the Notification in the official Gazette lays down the following in respect of subscription to NSSF.

- (a)The name of the scheme
- (b)Objective
- (c)Eligibility conditions
- (d)Minimum subscriptions
- (e) Form of securities
- (f) Price date of issue
- (g)Tenure
- (h)Interest
- (i)Repayments
- (j)Transfers and conversions

(k) Statutory provisions

In pursuance of the above, separate Gazette Notification were issued by the State Government in the years 2001,2002,2003,2004,2005. With effect from 2006, No separate Gazette Notification was issued as the Notification issued in 2006 laid down standard terms and conditions including interest rates to be applied prospectively without any change. If there are any changes in the terms and conditions, separate Notification will be issued by State Government in the year of change.

(iii) The accounting procedure in State books will be as follows:-

The operations in respect of National Special Securities issued under NSSF are entirely managed by Reserve Bank of India, Nagpur and based on advices from RBI, Nagpur through relevant Clearance Memorandum, accounting adjustments are effected in this State books. **State Treasuries have no role in regard to the adjustments of both receipts and repayments of Special Securities.**

(a) Accounting entries for issue of securities

Cash portion

Dr 8675 Deposits with Reserve Bank of India

106 States

CAO Reserve Bank

Cr 6003 Internal Debt of State Government

111 Special Securities issued to NSSF of Central Government

Relevant subhead opened at the time of issue of Special Securities

At the subhead level, the year of issue will be indicated in the nomenclature.

The rate of interest payable in respect of Securities issued during a particular year will be uniform irrespective of the number of issues during the year.

(b) Payment of Interest

Cash portion

Dr 2049 Interest Payment

01 Interest on Internal debt of State Government

123 Interest on Special Securities issued to NSSF of Central Government

Relevant subhead
Cr 8675 Deposits with Reserve Bank of India
106 States
CAO Reserve Bank

(c) Repayment of Principal

Cash portion

Dr 6003 Internal Debt of State Government
111 Special Securities issued to NSSF of Central Government
Relevant subhead
Cr 8675 Deposits with Reserve Bank of India
106 States
CAO Reserve Bank

520: Maintenance of Broadsheet

A Broadsheet in form 'D' (vide Annexure V) is maintained for reconciliation of two sets of figures for each quarter and for each loan. A separate page is allotted for each quarter and transactions relating to all the loan during a quarter are consolidated. The ledger figures are taken from the Consolidated Abstract – SA 27A, while the Bank figures are taken from the quarterly statement received from the Central Debt Section of the Central Office the Reserve Bank of India, Bombay. The reasons for the difference between the Bank balance and ledger balance which will be available in the subsidiary registers in forms 1 to 4 will be indicated in the relevant columns of the Broadsheet in so far as the loans under discharge are concerned.

A Broadsheet for transactions under 'MH- 6003-Internal Debt of State Government-111.Special Securities issued to NSSF of Central Government is maintained in Book Department and is closed and submitted to Branch Officer on the last day of the second succeeding month. The difference between the broadsheet and ledger is to be analysed every month and prompt action taken for their clearance. After the close of the year, the balances of the loans outstanding under "6003-Internal Debt of State Government-

111.Special Securities issued to NSSF of Central Government” is communicated to the State Government for acceptance.

(CAG’s Letter No. 344-AC-I/60-99-II dated 05.07.2000)

521: The Broadsheet should be submitted to the Branch Officer on the last working day of the second month following that to which the transactions relate.

522: After the accounts of the year are closed, the balance in respect of each loan is communicated to the State Government for acceptance.

Arrangements for Amortisation:

523: Depreciation Fund:

A sum equal to 1.5% of the total nominal amount of the loan is set apart from revenues annually to form a Depreciation Fund for purchasing the securities of the loans for cancelation. This Depreciation Fund is only a part of Sinking Fund.

524: Sinking Fund (Obligatory)

The Fourth Finance Commission has expressed the view that the accumulations in the General Sinking Fund should be sufficient to discharge the outstanding balance of the loan in full on maturity. Keeping this recommendation in view the Government decided to provide funds for full amortization of open market loans with effect from 1966-67. An annual contribution from revenues is to be made to the Sinking Fund for amortization of the loans. A Consolidated Sinking Fund for all the loans floated is maintained provided contributions relating to each loan are continued in respect of all the Sinking Funds, the maintenance of which is obligatory under any law or undertaking given by the Government in the case of any such loans.

(i) G.O. Ms. No.251 Finance (W&M) dt 21.03.80 File OML/9-5/80-81

(ii) CAG’s Letter No. 2152-AC/155-57 dt 21.12.78 File OML/9-5/77-79

The following principle is adopted by the Government of Tamil Nadu in arriving at the quantum of contribution.

For a loan bearing interest at 5.75% per annum and having a currency of 12 years, contributions should be made for a period of 11 years commencing from the year following the year in which the loan was raised allowing an interest of 5.25 % per annum (half a

percent less than the borrowing rate). This margin of half a percent will cover delay in investing the contributions and also the variations, if any, in the rates of interest allowed on other Governments Securities. From the amount so arrived at, contribution equal to 1.5% of the total nominal value of the loans is made to the Depreciation Fund. The balance is provided for the “ General Sinking Fund “ (Letter No.39803/R1/69-1 dated 24..04.69 from the Government of Tamil Nadu ,filed in 9-5/1968-69 OML unit of Book section)

Footnotes under “8222-Sinking Funds“ in the list of Major and Minor heads of account lay down the accounting procedure to be followed in respect of the Sinking Funds. The adjustments referred to therein are made by Book Department on receipt of orders of Government authorizing the adjustment.

Vide GO(RT) No. 297 Finance (W&M) Department dated 27.03.2003 , the State Government have clarified that from the financial year 1997-98, it has been decided that no provision be made in specific contribution in respect of obligatory sinking funds.

525: Sinking Fund Investment Account (Obligatory)

The accounting procedure in cases where amounts at credit of Sinking Funds are invested is laid down in Footnote under “8222 Sinking Funds” in the list of Major and Minor Heads of account. The amounts expended on the purchase of securities should be debited to the head “8222 Sinking Funds-02-Sinking Fund investment Account – 101- Sinking Funds’. Investment Account which will be credited to the same extent when the securities are sold, any profit or loss arising out of the Investment being transferred to the head ‘8222-Sinking Funds – 01 – Appropriation for reduction or avoidance of Debt – 101 – Sinking Funds’. Interest realised on securities purchase on the investments account should be credited and any payment of advance interest on securities purchased on that account should be debited to the head ‘Sinking Fund’ unless the respective Governments decide that such receipt on interest and payment of advance interest on securities purchased will be taken to the revenue account under “0049-Interest Receipts/2049 Interest Payments”.

These adjustments are made by Book Department on receipt of clearance memoranda from Reserve Bank of India, Central Accounts Section and after obtaining from the State Government the details of the Sinking Fund from which the investments were made.

In the case of investments which could not be linked to Sinking Funds of any particular loan, the interest realised from such investments should be credited to "0049-Interest Receipts – 04. Interest Receipts of State/Union Territory Governments – 800 -Other receipts" – Interest Receipt on account of Investment of Sinking Fund – Balances not linked to any particular loan.

- (i) CAG's letter No.420-AC/14-66 dt. 13.5.66 File 9-5/66-67
- (ii) CAG's letter No.387-Rep/4-68 dt. 12-2-68 File OML/9-5/67-68.

NOTE- It has been decided that the State Governments need not be pressed to take a policy decision duly approved by the State Legislature on how the balances under the Sinking Funds should be invested. However, it is open to audit to highlight specifically in the Audit Reports investments, which are considered unsound.

(Ref. CAG's Letter No.628-Rep/205-65/Vol.I,Part II.dt.13.4.71 filed in case 9-5/70-71)

Even though contribution to the obligatory Sinking fund were discontinued by the State Government with effect from 1997-98 onwards, the corpus of the Fund, accretions to the Fund and investments from the Fund continue to be operated by Reserve Bank of India, Nagpur.

525A: Consolidated Sinking Fund

The twelfth Finance Commission had recommended in chapter 12 "Debt position of States, relief and corrective measure" that all States set up Sinking Funds for amortization of all loans including loans from Banks, liabilities on account of NSSF etc. Hence, necessary corrective measures had to be taken to deal with future repayment requirements.

In pursuance of the above objectives, Tamil Nadu State Government issued a Notification in Tamil Nadu State Government Gazette extraordinary (Publication No.66 dated FRIDAY, MARCH – 10 , 2006) – the Constitution of " Tamil Nadu Consolidated Sinking Fund" to come into effect from the financial year 2005-06. The Fund is to be utilized for

redemption of Open Market Loan of the Government commencing from the financial year 2012-13.

Contribution to the Fund and other matters

The Government may contribute to the Fund on a modest scale of 1 to 3 percent of the outstanding open Market loans as at the end of the previous year beginning with the financial year 2005-2006 and endeavour to increase the contributions to a level of 3 percent or more on the outstanding open market loans of the immediately preceding year. There is no ceiling on such contributions to the Fund in terms of number or amount of contributions in a year, It is open to the Government to invest in the Fund from the General revenue at any time or from other sources such as disinvestment proceeds to the Fund at its discretion.

The corpus of the Fund comprising periodical contribution and accretions is kept outside the General revenues. Accretions to the Fund shall be invested in Government of India Securities. The Fund and investment shall be administered by Reserve Bank of India, Nagpur. The Contribution to the Fund as well as the periodic accretions by way of Interest income shall be invested by the Reserve Bank in multiples of Rupees. 10,000/-

The Reserve Bank of India, Nagpur will be paid the commission at the rate 1/8 % of one per cent on the turnover of the Fund or at the rate to be mutually decided from time to time.

Accounts Audit

The accounts of the Fund and the investments shall be maintained by the Accountant General of the State in the normal course. The Bank will maintain subsidiary accounts in such manner and details as may be considered by the State Government in consultation with the Accountant General.

Accounting treatment for transactions

(a) For contribution from Revenues to the Fund

Debit	2048	Appropriation for Reduction or Avoidance of Debt
	00	Appropriation for Reduction or Avoidance of debt
	200	Other Appropriations
AB		Non – Obligatory Sinking Funds towards discharge of Open Market

Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.

30 Inter Accounts Transfer

Credit 8222 Sinking Funds

01 Appropriation for Reduction or Avoidance of Debt

102 Other Appropriations

AE Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.

01 Allocations to the Non-Obligatory Sinking Funds.

(b) For making Investments from the corpus of the Fund, the following accounting entries are passed through the books.

Debit 8222 Sinking Funds

02 Sinking Fund Investment Account

101 Sinking Fund Investment Account

AB Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.

02 Consolidated Sinking Fund Investment Account

Credit 8675 Deposits with Reserve Bank of India

106 States

CAO Reserve Bank

(c) For redemption/liquidation of Investments

Dr 8675 Deposits with Reserve Bank of India

106 States

CAO Reserve Bank

Cr 8222 Sinking Funds

02 Sinking Fund Investment Account

- 101 Sinking Fund Investment Account
 - AB Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.
- 02 Consolidated Sinking Fund Investment Account

(d) Entries for realization of Interest

The interest realized on investments are to be initially credited under the Head of account “MH-0049. Interest Receipts - 04. Interest of State/Union Territory Governments-800. Other Receipts - CB. Interest on investments from Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.

Simultaneously, an amount equivalent to the Interest credited under (a) above, will be charged to the Head of account

- | | | |
|----|------|---|
| Dr | 2048 | Appropriation for Reduction or Avoidance of Debt |
| | 00 | Appropriation for Reduction or Avoidance of Debt |
| | 200 | Other Appropriations |
| | AB | Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund. |
| | 30 | Inter Accounts Transfer |
| Cr | 8222 | Sinking Funds |
| | 01 | Appropriation for Reduction or Avoidance of Debt |
| | 102 | Other Appropriations |
| | AE | Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund. |
| | 01 | Allocations to the Non-Obligatory Sinking Funds. |

Note: The above method of accounting adopted for interest receipt serves dual purpose.

- (i) To indicate the quantum of interest received on investments under a distinct Head of account.
- (ii) To ensure that the entire quantum of accretions through the receipt is added to the corpus of the Consolidated Sinking Fund.

(e) Accounting for Advance Interest

Central Government Securities are purchased by using the investment account under the Sinking Fund account. There is a likely hood that at the time of making Investments the securities have coupon dates (fixed dates) for payment of interest to the present holder irrespective of the date of purchase of Securities. Hence, the interest payable on the security prior to the date of investments should be treated as unearned interest as far as the investor is concerned. Since, interest is paid on the securities in fixed quantum on coupon date, the unearned interest has to be offset against the fixed interest and refunded to the issuer of the security through advance interest.

The accounting treatment is as follows.

Example: The entry for advance interest is as follows:-

Dr	2049	Interest Payments
	05	Interest on Reserve Funds
	105	Interest on General and other Reserve Funds
	I	Non-Plan
	AG	Advance payment of Interest on purchase of securities from
		Non – Obligatory Sinking Funds towards discharge of Open Market
		Loans, Central Government Loans and Special Securities issued to
		National Small Savings Fund.
	25	Interest
Cr	8675	Deposits with Reserve Bank of India
	106	States
		CAO Reserve Bank

(f) Accounting of loss/gain on sale of securities

The investment in securities when discharged / prematurely liquidated through surrender before due date may result in gain or loss accordingly.

In case of gain, the corpus of the Fund will get augmented to the extent of gain (credited). In the case of loss ,the corpus of the Fund will get depleted to the extent of loss(debited). The gain or loss arising out of the investments shall be transferred to the following new head of account .

- 8222 Sinking Funds
 - 01 Appropriation for Reduction or Avoidance of Debt
 - 102 Other Appropriations
 - AE Non – Obligatory Sinking Funds towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.
 - 03 Gain or Loss on sale of securities

(g) Management Charges.

In the operation of Sinking Fund transactions, incidental charges are incurred such as commission, brokerage etc, on investments and sale of Securities.

The accounting entries, for this adjustment is as follows.

- Dr 2049 Interest Payments
 - 05 Interest on Reserve Funds
 - 105 Interest on General and other Reserve Funds
 - I - Non-Plan
 - AF Management of Non – Obligatory Sinking Funds Investment Account towards discharge of Open Market Loans, Central Government Loans and Special Securities issued to National Small Savings Fund.
 - 33 Payment for Professional and Special Services
 - 09 Other Payments
- Cr 8675 Deposits with Reserve Bank of India
 - 106 States
 - CAO Reserve Bank

Note:

All the accounting entries relating to Consolidated Sinking Fund investment transactions (Interest accretions, investments and redemptions) are entirely operated by Reserve Bank of India, Nagpur, without affecting the cash Balances through Clearance Memoranda. Hence the entries passed in the books of Accountant General are memorandum entries only and since no clearance memoranda are involved, the debit or credit due to MH-Reserve Bank Deposits is replaced by the Major Head “MH.8658 – Suspense Account – 102 Civil”. Moreover, the transactions, even though carried through suspense, are immediately paired off by related transactions.

526: Broadsheets are maintained in the section for the following Funds.

- a) Sinking Fund (Obligatory)
- b) Sinking Fund Investments(Obligatory)
- c) Consolidated Sinking Fund
- d) Consolidated Sinking Fund Investments

These broadsheets are posted from the periodical interest slips received from Reserve Bank of India, Nagpur, Securities Department and intimations received from them regarding purchase /Sale of securities, relating to the Sinking Fund Investment Accounts of (a) Sinking Fund (Obligatory) and (b) Consolidated Sinking Fund . The total monthly receipt and payment in this broadsheet should be agreed with the Ledger figures and difference, if any, explained. The broadsheet is closed and submitted to the Branch Officer at the end of every second succeeding month.

527: After the closure of the accounts of every year, Book Department should communicate to the Finance Department of Tamil Nadu Government, the closing balances in the various Sinking Funds and under the Sinking Fund Investment Accounts and obtain from them a certificate accepting the correctness of balances.

528: After the accounts for March (Journal) are closed, an account of the Sinking Funds and Sinking Fund Investment Account is prepared for inclusion as Annexure to Statement No. 19 of the Finance Accounts. For this purpose, the market value of the securities held in the investment account should be ascertained from the State Government.

529: 4% Land Ceiling Compensation Bonds : under the Tamil Nadu Reforms (Fixation of Ceiling on Land) Act, 1961 (Tamil Nadu Act 58 of 1961) land above the ceiling limit in the possession of land holders are to be taken over by the Government.

The Tamil Nadu Land Reforms (Compensation for Surplus Land) Rules, 1966, framed under the said Act, lays down that the compensation to land holders for the surplus land taken over by Government shall be payable in the shape of 4% Tamil Nadu ceiling Compensation Bond's of the denomination of Rs. 50, Rs. 100, Rs 200, Rs. 500, Rs. 1000, Rs. 5000, and Rs. 10,000 according to the amount of Compensation. Where however, the amount of compensation is less than Rs. 50/- or whereafter the issue of bonds, there is a balance of compensation which is less than Rs. 50/- such amount or balance shall be payable in cash. The bonds are issued by the Reserve Bank of India through the "Authorized Officers". This practice was in vogue upto 1977-78.

When bonds are issued, the expenditure will be debited to "5475. Capital Outlay on other General Economic Services—Land Ceilings" per contra credit to "6003---Internal Debt of the State Government--- Compensation and other bonds". The expenditure towards payment made on the bonds will be debited to "6003---Internal Debt of the State Government---Compensation and other Bonds". An annual adjustment in respect of payments made on bonds will be made by debit to "3475—Other General Economics Service—201 ---Land Ceilings" with corresponding credit to "5475—Capital Outlay on Other General Economic Services---101---Land Ceilings'. The cash portion of compensation for amounts less than Rs. 50/- will be directly debited to "3475—Other General Economic Services---201---Land Ceilings".

As per G.O. Ms. No. 1898 (Revenue) dated 30-9-77, compensation to land holders for the surplus lands taken over by the Government should be paid in cash instead of in shape of bonds with effect from 1978-79. The compensation amount for less than Rs.2,000/-- will be paid in one instalment. Compensation exceeding Rs.2,000/- will be paid in ten equated annual instalments of principal and interest once in a quarter. Interest has to be calculated on the compensation amount due for the period commencing from the date from which it is due.

The compensation amount is debitable to the head of account "3475---Other General Economic Services---201---Land Ceiling---I. Non-Plan---Cash compensation paid under Tamil Nadu Reforms (F.C.L) Act, 1961 " Interest on compensation is debitable to the head of account "2049—Interest payments---60. Interest on other obligations—701—Miscellaneous---I. Non-Plan—Interest on compensation under Tamil Nadu Land Ceiling Act".

[G.O.Ms. No. 1898 (Revenue) dated 30.9.77

G.O.Ms. No. 186 (Revenue) dated 27.1.78

G.O.Ms. No. 1401 (Revenue) dated 15.6.78

CAG's Letter No. 1707-AC/68-79 dated 7.8.79 DCM/15-12/VOL/17/79-80]

530: Writing off the outstanding balances in respect of 4% Land ceiling Compensation Bonds 1961

A review was conducted by this office on the transactions occurring with respect to 4 % Tamil Nadu Land ceiling Bonds 1967 and it was found that no transactions had taken place since 1993-94 as per the records of this office. Further, on an enquiry from this office, most of the treasuries replied that no paid securities in regard to the scheme available with them. Hence, the Government was advised by this office to examine the matter for issue of order for writing off the balances outstanding under the Head "6003-106" from the books in 7/2004 .

The Government vide their Government Order (D) No. 189, Finance Department dated 14.04.2004 ordered the write off of ₹ 8,49,129/--outstanding balance as per the records of this office.

531: Management of Public Debt:

The Public Debt of the State Government is managed by the Reserve Bank of India, Public Debt Office, Madras and bill for the half yearly remuneration due to them presented by the letter after 30th June and 31st December is sent to this office by the State Government for check. The bill is returned after check in accordance with the provisions of clauses 8 and 9 of the agreement with the Reserve Bank (Vide appendix I to Tamil Nadu Treasury Code Volume II).

532: Floating Debt:

Floating Debt comprised borrowings of a purely temporary nature such as Treasury Bills, Ways and Means Advances from the Reserve Bank with a currency of not more than twelve months and overdrafts from the Reserve Bank. The accounting procedure to be followed in this regard has been explained in paragraphs 218 to 223 of ' Chapter 2 – Civil Accounts '.

533: Loans from the Central Government :

The detailed accounts of loans granted by the Central Government to the State Government are maintained in Book Department. Necessary adjustments relating to the payment and repayment of these loans are also made by that Department. The detailed procedure to be followed in this regard is set out in the succeeding paragraphs.

534: Loans from the Central Government to State Government fall under the following classes:

1. Loans for State Plan Schemes;
2. Loans for Central Plan Schemes;
3. Loans for Centrally Sponsored Plan Schemes;
4. Non-Plan Loans and Advances ; and
5. Ways and Means Assistance.

535: The orders of Government of India sanctioning the loan to the State Government are issued with the concurrence either of the Ministry of Finance or of the Internal Financial Adviser of the Administrative Ministry concerned, or under the rule 20 of the Delegation of Financial Power Rules , 1978 , and are addressed to the Principal Accounts Officer of the Ministry/ Department concerned. Copies of the sanction are endorsed to the Accountant General among others. In addition to the usual checks exercised for audit of sanctions, the defect omissions of the following type noticed in the sanctions, if any are referred to the sanctioning authorities/ Ministries sanctioning of the loan for clarification.

- (a) Sanctions for payment accorded for the financial year as a whole without indicating the amount of loan to be paid at a time;
- (b) Sanctions issued without settlement of terms and conditions and payment subject to the acceptance of the terms and conditions by the State Government;

- (c) Loans required to be credited to the State Government as and when demanded by them;
- (d) Payment of loans subject to clarification by the Planning Commission on certain points;
- (e) Sanction wherein the actual amount to be paid is not specified;
- (f) Sanctions where rate of interest is not specified;
- (g) Sanctions where instalments of a loan would workout to fraction of a paisa; and
- (h) When the progressive amount of the loan sanctioned, inclusive of the loan under consideration as indicated in the sanction does not agree with that in the subsidiary loan ledgers of this office.

The several particulars relating to the loans such as purpose of the loan, number and date of the order sanctioning the loan, amount of loan, rate of interest, penal interest in case of default, mode of repayment, the loan amount of annuity or amount of each instalment of repayment etc., are entered in a subsidiary loan ledger in form SY 113, a separate folio being used to record each loan. In the ledger separate sets of folios are allotted to each sanctioning authority. The entries in the subsidiary loan ledgers are attested by the Section Officer. The folio numbers are entered against the relevant dates of the year allotted in the due date register.

Note: All loans sanctioned to the State Government from 10-06-68 are required to be recovered in equal annual instalments of principal together with interest due on the outstanding principal from time to time.

[G.I.M.F (DEA) Letter No. F7(4)/W&M/68 dated 10.06.68 filed in Book/LI/8-24/67-69]

536: On receipt of the Government of India letters sanctioning loans to the State Government, the Principal Accounts Officer of the Ministry/Department concerned will issue necessary advices to the Reserve Bank of India, Central Accounts Section, Nagpur for effecting monetary settlement in the books of the Bank between the Central and State Governments and send copies of the advices to this office for making necessary adjustment

in our books. The Reserve Bank of India, Central Accounts Section, Nagpur will make necessary adjustments in their books and will send the necessary clearance memorandum to AC I section indicating therein the dates on which the loan amounts have been credited to the State Government in their books. On receipt of the clearance memorandum, AC I will propose the following transfer entry.

Dr 8675 Deposits with Reserve Bank
106. State – CAS Reserve Bank
To 8658. Suspense Account
110. Reserve Bank – Suspense Central
Accounts Office.
Principal Accounts Officer, Ministry of -----
Department of ----- Cr.

On receipt of full details along with the advice, AC I section will see whether the details work upto the total amount shown in the clearance memorandum, reconcile the difference, if any and deal with the clearance memorandum in the same manner as a settlement account by the issue of suspense slips to Book Department for making necessary adjustment to the finalheads by making the following entries in the Settlement Abstract.

Dr. 8658. Suspense Account
110. Reserve Bank Suspense – CAO Principal
Accounts Officer, Ministry of -----
Department of ----- (Deduct from Receipts)
To 8658. Suspense Account
Department Adjusting Account.
Account No. 27A.....Cr.

On receipt of the Suspense Slips along with the details viz., - Sanction letters etc., from AC I Book Department will propose the following transfer entry.

Dr 8658. Suspense Account

111 Departmental Adjusting Account.

Account No. 27A (Deduct from Receipts)

Cr. 6004. Loans and Advances from the Central Government.

The transfer entry should be approved by the Branch Officer and sent to the compilation section (LA 6) for booking. The purpose of the loan noted in the sanction order is taken as the sub-head under the relevant Minor Head subordinate to the Major Head '6004. Loans and Advances from the Central Government in the State section.

(Lr. No. F2 (45)/76-SC/2046 dt.30.08.76 from Government of India, Ministry of Finance, Department of Expenditure (S.C.) and O.O Book /8-2/76-77/154 dt. 9.11.76 file loans /8/2/76-77)

537: Scope of the term date of drawal of a loan by a State Government:

(a) When monetary settlement is involved:

Normally the calendar date on which the amount of loan is actually credited to the account of the State Government by the Reserve Bank is to be treated as the date of its drawal.

The above position will also hold good in cases where adjustment in accounts is made in one month but date of adjustment in books of the Reserve Bank falls in the following calendar month. The calendar date on which the credit is actually afforded to the State Government in the books of the Reserve Bank of India in such cases will be treated as the date of its drawal.

An exception to the above arrangement is in the case of loans for which credit is afforded to the recipient State Government in the month of April by the Reserve Bank but in the accounts of previous year. In such cases, a loan should be deemed to have been paid

on the 31st March of the financial year, in the accounts of which the payment is adjusted. Consequently, payment of annual interest as also repayment of instalment of principal in respect of such loans will fall due on 31st March of the succeeding years and not on the anniversaries of the calendar date in April on which intergovernmental adjustment on account of such loans was carried on in the books of the Reserve Bank of India.

(b) When no monetary settlement is involved:

In regard to cases where adjustments in the books of the Accounts Offices are only involved and actual credit through the Reserve Bank is not necessary, the last date of the month of account in which the adjustment is affected should be taken as the date of drawal of loan for purposes of repayment and charging interest.

[Copy of letter No. f13 (10) W&M/62 dt 15.11.65 of the Government of India, Ministry of Finance (DEA) received in CAG's reference No.2428 Tech Adm II 326-65, dt 25.11.65 file Book/LI/8-25/67-69)

Note: It has been decided by the C&AG that sanctions Involving Inter – Governmental adjustments issued by Government on or before 31st March of year , though received in Accountant General's offices after that date, may be accepted if otherwise in order and adjustments carried out through the Bank in the usual manner upto 25th April next, in the accounts of the preceding financial year.

[CAG's letter No. 1338 –AC /216-63 dt. 07.01.65 filed in AC I – Copy in Book/LI/8-28/67-69]

538: In case of “Ways and Means Advances for Plan Schemes” the amounts are initially credited under “6004 – Loans and Advances from Central Government – 06.1 Ways and Means Advances -101 - Ways and Means Advances for Plan Schemes”. On receipt of the final sanction letter of the Government of India, the above head of account is cleared by a minus credit if the adjustment is made within the same financial year of the Credit or by Debit to the above head if the adjustment is made in the following year and the credit is passed on to ‘1601- Grants-in-aid’ or “6004 – Loans and Advances from Central Government” as the case may be as indicated in the sanction letter converting the “Ways and Means Advances for Plan Schemes” into grant or loan respectively. The Ways and Means Advances

thus converted into regular loans will be deemed to have been credited to the State Government on 1st October of the year in which loan is sanctioned and will bear interest at the rate intimated in the letter according sanction for the provisional payment.

539: Repayment of Principal and payment of Interest by State Government:

A register showing the due date of repayment of each loan given by the Central Government to the Government of Tamil Nadu is maintained by Book Department. Separate pages are allotted for every week/every month and folio number of loan and date of repayment is noted. The repayments are arranged with reference to this register in the manner set out in paragraphs 540 and 541.

540: The Accountant General will arrange for repayments of principal and payment of interest on due dates by issuing necessary advice to the Reserve Bank of India, Central Accounts Section, Nagpur for crediting the balance of the Central Government by debit to the balances of the State Government.

Transfer entries for adjustments of repayment of principal and repayment of interest by the State Government will be made by Book Department as follows and necessary advise issued to CAS, Nagpur.

I Repayment of Principal:

Dr 6004. Loans and Advances from the Central Government etc.

To

8658. Suspense Accounts

111. Departmental Adjusting Account No. 27 D Cr.

II Payment of Interest:

2049. Interest Payments

04. Interest on Loans and Advances from Central Government etc.

To

8658. Suspense Accounts

111. Departmental Adjusting Account No. 27D Cr.

III. Contra Transfer Entry:

Dr. 8658. Suspense Accounts

111. Departmental Adjusting Account No. 27 D

(Deduct from Receipts)

To

8658. Suspense Account

110. Reserve Bank Suspense

Central Account Office

Principal Account Office

Ministry of

Cr.

These transfer entries should be got approved by the Branch Officer.

(CAG's letter No. 2671 / Admn I / 36-60, dt 17.10.62 File Book / DB Misc, Link File 1962-63)

The transfer entry no. III mentioned above is sent to AC I section with a statement in triplicate, showing the details of the repayment of principal / payment of interest for issue of advice to The Reserve Bank of India, Central Accounts Section, Nagpur for effecting monetary settlement. One copy of the advice of AC I together with on copy of the Statement is sent to the State Government and the other copy to the Pay and Accounts officer of the Ministry/Department concerned by AC I section. Necessary notings of the repayment of Principal / payment of Interest is made in the subsidiary Loan ledger maintained in Book Department and got attested by the Section Officer.

On receipt of Clearance Memoranda effecting monetary settlement for the repayment of principal/payment of interest the following Transfer Entry will be proposed by AC I section.

Dr. 8658. Suspense Accounts

110 Reserve Bank Suspense

Central Accounts Office

(Deduct from Receipts)

To 8675. Deposits with Reserve Bank
 106. States CAS – Reserve Bank Cr.

541: For this purpose, a register in the following form is maintained by Loan Unit of Book Department. Transfer entries are acknowledged by AC – I in the relevant column in the register. Date of return of TE and advice No. and date is also noted in the Register. On receipt of the clearance memo from the Reserve Bank of India, Nagpur, the number and date of the same is noted in the register, obtaining particulars from AC-I item rounded.

Sl No	Folio No.	TE No.	Cr. Dr.	Date of Monetary Settlement	Amount	Ack. by AC 1	Date of Return of TE from AC-1	Advice No. and Date	Clearance Memo. No. and Date
1	2	3	4	5	6	7	8	9	10

A forecast of repayment due for the second succeeding month is worked out each month (Vide par 539) while preparing the forecast of repayments a consolidated statement showing the date-wise repayment to be made in the succeeding month is sent to Reserve Bank of India, Nagpur through AC-I section to effect the monetary settlement. (This office letter No. BK/LI/8-Misc/374, dt.19.11.1969 and Reserve Bank of India letter No. C.A.S.G. 7931/6-69/70, dt 25.11.1969 filed in Book 8-Misc/69-70). The Register should be closed on the 3rd and 18th of every month and submitted to the Branch Officer after verifying that repayments have been arranged for in respect of all items falling due during the period for which the Register is closed.

542: Repayment falling due on a holiday

If the due date of repayment by the State Government of a Central Loan falls on Sunday or other holiday (including holidays observed by the Reserve Bank of India or the Treasury at which the effective credit is to take place), recovery of instalment of principal interest is to

be effected on the next working day following the holiday(s) and no interest need be charged for the day or days by which the recovery of the instalments due is thus postponed.

If, however, the principal or interest is repayable on the 31st March of a year and if that day happens to be a holiday, the recoveries should be made on the working day immediately preceding [vide also sub para 3 of para 537 (a)]

[Letter No. F13(10) W&M/62 dt 15.11.65 from the Government of India. Ministry of Finance (DEA)- Copy forwarded by C& AG in letter No. 2428 . Tech . Admn . II/326-65, dt 25.11.65 filed in Book /LI/8-25/67-69).

543: Rebate for Timely Repayment

In respect of loan sanctioned by the Government of India after 10th June 1968, a rebate of 0.25% in interest rate is allowed for timely repayment of principal and interest. In cases where the prescribed terms and conditions of loans provide for their repayment after a period for moratorium, the rate of 0.25% may also be allowed, during the period of moratorium in the event of timely payment of interest on loans.

(Letter No. F7 (4) W&M/68 dated 10.06.68 from the Government of India, Ministry of Finance (Department of Economic Affairs) filed in Book /LI/8-24/67-68).

Note: It has been clarified by the Government of India that to the extent repayments and interest payments of loans sanctioned by the Central Government to the Government of Tamil Nadu after 10th June 1968 are arranged for by this office on the due dates, the rebate of 0.25% interest rates allowed might be at the initial stage itself.

(Government of India, Ministry of Finance (DEA) letter No. F7(4) WM/68 dt.8.7.68 filed in Book LI/8-24/67-68)

544: Other Ways and Means Advances:

When a ways and Means Advances under the category of “ Other Ways and Means Advances “ is converted during the same year into a loan *ab initio* i.e., with effect from the date on which the original Ways and Means Advance was granted and the terms and conditions of the loan are applicable with effect from the date of actual payment of the Ways and Means Advance, there being no change in the basic characteristics of the

transaction, in such cases too, the conversion should be brought about in the manner indicated in para 538 above. Where, however, the conversion is done during the subsequent years, adjustments under the minor heads concerned should be done by proforma correction of balances only.

545: The conversion of a regular loan of Ways and means Advance under the category of “ Other Ways and Means Advances “ into a different loan from a date on which it was initially paid should be adjusted by debit in the State Books under “6004-Loans and Advances from the Central Government” irrespective of the fact whether the conversion is made in the same or different financial year. This also applies to the conversion of loans and other “Ways and Means Advances “ into grants, whether ab initio or otherwise and whether in the same or subsequent year.

546: No account adjustment should be made when a loan is converted ab initio a loan for a different purpose and or loan on different terms and conditions within the same or subsequent year.

(paras 538,544,546 & CAG’s letter No. 1377 AC.141.58 dt 23.09.59)

547: An office order containing the instructions to be followed by DC sections in respect of the adjustment of Central Assistance (Grants) for Plan Schemes against Ways and Advances sanctioned during the year is issued every year in the first week of March.

(File Book/LI/8-28/67-69)

548: Grant of the loans out of the collection of Small Savings:

The Government of India have decided that the loans to State Governments out of the Small Savings collections may be sanctioned on the basis of monthly figures of net collections. The payments will be provisional subject to readjustment in the following year based on final figures. Monthly payments during a particular year would be restricted to the loans payable in respect of the net collections for the first ten months of the year. The last sanction would convert the monthly payments into a consolidated loan repayable on the expiry of ten years carrying simple interest at the rates fixed from time to time and payable annually. Interest will also have to be paid by the State Government at the same rate on amounts outstanding from time to time in the interval between the drawal of the first and

last instalments during the year. The payments for the collections made in their month of March will be authorized for disbursement in the following financial years.

GIMF Letter No.F10/15/NS/57 dt 6.1.68, copy at annexure VII.

The Scheme came to an end with effect from 01.4.1999 with the advent of NSSF. However, repayments in respect of earlier loans taken under the scheme were made upto 31.05.2004

549: Adjustment in accounts when loan is cancelled subsequently:

As and when a loan is sanctioned by the Central Government and the necessary monetary settlement is effected between the two Governments, the amount of the loan has to be credited to the Consolidated Fund of the State in terms of Article 266(i) of the Constitution. Likewise, the subsequent repayment to the Central Government has to be treated as repayment of the loan to be made out of the Consolidated Fund of the State in accordance with the procedure outlined in Articles 204(3) and 266(3). *ibid*.

Once a credit is afforded to the head "6004 Loans and Advances from the Central Government under " E.Public Debt " all subsequent adjustments towards the reduction or elimination of the loan should normally be shown as a debit and not as minus credit under that head. This procedure, need not, however, be applied in cases where the initial credit was given to the Loan head of account incorrectly or where the original sanction to the loan is cancelled with the retrospective effect and the nature of the transactions as a loan is altered *ab initio*. In such cases the amounts can be adjusted as minus credits.

(CAG's letter No. 133 AC./28-54. Dt.10.2.54 copy at Annexure VIII)

550: Refund of unspent balance of loan

When a portion of a loan sanctioned by the Central Government to the State Government is refunded as unutilized, the amount of the loan gets reduced to that extent. Accordingly, the amount of the equated instalments of repayments (annuity) should be revised, with reference to the reduced amount of loan and the remaining number of instalments. This will apply, even in cases where the refund is made after one or more instalments as originally worked out are repaid.

551: Adjustment of assistance (Overpayment of loans in previous years) or arrears to State Government for Plan Schemes:

It has been decided by the Government of India that, with effect from the accounts for 1968-69 recoveries of overpayments of loans and grants irrespective of the plan to which they relate need not be adjusted separately in accounts and consequently it would be enough to provide funds to cover the net amount actually paid in the year after deduction of earlier overpayments.

Conversely, in the case of arrears of assistance due in respect of schemes relating to earlier plans but paid during a subsequent plan period, the payment should be categorized as “ plan” item of expenditure irrespective of the plan to which the arrears relate.

(Government of India, Ministry of Finance (DEA), O.M.No.FI(38)B /67 04.11.67 filed in
Book /LI/8-27/67-69)

552: The treatment of erroneous credit to the Central Government:

The Civil Accountants General have been allowed to withdraw amounts erroneously credited to the Central Government in an earlier advice, by sending another advice to the Reserve Bank of India, Central Accounts Section, Nagpur to debit the Central Government provided that such advice contained the following certificate.

“ Certified that this advice represents the withdrawal of an earlier erroneous credit to the central Government by debit to the State Government and does not represent withdrawal of payments already made which were due to the Central Government by State Government. Necessary details of earlier erroneous advice (s) now being withdrawn, are being furnished to the Controller of Accounts concerned separately”.

(Controller General of Accounts, New Delhi letter No. S11012/1/79/RBD/MF-
CGA/2754/57, dt 7.9.79 addressed to the Chief Accountant, Reserve Bank of India,
Central Office, Bombay-file loans /8-24/79-80)

553: A monthly return in the prescribed proforma (Annexure VI) showing the repayments of Central Loans and payment of interest of these loans by the State Government is furnished to the under Secretary to Government of India, Ministry of Finance (DEA) , New Delhi by name on the 15th of the month following the month to which the statement relates; the statement for the month of March may, however, be sent so as to reach the Ministry by the end of April.

(i) Lr. No.F I4(23)-B(S) /77 dt 05.07.77

(ii) Lr. No.F I4(23)-B(S)/77 dt 01.11.77 of Govt. of India, Ministry of Finance (DBA) –
File Loans /8-26/75-79

554: A summary of loans taken from the Central Government for various schemes and outstanding on the 31st March of each year should be prepared for incorporation as Annexure to Statement No.15 of the Accounts.

A detailed statement showing the loans given by the Central Government is forwarded to the State Government for incorporation as Appendix XI to the Budget Memorandum.

555: A Broadsheet for transactions under “6004 – Loans and Advances from Central Government” is maintained in Book Department and is closed and submitted to the Branch Officer on the last day of the second succeeding month. The difference between the broadsheet and ledger has to be analyzed every month and prompt action taken for their clearance .

After the close of the year, the balance of the loans outstanding under “6004 – Loans and Advances from Central Government “ is communicated to the State Government for acceptance.

ANNEXURE I

Form A

Statement of Government Securities cancelled and written off and passed through the
Public Debt office books for discharge on

Promissory Note* /Stock Certification No.	Amount in Rs.	Remarks

Forwarded to

The Accountant General, Tamil Nadu, Chennai

The Manager, Reserve Bank of India, Public Debt Office, Madras.

RESERVE BANK OF INDIA

PUBLIC DEBT OFFICE

*Not for public Debt Office , Madras

P.Manager

ANNEXURE II

Form B

Statement showing details of monthly payments and outstanding in respect of securities
pertaining to -----certified for discharge in cash in the books of the Public Debt
Office during the month of

Loan	Amount certified for discharge in cash during the month	Amount of Drafts/payment orders issued by other offices during the month	Amount paid From outstanding balances (details in column 8)	Amount of securities under item paid during the month	Total amount paid during the month	Office thro' which the debit has been passed	Details of outstanding
1	2	3	4	5	6	7	8

No.PDO/Accts

dated the

Forwarded to the Accountant General, Tamil Nadu, Chennai – 18

RESERVE BANK OF INDIA
PUBLIC DEBT OFFICE

MANAGER

ANNEXURE III

Form C

Statement showing the total amount of securities of discharged at the treasuries in in state and cancelled from the books of PDO during the month of and passed for cancellation / held under objection by the Reserve Bank of India, Public Debt Office.-

Month of discharge	Total amount of securities discharged during the month as intimated by the Accounts Officer	Total amount of securities so far received from the Accountant General concerned	Total amount of securities passed for cancellation	Date of payment	Securities already passed for <u>cancellation</u> Amt Original Ref. No.	Amount of securities under objection	Remarks
1	2	3	4	5	6 & 7	8	9

Dated the

Forwarded to the Accountant General, Tamil Nadu, Madras – 18

RESERVE BANK OF INDIA
PUBLIC DEBT OFFICE

MANAGER

]ANNEXURE IV

Register No. 1

Details o payments and outstandings in respect of the securities pertaining to -----
 ----Madras loan certified for discharge in the books of the Public Debt Office (Vide
 paragraph)

Public Debt Office	April			May			June			Upto March		
	Can- celled	Paid	Bal- ance	Can- celled	Paid	Bal- ance	Can- celled	Paid	Bal- ance	Can- celled	Paid	Bal- ance

Register No.2

Details of debits received and balance in respect of payments at the Public Debt Office.

	Month	Payment at the PDO's	Debits received and adjusted	Balance
April				
May				
June				
July				
August				
September				
October				
November				
December				
January				
February				
March				

Register No.3

Securities tendered for conversion and cancelled by various Public Debt Office but not detailed in the accounts (by means of transfer entries by this office).

Month	Name of the Loan			Name of the Loan		
	Securities converted	Amount debited by transfer entry	Balance	Securities converted	Amount debited by transfer entry	Balance

Register No.4

Details of cancellation made by the P.D.O. Madras, as per the statement in respect of payments made at treasuries in the state.

Month of Debit	Debit in the Treasury accounts	April		May	
		Cancelled	Balance	Cancelled	Balance

ANNEXURE V

Month

Form 'D'

Broadsheet of open market loans of the Tamil Nadu Government

As per this Office accounts					Balance as per Reserve Bank of India Central Office Statement	Difference(5-6) should agree with columns [(8a+8b+8c)-9]	Explanation for the difference			
Loans	Q.B	Credit	D	Balance			Securities cancelled but for which debits awaited in the account		Securities paid at Treasuries but pending cancellation	
1	2	3	4	5	6	7	8a	8b	8c	9
							Cancelled by the office but pending discharge	Debits awaited in respect of payments made by various PDOs	Conversion	

ANNEXURE VI

(To be despatched by the 15th of the month following the month to which the statement relates)

NAME OF THE STATE : TAMIL NADU

Monthly Return of Central Loans to the Government of Tamil Nadu for the month of

(Name of State)

(Amount in round lakhs of rupees)

Outstanding as on

(EACH MONTH)

Out Standing as on 31.3.20

REPAYMENTS OF CENTRAL LOANS AND INTEREST PAYMENTS OF THE CENTRAL LOANS

Loans Repayments			Interest Payments		
Pre-1974 Consoli- dated Loans	Small saving Loans	Other loans	Pre-1974 Consoli- dated	Small saving dated	Other loans
(a)	(b)	(c)	(a)	(b)	(c)

Due during the Year

Due during the month

Payments made during the month

Payments made upto the end of the

Month

Default if any, upto the end of the month

Details of loans—Category/purpose to

Which the default pertain to be attached

Due during the rest of the year (month-wise)

(please see instruction on reverse)

Category—wise repayment to be indicated in a separate sheet.

No.

Office of the Accountant General

Forwarded to Shri

Under Secretary, Ministry of Finance,

Department of Economic Affairs

New Delhi---110 001 as per instruction dated

5th July 1977, in Ministry's letter No.F.14(23) –B(5)/77

Signature

Accountant General

INSTRUCTIONS

OUTSTANDINGS:

The figure of outstanding loans to be entered in the space on the left-hand side should be as at the commencement of the year. Any change in this figure during the year should be explained in a note attached to the return.

(The figures of outstanding loans to be entered in the space on the right hand side should be as at the end of the month to which the return relates. The figures of outstanding loans should exclude loans, if any, which are to be written off in terms of the recommendations of the Finance (Commission).)

Repayments and Interest Payments:

Repayments and interest payments due during the year or a month may sometimes vary from those communicated earlier for various reasons e.g. (i) postponement allowed in special circumstances (ii) loans advanced during the year with retrospective effect or (iii) loans / advances sanctioned during the year and recoverable within the year itself. Latest figures should, therefore be indicated against the columns 'due during the year, and 'due during the month'. Brief reasons for the variations should be given in a separate note to be attached to the Statement.

Repayments and interest payments due during the second following month would pertain to the month of June in the return for the month of April and so on. If repayments and interest payments for any month differ (Whether less or more) from those shown earlier under "due during the second following month" full details of the loans and the reasons for the discrepancies should be given in separate note to be sent with the statement.

Defaults:

Details of defaults indicated in previous returns need not be reproduced and instead a reference may be made previous return in which necessary details thereof were given.

ANNEXURE VII

(Copy of Govt. of India, Ministry of Finance, Department of Economic Affairs, New Delhi, letter No. F10(15) NS/57 dated the 6th January, 1958, from Shri. H.S.Negi, Jt. Secretary to the Govt. to the Finance Secretaries of all State Governments.

Sub: Procedure for grant of loans to State Government out of the small saving collections during 1957-58 and onwards.

I am directed to invite a reference to this Ministry's D.O. of even number, dated the 18th October, 1957 on the above subject and to state that all the State Governments except two have expressed themselves in favour of monthly payments of loans out of the Small Savings Collections. The Government of India consider that a uniform arrangement applicable to all the state government for the payment of loans out of the Small Savings Collections would be convenient and desirable. Since, the consensus of opinion is in favour of monthly payments and since most of the State governments are experiencing ways and means difficulties, they have accordingly decided that these loans may be sanctioned in all cases on the basis of monthly figures of net collections. The payments, will however, be provisional subject to re-adjustments in the following year on the basis of the final audited figures of collections.

2. As the State Governments are aware, there is a time lag about two months in obtaining the figures of net collections. Arrangements are being made to reduce this time lag as far possible. In any case, since the collections for two months of " February and March would not be known until after the close of the year, it will not be possible to take them into account in the loans to be paid during the year. Thus, monthly payments during a particular year would be restricted to the loan payable in respect of the net collections for the 10 months of the year. The last sanction would also convert the monthly payments into a consolidated loan repayable on the expiry of 10 years from the date the last instalments is dawn, carrying simple interest, which at present rates is 4 percent, payable annually. The State Governments will also have to pay interest at the same rate on the amounts

outstanding from time to time in the interval between the drawal of the first and the last instalments during the year. The payments for the collection made in February and March will be authorised for disbursement in the following year.

3. The Government of India trust that State Governments would agree to the procedure outlined above. The limiting of the current year's payments to the collections for the ten months this year is not likely to cause any difficulty to State Governments, as the payments this year are in addition to the loans disbursed to the State Governments out of the collections for the preceding year.

Sd/-

H.S.NEGI

Joint Secy. to Govt. of India

ANNEXURE VIII

(Copy of letter No.133-AC/28-54, dated 10th February, 1954 received from the Comptroller and Auditor General of India, New Delhi, addressed to all Accountants General and Comptrollers of Part A & B States and Comptroller, Vindhya Pradesh)

Sub: Adjustment in the accounts when a loan sanctioned by the Central Government is subsequently cancelled.

Instances have come to notice in which loans sanctioned by the Government of India to the State Governments are subsequently cancelled and the question has been raised as to how the resultant transactions should be exhibited in the accounts of the State.

2. As and when a loan is sanctioned by the Central Government and the necessary monetary settlement is effected between the two Governments, the amount of the loans has in terms of article 266(1) of the Constitution of India to be credited to the Consolidated

Fund of the State. Likewise the subsequent repayment to the Central Government has to be treated as a repayment of the loan to be made out of the Consolidated Fund of the State in accordance with the procedure outlined in Article 204(3) and 266(3) *ibid*. Once, therefore, a credit is afforded to the head “Loans from the Central Government” under ‘E. Public Debt’ all subsequent adjustments towards the reduction or elimination of the loan should normally, be shown as a debit and not as a minus credit under that head. This procedure would not, however, be applicable in cases where the initial credit was given to the Loan Head incorrectly or where the original sanction to loan is cancelled with the retrospective effect and the nature of the transactions as a loan is altered *ab initio*.

I am to state that in future all adjustments in such cases may please be made in accordance with the procedure explained in para 2 above.

Sd/-

(SHIV HAUBH SINGH)

Director of Audit and Accounts

ANNEXURE IX AND X – Deleted

CHAPTER VI
MISCELLANEOUS

Paras 601, 602, 603, 604 deleted

605. Opening of New Heads of Account: Consequent on the amendment to Article 150 of the Constitution, with effect from 1.4.77, the responsibility of opening new heads of account from Major Head of Account to Minor Head of Account devolves on the Controller General of Accounts who has to discharge this responsibility in consultation with the Comptroller and Auditor General of India and in terms of Government of India Notification No.

S. 110.36/1/78/TA/Part 1/3836 dt 26-12-81, the State Government can with effect from 1-1-82 discharge the function of the Central Government under Article 150 of the Constitution of India in so far as it relates to opening of sub-heads and detailed heads of account under the various Major and Minor heads of account.

The sanction orders opening new sub/detailed heads of account issued by the State Government should be scrutinized by concerned compilation sections in consultation with Book/AAD/DCM sections. Cases of doubts/disputes arising out of the aforesaid examination will be referred to Headquarters for clarification.

(C&AG's letter No. 45-AC /12-77 dated 18.1.82 G.I. Notification S 11036/1/78/TA/Part1/3836 dt 26.12.81)

606. Cash Balance Investment Account: The Cash Balance Investment Account of the Tamil Nadu Government is maintained in the form of a Broadsheet in Book Section. The transactions under this head are accounted for as per the procedure prescribed in the footnote under "8673-Cash balance Investment Account" in the List of Major and Minor Heads. A register in the form indicated in Annexure I to this chapter is maintained for the transactions connected with the investment of Cash Balance on Treasury Bills.

607. If there are any transactions during the month viz. purchase or sale of treasury bills, advices in respect of which are received from the Reserve Bank of India, Central Accounts Section, Nagpur transfer entries are proposed at the end of every month as follows:

(i) Purchase of Investment Account

Dr.

8673. Cash Balance Investment Account

Cr.

8675. Deposits with Reserve Bank

(ii) Sale of Treasury Bills:

Dr.

8675. Deposits with Reserve Bank

Cr.

8673. Cash Balance Investment Account

0049. Interest Receipts

04. Interest Receipts of States/Union Territory Governments

110 – Interest realized on investment of cash balances

As regards sale of treasury bills only the total amount realized is advised by the Bank indicating therein the nominal (face) value of the Treasury bills sold (rediscounted). The amount to be credited to “0049-Interest Receipts” will be the amount realized by the Bank minus the original purchase price of the Treasury bills sold.

When investments are made in other Government securities etc., the transfer entries are made on receipt of the orders of the Government of Tamil Nadu as and when the transaction arises.

The Broadsheet is closed and submitted to the Branch Officer on the last day of the second succeeding month. Annually a statement of balances indicating the securities held is furnished to the Government of Tamil Nadu for verification and acceptance.

Paras 608 and 609 already deleted.

610. Transfer entries affecting ‘8680-Miscellaneous Government Account’ : Article 38 of Government Accounting Rules 1990 lays down that amounts outstanding due to book-keeping errors under heads which close to balance may be written off to ‘8680-

Miscellaneous Government Account-write off from heads of accounts closing to balance' with the specific approval of the Comptroller and Auditor General.

Note 1

(A) The Power of the Comptroller and Auditor General of India referred to above may be exercised by the Accountant General in cases when the amounts to be written off do not exceed Rs. 1,000/-except in respect of Provident Fund Suspense for which the limit is Rs. 5,000/-provided that:

- i. the amounts written off have been thoroughly examined by the Internal Audit Sections;
- ii. The Accountant General has also satisfied himself that the items have been outstanding for over 5 years, that a dead end has been reached in all cases and that write off is unavoidable; and
- iii. the Accountant General has also satisfied himself that the outstanding is the result of book keeping error only.

(B) The amounts written off by the Accountant General should be reported to the Comptroller and Auditor General of India annually by 10th November along with certificates regarding the fulfillment of the conditions (i) to (iii) in 'A' above.

(C) In the case of Provident Fund Suspense, the limit of 5 years mentioned a item (ii) above of note 1-A will not be applicable.

The Senior Deputy Accountant General may also write off the outstanding amount under this head upto Rs. 100/-in each case subject to his having satisfied himself about the conditions in (i) to (iii) in A above. A quarterly report on items written off by Senior Deputy Accountant General under the powers delegated to him should be submitted to Accountant General for review. The Accountant General should report to Comptroller and Auditor General of India the write off of suspense half yearly on 10th May and 10th November.

Note : 2

(i) Where it is not possible to establish that unreconciled balances/differences under heads of account which close to balance are either due to book keeping error or involve loss/Receipts, the balances/differences maybe written-off to Government Account with

the approval of the Comptroller and Auditor General after obtaining concurrence of the Government concerned.

(ii) The Comptroller and Auditor General has issued the following instructions for the write back of the amount already written off to "Miscellaneous Government Account":

(a) If the details of any item previously written off to "Miscellaneous Government account" are subsequently traced, such items may be written back and adjusted under the orders of the Accountant General without requiring a formal approval from this office.

(b) No time limit for the write back of such items is contemplated and the adjustments may be carried out in the accounts of the year in which the details are traced.

(c) The head 'Miscellaneous Government Account' should not be operated in a routine course even for the purpose of the write back. Specific approval of the Accountant General should be obtained for each adjustment. Such approval may be accorded individually or periodically.

(iii) Formal communication of the total amounts written back during a financial year has to be furnished to the Comptroller and Auditor General of India by 31st August of the following year. For this purpose, Book Section will gather particulars from the sections sufficiently in advance. However, if no amount is written back in the previous financial year, 'Nil' returns need not be sent to the Comptroller and Auditor General of India.

(Comptroller and Auditor General's No. 235 comp/KW-140-63 III, dt. 17-3-66 filed in Book/2-6/63-69 and No. 524-Comp/125-78, dated 21-9-1979 filed in Book 2-6/ROB/1979-80)

(iv) The Comptroller and Auditor General has clarified that the procedure indicated in sub-para (ii) (a) above may be followed in the case of write back of "Difference" under all heads of account (in Debt, Deposit, Suspense and Remittance heads) and "Balances" under all heads of account other than "Suspense" and "Remittance" heads. In respect of write back of "Balances" under suspense and Remittance heads, necessary corrections should be

carried out under the concerned head of account without financial adjustment to incorporate the transactions under the relevant heads of account **(i) comptroller and Auditor General's letter No. 976 comp/114-67, dt. 15.11.67 and (ii) comptroller and Auditor Generals D.O No 82 Comp/114-67 dt. 15.1.68 filed in Book/2-6/63-68/Vol. II Ledger unit).**

611. The details in respect of the amount entered under "8680-Miscellaneous Government Account" have to be furnished in the Finance Accounts of the State Government. Book Section should ensure that in respect of all such items specific approval of the competent authority has been obtained and the fact recorded in the transfer entries. As such all the transfer entries affecting "8680-Miscellaneous Government Account" proposed by the sections except those relating to Provident Fund Sections should be seen by Book Section before they are incorporated in the accounts.

612. Residual work relating to Andhra separation States Reorganisation and the Pataskar Award: Under the Provision of the Andhra State Act, 1953, the States Reorganisation Act, 1956, the Andhra Pradesh and Madras (Alteration of Boundaries) Act 56 of 1959, Part I (Pataskar Award), the balances under several debt, deposit and remittance heads have been allocated among the successor States. Corrections to the balances so allocated, which are found subsequently, should be effected proforma (i.e., without account adjustment). Such items will be communicated by the Compilation sections concerned to other Accountants General for acceptance of the correction, a copy of the correction being simultaneously endorsed to Book Section. (Handed over to AAD Section)

Para 613 already deleted.

614. Register of correction to Book and Budget Manual: Instructions and orders of Comptroller and Auditor General, Government of India and Tamil Nadu Government which are of a permanent nature relating to the work of Book Sections and which are required to be manualised should be incorporated in the manual. For this purpose a register of corrections to the Manual of the book and Budget Department is maintained in Book

Department. Entries are made serially as and when corrections to the Manual are proposed. The register should be closed on the 5th of February, May, August and November and submitted to the Senior Deputy Accountant General (Accounts). The register should be submitted to the Accountant General once a year.

Date of Transaction	Date of Investment	RBI ltr No and Date	Face Value (Plus)	Face Value (Minus)	Amount Debited	Amount Credited/ matured / rediscounted	Purchase Value	Interest
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Annexure II deleted.

CHAPTER VII
BUDGET ESTIMATES OF THE UNION GOVERNMENT

Deleted.

CHAPTER VIII
BUDGET ESTIMATES OF THE STATE GOVERNMENT

801. The estimates relating to the receipts and disbursements of the Government of Tamil Nadu under the various heads of account are framed by the Finance Department. The assistance rendered by this Office is confined to (i) furnishing of actuals under the Several heads of accounts and (ii) framing of estimates in respect of those heads for which the Accountant General has been designated as the estimating Officer.

802. Furnishing of actuals: With the advent of VLC system for compilation sections, the furnishing of actuals for the previous year to the end of March (including Journal entries), in round thousand of rupees, to the State government is handled in toto by the Book section itself. The necessary reports are generated through VLC. The Revised Estimates for the current year and the Budget Estimates for the ensuing year are furnished along with the actuals for the last eight months of the previous financial year and first four months of the current financial year.

803. The actuals for first eight months of current year are furnished if called for by the Government.

804. Preparation of Estimates-The heads of account for which the estimates have to be prepared by the Accountant General are detailed in Annexure I. The estimates under the head "2071. Pensions and other Retirement benefits" are prepared by the Pension Compilation section and furnished to the Government direct. The other estimates are prepared by the Book and Budget section with reference to the trend of actuals, information available in other sections etc, by adopting one or more of the following methods:

(i) Adding to the ascertained actuals of the past months of the current year, those of the closing months of the previous year.

(ii) Assuming that the actuals in the remaining months of the current year will be in the same proportion as those in the earlier months, (e.g,) if the first four months gave X, the last eight months would give 2X.

(iii) Working out a proportional estimate arithmetically as follows:-

Let 'b' be the amount recorded in the accounts of the current year to the end of the latest month of which the figures are known, 'a' the amount recorded to the end of the corresponding period of the preceding year or if the figures of that year were abnormal, then, of the latest year, in which they are normal, 'c' the total amount recorded in the accounts of the year from which 'a' is taken and 'd' the proportional estimate. Then 'd' will be according to the following proportion:

$$a : b = c : d \quad \text{u.d} = \frac{b \times c}{a}$$

(iv) Working out the average of the normal actual for the past three years. The normal actuals of any period are arrived at after excluding abnormal figures appearing during that period e.g. huge plus or minus figures due to T.Es. in rectification of misclassification of previous years.

805. The reasons for the variations between (i) the Budget Estimates and Revised Estimates of the current year and (ii) the Revised Estimates of the current year and the Budget Estimates of the next year should also be furnished in these estimates.

806. Each Estimate is submitted to the Accountant General for approval. Fair copies of the estimates duly attested by the Branch Officer are forwarded to Government.

Estimates of Debt, Deposit and Remittance Heads

807. The estimates relating to Debt., Deposit and Remittance heads are proposed with reference to the actuals and other information collected from the sections concerned adopting the methods indicated in the preceding paragraph. Action should be taken to obtain the materials from other sections and from the departmental officers sufficiently in advance. The preparation of the estimates should be taken up as soon as the four months actuals are available. A separate estimate with narrative notes indicating the basis on which the estimates have been arrived at is prepared in form S.Y. 128 (Annexure III). The estimates in respect of each Major head is submitted to the Accountant General for approval. The fair copies of the estimates attested by the Branch Officer are forwarded to the Secretary to Government, Finance Department.

808. Deleted

809. Already stands deleted.

810. Opening Balance as on 1st April of every year under loan heads:

The opening balance as on 1st April of the second preceding year under all the loans and advances sub heads of account subordinate to the loans and advances Major and Minor heads of account under the sector" F Loans and Advances" are filled up with relevant figures and furnished by the Finance (B.C) Department of Government of Tamil Nadu in book form to this office for verification and confirmation of the figures entered therein. The verified figures are eventually incorporated in the Budget Publication 'Detailed Estimates of the Receipts and Outgoings' under the Debt, Deposit and Remittance heads of account.

811. Copies of the following statements relating to the estimates in respect of repayment of loans received from the Central Government and interest thereon are furnished to the Government of Tamil Nadu (Finance W & M and B.C Departments):

(i) Statement showing the loans in respect of which terms and conditions break-up details or utilization particulars etc. are awaited (Statement No. IV).

(ii) Statement showing the provision in the Revised Estimate of the current year and Budget Estimate of the next year for "Repayment" of "principal" and payment of "interest" by the Government of Tamil Nadu to the Government of India (Statement No. V).

(iii) Statement loans sanctioned by the Government of India to the Government of Tamil Nadu during the current year which have been taken into account in the estimates of repayments for the next year.

812. Diary of returns: The several returns due to other Offices, the returns due to the Book and Budget section from outside Offices in respect of the preparation of the various Budget Estimates/Finance Accounts are watched through a calendar of returns called "Diary of Returns" furnished as Annexure IV in two sections. This Diary is closed and submitted to the Branch Officer on the 10th of each month.

ANNEXURE I

State Government Estimates prepared by Accountant General

Receipt Heads

0049 Interest Receipts

0070 Other Administrative Services

0071 Contributions and Recoveries towards Pension and other Retirement Benefits

0075 Miscellaneous General Services

NOTE:

a. In respect of the above Receipt major heads, the data furnished by this office consists of actuals for the last eight months of the preceding financial year and first four months of the current financial year.

b. For 0070 Other Administrative Services, data is furnished only in respect of 60 Other Services- 800 Other Receipts.

c. For 0071 Contributions and Recoveries towards Pension and other Retirement Benefits, estimates are framed by Accountant General based on actuals for the last eight months of the preceding financial year and first four months of current financial year.

d. For 0075 Miscellaneous General Services, estimates are prepared only for the minor head 101 Unclaimed Deposits. For other minor heads, only actuals are furnished to the Government.

Expenditure Heads

2049 Interest Payments – In respect of this major head, estimates are prepared by the Accountant General in respect of the following:

a. Interest payable on loans received from the Central Government.

b. Interest payable on Open Market Loans and Special Securities issued by Government of Tamil Nadu.

c. Interest payable on subscriptions to General Provident Fund and All India Services Provident Fund. (Data to be obtained from FM and GAD sections)

d. Interest payable on perpetual Trusts and Endowments.

2071 Pension and Other Retirement Benefits

E. Public Debt

6003 Internal Debt of the State Government

6004 Loans and Advances from Central Government

In respect of the following Major heads of accounts, estimates are prepared based on the actuals of eight months of the last financial year and first four months of the current financial year.

F. Loans and Advances

7610 Loans to Government Servants etc.(Receipts only)

I. Small Savings Provident Funds etc.

(i) 8031 Other Savings Deposits

(ii) 8009 State Provident Funds- Estimates are prepared for General Provident Fund All India Services Provident Fund only.(Data to be obtained from FM and GAD sections)

(iii) 8010 Trusts and Endowments

K. Deposits and Advances

(a) Deposits bearing interest

(i) 8338 Deposits of local funds

(ii) 8342 Other Deposits

(b) Deposits not bearing interest

(i) 8443 Civil Deposits

(ii) 8448 Deposits of Local Funds

(c) Advances

(i) 8550 Civil Advances: In respect of this major head, estimates for Revenue Advances are obtained from the Office of the Survey and Land Records, Chennai.

L Suspense and Miscellaneous

(b) 8658 Suspense Accounts

(c) Other Accounts

(i) 8670 Cheques and Bills

(ii) 8671 Departmental Balances

- (iii) 8672 Permanent Cash Imprest
- (d) Accounts with Governments of Foreign Countries
 - (i) 8679 Accounts with Governments of other countries
- (e) Miscellaneous
 - (i) 8680 Miscellaneous Government Account

M. Remittances

- (a) Money orders, Remittances and adjustments between Officers rendering Accounts to the same Accountant General, etc., and other remittances:
 - (i) 8782 Cash Remittances and adjustments between Officers rendering Accounts to the same Accountant General/Accounts Officer.
- (b) Inter-Government Adjustment Accounts
 - (i) 8793 Inter State Suspense Accounts

ANNEXURE II: ALREADY STANDS DELETED

ANNEXURE III:

Estimate of Debts, Deposits and Remittances Head:

(Rupees in thousands)

Accounts(Year)	Credits	Debits	Net
##			
##			
##			
##			
##			
Budget Estimates of the current year			
Last Eight months actuals of preceding year			
First Four months actuals of current year			
Revised Estimates of current year			
Budget estimates of succeeding year			

Actuals relating to preceding five years

ANNEXURE IV

DIARY OF RETURNS

For preparation of Budget Estimates/Reconciliation:

Sl.No	Nature of Return	To whom due	When due
1	Provision for R.E and B.E in respect of Kolla Singanna Chetty's Choultry at Chennai and Kancheepuram	Pr.A.G.(A&E) Andhra Pradesh, Hyderabad	15 th September
2	Provision for R.E and B.E in respect of 8550-00-102 Revenue Advances	Commissioner of Survey and Settlement, Chennai	31 st August
3.a	Quarterly Report in respect of outstanding Balances of TN State Development Loans (For reconciliation purposes)	Central Office, RBI Mumbai	5 th Aug 5 th Nov 5 th Feb 5 th May
3.b	Quarterly Report in respect of Investment Balances of held under Consolidated Sinking Fund Investment Account (For reconciliation purposes)	RBI , Nagpur	5 th Aug 5 th Nov 5 th Feb 5 th May
4.	Final Modified Appropriation based on actual to end of November 6003 Internal Debt of the State Government 6004 Loans and Advances from Central Government 2049 Interest Payments	Government of Tamil Nadu Finance Department	31 st January

ANNEXURE IV- Contd**DIARY OF RETURNS**

For preparation of Finance Accounts:

Sl.No	Nature of Return	From whom due	When due
1.	Additional disclosures on Loans and Advances given by Government of Tamil Nadu in terms of IGAS III	Finance Department (Loan Cell), Government of Tamil Nadu	30 th June
2.	Market value of securities/investments Held under Sinking Fund Investment Account from State Government	Finance Department (W&M), Government of Tamil Nadu	31 st July
3.	Details/data in respect of Externally Aided projects for inclusion in Appendix V/Volume II of Finance Accounts	Finance Department, Government of Tamil Nadu (EAP)	30 th June

CALENDAR OF RETURNS

SECTION I Returns due to authorities outside the Office

ANNUAL

Nature of return	To whom due	Due date	Authority
1. Closing of March (Supplement) Accounts	TN Govt	30/6	Book I Cir.No. Pr.AG/Bk I SOA I/9-1/ 93-94 vide DO No.101- AC/Misc. 212-99,dt. 4.2.2000
2. Intimation regarding closing of March (Suppl) A/Cs	CAG	30/6	Para 302 of Book Manual
3. Intimation of date of closing of Annual Accounts i.e Accounts closed to end of March Journal	CAG	31 st August	To be intimated to CAG 9-1/70-71
4. Corrections to Accounts after despatch of March Suppl. A/cs.	TN Govt.	25/11	Para 214 of Book section Manual
5. Material for union Finance Accounts (Statement 13)	CAG & copy of DACR	21 st July	CGA in Lr.No. G2015
6. Communication of total amount written back operating "Misc. Govt. Account" in respect of both differences between Broadsheets and ledger written off to Part V Misc. Govt.A/c. 'Nil' report need not be sent	C & AG	31 st August	CAG No.524/ Comp./125/78

Nature of return	To whom due	Due date	Authority
7. Intimation to Govt. regarding Sinking Fund Investment - Reporting of balances under Sinking Fund & Sinking Fund Investment A/C as on 31st March for obtaining concurrence	TN Govt.	15th October	Para 527 of Book Manual
8. Statement showing clearance of Balance under Suspense and Remittance Heads and difference Between Ledger & Broadsheet balances under "Debt, Deposit & Remittance' Heads - Review of Balances -Main Report along with IAD Report on the clearance of balances under Suspense and Remittance heads	C & AG	15thDec	Para 426 of Book Manual
9. ROB-Follow-up Report in progress of clearance of balances under Suspense etc. heads – i.e follow up report of Main report of ROB upto 31/3 Review of Balances – Follow -up Report alongwith IAD Report on the clearance of balances under Suspense and Remittance heads	C &AG	15th July	CAG's Cir.No. 3-199/ Comp/91 81(IV) dt.10.3.83
10. Reconciliation of figures appearing under '7601' in Central Books with corresponding figures under '6004' appearing in State Books - AC I to furnish consolidated Statement of sanctions of loans before 30th April.	C & AG	31st December	CAG's 951 Comp 34-72 II dt.19.12.80
11. Information regarding market value of securities to be obtained in respect of sinking Fund Investment Account etc.	TN Govt.	After the closure of final A/Cs	CAG's Comp'93 69dt.18.4.70

Nature of return	To whom due	Due date	Authority
12. Communication of balances for acceptance in respect of		After the closure of final a/cs	Paras 522,527
a)Loans from Govt. of India(P.555)	TN Govt.		529,555
b)Open Market Loans (P.522)			of Book
c)Sinking Fund (P.527)			Manual
d)Loan Ceiling Compension Bonds	Dir. of Land Reforms		
HALF YEARLY			
	Nil		
QUARTERLY			
1. Critical review of the Civil Account (Quarterly Appreciation Note)	TN Govt.	Feb Aug Sep Nov	Para 201 of Book Manual
2. Furnishing of details regarding KRA-13	HQrs thro' TM	Quarterly	e-mail dated 5.10.12
MONTHLY			
1. State Civil Account	TN Govt Finance	25th of the succeeding month wrtHQrs Lr 717AC/MIS/ 21226.12.01	CAG's Lr No.3.2.6264 wrt 614 dt.16.1194 Art 242 AC IV

Nature of return	To whom due	Due date	Authority
1 a. Additional information on Monthly Civil Accounts	TN Govt. Finance	Within a week after the despatch of MCA	CAG's D.O. No.58-ACII/ MIS B47-2005,27.10.05
1b. Additional information on Monthly civil accounts	C&AG	Within a week after despatch of MCA	CAG's D.O No.58-ACII/ MIS B47-2005, 27.10.05
2. Progress Report regarding despatch of Civil Account (also indicating the position with regard to furnishing of disaggregated details to State Government	CAG	12 th (Main Report) 27 th Follow up (Report)	No.29-AC MIS/214 -96 dt. 14.1.98
3. Intimation of despatch of Civil Accounts to State Government (Fax)	CAG	As soon as the accounts are sent to Govt.	
4. Report on the details of the Monthly Civil Accounts for hosting the key indicators/information of the monthly civil account on the website	CAG	30th of succeeding month	HQrs DO/ 51/ACI/SPI 54/02 dt. 2.9.02 & HQrsLr.no 2176-EDP 5-02 dt. 16.12.03 No.2343-EDP/5-02
5. Furnishing of breakup figures for certain major head figures (Disaggregated Report)	TN Govt. Book	5th of second succeeding	Para 206 Book Manual month
6. Furnishing of breakup figures (Try wise) for receipt heads 0022, 0029, 0030, 0039, 0040, 0041, 0042, 0043, 0045	TN Govt. Finance	Pr.AG's orders dt 1.8.2012	With effect from 7/2012 A/Cs

	Nature of return	To whom due	Due date	Authority
7	Repayment of Principal & payment of interest in r/o Govt.of India Loans Monthly Statement of Advance intimation indicating datewise repayments in a month	Govt. of TN,Finance (W&M) Dept.	5 th of every month thro'AC	B.O.'s orders 1 st qtr. 4,5,6 intimation only
8	Statement of loans (Govt. of India) repayment and payment of interest	Govt.of India Ministry of Finance(DEA)	15 th of the following month	F.14(62) B.5.(76) dt.25.10.76 Para 553 of Book section Manual

SECTION II Registers returns etc. to authorities and Sections within the Office

ANNUAL

1.	Handing over of Old records	OR section	30 th May	Para 10.1.1 MGP
2.	Statement showing number of JEs booked for the year	AG	20 th Sept.	Para 30.5 of Book Manual
3.	Certificate of safe custody of Departmental security Instructions	Sr.DAG (Admn)	31 st Dec.	Confidential dt.1.5.61U/o dt.8.2.60
4.	Closure of Journal and Ledger (Trial balance) for 20 - 20	AG	6 weeks after printing of Fin.A/Cs	Art.271 of A/C Vol IV
5.	State Ledger (Minor headwise Loan and Deposits Ledger) for 20 -20	AO	After closure of March I Accounts	HQrs Lr. dt.1.5.81

Nature of return	To whom due	Due date	Authority
6. Finance Accounts State Part B (20 -20) Accounts	CAG thro' AAD	15/12 after receipt From AAD	Para 20 of MSO(T) Vol.II
7. No. of Broadsheets in Book section and No. of loans advanced to State Government (Administrative Report)	TM(from Book I) Materials to be given to Book I	30th April	Book section Manual
HALF YEARLY			
	Nil		
QUARTERLY			
1. Issue of corrections to Book section Manual(Draft correction Register Book I(Gen.II Unit)	Corr.I	7 th March 7 th June 7 th Sept. 7 th Dec.	Para 9-4 2.3 of MGP
2. Quarterly verification of codes & manuals (Certificate to be furnished)	TM	10 th April 10 th July 10 th Oct. 10 th Jan.	Corr I/GI IV 80-81/2
3. Quarterly census of files in the section to locate the missing files	DAG (T M)	10 th April 10 th July 10 th Oct. 10 th Jan.	IAD Ir. dt. 21.4.99
4. Issue of periodical Bulletin containing important circulars	TM	10 th April 10 th July 10 th Oct. 10 th Jan.	AAD 61-62/ 14dt.17.9.61
5. Duty Register	A.O.	10 th April 10 th July 10 th October 10 th January	Para 7.21 of MGP

Nature of return	To whom due	Due date	Authority
6. Register of Security Instruction Certificate	DAG	10 th April 10 th July 10 th October 10 th January	Para 7.3.8 of MGP
7. Submission of Draft correction Register of Book section Manual	AG/DAG	5 th Feb 5 th May 5 th Aug 5 th Nov	Para 9.4 1.2.3 of MGP
8. Changes in residential address of members in the section	Estt.	10/5 10/8 10/11 10/2	E II/III 256 dt 24.10.73
9. Report of Director of Inspection on rectification of defects etc.	IAD	15/3 15/6 15/9 15/12	IAD/I 5.1 78-79/280 dt.13.2.79
10. Supply of Materials for quarterly Audit Bulletin	Estt.	1 st April 1 st July 1 st October 1 st January	E.I/7/297 388 dt. 20.9.79
11. Materials for the quarterly DO to CAG (Delay in rendering the Accounts to State Govt.)	AG	Before 15/8 15/11 15/2 15/5	To be called for by Secy. to AG
12. Identification of problem areas for O & M study	O & M	5/1 5/4 5/7 5/10	1-6/B2-B3 92dt.23.2.94
13. Register of cases	B.O.	15 th April 15 th July 15 th October 15 th January	Para7.2.7 of M G P

Nature of return	To whom due	Due date	Authority
14. Register of codes and manuals	AO	7 th April 7 th July 7 th October 7 th January	Para 9.3.4.2 M.G.P.
15. Register of Good and Bad works	AG	10 th April 10 th July 10 th October 10 th January	E.I/OO/82-83 dt.7.9.82Para 7.2.13 M.G.P.
16. Register of return of records,	AG	15 th April 15 th July 15 th October 15 th January	Para7.2.15 of M G P
17. Revision of Local Manual Book Manual (Gl. Unit)	TM I	5/10 5/1 5/4 5/7	TM I in TM I/V/ 1246/79- 80 dt. 27.9.80
18. Furnishing of data on Revenue and Capital Expenditure of the State (in the prescribed form) (Replaced by Augmented Data in Hosting Key Indicators, vide Headquarters directions)	Min. of Statistics & Programme Implementation Govt. of India	31/7 31/10 31/1 30/4	HQrs Lr.No AC III-432/ CFR-ROB/2009 Vol.I/217 dt.18.6.13
19. Certificate of availability of machines/calculators/comptometers adding machines with the section	S.O.(Office)	10 th April 10 th July 10 th October 10 th January	AG(A&E) Corrs.I/V/86-87/ dt.03.04.86 (retained as per DAG(A/Cs) & Pr.A.G.O.No. TM/VI/2011-12 dt.12.4.11

Nature of return	To whom due	Due date	Authority
20. Proforma regarding particulars of employment of wives/dependents of Govt.servants in foreign Missions/enterprises	Estt.I	10 th June 10 th September 10 th December 10 th March	E.I/7- 64-9/ 72-73/54 dt.18.10.72
21. Quarterly Report on the clearance of balances under certain Suspense and Remittance heads	IAD	20 th April 20 th July 20 th October 20 th January	HQrsLr.No. 365ACI/ SPIII/81-95 dt.3.7.95 w.r.t Lr.No. 389ACI.SPII ACI-95 dt. 24.7.95. HQrs Lr. D.O.No.66/ ACIII/CPR/ ROB/46-97/ KWdt.5.12.99

MONTHLY

1. T.E. Number Book	A.O.	1 st	Para 3.10 DA Manual Loan
2. Report of late Attendance	A.O.	5 th	Para 2.3.9 M G P
3. Register of special points of local audit	A.O.	5 th	OA/28-3 58-100/890 dt.31.5.60
4. S.O.'s Note Book	A.O.	5 th	Para 7.2.8 M G P
5. Monthly Report	AO/AG	5 th	Para 7.3.2 M G P

Nature of return	To whom due	Due date	Authority
6. Detail Book (Along with Civil Account figures upto Minor head)	AO/AG	25 th of the succeeding month	Para 208 of BookManual wrt HQ Lr.No. 717-AC-MIS 212/01 dt 26.12.01
7. Statement of Disbursers Account	AO	10 th	
8. Despatch Register	AO General SCA I Adv. Balance Ledger	18 th	Para 706 of MGP
9. Statement of Events	Estt.	5 th	Cir.No.5 dt. 2.2.01AG(A&E) E.5/GI/00-01/88
10. Statistics Register	B.O.	25 th	Para 7.2.10 MGP
11. Broadsheets	B.O.	Last working day of the succeeding month	Paras 521, 526,529, 555 of Book section manual
<ul style="list-style-type: none"> i) Cash Balance Investment Register ii) Open Market Loans iii) 4% L C C Bonds iv) Sinking Fund v) Sinking Fund Investment A/c vi) Loan from Govt. of India vii) Investment in Special Securities of State, by Govt. of India from NSSC 			

Nature of return	To whom due	Due date	Authority
12. Register of Good and Bad works	AG	10th	E.I/OO/82-83 dt.7.9.82Para 7.2.13 M.G.P.
13. Register of returns of records requisitioned from OR section	AO	15th	Para 7.2.15 of MGP
15. Calendar of Returns	AG	5th	Para 7.3.13 ofMGP
16. Register of Pending cases	AO/AG	10th	Para 7.2.4 of MGP
17. Accountant's Note Book	AO	25th of alternative month	Para 7.2.8 of MGP
18. Register for watching agreement of Major Head totals compiled w.r.t. sub accounts with those arrived at by Book section based on Main Account	A.O	5th of second succeeding month	Para 209 of Book Manual
19. Consolidated Abstract	AG	25th of succeeding month	Para 208 of Book Manual
20. Register showing list of write back items - opening 'Misc.Govt. A/c.' in r/o MH.8680	B.O.	10th	Para 610 of Book section Manual
21. Statement indicating the number of letters issued to State/Central Govt.Offices in Hindi speaking areas including HQrs.office and no. of Govt.orders,press circulars, if any sent to Hindi cell for translation	Hindi Cell	10th of following month	Hindi cell Circular7-13 85-86/236 dt.10/85 245 dt.11/85

Nature of return	To whom due	Due date	Authority
22. Register of Books	B.O.	14 th	Para 7.2.12 of MGP
23. Register of write off by transfer to '8680 Misc.Govt. A/Cs'	B.O.	15 th	B.O's orders dt.17.8.82 file in ROB unit
FORTNIGHTLY			
1. Register of pending cases	AG/AO	To AO 8 th & 23 rd To AG 10 th	Para 7.2.4 MGP
1. Due Date Register (Loans Unit)	B.O.	3 rd 18 th	Para 541 of Book section Manual
WEEKLY			
1. Calendar of returns	AO	Every Tuesday	MGP
2. Purport Registers	A.O.	Monday	Para 7.2.22 MGP
3. Record of references from AG(Secy) and Group Officer	Secy.to AG Steno/Group Officer		
4. Common Purport Register			
SECTION III			
ANNUAL			
1. Journal Entries affecting grants (Prorata JEs)	from PWC II	14/8	Book Manual
MONTHLY			
1. Adjustments of amounts representing shortfall in cash balance with RBI (daily cash balance register)	letter recd from TN Govt	10 th of second succeeding month	CAG/45/ A II/62-63 Part 219 of Book Manual

