

## CHAPTER I

### GENERAL

#### SECTION 1-PERSONNEL DEFENCE ACCOUNTS DEPARTMENT ESTABLISHMENT

#### OBJECTIVES

1. The objectives of M.E.S. Account Section are:
  - (i) To ensure that the Accounts are maintained correctly and upto date.
  - (ii) To assist M.E.S. Officers in prompt payment/adjustment for supplies and services rendered by contractors and others.
  - (iii) To render necessary financial advice to the MES officers to enable them to properly discharge managements functions.
- 1A. An A.A.O. with the necessary number of clerks will generally be attached to every MES Formation. He will conform to, the Organisations of the formation to which he is attached in regard to hours of attendance and holidays.
2. It is the responsibility of the Controllers of Defence Accounts to train Accountants and Clerks for M.E.S. V work and to ensure that an adequate number of experienced and intelligent men with integrity and industry are always available for posting to the Accounts Section of M.E.S. formations. Ordinarily no one will be posted as A.A.O. unless he has previously worked either as A.A.O. of M.E.S. formation or as an Assistant to one, or on M.E.S. Local Audit for fairly long period and has acquitted himself well while so working.

#### M.E.S. Staff

3. The A.A.O. of a M.E.S. formation will supervise the work of certain M.E.S. clerks who will be attached to his section for the performance of duties connected with Cash Book, Stock purchase, Registers and Budget. The clerks may be either full time or part time as the head of M.E.S. formation may consider necessary.
4. M.E.S. clerks attached to the Accounts Section will for the purpose of conduct and discipline is under the orders of the head of the formation. The A.A.O. will report to him whenever he is dissatisfied with the work or conduct of any of these clerks.

5. Defence Accounts Department Staff is not attached to the Offices of the Sub-Divisional Officers even when they hold imprests. Payments made by the imprest holding Sub-Divisional Officers will be post-audited by the Garrison Engineer's A.A.O.

6. The accounts clerk attached to an Assistant Garrison Engineer will lie under the general supervision of the A.A.O. attached to the Garrison Engineer's Office. In cases where the Assistant Garrison Engineer's charge is not so heavy as to justify the posting of an Accounts clerk to his office, the procedure outlined in the preceding paragraph will be followed.

7. A.A.O. and Clerks of the Defence Accounts Department attached to M.E.S. formations will, for the purpose of conduct, discipline, leave and pay, be under the orders of the Controller of Defence Accounts under whom they are serving.

8. If at any time the head of a M.E.S. formation has reasons to be dissatisfied with the work or conduct of an A.A.O. or Clerk attached to his office, he may report the matter to the Controller of Defence Accounts through the Regional Audit Officer giving full facts of the case to enable the C.D.A. to take such action as may be necessary.

**Note:** The term 'Regional Audit Officer' used in this manual includes the Local Audit Officers' in areas where the inspection and review of Local Audit of M.E.S. formations has been entrusted to them.

### **Confidential Reports**

9. Confidential Reports on AAO GE and Staff of the Defence Accounts Department attached to M.E.S. formation will be written by the RAO concerned, who will take into consideration any recommendations/complaints on the work and conduct of the individuals made by the- MES Officer concerned and accepted by the Controller of Defence Accounts.

### **Leave and Absence**

10. Subject to the restrictions laid down in Article 308, C.S.R., casual leave upto a maximum of 8 days in a calendar year but not more than 5 days at a time may be allowed to the Accounts Staff by the of the M.E.S. formation concerned. The leave may with permission be prefixed or suffixed to recognized holidays or Sundays, but any holidays or Sundays coming between the days of leave will count as leave. It cannot, however, be combined with the joining time availed of by an individual on transfer.

**Note 1:** Leave to men summoned to attend Courts of Justice as witness in their official capacity or jurors will not be taken into account in calculating the period of casual leave admissible.

**Note 2:** Leave granted under Art. 309 of the C.S.R. is also not taken into account in arriving at the maximum amount of casual leave admissible.

11. In the case of privilege of earned leave, the leave application of an A.A.O. or clerk will be submitted to the Controller of Defence Accounts through the Head of the M.E.S. formation and the R.A.O. The latter will endorse his recommendation on the application and, in the event of the leave being recommended, will state what arrangements he proposes to make to carry on the work of the absentee. The applicant will not be permitted to proceed on leave, (except in cases of emergency when the permission may be granted by the R.A.O. or the head of the M.E.S. formation concerned in case the R.A.O. is not present in the station) until the leave is granted by the Controller of Defence Accounts.

## SECTION 2 -MISCELLANEOUS

### **Pay and Allowances**

12. The Pay and allowances of the Defence Accounts Department personnel are drawn through the establishment pay bills of the Controller of Defence Accounts and remitted to the M.E.S. Officer for disbursement. The acquittance Roll duly signed by the payees and stamped where necessary will be return as expeditiously as possible after disbursement to e Controller of Defence Accounts.

13. All claims preferred by A.A.O. and accounts clerks will be submitted through the head of the M.E.S. formation concerned to the Controller of Defence Accounts. On no account will any payment be made by the M.E.S. authorities to A.A.O. or his clerks for which a cheque or other authority for payment has not been received from the Controller of Defence Accounts.

### **Representations and Appeals**

14. Representations or appeals from the Defence Accounts Department personnel attached to M.E.S. formations will be forwarded for disposal by the head of the M.E.S. formation concerned to the Controller of Defence Accounts through the R.A.O.

### **Books of Regulations, Codes, etc**

15. This manual, Defence, Audit and Account Codes and other departmental publications of the Defence Accounts Department, which relate to his work, will be supplied to the A.A.O. by the Controller of Defence Accounts, and the other books of regulation by the M.E.S. These books will be taken on charge by the A.A.O. properly maintained and kept corrected upto date. He is also responsible for their safe custody and handing them over to his successor when leaving the M.E.S. formation on leave or transfer, etc.

### **Supply of Stationery**

16. Articles of stationery required for the Account Section will be obtained from the stationery depot of the Command through the Controller of Defence Accounts in accordance with AI issued from time to time and instructions issued by the Controller General of Defence Accounts from time to time.

### **Supply of Forms**

17. Indents for the requirements of India Army Forms (except 'W' series forms which will be arranged for by the M.E.S. Officers concerned) will be submitted quarterly by the A.A.O. through the head of the M.E.S. formation to the Controller of Defence Accounts on the prescribed dates notified in the Command orders from time to time. The Controller of Defence Accounts will check and forward these indents duly countersigned to the Manager, Government of India, Central Forms Store, 166, Dharamtala Street, Kolkata for direct compliance.

### **Services Labels**

18. Service labels required in connection with the despatch of correspondence, etc. relating to the accounts section will be supplied by the M.E.S. formation concerned. Bearing Charges on covers in sufficiently stamped received by the A. A.O. will also be borne by the M.E.S.

### **Correspondence**

19. No typists of the Defence Accounts Department will be attached to the accounts, section, and the typing work being done by the M.E.S. typists. The receipt and despatch work pertaining to the accounts section will also be done by the M.E.S. formation concerned.

### **Class IV Employees**

20. Ordinarily the Controller of Defence Accounts will not post any Class IV employees such as peons etc. to the Accounts Sections of M.E.S. formations. The M.E.S. will arrange for peons work to be done through their own establishment.

### **Fuel and Hot Weather Establishment**

21. Expenditure the on fuel during winter and on hot weather establishment etc. during the summer for the use of the Defence Accounts Department personnel will be sanctioned by the MES Officer concerned, and met out of; the budget allotment of the formation for the purpose.

## **SECTION 3-DUTIES**

22. The functions of A.A.O. of the Defence Accounts Department attached to Engineer Offices are three fold:

- (i) As an Accountant, he maintains certain accounts in accordance with prescribed rules from the data furnished to him.
- (ii) As a primary Auditor, he applies certain preliminary checks to the initial accounts and vouchers, etc.
- (iii) As a Financial Assistant and Adviser, he assists the head of the M.E.S. formation in all matters relating to accounts and budget estimates and the operation of financial rules.

23. For the proper discharge of the duties laid down in the above para, the A. A.O. is expected to keep himself fully conversant with all sanctions and orders passing through the M.E.S. formation and with other proceedings that may affect the estimates or accounts of actual or anticipated receipts and charges in addition to the departmental orders, Govt. of India Orders, Army Instructions, etc. etc.

23-A. A.A.O. will examine all orders and sanctions affecting their work issued by the Govt. of India and authorities subordinate to them, CGDA's letters and Controller's office orders etc. in order to ensure that they are correctly applied. For this purpose they will hold monthly conference (or at longer intervals where so authorised by Controllers) with their Staff. All important and doubtful points arising during their day to-day working will be discussed at these conferences. The results of the Conferences will be recorded in a Review Register, which will be produced for inspection by the R.A.O., M.E.S. on his visits. Doubtful points

connected with the interpretation of applicability of Rules, instructions, etc. will be referred to the R.A.Os/Controllers for orders.

A certificate of review of orders and sanctions will be submitted to the R.A.O. monthly by the A.A.Os who will render a consolidated certificate to the C.D.A.

24. The M.E.S. Officers have instructions to see that the A.A.O. is given the fullest opportunity of becoming conversant with these sanctions, orders and proceedings and he will have a free access to them. To enable him to discharge his duties efficiently the A.A.O. is treated as a senior member of the office establishment of the division his status being equivalent to that of a Senior Sub-Divisional Officer.

25. The A.A.O. will see that the rules and orders in force are observed in respect of all transactions, which fall within the sphere of his duties. If he considers that any transaction affecting receipts or expenditure is such as would be challenged in audit (by the R.A.O. or the C.D.A.) it is his duty to bring this fact immediately to the notice of the head of the formation with a statement of his reasons, and to obtain his orders on the case. Should the M.E.S. Officer disagree with him, the A.A.O. shall comply with his orders and concurrently report the full facts of the case to the R.A.O. or the Controller of Defence Accounts as the case may require. The R.A.O. if unable to settle the case himself, will report the facts to the Controller of Defence Accounts together with his views for a final decision.

All observations pertaining to bills and vouchers submitted by the A.A.O. to the C.D.A. for pre-audit or post audit will be accompanied by a working sheet classifying the observations in three parts, viz

(i) Points seen in audit and completely met with citation of the relevant paras in the Office Manual or the Regulations.

(ii) Points on which there has been exploratory correspondence with the executive and which have been settled on the spot as having been adequately replied to.

(iii) Points on the border line which require specific attention by the officer In-charge, 'E' Section. For detailed instructions, see Chapter V.

26. The A.A.O. should bring to the notice of the head of the M.E.S. formation all instances in which the subordinate officers exceed the financial limitations placed on their powers. He may also be required by the Head of the formation to

undertake on his behalf such other scrutiny of the accounts of subordinate officers as the latter may consider necessary.

27. M.E.S. Officers are required to obtain the advice of their A.A.O. in all matters connected with the accounts of their formations or the application of financial rules and orders concerning which there may be some doubt. All cases of importance, the A.A.O. will give his advice in writing while the M.E.S. officers are not precluded from seeking the advice of R.A.O./C.D.A. whenever they consider such a course necessary, they should first obtain the advice of their A.A.O., vide para 8 MES Regulations (1968 Edition) and should refer matters to the R.A.O./ C.D.A. only when they do not agree with the A.A.O.

28. The following is a list of the Main items of work done in the Accounts Section of M.E.S. formations: -

(1) *GE's office*

- \* (a) Scrutiny and check of allotments and appropriations
- \* (b) Check of bills and other vouchers including allocation before submission to the C.D.A. for audit
- \* (c) Check of all bills and voucher paid by the GE/ Imprest Holding SDOs, from their Cash Assignment/ Imprest.
- \* (d) Submission of
  - (i) Cash book together with the supporting vouchers in original to C.D.A., and
  - (ii) Monthly consolidated Punching Medium [I.A.F. (C.D.A.) 336] to EDP/DDP the respective CDAs on due dates.
- (e) Check of
  - (i) Priced Stock List.
  - (ii) Stock purchase register.
  - \* (iii) Register of securities
  - (iv) Register of approvals to works.
  - (v) Works passing register.
  - (vi) Road Register (Property Accounts).
- (f) Maintenance of

- (i) Licence fee assessment ledger.
  - (ii) Register of buildings.
  - \*(iii) Contractors' ledger
  - (iv) Suspense register
  - (v) Register of sanctions.
  - \*(vi) Guard file of specimen signatures
  - (vii) Register of measurement books.
  - (viii) Register of receipt books.
  - (ix) Register of U.S.R. books.
  - (x) Register of requisitions.
  - (xi) Duplicate copies of contract agreements and list of contracts.
  - (xii) Register of losses.
  - (xiii) Register of muster rolls.
  - (xiv) Master Note Book.
  - (xv) Register showing names and initials of AAOs and clerks serving in the Accounts Section.
  - (xvi) Register of terminal compensation claims.
  - (xvii) Register for payment of freight charges for conveyance of cement by road.
- (g) Verification of Annual Returns of electric and water etc. installations.
- (h) Check of construction accounts and preparation of abstracts thereof:
- (i) Reconciliation of financial accounts with construction and other accounts and registers.
  - (ii) Local audit of all numerical and quantitative store ledgers, accounts etc. maintained in sub-divisional offices, issue of objection statements thereon and watching their final settlement through an audit progress register.
- \*(k) Receipt of the contract documents concluded by the GE and submission to the C.D.A. after ensuring that these are properly made out according to standard forms and that all routine requirements are complied with by the executive.
- (l) Issue of quarterly statement of items held under objection in form, I.A.F. (C.D.A.) 262 to the executive and their submission in duplicate to the C.D.A. by the 15th of the second month following that to which the statement relates.



(2) *Barrack/stores office*

- (i) Maintenance of:
  - (a) An up-to-date record of rentable buildings.
  - (b) Revenue ledgers,
- (ii) Scrutiny and check of occupation returns, returns of recoveries statements showing hire charges of furniture and refrigerators etc., and posting thereof in the revenue ledgers.
- (iii) Preparation and issue of licence fee bills and watching the receipt of acknowledgements from the P.A.Os and duplicate copies of the top lists from the Controller's offices.
- (iv) Audit of meter readers' books and consumers ledgers of electricity and water etc
- (v) Check of:
  - (a) Water and electric bills issued to consumers billed for direct by B.S.O.
  - (b) Quarterly vouchers for supply of water to paying consumers under para 712 MES Regulations. (1968 Edn.)
  - (c) Bills for payment of water and electricity charges to private agencies with the meter readers' books so far as quantities are concerned.
- (vi) Watching the recovery of landing and housing charges billed for by the M.E.S. authorities against private companies

(3) *Engineer Parks*

- (i) Local /Audit of all the numerical and quantitative store ledgers, accounts, etc., maintained in the Parks and issue of objection statements thereon and watching their final settlement through the audit progress register.
- (ii) Maintenance of
  - (a) Register of scheduling of issue vouchers.
  - (b) Register to watch linking of consignors issue voucher.
  - (c) Demand register.
  - (d) Payment issue register (for watching recoveries or: account of cost of stores etc. issued to State Governments, P.W.D., C.P.W.D., Private bodies, etc.)

In addition to these, the items marked with asterisk (\*) in the list of items relating to the G.E.'s office are also normally done in the accounts sections of Engineer Parks.

**Distribution of work**

29. The work in the Accounts Section will be distributed amongst his assistants by the A.A.O., the distribution list being kept on record. In doing this, due regard will be paid to the quality and quantity of each unit of work and the experience of the men to whom the different items of work are assigned.

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**CHAPTER II**  
**SECTIONS AND ORDERS**

**SECTION 4-INTRODUCTORY**

33. The main objects of audit of expenditure are laid down in Chapter II, Defence Audit Code. In the discharge of his duties as primary auditor, the A.A.O will ensure that these objects are fulfilled.

34. He will see that before expenditure is incurred or works Services, the following conditions are fulfilled except as otherwise provided for in the Regulation: for the M.E.S.

- (a) Necessity for the work has been accepted by the competent authority.
- (b) Administrative approval has been accorded by the authority competent to do so.
- (c) Technical sanction of the competent engineering authority has been obtained.
- (d) Allotment of funds has been made.

35. All orders relating to administrative approval, technical sanctions allotment or withdrawal of funds, will be received by the A.A.O. who will, after taking action as indicated in the following paragraphs, pas, them on to the S.D.O. concerned, as expeditiously a; possible.

36. If due to operations, Military necessity or urgent medical grounds, the MES Officer undertakes any Engineer service without any of the conditions specified above having been fulfilled, the A.A.O. will look for a written order of the Commander to the Engineer Officer concerned, for the commencement of the work and verify that a copy of the said order has been sent to the C.D.A.

If in the case of imminent danger to buildings, etc., or of a break down of a supply from an Installation the local M.E.S. Officer undertakes a work, the A.A.O. will see that the Engineer Officer concerned reports the facts of the case and the reasons for his action to the superior Engineer authority, the Local Military Commander and the C.D.A. concerned, stating the liability involved.

37. All sanctions, orders and appropriations will be carefully examined by the A.A.O. Notes should be kept of these sanctions, etc., in the registers prescribed for the purpose and those will be compared with the original orders, and initialled.

## SECTION 5-NATURE OF SCRUTINY

38. All sanctions require scrutiny with reference to some or all of the following points:

- (i) Legitimacy of the charge against the State;
- (ii) Correctness of classification;
- (iii) Competency of the sanctioning authority; and
- (iv) Grouping of works for purposes of sanction.

### **Legitimacy of charge against the state**

39. The first point to be considered on receipt of a sanction is whether the charge is for a bonafide public purpose and if so, whether it is a charge of M.E.S. proper or one which that Department has been authorised to incur on behalf of another Department.

40. To exercise a proper check, the A.A.O. should bear in mind the standards of financial propriety, as these are the basic rules on which all audit is conducted as regards the propriety of the charges.

### **Correctness of Classification**

41. Budget heads of classification should be carefully studied and it should be seen that receipts and expenditure are allocated to the appropriate heads. The A.A.O. should ensure further that except where otherwise permitted under the rules, no item of new work is classified as maintenance.

### **Competency of the sanctioning authority**

42. The authority competent to accord each class of sanction and the limits applicable to such sanction are laid down in the Regulations for the M.E.S., the Financial Regulations for the Defence Services and in Government Orders issued from time to time. It should be seen that the sanctioning authority does not, directly or indirectly, exceed his powers of sanctioning expenditure.

43. In the case of periodical repairs, the A.A.O. will satisfy himself that repairs are not sanctioned without the approval of the competent authority, before the prescribed interval. For this purpose, requisitions and estimates for periodical repair will be checked with the record of the execution of such repairs maintained by S.D.Os. in periodical Services Measurement books.

### **Grouping of Works for purpose of sanction**

44. It is irregular for an officer to sanction the execution in portions of any group of works the cost of which would in the aggregate exceed his powers of sanction under the rules. Unless a work is complete in it, the project, of which it forms a part, must be specifically stated to ensure that sanction is not accorded piecemeal with a view to bringing the amount within the powers of the sanctioning authority. This point should be borne in mind by the A.A.O. at the time of scrutinising sanctions.

### **SECTION 6--ADMINISTRATIVE APPROVAL**

45. Administrative approval means sanction by the competent financial authority to the execution of an original work and special repairs (replacements and renewals costing more than Rs. 50,000) each at a stated cost.

In scrutinising sanctions conveying administrative approval, the A.A.O. will verify that a copy of the orders according sanction has been endorsed to the C.D.A. who is responsible for the audit of such sanctions and will see that the necessity for the work has been accepted by the CFA. If with the aid of his local knowledge and records, which are not available to the C.D.A., the A A.O. has reason to believe that a particular sanction is ultra viates, he should bring the case to the notice of the C.D.A. in the manner described in para 25.

46. A record of administrative approvals will be maintained in the register of approvals to works (I.A.F.W. 1816) in the GE's office under the supervision of the A.A.O.

47. A separate register will be maintained for each year. Works carried over from one year to another will be repeated in the new register, the entries in the two registers being linked together. An entry in the new register will be the exact copy of that in the previous register. If a project comprises two or more sub-works, each sub-work will be entered therein together with the amount relating thereto, the name of the project, the total amount and references to the authority for sanction, being noted on the top in red ink. The column for technical sanction will be completed as and when the sanction is accorded.

48. The amounts of savings transferred from one item to another with the sanction of the competent authority will be noted in the column for "Amount" with a plus or minus sign, as tire case may be, each such entry being connected with a note in the remarks col. showing the authority for the transfer. If the technical sanctions has already been, accorded to the item to which an amount has begin

transferred the A.A.O. will see that the original amount plus the amount transferred, is within the powers of technical sanction of the authority who accorded the sanction and also that the amount is actually available for transfer from the item concerned.

### **Reduction in the amount of Administrative Approval**

49. As soon as contract is accepted, the A.A.O. will ascertain from the Garrison Engineer the cost of the service at contract rates with details showing how the figure has been arrived at. The cost will be checked with the details furnished and noted in Col. 3 of the register of approvals to works.

In the case of projects estimated to cost Rs. 1 lakh or more when the amount of accepted contracts reduces the cost of the project below the administratively approved amount by more than 15 per cent, it will be ensured that the approved amount of the project has been reduced by the amount exceeding 15%, by the CE/CWE within whose powers of Technical Sanction the work falls. The details of reduction will be sent to the CDA and all other concerned. The amount of 15% retained is used only to cover variation in the cost for technical reasons.

When the scope of a work/service is reduced for Administrative or other reasons, the administrative approval need not be revised but the approved amounts for the abandoned items of the service and the total approved amount will be reduced by the CWE (or the GE in the case of items not exceeding his powers of Technical Sanction). As in sub para 2 above, the details of the reduction will be sent by the GE to the CDA and all concerned".

### **Revised Administrative Approval**

50. It is not permissible for Engineer Officers to incur expenditure on any service the final cost of which exceeds the amount of administrative approval by more than 10%. An Officer will take no action, which will commit Government to expenditure beyond this limit without obtaining prior sanction of CFA. When an excess over this limit, which cannot be met by savings on other items, occurs or appears likely to occur on account of technical reasons, a report will be made at once to the Engineer Officer of the authority who approved the work. If there is still time to curtail the work or modify it, his orders should be obtained. If no modification is ordered a revised estimate will be prepared and revised administrative approval of the C.F.A. obtained.

There is no limit as to the number of limits an estimate may be revised.

If additions become necessary through the revision of scales or establishments or for other administrative reasons, a supplementary estimate will be prepared and administrative approval obtained from the CFA competent to accord administrative approval to the entire work, including both original and supplementary estimates.

The revised administrative approval, when accorded, will be noted against the original entries even if it is accorded in subsequent year.

### SECTION 7---TECHNICAL SANCTION

51. Technical sanction is the name given to the order of the competent Engineer authority, sanctioning the costed schedules of works, detailed designs and specifications of a work of construction or repair, proposed to be carried out by the MES. It ensures that the proposals are structurally sound and that the estimates are accurately prepared and based on adequate data.

52. Powers of technical sanction of Engineer authorities are laid down in the Regulations for the MES. The competency of an authority to accord sanction to a particular work or service is determined with reference to the amount of administrative approval to that work or service. In cases in which administrative approval is not required to be accorded separately, e.g. maintenance services, a detailed estimate or requisition is prepared and costed before according technical sanction and the amount of this estimate or requisition is taken into account to determine the authority competent to accord sanction.

The preparation of costed schedules for original works costing 'less than Rs. 10,000 is discretionary and should not be insisted upon.

53. The A.A.O. will scrutinise technical sanctions whether a detailed estimate or requisition is prepared or not, to see that the sanction has been accorded by the competent authority, that the amount of sanction (which will be the amount of administrative approval in cases' in which a detailed estimate is not required by rule to be prepared) does not exceed the powers of sanction of the engineer authority concerned and that administrative approval exists. In cases in which a separate administrative approval is not required under rules, it will be seen that the expenditure sanctioned is authorised. It should also be seen that the technical sanction is accorded by the competent engineer authority before calling for tenders or commencing work. No contract will be made nor work begun till the schedules of works has been costed and technical sanction given.

54. Technical sanctions, except for petty and periodical repairs chargeable to the bulk allotment made to a Sub-Divisional Officer, will be recorded in column 6 of the Register of Approvals to works (LA F.W.1816).

### **Register of Requisitions [I.A.F. (CDA) 356]**

55. In this Register will be, entered only those requisitions which are sanctioned as chargeable to the bulk allotment made to S.D.Os. Such requisitions as those for which separate allotment of funds have been or is intended to be made e.g. for minor works,

56. The Register will be kept by the A.A.O. in loose-leaf folios, separate sets of folios being allotted to each bulk allotment made to J.E. The outer sheet of the Register will be used for noting the bulk allotment and subsequent modifications thereto and also the amount of saving or excess in each requisition, which has been completed. The saving and the excess will be indicated by the sign (+) and (-) respectively. The inner sheet of the Register will contain particulars of requisitions as they are sanctioned from time to time against the bulk allotment and their completion cost.

57. At the time of making a fresh entry in the inner sheet of the Register it will be seen by the A.A.O. that the amount when added to the last running total appearing in Column 5 does not exceed the latest modified figure of bulk allotment as noted in column 4 of the outer sheet, plus or minus the running total -of the saving or excess appearing in column 8 thereof. The date of sanction and the time allowed for each requisition will be noted in the appropriate columns of the inner sheet, to watch the return of the requisition on completion of work.

58. On the first of April, J.E. will be asked to furnish a list of all requisitions in progress from the previous year on which expenditure will be incurred during the current year together with a statement of the probable amounts likely to be incurred. All these requisitions will be noted in the inner sheet of the new Register but in Col. 4 of the sheet only, the estimated expenditure on each such requisitions (luring the current year will be noted (the amount originally sanctioned in respect thereof being recorded in the remarks col. in brackets against each entry). The amount will be the first charge against the bulk allotment for the current year. All entries in the current year's register in respect of such requisitions will be linked with the corresponding entries in the previous year's register.



SECTION 8-APPROPRIATIONS

59. An account of appropriations will be maintained under the supervision of the A.A.O. by the MES Staff in the Register of Appropriations (IATW-2244) on pages set apart for each detailed head of account in the budget.

60. Orders for further appropriations or transfer of funds will be checked to see that they have been approved by the competent authority and that in the case of withdrawals from the appropriation for a work or detailed head, the funds withdrawn are actually available.

**Note:** Before surrenders are actually made by the MES Officer to the CWE the A.A.O. will satisfy himself that the necessary funds are available for surrender.

61. Appropriations made to sub-Division from the Reserve at the disposal of the MES Officers should not exceed the unallotted balance as shown in file Register of Appropriations.

62. Entries in the Register will be numbered serially under each detailed head except when additional funds are allotted to a work for which an entry already exists in the Register. In such a case, the serial number assigned in the first entry will be repeated in red ink.

63. Whenever a bulk allotment is made to a J.E. under maintenance head, the amount allotted and the subsequent additions and alterations made thereto will be noted in the Register of Requisitions vide Para 56.

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**CHAPTER III**  
**TENDERS AND CONTRACTS**

**SECTION 9-TENDERS AND CONTRACTS**

69. The rules for the issue of Tender Notices and acceptance of contract agreements by MES officers are given in Chapter VI of the Regulations for the MES (1968 Edn) and the powers of acceptance thereof in Table 'B' ibid. The responsibility for the correctness of all details in any contract lies with the MES Officer by whom it is accepted.

70. Scrutiny of contract documents when concluded f on standard forms, prior to acceptance is not necessary by the CDA except in the cases enumerated in paragraph 77, but the original documents will be sent 'to him for post scrutiny and custody. "CEs are empowered to alter standard contract documents at pre-tender stage" to suit urgent requirements, particularly with ref. to security deposits, percentage payments, speed of payments, issue of stores deviation limits and similar matters. They will however, consult their Controllers of Defence Accounts wherever possible, where the opinion of CE on alteration involves a major departure from an existing procedure, he shall send a copy thereof to the E-in-C's /Director General of Works for information.

71. In the cease of contracts accepted by the CEs and CsWE within their powers of acceptances, the original documents together with notices of tender comparative statement, specifications, drawings, etc. forming part of the contract agreement, will be forwarded direct to the CDA by the Accepting Officer. A certified true copy of the accepted contract agreement will also be sent to the CDA for check with the original documents and transmission to the A.A.O. concerned duly attested.

72. In the case of contracts accepted by the GEs within their powers of acceptance of contracts, the original and duplicate copies of contract deeds along with all the subsidiary documents will be forwarded by the Executive to the A.A.O. and attached to the M.E.S. formation for submission to the CDA.

73. The Bills of Quantitative and Schedules of Errors din the case of lump sum contracts are treated as s` secret documents and are not passed on to the CDA. Responsibility for checking contracts and Schedules of Errors with the Bill of Quantities rests entirely with the S.W. The A.A.O. will, however, see that a

certificate to the effect, that the required check has been exercised is recorded on the contract agreement, by the surveyor of works

74. Contract agreements should be concluded on the latest standard forms. The following are the main classes of standard forms of contracts:

(i) *Contracts for Building Works*

- (a) Lump sum Tender and Contract for Works I.A.F.W. 2159.
- (b) Tender and Contract for Artificer's Work IAFW-1821.
- (c) Tender and Contract for Works by Measurement IAFW-1779.

The above forms are to be used in conjunction with General Conditions of Contracts-I.A.F.W. 2249 as amended from time to time.

- (d) Item rate tender and contract for works (I.A.F.W. 1779-A) to be used in conjunction with I.A.F.W. 2249-A.

(ii) *Contract for the supply of material*

Tender and rate contract for the supply of stores and materials (I.A.F.W. 1815-R).

This form is used for the supply of stores, material and furniture in conjunction with the general conditions of contract for the supply of stores and materials (IAFW-1815-Z).

(iii) Contract for conveyance of materials (IAFW1816-A).

(iv) Tender for Piece Work (IAFW-1780)

(v) Contract for handling of MES Stores (IAFW2320).

(vi) Agreement for the appointment of Auctioneers for disposal of surplus buildings (IAFW-2353)

(vii) Lump sum tender and contract for sale of buildings. Demolition Removal and Clearance of site (IAFW-2352)

75. Before forwarding the contract documents to the C.D.A. for post scrutiny vide paragraph 72 above the A.A.O. will see that the documents are complete in all respects and will also examine that primary requirement are complied with.

76. The A.A.O. will see that the tenders have been kited in the manner laid down in the Regulations when tenders are disposed with, he will see that a report

of the circumstances has been made to the CWE. (The powers of the GE to conclude a contract without calling for tenders are laid down in paragraph 432 MES Regulations (1968 Edn).

77. The A.A.O. will see that the C.D.A. is consulted in the following cases before the transactions are concluded:

- (a) Making a contract without calling for tenders including single tender contracts.
- (b) Accepting a tender other than the lowest or of unusual nature.
- (c) Inviting tenders for long term in preference to short-term contracts.
- (d) Making an amendment having a considerable financial effect on the contract.
- (e) Supply of electric energy and water to private buildings (i.e. buildings not owned, hired, leased or appropriated or used by Government of India in the Ministry of Defence) if the rates are not the All India recovery rates in force from time to time.
- (f) Accepting tenders containing freak rate or rejecting tenders containing freak rates which otherwise was most acceptable.

78. He will verify that the contract has been accepted by the competent authority and initialled and signed, where necessary by the contractor or his representative who is legally empowered to do so. He will see that the blank spaces in the contract are filled in and the numbering and attesting of amendments etc. are complete. He will also see that rates in Schedules 'B' and 'C' are correct and schedule 'A' is arithmetically correct in regard to extension, total etc.

79. The A.A.O. will also see that when the tender accepted is said to be the lowest, it is really the lowest. For this purpose, he will calculate and compare the financial effect of the various contractors' tenders.

80. The amount of the contract will be checked with the sanctioned estimate or the modified amount of previous contracts in the case of term and running contracts. In the case of a contract on piecework tender forms, a statement showing the approximate total value of the work to be done will be obtained from the GE and attached to the contract. As regards action to be taken on the conclusion of contract for obtaining revised administrative approval see paragraph 49.

81. In cases where the A.A.O. finds that any deviations from or additions/ amendments to standard clauses are necessitated by the special requirement of the particular contract or local conditions he should verify whether they have been approved by the competent authority and if they have considerable financial

implications; he should draw the attention of the CDA (Engineering Section) prominently to this factor for further necessary action. He shall also see if there -is any unusual provision in the contract which is likely to present difficulties in actual application or that the contract is vague or ambiguous in any respect, he will bring the matter to the notice of the M.E.S. Officer and the CDA. It must be remembered that anything that audit can do to put the M.E.S. Officers on their guard in time in respect of any matter that is likely to give trouble, is far more useful than making adverse comments at a subsequent date.

81A. A checklist on the scrutiny of contracts by the A.A.O. as per Annexure 'A' will be forwarded to the Main Office with the contract agreement.

### SECTION 10- SECURITY DEPOSIT

82. All approved contractors will deposit security in either of the following form:

(a) Execute the standard form of security Bond at the time of enlistment as per following table as security against performance: -

**(a) Monetary limits of Contractors/ Standing Security Deposits/Minimum Reserve**

Class	Upper Tendering Unit	Value of Standing Security Deposit	Limit of minimum reserves/ total of moveable and/or immovable property or fixed assets (in case of company (Rs. in lakhs),	Authority competent to enlist
	(R s.)	(Rs.)		
1	2	3	4	5
SS(Super Special)	No Limit	5,00,000	50.00	Engineer-in-Chief
'S' (Special)	7.5 Crores	3,00,000	35.00	CE Command
'A'	1.5 Crore	1,50,000	20.00	CE Zone/project
'B'	80 lakhs	1,20,000	15.00	CE Zone/Project
'C'	40 Lakhs	60,000	10.00	CE Zone/Project
'D'	20 Lakhs	30,000	5.00	CE Zone/Project
'F'	10 Lakhs	20,000	3.00	CWE
'F'	5 Lakhs	10,000	1.50	CWE

Such contractors will not be required to deposit earnest money and security for individual works in the case of a contractor of unlimited class; only one bond is executed by him although he may be working under more than one CHIEF ENGINEER. The bond shall be accepted by the CHEIF ENGINEER in whose command the Head Quarters of the Contractor are situated Contractors of all other classes will be required to execute a separate Bond with the Chief Engineer of each command in which they wish to operate.

(b) The amount of earnest money required to be furnished along with tenders by Contractors who are not enlisted with the MES and those who are enlisted but have not executed Standing Security Bond (except as stated in Paras (d) hereunder) shall be calculated on the following scales:

**(b) Scale of Earnest Money**

Estimated cost of works		Earnest Money
1		2
A	Up to Rs. 5lakhs	2% of the amount subject to a minimum of Rs. 2,000/-
B	over Rs. 5 lakhs and Up to Rs. 10 lakhs	2% of the amount
C	Over Rs. 10lakhs and upto Rs. 20 lakhs	Rs. 20,000/- plus 1.5% of the amount in excess of Rs. 10 lakhs subject to a maximum of Rs. 30,000/-
D	over Rs. 20 lakhs and Upto Rs. 40lakhs	1.5% of the amount
E	over Rs. 40 lakhs and Upto Rs. 80 lakhs	1.5 of the amount
F	over Rs. 80 lakhs and Upto Rs. 150 lakhs	Rs.1, 20,000/- plus 1.25%of the amount in excess of Rs. 80 Lakhs subject to a maximum of Rs.1, 50,000/-
G	over Rs. 150 lakhs and Upto Rs. 750 lakhs	Rs. 1, 50,000/- plus 1 % of the amount in excess of Rs. 150 Lakhs subject to a maximum of Rs. 3, 50,000/-
H	Over Rs. 750lakhs	Rs. 3, 50,000/-plus0.50% of the amount in excess of Rs. 750 lakhs subject to a maximum of Rs. 5,50,000/

In exceptional cases, CHIEF ENGINEER, are authorised to exempt specialist firms and other reliable contractors of unlimited class from depositing Earnest money and security. Such discretion will however, be exercised with the prior concurrence of the E-in-C.

**(c) Individual security deposit**

Security Deposit for individual works (i.e. individual Security Deposit) shall be 25% more than the amount of Earnest money calculated as per the scale laid down in para (b) above (i.e. 1.25 times) based on tendered cost subject to the provision that in no case the Individual Security Deposit shall exceed Rs. 2.25,000/-.

(d) Specialist Firms, who have not executed standing Security Bond/lodged standing Security deposit, shall be permitted to tender for specialist work without depositing Earnest Money along with tenders. They, will, however, have to lodge before acceptance of tender, Security Deposit for the work calculated as per sub para (c) above.

**Note:** In the case of tenders issued on and after 14-8-1998 Earnest Money shall be calculated as per the revised scale given in sub-para (b) above, and individual Security Deposit as per the scale in Para (c) above.

83. In the case of contractors who have not executed the Standard form of Bond the AAO will see that they have deposited the necessary Earnest Money with the MES Officer, and also Security Deposit if the work is given to one of them. He will also check that the amount of Security Deposit specified in the contract agreement has been correctly calculated.

In the case of a contractor, who has executed a standard form of Bond, the AAO will verify that he has not been given a contract in excess of his financial limits.

## SECTION 11-MISCELLANEOUS

84. After the contract documents concluded by the GE have been examined in the manner indicated above, an entry should be made by the AAO in the Index kept at the beginning of the guard file in which duplicate copies of contracts received by him are recorded vide paragraph 86 below. The serial number assigned to the contract in the Index will be the same as the one given by the MES Officer with reference to paragraph 398 regulation for the MES (1968 Edn.) and will be noted in the red ink on the first page of the agreement with the year of

contract if not already noted by him. The contract will be referred to by this number and year in all subsequent correspondence and bills pertaining that contract.

### **Transmission to the C.D.A**

85. After the above entry has been made in the Index of Contractors, the AAO will, forward the original and duplicate copies of contract agreement together with all Schedules. Specifications, Drawings, Comparative Statement of Tender and a certificate copy of the notice calling for tenders to the CDA for post-scrutiny and return of duplicate copy to him.

86. The duplicate copy of the contract agreement after having been checked in the CDA's Office and certified as correct by a Gazetted Officer of that office will be returned to the AAO concerned who will retain it in his own custody. He will record all duplicate copies in a guard file according to the Serial Number assigned to them by the NTES Officers to which an index as in the Proforma below should be pasted at the beginning.

---

SI.No.	Assigned by the GE	Name of Contractor	Descrip- tion of Contract	Amount	Remarks
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"Similar action will be taken by the AAO in respect of duplicate copies of contract agreements concluded by CWE/CE received from CDA's office duly attested by a Gazetted Officer of that Office".

### **Amendments**

87. In the case of contracts concluded by the GE amendments subsequently sanctioned to a contract will be examined to ensure that they are in order, that they have been necessiated by alterations in the scope of the work sanctioned by competent authority after the contract was concluded, and that the powers for the acceptance of contracts have not been exceeded. As a result of an amendment, if the value of tire on-tract exceeds the powers of the officer who accepted the tender, the acceptance of the officer in whose powers the revised value of the contract lies, should looked for in respect of the entire contract. In such cases the amended contract will have the same implications as if it were originally concluded for the mended amount.

88. It should be seen that an amendment involving enhancement of contract rates or change of specifications in respect of freak rate is not sanctioned except



here the next higher authority has accorded his sanction. When the contractor has signed his final bill or when in the case of a running or a term contract file period covered by the contract has expired, sanctions of the next higher authority to the amendment will be looked for. The issue of an amendment to a contract after the contractor has signed the final bill without any reservation (i.e. with a clear no claim certificate on page 2 thereof) is irregular and should not be accepted. To avoid this, the AAO will see that contracts are duly amended rider sanction of the competent authority as soon as possible after the necessity for the amendment arises.

89. Original and duplicate copies of work /Deviation orders in respect of all Contract Agreements and amendments in respect of Contracts concluded by GE will be forwarded by the executive to the AAO who will forward, the same to the CDA after primary check. Copies of amendments to the contract concluded by the CWE/CE are sent in duplicate by the accepting officer direct to CDA. The duplicate copy when received back duly attested by the CDA will be recorded by the AAO with the duplicate copy of the Contract Agreement to which it relates.

90. The A.A.O. GE should bear in mind that the essentials for a valid amendment are (i) that it is within the financial powers of the officer making the contract and (ii) that it is for "Consideration".

91. The effect of all Amendments and Deviations will be carefully studied, particularly with a view to ascertain if an Amendment or Deviation involves a recovery of a past payment, in which case necessary action will be taken by the AAO.

#### Re-imburement of Escalation Claims

92. It will be seen during scrutiny of contracts that:

- (i) Special condition regarding reimbursement of increase in prices of material, labour, fuel etc. has been incorporated duly in tender documents contracts whose period of completion is laid down in tenders is more than 6 months.
- (ii) Special conditions for re-imburement of increase in prices are not included in term contracts.
- (iii) Total values of material fuel and labour components and the element of tools, plants and equipments and transport do not exceed the total value, prescribed by the Min. of Def. or E-in-C.

- (iv) The value of material components is not more than 70
- (v) It should be ensured that there are no wide variations between the values of material, fuel & labour indicated in the CA from the values as circulated for guidance by "E-in-C's" Branch.
- (vi) The values of material fuel & labour etc. have been given in figures as well as in words
- (vii) The rates of minimum wages as notified by State/Central Govt. from time to time have been included in the CA as per latest notifications.

The value of material fuel and labour components are predetermined by accepting officer and expressed as percentage of the total value as prescribed by E-in-C. The case of wide variation, details of such variations should be kept or record.

### Working of Contracts

93. Whenever an occasion arises or special points of interest come to the notice of the AAO in his day-to-day work, regarding the working of contracts, these should be noted in the Master Note Book and the details entered up under a single heading at one place in the proforma noted below:

---

No. and Year of Contract	Name of Contractor with address	Period and nature of contract	Points of interest noticed in the course of the working of contract	Remarks
1	2	3	4	5

---

The A.A.O. should consult these entries for tendering financial advice to the M.E.S. Officers.

94. The A.A.O. should realise that he is a part of the machinery set up in the main office of the CDA. He should bring to the notice of the CDA/RAO any irregularities or unfavorable developments noticed by him during the actual working of the contracts with merit consideration by them.

95. }  
96. } Blank.

CHAPTER IV

**FINANCIAL AND CONSTRUCTION ACCOUNTS**

SECTION 12-FINANCIAL ACCOUNTS

97. The financial accounts that are the accounts of receipts and charges classified under the prescribed budget heads of accounts will be prepared by the EDP centre, for submission to the Government of India.

98. For the purpose of the financial accounts, the MES Officer will submit to the A.A.O. a bill or voucher or a batch of vouchers that requires an entry in the Construction Accounts, duly allocated under the appropriate Code Heads. A voucher not affecting the construction accounts eg. a voucher on account of refund of security deposit or a treasury receipt for revenue realised, etc., will be allocated in the Accounts Section.

99. The A.A.O. will check the allocation on the bills and vouchers and carry out the necessary corrections, if any in consultation with the MES Officer concerned. He will see particularly that the budget classification and relevant Code number are correct and that no fictitious code numbers are used.

100. To avoid any discrepancy between the construction (or other subsidiary) accounts and the compiled actual, the A.A.O. will ensure that:

- (i) The figures used in the punching media are legible and correct.
- (ii) An upto date list of the code numbers assigned to detailed heads in the classification Hand Book normally used in the division is maintained and copies thereof are available with all the assistants dealing with bills, transfer vouchers etc.

101. An abstract of receipts and charges IAF (CDA) 25-A will be prepared by the A.A.O. The abstract will be posted every day systematically and methodically, from Transfer Vouchers, I.D. Schedules, Adjustment Vouchers, Transfer entries and Cash Vouchers that are passed for payment and for which cheques are issued by the M.E.S. Office. The amount of each cheque issued will also be similarly posted in the abstract under Code No. 0/020/81.

At the end of each month, the A.A.O. will close the abstract of Receipts and charges and interalia agree the figures under Code No. 0/020/81 as posted in the abstract are invariably agreed with the totals of Cash Book under "Payment by Cheque".

102. After the reconciliation of Accounts a consolidated punching medium in form IAF (CDA)-336 will be prepared by the AAO in quadruplicate. The original Punching Medium together with a Statement of responding items of Defence I.D. Schedules (as per proforma given in the Annexure to this Chapter) and debit/credit schedules for the Fund Heads will be submitted to the EDP/DDP centre by the prescribed date. The duplicate and triplicate copies of the Punching Medium will simultaneously be dispatched to the Accounts and E Sections respectively of the CDA's Office duly supported by Schedule in IAFA-125 (in duplicate) and other documents noted below

### **Accounts Section**

- (a) "Schedule pertaining to Settlement Account with Civil including Schedule III for the heats Cheque and Bills (C.B.)".
- (b) Separate I.D. Schedules (IAF (CDA)-338-A) in quintuplicate for each item of original debit and credit appearing under the head "Military Exchange Accounts". One copy of the I.D. Schedule duly numbered will be returned in due course to the AAO by the CDA.

### **'E' Section**

- (c) A copy of the Statement of responding items of Defence I.D. Schedules.
- (d) Schedules in I.A.F.A. 725 (in duplicate) in respect of the Remittance head "Transfers between MFS Officers".
- (e) A Statement (IAFA-133-Schedule VII; showing the cheque cancelled.

**Note: 1.** (i) Payments made by Cheque by the Main Office in respect of MES Formations eg. Pay and allowances of M.E.S. Civilian Officers, Non-industrial Staff, TA Bills, mist, claims etc, will be compiled by the Audit Section concerned in the Main Office under Class-9 Voucher. The punching Media will be prepared in quintuplicate as per allocation given on the bills and all the columns of the punching media will be completed by the Audit Section in the normal manner, as is done in the case of nor MES Bills. While the Code No. of the M.E.S. formation will be indicated in all copies of the punching media, the voucher number allotted to the bill by the formations will be quoted on all copies except the original.

- (ii) At the close of each month, audit sections of the Main Office will furnish to the A.A.O. copies of punching media pertaining to the Garrison as laid down in Para 99 OM Pt. VIII.
- (iii) The transactions appearing in the punching media of the Main Office will not be posted by the A.A.O. in his abstract of receipts and charges for the purpose of compilation. However, these will be abstracted separately under different heads for facility of reconciliation with the construction account.

The A.A.O. will maintain following documents:

- (1) Abstract of Receipt and Charges (Class 4)
- (2) -Do-- (Class 9)
- (3) C. P. Vouchers Register.

The A.A.O. will check the construction accounts and monthly expenditure returns with ref. to the three documents referred to above.

- (iv) The amounts of Cheque drawn by the MES Officer against Cash Assignments placed at their disposal will, however, be shown in the consolidated Punching Medium against 0/020/81.

**Note: 2.** Schedules in respect of recoveries on account of GP Fund in accordance with the General Rules Prescribed in Defence Account Code

**Note: 3.** Re-adjustment of errors of classification will be carried out in accordance with general rules prescribed in Defence Account Code.

### SECTION 13-CONSTRUCTION ACCOUNTS

103. The construction accounts are maintained by the SDOs, concerned for each work or service. It shows for purposes of control the amount of sanction and allotment and also the expenditure as and when incurred with sufficient details as to the nature of expenditure and reference to vouchers Liabilities and expected credits are also shown until adjusted

In order to enable the J.E. to complete there construction accounts expeditiously, the A.A.O. will immediately after an entry is made in the abstract of Receipts and Charges, return the duplicate copies of paid muster rolls, with the number and date of cheque and Cas4 Book item number duly endorsed thereon. Simultaneously one copy of the voucher for stores requiring adjustment and an

allocation sheet in the cast: of ID Schedules will be passed on to the J.E. Concerned for posting in the construction accounts.

104. The A.A.O. will check the correctness of the posting in the construction accounts by means of original vouchers in his possession. He will also check the abstracts of construction accounts and reconcile the same with the abstracts of Receipts and charges. The construction accounts will bear a certificate of reconciliation with the Abstract of Receipts and Charges and if an error is found in the sub-Divisional Accounts, the A.A.O. will have it set right on the spot. Should there be an error in the financial accounts it will be noted in the Abstract of Receipts and Charges and rectified in the financial accounts next month. As soon as this is done the construction accounts as well as the abstract thereof will be returned to the J.E. by the A.A.O. The J.E. will then prepare his expenditure return for despatch to the Garrison Engineer. Necessary arrangements to obtain the construction accounts from out Stations J.E. at the Headquarters Station will be made by the A.A.O. will also see that:

105. In checking the construction accounts, the AAO will also see that:

- (a) Sanctions and allotments noted in the construction Accounts agree with the entries in the Register of Approvals to Works (IAFW1815) and Register of appropriations and that when a sanction is revised the word 'Revised' is prominently written against the amount of sanction.
- (b) Reference to letter number and date according sanction etc. quoted in the folio of the construction account is correct.
- (c) Amounts shown as charges against acid recoveries froth contractors agree with the balances shown in the contractors" Ledger
- (d) The expenditure does not exceed the amount of sanction. In cases in which expenditure is sanctioned on Gross/Net basis it should be seen that any additional credits such as recoveries affected by the disposal of surplus tools and plant, stores, fines and forfeitures etc. are not utilised to meet additional expenditure.
- (e) The savings due to abandonment of part of a work as evidenced by the quantities of the work executed or otherwise are not utilised towards an unauthorised object.
- (f) No undue delay takes place in the submission of completion reports after the completion of the works.

- (g) It should be ensured that construction accounts of works are maintained according to the various sub items of the work as indicated in the approximate estimate attached to the Administrative Approval to the project. This is intended for easy reference and statistical data required in connection with financial Stock-taking of Projects.
- (h) It should also be ensured by the A.A.O. that the 'liabilities' are correctly posted in the construction accounts. The postings of liabilities are essential in order to know the financial position of the work at any moment.

### **Condition of Accounts**

106. If the A.A.O. finds either in the course of checking allocation on the bills/vouchers or the postings in the construction accounts that the accounts of a particular Sub-Division are not maintained in a satisfactory condition, he will bring the matter to the notice of the M.E.S. Officer for any action that the latter may think fit to take. If this action is found ineffective, he will report the matter to the RAO/CDA as necessary.

### **Materials**

107. In the case of work executed departmentally, it should be verified that all stores, the cost of which has been charged to the construction accounts have been shown in the list of materials attached to the Muster Rolls/Work Charged Establishment Bills concerned.

### **Material Accounts**

108. It will be seen that material accounts of completed works are closed as soon as possible. If any stores are left in hand, action taken for their disposal should be ascertained. It will also be seen if there are any cases in which materials were purchased at the close of a financial year (i.e. February to March) and debited to the materials account merely to utilise funds. If it is found that the materials so purchased continue to remain "on charge for prolonged periods, the reference to be drawn is that purchases were made simply to avoid lapse of funds. Traces back the entry to the original transaction and, if necessary, placed it under objection.

**Note:** Whenever a material account for a major work is authorised, a separate folio subsidiary to the folio of the work will be maintained. No separate abstract is required in this case.

### Departmental Charges

109. When leviable, departmental charge-s on works executive by the M.E.S. are adjusted by SDOs by means of transfer vouchers. At the time of his scrutiny of the construction accounts, the A.A.O will verify that the charges have been levied at the prescribed rate on the booked expenditure and that the calculations are correct.

### Monthly Expenditure Returns

110. The monthly expenditure returns admitted by S.D.Os will be checked by the A.A.O. with the abstract of construction accounts, Register of Approvals to works, Register of Appropriations, etc. In submitting the return to the M.E.S. Officer, the A.A.O. will bring to his notice points which need his attention e.g., low expenditure, delay in submitting bills in any particular case, excess in any particular Sub-Division, progress of, expenditure as compared with previous month's figures and risk, if any, of a possible lapse or excess.

The consolidated monthly expenditure return prepared by the head of the M.E.S. formation will also be checked by the A.A.O. with the monthly financial accounts and certified to that effect.

111. }  
 112. } NIL  
 113. }

**ANNEXURE TO CHAPTER IV**  
**Statement Showing Military Exchange Account-Responding items**  
**(Referred to in para 102)**

Month	C.D.A.	Section	Class of Voucher				
Voucher No.							
RECEIPTS				CHARGES			
Responding Section as per Column 1 of I.D. Schedule	(Classification Code No. (+R or-R))	I. D. Schedule No. and Month Column 1 of	Amount	Responding Section as per (RCH or --CH) I.D. Schedule	Classification Code No.	I.D. Schedule No. & Month	Amount
1	2	3	4	5	6	7	8



## CHAPTER V

### **BILLS AND VOUCHERS**

#### SECTION 14 -INTRODUCTORY

##### **Bill Register**

114. To watch the disposal of bills, a Bill Register will be maintained in the Accounts Section. All bills will be entered in this register on the date of receipt the disposal recorded against each entry.

##### **Prompt disposal of bills**

115. The A.A.O. will ensure that all bills are disposed of as expeditiously as possible. Labour and other bills that do not involve much clerical work should be disposed of within three days and others within seven days of their receipt.

##### **Arrear list of bills**

116. The clerk to whom the duty of maintaining the Register is assigned will prepare and submit to the AAO every Monday List of bills that have been outstanding in the section for more than seven days. The AAO will scrutinize the list, investigate the cause of delay and take such action as may be necessary to expedite disposal of the bill.

117. Bills are of the following kinds:

- (i) Contractors' Bills.
- (ii) Muster Rolls and temporary work charged establishment bills (industrial).
- (iii) Casual Labour Rolls.
- (iv) Bills in respect of-
  - (a) Rent for hired buildings.
  - (b) Rent for the land.
  - (c) Terminal compensation Claims of Buildings.
  - (d) Rates and Taxes.
  - (e) Care of vacant buildings.
- (v) Bills for local supplies.
- (vi) Bills on account of handling charges of stores
- (vii) Electricity and Water Supply Bills.
- (viii) Miscellaneous Bills on account of contingencies etc.

(ix) Establishment and TA Bills.

118. A Garrison Engineer or an accounting AGE or independent AGE is authorised to pay from his Assignment/Imprest - all Muster Rolls, temporary work charged establishment bills (industrial), bills to rent for hired buildings, rates and taxes, water and Electricity charges and advances to contractors on running accounts including secured advances, without pre-audit by the CDA. Payment of advances account of conveyance flood, Festival etc. compilable to debit heads in respect of Industrial personnel of MES will also be paid out of Cash Assignment of GE's after pre-check of claims by AAOs and subject to post-audit by RAOs (MES) concerned. AAO (MES) will ensure that requirements of rules are fully complied with including availability of funds before admitting the claims for payment from the Cash Assignment.

An imprest holdings SDO may pay Muster Rolls and temporary work charged establishment bills (Industrial and Non-industrial), without prior check by the AAO, he may also pay petty bills upto Rs. 200/- if authorised by the Garrison Engineer.

The Chief Engineer may authorise GE to pay final bills, the gross value of which does not exceed Rs. 3000 without pre-audit by the CDA in areas where surcharge of works cadre is operating. This limit may be raised to Rs. 5000. Such bills, muster rolls etc. will be checked by AAO as laid down in the following paragraphs.

## SECTION 15- CHECK OF BILLS

### **General Scrutiny of Bills**

119. On receipt from SDOs etc., bills should be examined to see that they are complete in all respects, are in duplicate, have been signed by all concerned, are technically checked and are accompanied by the measurement book, the abstract of measurement in duplicate or requisitions, where necessary. If a bill is not complete in any respect or not accompanied by a required document, the deficiencies found in the bill should be made good by personal contact with the Executive. In cases where it is considered desirable, the AAO should also contact the head of the MES formation personally and have the documents completed before submission to the CDA for pre-audit. Care should be taken to see that incomplete bills are not forwarded to the CDA for final audit in a noncommittal fashion. If it is found necessary to return a bill to the SDO with objections, all such objection should be taken up in one batch and not piecemeal.

M.E.S. Officers have instructions to complete the preparation of final bills within one month of the completion of the work. The AAOs should watch the dates of completion of works and in cases where a final bill is not received by him within two months of the completion of a work; the fact should be promptly brought to the notice of the Garrison Engineer. Where the final bills are not submitted to the AAO even after four months of the completion of works, such cases should be brought to the notice of the CDA.

120. The important points to be seen by the AAO in checking bills and vouchers are-

- (1) that all calculations are correct.
- (2) that total of all vouchers are correct.
- (3) that the work done and payments claimed therefore agree with the contract agreement relating thereto.
- (4) that the vouchers are in the prescribed form, or failing that no particulars or signatures required by the form applicable to the class of charge, have been omitted.
- (5) that copies of bills are marked "Original" "Duplicate", etc. in ink on the top of the bills and that the original copy is signed and not the duplicate.
- (6) that the claim is not time-barred and that the period to which the payment relates and the allocation of the charge are clearly shown.
- (7) that it is signed by the responsible officer or Officers concerned where required. A facsimile signature by a stamp or a signature in pencil should not be accepted except in the case of indents on various departments, firms, etc., for the supply of stores, the original copy of which may be signed in indelible pencil.
- (8) that it is properly filled up and completed.
- (9) that the nature of charge is such that it is payable by Government.
- (10) that the outlay is fully detailed and that the quantities and rates are given of work done, materials supplied or services rendered, except where the work is certified to be unmeasurable. (It is for the technical authorities to see that a work which is measurable is not treated as unmeasurable, but it is the duty of the AAO to draw attention to anomalies in this connection i.e.. cases in which a work-previously described as measurable is subsequently treated as un-measurable or vice versa).
- (11) that the total of each bill is expressed in words as well as in figures.
- (12) that no erasure is made in the bill and that corrections where necessary are made in red ink. Leaving the original figures legible after being crossed out.

- (13) that all corrections are attested by the payee as well as the JE. The GE is not required to initial individual corrections but corrections in the total of the bills will be initialled by him.
- (14) that unusual remarks are carefully looked into.
- (15) that a correct reference to the measurement book and its pages is given on bills, where necessary.
- (16) that in connection with charges for demolition, demolition certificate is attached, indicating the condition of the materials received and the manner in which they have been disposed of,
- (17) that the rates charged are correct according to the term of contract. (In the case of bills based upon schedule of prices, the rates in force on the date of the notice calling for tenders are applicable).
- (18) that the description of work charged for tallies with that shown in the schedule of prices and that the rate allowed is appropriate to the nature of the work done and that Star prices is rates specially fixed for work not included in the schedule of prices nor- directly derivable there from are duly sanctioned by competent authorities.
- (19) that pro-rata rate or star rate involving a payment upto Rs. 50,000 will be checked technically by the SW (or ASW where SW is not posted) of CWE's office, and by the SSW (or SW where SSW is not posted) of the Zonal/ Project CE where the payment involved in respect of an individual item exceeds Rs. 50,000, before approval is accorded by the competent authority.
- (20) that the quantity of work done shown in the bill or the abstract or measurements is the same as recorded in the measurement book.
- (21) that the rate of contractor's percentage added to or deducted from the total of the bill is correct.
- (22) that in the case of bills for periodical repairs-
  - (a) a record of the execution of repairs has been kept by the JE in the periodical Services Measurement Book, and
  - (b) that entries in the PSM Books connected therewith have been checked by the RAO if those entries have not been audited they will be checked by the AAO.
- (23) that each bill is properly allocated.
- (24) that every payment is so recorded and receipt for if so obtained that a second claim against Government in the same account is impossible and if it represents refund of a sum previously received by Government that the amount paid is correctly refundable to the payee.
- (25) that bills for payment of water and electricity charges to private agencies, where supplies of water and electricity are obtained from such agencies, are initially checked by the AAO/ BSO with Meter Reader's Books so far as quantities are concerned to the extent of 100

- percent before payment. The audit of the bills in all other respects should be done by the AAO GE concerned.
- (26) that bill for rates and taxes do not include any tax in respect of vacant buildings where the local custom is to exempt Government Buildings from the levy of a tax for the period during which they are vacant.
- (27) (i) that advance payment to the Agency concerned is made in accordance with the terms and conditions of the Agency concerned.
- (ii) administrative approval and TS have been accorded and verified.
- (iii) the advance payment is restricted to the estimates submitted by Agency concerned duly technically checked.
- (iv) Arrangements have been made by MES authorities to have unspent balances, if any, refunded as soon as the work is completed.
- (v) the Funds are available.
- (vi) the Advance will be compiled to head K-Deposits and Advances and Recoveries /Adjustment is watched as per provisions of para 336 (b) *ibid.*]

### **Contractor's Bills**

121. In addition to the checks laid down in the preceding paragraphs, the following points will also be seen in connection with contractor's bills: -

- (a) that in the case of final bills, dated certificate has been recorded to the effect that the payment is in full and final settlement of all demands, that all tools and plant have been returned and the site cleared and that statement a of stores issued for the work correctly prepared with reference to issue vouchers etc., in the prescribed form has been attached to the bill and that it has been technically checked
- (b) the number and date of the last bill(s) quoted in the final bill and the amount(s) are correct,
- (c) that a consolidated statement of stores is attached to the final bills in cases where stores were issuable to the contractor under Schedule 'B' of the contract agreement. These statements will be further examined to see that:
- (i) The issue of all the stores was authorised by schedule 'B' of the contract agreement and the rates charged also agree with those shown in the schedule,

- (ii) In the case of Govt. stores, which were not included in original contract, the issue rates fixed for such stores are highest of the following rates:
  - (a) Stock Book rate as on the date of the stores.
  - (b) Market rate as on the date of issue of stores.
  - (c) Rate deducted from the tendered rates in cases of contracts based on bills of quantities and item Rate Contracts.
  - (d) Rate in the MES Schedule adjusted by the contractor's percentage in case of contracts based on MES schedule of Prices.
- (iii) It has been checked by the technical staff and the stores issued in excess of the quantity approved by the technical staff as quantity incorporated in the work have been returned by the contractor unless these over issues have been condoned by the MES authorities within the limits given below:
  - (a) By a GE or AGE-Over issues upto 50, of the estimated requirements for a whole contract (for the particular item of stores).
  - (b) By a CWE-above 5% and upto and including 10%.

**Note 1:** If the value of the over-issues on a particular item exceeds Rs. 2000 (when priced at contract rates) this over-issue will be treated as if it exceeds 10% whatever the actual percentage. For over-issue of stores beyond the limit stipulated above in addition to disciplinary action taken recovery will be effected at Schedules 'B' rate/Stock/Book rate/ Market rate at the time of recovery whichever is higher.

**Note 2:** A contractor, who fails to return the surplus stores but retains them for his own use or disposes them of to his personal gain, becomes liable to be prosecuted for embezzlement. Further, the Chief Engineer may either suspend the contractor from further tendering or remove him from the approved list. It will be seen in audit that action on these lines has been taken by the MES authorities.

**Note 3:** With respect to items of Schedule 'B' Stores which were issued free for fixing only, if any such stores were lost or damaged while in the custody of the contractor, the cost thereof has been recovered at a penal rate of recovery as decided by the Accepting Officer in the case of GE's/CWE's contracts and as desired by the CWE in the case of Chief Engineer's contracts:

- (iv) Where GE is satisfied that the work has been carried out according to specification, under issue of stores to contractors has been condoned by MES authorities within the limits given below

By a G.E. upto 2½% under a personal certificate

By a CWE Upto 5% under a personal certificate

By a CE Exceeding 5% each case will be decided on its merits i.e., whether work accepted by MES be devalued and suitable action taken against the contractor concerned or the work accepted without adjustment in price.

- (v) where devaluation of work is considered necessary, it shall be seen that-

- (1) It has been permitted by:
  - (a) CWE in contracts concluded by himself and in contracts concluded by GEs/Independent AGES employed under him.
  - (b) Chief Engineer, in contracts concluded by him
- (2) Prior approval in principle to devaluation has been obtained from the authority competent to accord technical sanction to the whole project.
- (3) Devaluation has been effected through a priced devaluation statement technically checked by the SW (or by the ASW in the absence of the SW) of the CWE's office.
- (4) The devaluation statement duly checked as at (3) above has been accepted and signed by the contractor.
- (5) The devaluation statement has been signed by the Accepting Officer of the contract.
- (6) The devaluation statement forms part of the final bill.

**Note: (1):** Where the contractor refused to sign the devaluation statement, the bill will be progressed on the basis of the statement like any other dispute bill.

**Note: (2):** These instructions do not apply recoveries, which are proposed to be effected on account of devaluation of work consequent on observations made after expiry of the maintenance period.

- (d) that all alterations in quantities have been attested by the officer making them.
- (e) that where provided for in the contract the total amount payable on a bill is rounded off to the nearest rupee, that is fractions of less than fifty paise are omitted and fifty paise and over calculated as one rupee.
- (f) that in the case of requisitions submitted in support of bills, measurements entered therein have been checked in the same manner as those given in measurements books. It should also be seen:
  - (i) that the description of the work ;done Tallies with that of the work ordered,
  - (ii) that the rates charged are correct according to the terms of the contract;
  - (iii) that the calculations are correct;
  - (iv) that the administrative authority concerned has signed the completion certificates.
  - (v) that the work has been completed within the stipulated period;
  - (vi) that the original requisition, are supported by original IAPW-2158 duly revised and completed.

**Note:** The completion cost should be noted in the Register of Requisitions.

- (g) that in the case of bills for lump sum contracts based on Bills of quantities, deviations, if any have been measured and valued by the Surveyor of works, and that he has certified on the bill that the rates passed for payment or recovery have been checked by him and are in accordance with the bill of quantities tendered by the contractor. No further check on these rates will be exercised by the AAO Bills based on Bills of Quantities will be marked secret and will be submitted to the CDA in a secret cover;
- (h) that in the case of payment on running accounts see that-
  - (i) In the case of the contract advance payment against each individual work order is made at an interval of not less than 30 days provided the estimated value of work performed is not less than Rs. 3,000 for new works and Rs. 10,000 for repair services and value of payment on account is not less than Rs. 1,500 and 5,000 respectively.
  - (ii) In the case of measurement and Lump sum contracts the running Account Receipt (IAFW-2263) is presented at an



interval k of not less than 30 days and that credit has been given to the contractor for under noted percentage of the value of work executed and for 75% of the value of imperishable materials as assessed by the GE lying at site.

For works not exceeding Rs.5 Lakhs	90%of the value ofwork executed
For works exceeding Rs.5 lakhs and not exceeding Rs.10Laklhs.	90 % of the value of work executed up to Rs. 5 Lakhs, 92½% of the value of work executed for the balance.
For works exceeding Rs.10lakhs	90% of the value of the work executed for the first 5lakhs 92½% for the next 5lakhs and 95 % of the value of work executed for the balance.

- (iii) The following certificates from the GE accompany the RAO in respect of Lump Sum Contract (IAFW-2159), Term contract (IAFW-1821) or Measurement Contract (IAFW-1779)
- (i) That no work which is not covered either by a contract rate or special rate duly approved is included in this bill.
  - (ii) That no materials and/or tools and plant have been issued without rates for issue being settled and that all debits against the contractor in respect of transactions upto the date of this bill have been recovered.
  - (iii) that GE has certified to the RUNNING ACCOUNT RECEIPT (IAFW-2263) to the effect that the Quantities of materials detailed have actually been brought by the contractor and are lying at the site of the work on the date of issue of this certificate, that any previous advances made to them have been accounted for in this bill and that these materials are of an imperishable nature and are all required by the contractor for use in the work under the contract;
  - (iv) In the case of contract for supply of stores and materials, that the contractor is not paid more than 90 per cent of any supplies delivered and approved to date the sum so due is not less than Rs. 1,500.

- (v) that the deduction of income Tax has been made in terms of Section 124-C of the Income Tax Act. 1961 and the amount so deducted compiled to the relevant Code Head.

**121. (i) Payment of Escalation Claims**

That in the case of payment on account of reimbursement of increase in prices of material, labour and fuel etc. see that:-

- (i) Payment on account of reimbursement in increase in prices is being made in accordance with provisions contained in the special conditions to contract agreement.
- (ii) As periodicity of working out the variations is three months, the last calculation shall be done upto the date of completion or extension of time only and no price adjustment will be allowed beyond that date of completion or extended date of completion. However in case of material, price index as applicable on the date of commencement of last period of reckoning before the original date of completion shall only be applicable during the extended period.
- (iii) The valuation of the RARs has been timed in such a manner that relevant date required for quarterly calculations are available in RARs.
- (iv) The value of WO i.e., wholesale price index has been taken as on the Last date for receipt of tender
- (v) The value of Li has been taken as minimum wages in rupees of an unskilled adult male mazdoor fixed under any law, statutory rule or order as on the date of commencement of the period for reckoning.
- (vi) Similarly the value of Lo has been taken as on the last date of receipt of tenders
- (vii) Period of reckoning has not been started before the date of receipt of tenders.
- (viii) First price adjustment in respect of variations for wages of labour has only been worked out for the relevant quarter during which alteration to the wages of labour has been taken place exceeding the period from the date of fixation/revision of minimum wages to the date of next RAR.
- (ix) When the price adjustment is worked out and paid under special condition to contract, no price variation reimbursement allowed in terms of condition No. 63 of IAFW-2249 General Conditions to Contract agreement. The above check list is not exhausted audit drill but is simply illustrative one for guidance only.

- (x) the price adjustment is allowed only for the value of work done and material collected at site.
- (xi) A certificate from GE that contractor had given written notice, consequent to fixation of minimum wages, under any law, statutory rule is enclosed.
- (xii) For the purpose of calculation of retention money and liquidated wages. The value of the contract as required by the price variation has been taken into account.
- (xiii) The contractor should have given notice of the fact of escalation in minimum wages of unskilled labour as per State Govt. notification and also of his intention to claim reimbursement incorporated as a special condition in the respective contracts.
- (xiv) It should be certified by the G.E. that the payment of enhanced wages have in fact been made by the contractor to his labourers concerned particularly in respect of past labourers and that the fact of such payments having been made by the contractor has been verified by the G.E. and he has satisfied himself about the same.

### **Muster in Rolls**

122. The Muster Roll as its name denotes, is a nominal roll or list of labourers employed daily on works. There is generally a separate roll for each work. A Central record of all Muster Rolls sanctioned will be maintained by the AAO.

Muster Rolls will be closed weekly, every ten days, or monthly as may be ordered by the head of the MES Formation and will be submitted to him for check. After audit by the AAO those will be paid from Cash Assignment. The Head of the MES Formation may authorise a subordinate in charge of a Sub-Division to make payments on his behalf, otherwise all payments will be made in the presence of an Officer. At the time of payment the vouchers will be endorsed, initialled or signed and dated.

123. The Muster Rolls will be checked with special reference to the following points:

- (i) that a double claim is not preferred (for this purpose particulars of identifications given in the muster rolls will be carefully checked).
- (ii) that the rate per diem is appropriate to the class of labour and does not exceed the standard labour rate without the sanction of the competent authority.
- (iii) that the total number of days is correctly worked out.

- (iv) that the amount shown as payable is correct with reference to the number of days worked and the rate per diem.
- (v) that the allocation to various works of the amount payable has been worked out correctly and agrees with the amount of labour actually employed on these works.
- (vi) that the Garrison Engineer or another officer deputed by him for the purpose initials the Muster Rolls as often as is the local rule or custom.
- (vii) that it is written daily by the Mustering Officer,
- (viii) that the totals are correct,
- (ix) that it agrees with labour Reports Discrepancies, if any, should be investigated;
- (x) in the case of work executed against requisitions see that-
  - (a) requisitions with completion certificates duly filled in are attached to the Muster Rolls;
  - (b) the work done corresponds to that sanctioned;
  - (c) if the work done is measurable it has been costed;
  - (d) the work does not pertain to a Term Contractor if one is working in the same areas.
- (xi) that there is no abnormal delay between closing the Muster Rolls and Submission for check by the AAO.

124. The progress of work done is required to be recorded in the Muster Rolls on a separate sheet attached the Muster Roll. This should be checked in same manner as measurements in the measurement book. When an item of work is stated to be unmeasurable it should be verified that the work has classed as such by the Garrison Engineer (but paragraph 120 (10)). The AAO should ensure that the completed original daily report of labour (strength) and record of stores issued for the previous day duly signed by the GE are received by him during the e of the day and kept in safe custody for being attached to the Muster Roll on completion.

The Muster Rolls should he technically checked by SA in the GE's office either before, if time permits after payment.

125. (i) A list of stores (including those obtained from demolition) issued to each work and expended should be looked for and checked with the vouchers. It should be ensured that this statement is also costed.
- (ii) That the Muster Rolls of labour employed on it of furniture are supported by-
- (a) A list of stores issued for repair of furniture during the period.
  - (b) A progress report of articles of furniture repaired.

In cases where repairs to furniture are carried out partly by workmen paid on Muster Roll and partly by workmen paid on Temporary Work Charged Establishment bill (Industrial and Non-Industrial), it will be seen that copies of the documents referred to at (a) & (b) are attached both to the Muster Roll and to work Charged Establishment Bill, and suitable remarks are made on the Muster Roll and the Temporary Work Charged Establishment Bill with a view to linking the Muster Roll, etc. with the relevant progress report and the list of stores.

126. It should be seen generally that the Muster Roll contains no erasures, interpolations and over writings etc., and that all corrections are neatly carried out and initialled. These instructions also apply *mutatis mutandis* to payments made on Casual Labour Rolls No (IAFW-2256).

Temporary Work Charged Establishment Bills (industrial)

127. These bills will be prepared monthly in duplicate by the S.D.O. on a date fixed by the M.E.S. Officer. The bill will be prepared for the actual period to which it relates. It will be seen that the following certificate had been endorsed on the bill:

"Certified that personnel named in this bill attended to the work continuously for eight hours daily for the period for which pay is claimed except for Sundays and Gaze1ted holidays and authorised absence on account of leave or sickness.

Date.....	Signed.....	SDO
Dated.....	Countersigned.....	G.E

After check by the AAO payment will be authorised by MES Officer from his cash Assignment.

128. If the amount of the bill is allocated to carious works the amount allocated to each should be checked.

129. The sanctions accorded by the competent authority (for the employment of Temporary work charged personnel (Industrial) will be recorded by- the AAO chronologically in a separate file. Suitable notes should be made of amendments and cancellations of the original sanctions on the sanctions already recorded, under the initials of the AAO. At the time of passing bills of Temporary Work Charged Establishment (Industrial) they should be checked with these sanctions and the payment authorised after the necessary audit has been conducted

### **Terminal compensation claims**

130. These claims are to be paid only after pre-scrutiny by the C.D.A. or by his authorised representative. The AAO will, therefore ensure that such claims are submitted to the CDA duly supported by the following documents for his pre-scrutiny

- (i) Hire/lease agreement, if any.
- (ii) Schedule of damages in respect of which the terminal compensation claim has been preferred.
- (iii) A special report in cases where there are any peculiar features coming to the AAO notice on account of his local knowledge which the CDA may not be aware of.

On receipt of the claims duly pre-scrutinized by the C.D.A. the amount will be passed for payment

130-A The A.A.O. will maintain a register in the following form to watch the progress and finalization of the Terminal compensation claims. Entries in the register will be made with reference to the lease/derequisition /de-hiring orders endorsed to the AAO by the Administrative authorities or received by him from the CDA.

**Register for Watching the Progress and Finalisation of Terminal Compensation Claims**

No. & date of the administrative sanction for the release/derequisition/dehiring of the property and terminal compensation	No. & date of financial sanction accorded by DDMC&C/ MEO for the terminal compensation	Amount of terminal compensation sanctioned	Date of receipt of T.C. claim by A.A.O.	No. & date under which forwarded to CDA/RAO for pre-audit	No. & date under which the claim is received from the CDA/RAO duly pre-audited and the amount passed by the CDA/RIO	No. & date of cheque and its amount	CB Item No and Month
1	2	3	4	5	6	7	8

**SECTION-16**  
**CHECK OF MEASUREMENT BOOKS**

131. The AAO will keep a register of measurement books. In this will be recorded the serial number of each book, date of issue, date of transfer from one subordinate to another, and the date of final return for record. These particulars will also be entered inside the cover of the measurement book.

A measurement book will only be issued when ordered by the MES Officer who will specify the J E. for whom it is required Completed measurement book

will be preserved for ten years after the date of completion of a work, the measurement of any part of which are recorded therein. In the register of measurement books the date on which the measurement book is due for destruction and the date of actual destruction will also be noted.

Note: In the case of transfer of charges the A.A.O. will obtain through GE all acknowledgements by the relieving officer of the measurement books taken over by him from the relieved officer.

132. The measurement book will provide a complete; record of works performed under a contract and will therefore, include all items having a financial bearing ' so that full support is given to the amount of the final sum due to the contractor. It is the basic of all accounts of measured work and of materials received which have to be measured or counted. In any case in which extensive services such as road work, pipe laying or electric wiring are carried out by directly employed labour vide paragraph 341 (b) MES Regulation (1868 Edn.) measurement will also be recorded in a measurement book.

As a measurement book may have to be produced as evidence in a court of law entries therein must be indelibly recorded, properly described, agreed and signed by the parties concerned the site at the completion of each day's measurements. The AAO will see that the above requirements are complied with.

The arithmetical check of calculations (i.e. castings and extensions) will be done by the AAO to the extent laid down below:

He will check one page in every four pages completely and the other three pages on broad lines only (e.g. ignoring do not dominate the result fractions when these do not dominate the result and only with sufficient detail to ensure that there is not a substantial miscalculation. The selection of pages required to be completely checked should be automatically made by the AAO personally and not automatically by selecting every fourth page in a numerical order. It is also essential that a record of the pages selected for complete check should be maintained in the measurement book so that the auditor's work could be reviewed and checked independently during local audit or at other times whenever necessary.

133. It is not feasible to lay down hard and fast rules for the check of measurement books, as this work is largely a matter in which AAO must use their common sense and intelligence. The following lines are however, indicated for guidance:

(i) The nomenclature of the items of work where every abbreviated or not as recorded in the measurement book, should set forth clearly and correctly the class of work involved and be easy of identification with that in the schedule of prices, if any while it is not the intention that the nomenclature as entered in the measurement book should correspond word for word to that shown in the schedule of prices of the abstract and qualities and prices (IAFW-2264). It is essential that it should be such as cannot be confused with any other item in the schedule of the abstract.

(ii) The totals of the abstract in I.A.F.W. 2264 must be in the same as the totals entered in the bill form.

(iii) The printed rules contained in the measurement books should be compiled with.

(iv) The schedule of prices for works and repairs to building, etc., should be consulted for check of rates at which payment for work is claimed.

134. The AAO should also see that measurement is generally recorded by the J.E. himself. Repeated disregard of this rule will be brought to the notice of the head of the MES office. He will also see that a proportion of all measurements taken in the formation have been checked by the head of the MES office-or an Assistant Engineer. The AAO will see further that entries in the last column are invariably in' inks that pencil entries are not linked over, that all corrections are attested and generally there are no doubtful or suspicious entries. Whenever the description of an. item of work has been materially altered or cancellation/alteration of material nature of Measurement has been done, the reasons for the same have been recorded by the person making the same. Inaccuracies in measurement and other irregularities that come to notice will be pointed out to the head of the MES formation. Measurements record in requisitions and muster rolls and Casual labour Rolls will be checked in a similar manner.

135. Any abnormal delay in the taking off measurements after the, completion of work will also be brought to the notice of the MES Officer for such action as he may consider necessary. A record of such ' stances of delay and of serious irregularities in measurements and the action taken by him will be maintained by the AAO for Inspection by the RAO at the time of his visit.

After the measurements have been checked in the manner, stated above, the AAO will, in cases where measurements have been carried over from one measurement book to another or from one page to some other page (which is not in a consecutive order) of the same book, note the number and the date of the bill on which payment is made, on the page(s) from which measurements have been



carried over. On the page where the measurements for the work billed for end, he will endorse the following certificate:

"Pages from ..... to ..... of Measurement Book No..... checked and bill No... ..... Dated ..... forward to CDA on....."

No diagonal line in red ink will be drawn across the pages checked.

136. The A.A.O. will take census of all measurement books on the charge of the formation as recorded in the register of measurement books once in a year in 'the month of April, with a view to ensuring that no book is missing.

## SECTION 17-MISCELLANEOUS

### **Provisional payments**

137. A.A.O. will ensure that no provisional payments are made by the MES Officers. They will also see that provisional payments are made to the third parties, i. e., contractors, etc. in accordance with the terms of contract agreement, Orders of the CDA should be obtained in cases where MES Officers desire that provisional payments be made to Government employees or third parties for lack of documentation or lack of time for the verification of particulars or for the completion of all audit requirement.

### **Contingent charges**

138. The following charges will be paid by the MES Officer from his Cash Assignments after audit by the AAO in accordance with the ordinary standing orders regarding contingent expenditure:

- (1) Cost of stamps.
- (ii) Carriage of parcels etc. and Tonga hire for en-cashing cheques
- (iii) Hot whether establishments and equipments.
- (iv) Payments on account of law charges other than those, which are incidental to a work or the hiring of accommodation or resumption of sites

- (v) Charges on account of Advertisement other than those for works.
- (vi) Charges for local printing at private presses and binding charges where authorised.
- (vii) Pay of Sweepers and Bhisties employed for Offices.
- (viii) Expendable articles of office use for inspection houses.
- (ix) Cost of books and periodicals.
- (x) Chemicals for Ferro printer.
- (xi) Language rewards and honoraria.
- (xii) Telephone Trunk Call Bills.
- (xiii) Other miscellaneous charges not included in the above but which are classified as contingent charges.
- (xiv) Expenditure on the purchase of stamp paper etc. in connection with the publication of an award by an Arbitrator except when such payments are to be compiled as “Charged” expenditure.
- (xv) **Payment of Arbitration Awards:** It will be seen during audit and payment of arbitration awards that
  - (i) Under the provisions of Arbitration and Conciliation Act, 1996, the arbitration award itself is construed as the decree of the Court after expiry of the time limit for making an application or refusal of such application to set aside the award under sec 34 and 36 of the act and if legal opinion advises for acceptance of the award, the award shall be enforced under the code of civil procedure (5 of 1908) in the same manner as if it were a decree of the court. Therefore, sanction of charged expenditure is mandatory in all cases of implementation of the arbitration award irrespective of the amount of award.
  - (ii) All arbitration awards irrespective of volume should be speaking with reasons.
  - (iii) H.R. on account of arbitration award will be preliminary checked by the, A.A.O. and passed on to the CDA for pre-audit and authorizing payment.

Note-1: The charges referred to at items (iv), (xi), (xii), and (xv) above will be preferred to the CDA for pre-audit before payment is made. In respect of stamps or service labels item (i) above a Cheque will be made out by the MES Officer in favour of the treasury Officer from his Cash Assignment.

## Objections

While forwarding bills to the CDA for pre/post audit, the AAO will attach to every bill a working Sheet referred to in para 25, in the proforma given as an Annexure of this chapter. A uniform proforma is of possible to meet the requirements of various types of bills and the Annexure only given an illustration of the points to be looked into by the AAO while checking; a work bill against a lump sum contract. Similar proforma with suitable modifications shall be used for the other types of bills dealt with in the Accounts Section.

140. After signature by the MES Officer, the A.A.O. will endorse on bill either "Checked and found correct" or "Checked and found correct" with reservations, vide attached note. In the case of bills based on measured works, the AAO will also sign the following endorsement on the bill. "Checked with the measurement book and the abstract and with the contract and sanctioned specifications and passed for Rs..... on ....."

He will at the same time endorse over his signature low the abstract of measurements:

"Checked and bill no..... Dated...forwarded to the C.D.A. on....."

In the case of bills based upon Periodical Services Measurements Books, the AAO will record on the bill or the requisition a note showing whether the relevant entries in the periodical services measurements book have been checked by the LAO Staff if not whether they have been checked by him.

141. After completion as above, bills requiring post-audit by the CDA will be passed on to the Cashier for payment out of Cash Assignment after the pay order, thereon has been signed by the MES Officer. As regards bills requiring pre-audit by the CDA the AAO will after getting the pay order signed by the MES Officer forward the original copy of the bill and the abstract of measurements to the CDA retain the duplicate copy of the bill in his office in order to settle any further audit objections etc. The measurement books will not be sent to the CDA.

Normally, payment of bills will be made by, the MES Officer from his Cash Assignment by means of a Crossed Cheque in favour of the contractor at the

treasury located in the state, where either the work is executed or services rendered or at the treasury nearest to the station where the MES Office is located. When an open cheque is issued to a contractor having no banking account, a written declaration should be obtained from the contractor, that he accepts the risk involved. Such a declaration shall be recorded with the AAO. He will make a red ink entry "Payment by open Cheque" at the top of the payment enforcement of each such bill. He should also verify that contractors' acknowledgement of the open cheque has been obtained.

142.            )  
143.            )  
144.            ) } Blank  
145.            )  
146.            )

ANNEXURE TO CHAPTER V  
**WORKING Sheet for the check of a lump sum contract bill**

Name of Work Name of the Contractor	Cont. Agt. No. Amount (Lump Sum Rs.)	
PART I Points looked into in Audit	PART II Points observed and settled with the GE	PART III Points specially brought to the notice of the CDA for settlement.
1	2	3
(i) Bill paired with the contract and all conditions in the contract fulfilled.	(a) Certificate regarding return of tools and plant and site clearance since endorsed	(1) Supply of water and issue of tools and plant by MES not stipulated in contract constitute and un-authorized aid to the contractor requiring Government of India Sanction.
(ii) Provisional Items and sums correctly adjusted.	(b) Measurements test checked by the GF since initialled.	(2) Compensation of Rs. 15,000 claimed for delay in the issue of MES stores and in handing, over sites is not contractually admissible.
(iii) Deviations correctly sanctioned, priced, and are within the percentage limit prescribed in the contract.	(c) Final bill since technically checked by S.W.	(3) Additional percentage of 20% agreed to by negotiations for certain extra items of work ordered after the date originally fixed for completion admitted even for the construction of 9 blocks of OR's quarters which originally include in the contract but executed beyond that date Rs. 10,000/- extra claimed on this account is inadmissible.
(iv) All rates including proportional and Star Rates completely checked.	(d) Wanting USR for 1,000 cwts. of cement, charged off in the material A/Cs, as issued to the contractor since obtained and recovery effected.	(4) Final bill signed with reservation claiming extra cost for schedule 'B' stores purchased in the open market without the permission of the MES Rs. 3,489 inadmissible under contract.
(v) All arithmetical calculations checked.	(e) Recovery effected at market rate for surplus stores not returned by the contractor instead of at the concessional rates given in the contract.	(5) Discrepancy between unstamped receipt and accepted challan for stores Rs. 20,000 on account of steel issued and accepted by contractor's authorized representative in the Challans should be recovered.
(vi) Work completed within the extended period sanctioned by the accepting authority.		Even through the U.S.R. has not been signed otherwise the question of alleged forgery should be investigated by a Court of Inquiry convened.
(vii) Due to default on the part of the contractor excess cost has been recovered from him.		Under the orders of the Staff and should also be reported to the Police for investigation in consultation with handwriting experts.
(viii) All advance payments on RARs recovered,		(6) Final bill signed by a person other than the one holding the Power of Attorney on the plea of dissolution of partnerships. Legal implications of this should be examined in consultation with the solicitor to the Central Government before payment.
(ix) All Stores issued as borne out by ledgers and USRs recovered at contract rates.		
(x) Surplus stores returned by the contractor and credit for the		(7) An irrevocable power of attorney given in favour of the Central Bank of India, Ltd. for

same verified in the store ledgers.  
But the

collection of amounts due on this contract.

(xi) Allocation Administrative Approval and Technical Sanction and allotment of funds checked.

contractor wants the cheque in this case to be issued in his favour which is not legally correct.  
(8) Exgratia claim for Rs. 6000/- for pilferage of stores by Troops from the Contractor's store yard included in the bill has been disallowed for want of Government of India sanction.

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## CHAPTER VI

### CASH ACCOUNTS

#### SECTION 18-CASH ASSIGNMENT AND CASH BOOK

147. In the case of MES Officers Commander Works Engineer, Garrison Engineer etc., who are allowed to draw funds from treasuries by Cheques for their disbursements, assignments of funds are arranged by the Controller of Defence Accounts and Chequebooks supplied to them for the drawal of funds. Generally each MES Officer will be placed on account with one treasury but where necessary, the assignment may be apportioned between two or more treasuries. The A.A.O. will ensure that cash is not drawn from the treasury in excess of the actual amount for which cash vouchers are passed for payment.

Outstation SDOs are allowed imprests by the CWE/GE concerned within the limits specified in para 537 MES Regulations (1968 edn.). These imprests are advanced and recouped by the MES Officers concerned from their Assignments.

148. Every Officer having an assignment or imprest maintains a Cash Book on IAFW-2246. Cash Book is the most important accounts record. On it the whole accounts of the division are based and all other accounts and returns are subsidiary to it. In this, all transactions except as laid clown in Para 164 dealing with the receipt of Cash and all payments or disbursements will be entered daily as they take place. The Cash Book is maintained under the supervision of A.A.O. He will ensure that all are sufficiently detailed for facility of identification and allocation. The Cash Book will be in two volumes, each volume to record the transactions for alternate months.

149. The receipts for and payments from imprest will be recorded by the Imprest Holder in a Cash Book. The amount of Imprest sanctioned will be noted on the top of the form in red ink before the transactions for each month are recorded.

150. Miscellaneous Cash receipts, which should be accounted for in the Cash Book, should not be utilised for expenditure but should be paid into the treasury immediately on a receivable order.

151. Payments from cash assignment/imprest will be recorded on the credit side of the Cash Book daily as disbursements are made.

The A.A.O. will check all entries in the Cash Book to see that-

- (a) An entry is made on the date of payment.
- (b) The amount shown as paid agrees with the amount mentioned in the Pay Order.
- (c) The reference to voucher No quoted in the Cash Book is correct.
- (d) The name of the payee is the same as that on the bill.
- (e) The payee has given a clear and proper receipt on the bill.
- (f) If the payment is made to an agent of a contractor, it will be seen that the agent holds legal authority on behalf of the former.
- (g) The classification recorded in the last column is correct.
- (h) The totalling of each page of the Cash Book and carry forward thereof are done in ink on the completion of each page.

### **Closing of Cash Book**

152. The Cash Book will be closed on the 25th of each month (except for the month of March when it will be closed on the last day of that month) when the balances, will be stick. The amount of cash in hand will be stated in figures as well as in words and a certificate endorsed by the M.E.S. Officer to the effect that the cash in hand has been counted and found correct.

Reserve Bank of India/State Bank of India will send a copy of the daily payment scroll to the concerned disbursing officer simultaneously with that sent to the Controller of Defence Accounts. A separate payment scroll for each assignment which will be prepared by the bank, duplicate being sent to the assignment holder and original will be sent to the concerned Controller of Defence Accounts together with paid cheques with the information available in the daily payment scroll (viz. cheque No and the amount of each cheque paid by the bank) with MES officer who draws from assignment will satisfy as to the accuracy of his drawings and prepared a monthly reconciliation statement in the following form:-

- (i) Amount of cheques remaining un-presented on 25th of each month (except for the month of March when it will on last day of that month).
- (ii) Amount of the cheques drawn during the month.
- (iii) Total
- (iv) Amount of cheques en-cashed during the month.
- (v) Balance i.e. amount of cheques remaining un-cashed with details of cheques.

The treasury officers will however continue to complete the passbooks of the disbursing officer in respect of cash assignment at the non-bank treasuries in accordance with the instruction contained in Rule 476 of the CTR Vol.-1.

The A.A.O. will see that this reconciliation is prepared every month by the M.E.S. Officer. He will sign this statement in token of his check and ensure that action has been taken to adjust the cheques that have lapsed.

153. Before the Cash Book (in original)/ Extract of Cash Book of Imprest Holder is forwarded to the A the A.A.O. will see that:-

(a) The extract of cash book of an outstation Imprest Holder contains entries of all bills passed for payment from his imprest in that month by the GE and is supported by those vouchers. (Check of the extract with the original Cash Book will be exercised by the RAO at the time of local audit).

(b) All disbursement vouchers are properly numbered and that these vouchers (except muster rolls, work charged personnel bills, other cash vouchers the amounts of which do not exceed Rs. 100 are attached in original.

(c) Each voucher bears the receipt of the payee and that the sum acknowledged is written in words as well as in figures. When the amount is entered by the payee in words or in figures in the vernacular it should be transliterated into English.

(d) Revenue stamps are affixed in all cases in which they are required by Regulations.

(e) Signatures of all parties to a contract as recorded in the contract deed are obtained unless the person signing the receipt holds the necessary power of attorney on behalf of all the partners in which case his signature should be obtained.

(f) Receipt is made out for the gross amount of the bill, i.e. inclusive of the amount of security deposit and income-Tax deducted, if any.

(g) Thumb imprints, seal impressions, and other marks, if any are attested by two witnesses.

(h) Individual entries in the Cash Book are attested both by the MES Officer and the A.A.O.

(i) Each amount, as recorded in the Cash Book, tallies with the amount of the original vouchers and that the totals are correct.



(j) The amounts handed over to the superintendent Grade-1 or AGE for payment to the personnel are totalled neatly and shown in words as well as figures.

**Note:** In so far as payment by cheque to the contractors/suppliers/banker's are concerned in addition to the payee's receipts mentioned in clauses 'C', 'D', 'E', and 'F' above, they are also required to acknowledge receipt (on the tear slip of IAFA, 838) of all cheques issued in their favour in payment of their bills etc. The payee's acknowledgement for the cheques issued will be obtained by the GE and recorded with the paid vouchers. The A.A.O. will ensure that these acknowledgements have been obtained for all cheques handed over personally to the parties as also for those sent by post.

154. The original Cashbook together with necessary supporting vouchers will be submitted by the A.A.O. to the CDA for audit. The extract of the imprest Cash Book of the Sub-Divisions recouping their imprest from the Cash Assignment together with the imprest Account vouchers will accompany the Main Cash Book. Separate lists for the following categories of vouchers will be prepared and submitted alongwith the Cash Book

- (i) Vouchers already pre-audited by the CDA.
- (ii) Vouchers requiring post-audit by the CDA.
- (iii) Vouchers retained by the A.A.O. for post-audit by the RAO at the time of his normal visit to the MES Formations (i.e. Muster Rolls work charged Personnel Bills, Bills for the refund of rent and vouchers for the amounts of which do not exceed Rs. 100).

The A.A.O. will also record a certificate to the effect that all vouchers in respect of the month have been received by him and accounted for in the above lists, and that no voucher is left with the MES Staff.

155. }  
156. } Blank

### **Unpaid Wages Register**

157. An account of unpaid wages of labourers employed on Muster Rolls or temporary work charged Establishment bill (Industrial) will be kept by Cashier in IAFW-2259 Entries in this Register will be checked by the A.A.O. When an amount is left unpaid on a Muster Roll or Temporary Work Charged Establishment bill (Industrial) it will be entered in the Register together with full particulars of the payee and the vouchers on which the amount remained unpaid.

The amount will be noted in words as well as in figures in column 7 and will be initialled by the A.A.O.

Amounts not claimed within a period of twelve months of their becoming due shall be deemed to be forfeited and will be marked off accordingly in the register. If claimed subsequently, they will not be passed for payment until sanction of the competent authority required under the Financial Regulations for the Defence Services is obtained.

If wages frequently remain unpaid in any subdivision, the causes should be specially investigated.

158. At the time of passing for payment a bill in respect of an amount entered in the unpaid wages register the A.A.O. will note the bill No. and date in column 9. On payment, the voucher number will be noted in the same column underneath the bill number and date each entry being initialled in column 10 by the A.A.O.

The register of unpaid wages kept by Imprest Holding SDO etc. at an outstation will be checked by the RAO at his periodical inspections.

### Register of Receipt Books

159. The A.A.O. will obtain receipt book (T.R. 5) from the CDA concerned. He will keep a stock of these books and maintain an account thereof in a register in the proforma given below:-

S. No.	Date of receipt	Letter with which received No & date	Receipt Number From-to-	Initial of AAO	To whom issued
1	2	3	4	5	6

Date of issue	Acknowledgement of the Officer/ to whom issued	Date of return after completion
7	8	9

Initial of AAO	Date of destruction	Authority of destruction	Remarks
10	11	12	13

---

160. Issue of receipt book, will be made on demand under the orders of the MES Officer with due regard to the number of books already with the demanding officer.

161. The return of counterfoils will be watched through this Register. On receipt of counterfoils the A.A.O. will verify that no counterfoil is missing and that if a counterfoil has been cancelled, the reasons for cancellation are recorded and initialled by the holder of the receipt book and that the cancelled foil is attached. The amounts received will be traced in the Cash Book and in the monthly financial accounts in the case of receipt issued in exchange of treasury receipts. A Certificate to the effected that the required comparison has been made will be recorded on the cover of the Receipt Book.

162. When payments are due to Government they will normally be made into a treasury on Receivable Orders (I.A.F.A. 507) issued by Accounting Officers, unless recoveries are effected through pay bills etc. All AAOS attached to MES Offices are authorised to sign Receivable Orders in connection with amounts due to the state. When Cash is tendered, the tenderer should be asked to deposit the amount into the treasury on a Receivable Order, which should be issued unless cash can be accepted under Regulations.

163. Whenever cash or treasury receipt is accepted, a receipt (S 119) will be given to the payer. The receipt should clearly indicate whether the amount is received in cash or otherwise.

Cash received will be credited in the Cash Book immediately, and remitted into the Treasury in the normal manner (vide Para 150).

164. Public Fund Account Cash Book Cheques issued by the CDA in payment of bills on account of Pay and Allowances of MES Non-gazetted personnel including TA claims in favour of State Bank/Treasuries for credit to the Public Fund Account of the MES Officer responsible for disbursement of such Bills will not be entered in the Assignment/Imprest Cash Book. Transactions connected with such

receipts/ disbursements will be recorded in a separate Cash Book to be maintained by the MES Officer concerned on IAFA-125.

Cheques issued by the CDA in respect of Misc. claims of MES Formation as will also not be entered in the Cash Book relating to Cash Assignment/Imprest, but will be recorded in IAFA-125 vide sub para above.

165. In the case of Pay and Allowances of MES Non-Gazetted personnel which are subject to pre-audit by C.D.A. Un-disbursed salaries credited into treasury, will not be paid out of Cash Assignment of M.E.S. Officers. Fresh claims for such payments will be preferred on the C.D.A. for pre-audit and issue of Cheque.

166. Public Fund Accounts Cash Book will also be maintained under the supervision of the A.A.O. who will exercise checks prescribed in Para 151. It will be subject to audit and inspection by the RAO at the time of his periodical visits and will not be sent on to C.D.A.

## CHAPTER VII

### REVENUE

#### SECTION 19-LEDGERS AND ACCOUNTS

##### **Introductory**

167. A separate organisation functions in the MES to deal with the recovery of licence fee and allied charges and supply, holding and issue of furniture and stores. It is called the Barrack/Stores Branch. The CWE through his Senior Barrack/Stores Officer (S.B./S.O.) and the Garrison Engineer through his Barrack/Stores Officer (BSO) are responsible for the discipline and Administration of this Branch. The detailed rules are contained in the Memorandum on Procedure, Organisation and Duties of Barrack/ Stores Branch of the Military Engineers Services.

A Separate A.A.O. with the necessary Staff will be attached to the Office of every Barrack/Stores Officer who will be responsible for the Revenue work of this Branch. The remaining work of the Barrack/Stores Branch relating to furniture and Stores etc. will be done by the A.A.O. Garrison Engineer's Office.

167A. The A.A.O's BSO will examine all orders and sanctions effecting their work issued by the Government of India and authorities subordinate to them CGDA's letters and CDA's Office orders etc. in order to ensure that they are correctly applied. For this purpose they will hold monthly Conference with their staff. All important and doubtful points arising during their day to day working will be discussed and recorded in the Review Register, which will be produced for inspection by the RAO. MES on his visits; Doubtful points connected with the interpretation or applicability of the rules, instructions etc. will be referred to RAO/CDA for orders/ clarification. A certificate of review of orders and sanctions will be submitted to the RAO who will render a consolidated certificate to the CDA:

## **Demand for Payment**

168. The Barrack/Stores officer is responsible that demands for payment are made as revenue, regular or occasional, falls due; that steps are taken to effect prompt realization thereof; and that proper records are maintained showing in respect of all items of revenue, recurring and non-recurring, the assessment made, the progress of recovery and the outstanding debts due to Govt.

## **Licence Fee Assessment Ledger (IAFW-2230)**

169. It will be maintained by the A.A.O, Garrison Engineers Office for all rentable buildings including Govt owned and all hired buildings licensed out. This will be kept as a permanent record and entries must be made whenever additions or alterations necessitate or revised assessment of Pent. If a squash racquet Court (constructed after 15-9-59) or a covered badminton court with morrum moor or tennis court is provided for officers, the cost thereof will not be included in the Capital Cost of the building, to which the court is attached, but licence fee will be recovered at the following rates:

- (a) Squash racquet Court .....Rs. 30.00 P.M.
- (b) Covered badminton Court ...Rs. 30.00 P.M. with morrum floor
- (c) Tennis Court .....Rs. 25.00 P.M.

170. The Garrison Engineer will arrange that when a work involves expenditure on the construction acquisition or equipment of a building intended to be used for residential purposes, or expenditure on renewals or additions and alternations to an existing residential building, information in regard to the amount of expenditure involved is' furnished to the A.A.O. attached to the office. On receipt of this information the A.A.O. will see: -

- (i) That if it is a new building, it is entered in the Licence fee Assessment Ledger and has been taken on charge in the 'Register of Buildings' by the GE.
- (ii) That steps are taken to obtain the orders of the competent authority to assess or revise the rental.
- (iii) That the assessed licensed fee or the revised licensed fee, specifying the date from which it takes effect is intimated to the A.A.O., Barrack/Stores Officer concerned and his acknowledgement obtained.
- (iv) That the charging of licence fee, for building for which licence fee is leviable occupied prior to closing the accounts of expenditure on their construction, acquisition, or equipment is not deferred until the accounts of expenditure are finally closed. In the case of buildings occupied prior to the closing of the accounts

of expenditure thereon. it will be seen that the provisional assessments are worked out as accurately as possible taking into account the recorded expenditure as well as the full liabilities. Subsequently when the accounts have been closed the licence fee assessment will be revised on the basis of the final completion cost. In cases where the variation between provisional and final, assessment is 5% or less the final assessment will be effective from the date of the accounts are closed and where the variation is more than 5 % of the final assessment will have retrospective effect from the date of occupation. This procedure will also apply to additions and alteration effecting the Capital value of buildings.

Rent assessment statement in respect of buildings occupied prior to transfer of charge between the GE (Project and GE Maintenance), will be initiated by GE (Project) and forwarded to AAOGE (Project) who after check will furnish a copy to AAOGE (Maintenance).

171. The A.A.O. Garrison Engineer's Office will compare the Licence fee Assessment Ledger with the Register of Buildings every year in April, to see that the capital value of buildings shown in the register agrees with the entries in the Licence Fee Assessment Ledger. Any discrepancies noticed would be investigated and rectified by reference to the original documents, on the authority on which a different Capital cost is shown. A certificate to the effect that required comparison has been made will be recorded in the licence fee assessment ledger.

172. The A.A.O. attached to the Barrack/Stores Officer will maintain the following ledgers etc.:

- (i) Revenue ledger.
- (ii) Licence fee bills numbering register.

173. It should be ensured by the A.A.O. B.S.O. that the Revenue ledgers maintained by him are complete in all respect and for this purpose the Register of Buildings for which Licence Fee is leviable maintained by the BSO should be called for and compared with the Revenue ledger whenever found necessary.

### **Revenue Ledger (I.A.F.W.2240)**

174. This contains a record of Revenue due and recovered in respect of each buildings or quarter and also from other sources. Separate Revenue Ledger will be maintained for

- (a) Government owned quarters.
- (b) Hired, leased and requisitioned accommodation in the Station Pool, and
- (c) Civil Works Revenue.

It will particularly be ensured by the A.A.O. Barrack/Stores Officer that all hired, leased and requisitioned buildings for which rent is paid by the M.E.S. are brought on the Revenue Ledger.

A separate folio will be opened for each building; quarter or miscellaneous item of Revenue and entries will be made therein as transactions occur. A separate folio will also be allotted for each squash racquet court (constructed after 15-9-59) covered badminton court with morrum floor, and tennis court, licence fee for which will be recovered in addition to licence fee payable for the living accommodation. The folios will be grouped by Stations.

However no folio need be opened for buildings/ quarters occupied by personnel entitled to licence fee free accommodation except when it is retained by them, beyond permissible period and licence fee becomes due for recovery under existing orders. Similarly in the case of recovery for excess consumption of electricity/ water from such entitled personnel separate pages will be set apart in the Revenue Ledger for recording these entries.

**Note:** The Squash racquet courts which have been constructed by the Government establishments for cadets, may, however, be used free of licence fee by the cadets.

175. Recoveries on account of charges for electricity and water from consumers paying direct to the Barrack/Stores Officer are watched through the consumer's ledgers. These will be treated as a separate class of revenue; a folio of the Revenue Ledger maintained by A.A.O./Barrack/Stores Officer will be allotted to each class of such receipts.

The Revenue ledgers will be submitted monthly to the Barrack /Stores Officer who will initial them in token of his scrutiny.

176. To watch credits on account of disposal of grass and other usufructs, etc., from lands and buildings of MES Charge situated within or outside Cantt. limits, a separate register of revenue derived will be maintained by the SDO concerned. The probable date by which each item of revenue falls due will be noted in this register and realisation watched regularly. Such receipts will be properly audited by the A.A.O. Garrison Engineer's Office in the case of recurring receipts and reasons for abnormal variation in the amounts of receipts will be ascertained and recorded.

177. The A.A.O. Garrison Engineers office will furnish the following informations to the A.A.O. Barrack/Stores Officer to enable him to complete the Revenue Ledgers, etc., and to check the correctness of the recoveries billed for



(a) A complete list of all hired buildings and rental paid as on 1st April each year and monthly "change" statements thereafter.

**Note:** (i) The monthly change statements will be furnished by the A.A.O (GE) by the 5th of the following month. The A.A.O. (BSO) will link all the change statements into the list as on 1st April. The list and the change statements for each year will be recorded in a separate file.

(ii) The A.A.O. (B.S.O.) will tally the list for every year (as on 1st April) with that for the previous year (as amended from time to time).

(b) Monthly list of Revenue credited through the GE's cash Accounts and the No. & date of the relevant licence fee bills.

(c) Licence fee assessment statements as and when rent of building is assessed /revised.

(d) A copy of the statement of the furniture hired out to the officers etc. by 10th of each month. It is important that an effective liaison is maintained between the two AAOs and any further information required in connection with the recoveries of licence fee and allied charges is promptly made available of the A.A.O. Barrack/Stores Officer.

## SECTION 20

### OCCUPATION RETURNS AND RETURNS OF RECOVERIES (ELECTRICITY, WATER, ETC.)

178. All accommodation in a occupation Return/ Station, although physically in the charge of the Barrack/Stores Branch is at the disposal of the Station Commander. Quarters will be held in a Station Poll and allotted to individuals by the Station Commander or inter-services Quarters Committee (or other allotting authority) Barrack/Stores Officer or his representative will be responsible for preparing and forwarding to the A.A.O. Barrack/Stores Officer Occupation returns for all quarters in the Station Pool. In the case of all other buildings, units and formations in occupation are responsible for the prompt and correct rendition of Occupation Returns (in duplicate) to the Barrack/Stores Officer or his representative at Outstation, who after necessary check pass one copy of the same to the A.A.O. The Barrack/Stores Branch has instructions to ensure that occupation returns are submitted promptly and correctly to the A.A.O. and it is the responsibility of the latter to ensure that the preparation of licence fee bills does not fall into arrears.

179. Occupation Returns will be prepared on the prescribed form and will be forwarded to the A.A.O. as follows:

(i) Immediately after taking over.

(ii) Other changes in occupation by the 5th of each month to show changes during the preceding month.

(iii) Complete Occupation Returns showing all buildings (Govt. owned / hired / requisitioned whether licence fee leviable or licence fee not leviable, i.e.. Barracks, Office stores (etc.) and quarters by 5th April annually to show position as on April 1st.

**Note 1:** Occupation Returns in respect of an Officers' Mess will be submitted by the Unit Commander (or the Mess President) to Barrack/Stores Officer or his representative at the outstation

**Note 2:** Licence fee in respect of Messes whenever free accommodation is not authorised is recoverable at source by the CDA at the time of admitting the Mess Maintenance Allowance of the Units and formations. Cases in which Mess Maintenance allowances is admitted in full a "No accommodation certificate " should be intimated to the A.A.O. Barrack/ stores officer concerned. The A.A.O. will verify that the cases in question, accommodation at Government expense as not provided to the Mess.

180. Occupation Returns rendered by the Barrack/ Stores Br. will be fully checked by the A.A.O. Besides the general completion of the Return, it should be seen-

- (a) that the return is rendered on the prescribed form (IAFZ-21'70) as amended.
- (b) that the description of the buildings is correctly given.
- (c) that tile Return is signed by the authority responsible: for its submission.
- (d) that the relevant columns of the return are properly filled in and
- (e) that information whether quarters are furnished or unfurnished is given.

### **Allotments**

181. In scrutinising the allotment of accommodation, should be seen-

- (i) that accommodation allotted to an officer is according to the scale, to which he is entitled;
- (ii) that all officer commissioned after 1st July 1949 who are below the age of 25 years and are married (irrespective of the date of marriage) are treated as single for accommodation purposes;
- (iii) that the accommodation allotted to an officer is occupied within 10 days from the date of allotment. Licence Fee will become payable from the date following the expiry of the period or from actual date of occupation whichever is earlier except in the case of reserved accommodation when the rent is recoverable from the date of assumption of the charge of appointment.

(iv) that out of class accommodation is allotted only when there is no demand for such accommodation by entitled officers and there is no accommodation available of the appropriate class to which an officer is entitled.

(v) that a quarter has not been sub-let by the allottee except when an officer is proceeding on furlough with family under the conditions laid down in AO 5/S/48.

(vi) that the classification of an officer's quarter once carried out in accordance with the existing rules remains the same irrespective of the number of occupants in a quarter. Reclassification of accommodation from a back date involving adjustment of recoveries will be done with the previous concurrence of the Govt. of India.

(vii) that where the allotment is stated to be free of licence fee, or at a reduced rate of licence fee, the authority in support is quoted and that it covers the case;

(viii) that when accommodation is leased to private persons not in Government employ; ;

(a) all agreement is executed on the lines notified by the Ministry of Defence from time to time;

(b) the instrument is properly stamped;

(c) the current market rate of licence fee is quoted on the return.

(d) the licence fee is fixed at the market rate provided it is not less than the assessed rent;

(ix) that the licence fee recoverable from contractors in respect of buildings used as cinemas has been correctly fixed according to the highest bid by auction, that an agreement is executed on the prescribed form, that the amount of security has been deposited by the contractor and that the whole building is insured by the lessee and renewal premium receipt is called for and verified;

(x) that when accommodation is allotted to NonGazetted personnel of the categories mentioned in the Ministry of Defence letters No. (i) 5/ (30)/58/1838/ (Civ-1) dated 27-2-62 (2) 50433/TD-13 4823/D (Prod) dt. 25-4-66 (3) 4/ (22)/68/D (Civ-1) dt. 4-8-69 (as amended from time to time). It is ascertained in reference to the CDA concerned that they hold such appointments which entitle them to free quarters".

(xi) that when non-Gazetted Officers of the categories referred to in item (x) above, to whom accommodation is allotted are appointed to officiate in gazetted appointment both the substantive and officiating pay are noted in the occupation return so that the licence fee payable may be calculated in accordance with para 13(j) of A.R.I. Quarters and Rents.

(xii) that when a Military Building is allotted to a Canteen Contractor for running institutes, etc., an agreement is executed in the Model forms of Station and Unit Contract agreement.

(xiii) that when free accommodation is allotted to personnel referred to in paragraph 1(k) ARI Quarters and Rents. It has been stated that their duties require them to live in particular Quarters in order to be near their work.

(xiv) that in the case of an officer entitled to be provided with accommodation and permitted to make his own arrangements the sanction of the Station Commander exists for the accommodation occupied and the rent fixed. Detailed instructions in this respect are contained in A.O. 10/S/86 (as amended).

(xv) that arrangements to provide suitable accommodation in Hotel, Club, bearing house, etc., are made only when an officer entitled to be provided with accommodation can not be provided with accommodation in the Station Pool and the Officer is unable or unwilling to make his own arrangements provided in the opinion of the Station Commander, the arrangement is more economical than hiring a house or other suitable accommodation, such an arrangement is made only for a period not exceeding three months at a time and it is stated in the lease agreement that the hiring may be terminated without notice at the end of each calendar month. The claims of Officers for reimbursement of rent paid in excess of the prescribed percentage of their pay will be checked *inter-alia* to see that a suitable accommodation for them is not available in the Station Pool. Cases where suitable accommodation may be lying vacant will be promptly brought to the notice of the Barrack/ Stores Officer. This check will be exercised before the claim is forwarded to the C.D.A. concerned.

(xvi) that in the case of buildings, etc., hired out to Provincial Governments licence fee bills at the prescribed rates are regularly issued and on receipt of accepted copies of licence fee bills, necessary debits are raised against the Civil Department.

### **Scale of Accommodation**

182. The following are the important checks, which should be exercised under this heading:

(a) It should be seen that no individual (except for valid reason) is allotted accommodation in excess of the scale to which he is entitled under the Regulations Or superior to that authorised for his rank or appointment. If a superior quarters or excess accommodation is allotted at the request of the occupant, the fact should be

noted in the Revenue Ledger to ensure that the increased rate of licence fee is charged.

(b) When an individual is allotted accommodation inferior to his rank, it should be seen that sufficient reason for not allotting full accommodation has been recorded.

(c) Accommodation allotted to contractors (for use as institutes) should be checked so that any room or rooms not set apart for an institute is charged for under Regulations.

## **Vacation**

183. When the vacation of a building is reported, it should be verified from the Revenue Ledger that intimation of occupation of the buildings by the person reported as vacating was duly received noted in the Ledger. However, in the case of personnel entitled Licence fee free- accommodation for whom no separate folio is required to be opened the revenue Ledger, the verification will be done from the report of retention of accommodation beyond permissible period by BSO/Station authorities.

The cause of vacation should be looked for. If a building is vacated for reasons other than transfer, vacation of appointment etc., the circumstances should be fully investigated /specially the occupant is required under rule to occupy Government own hired accommodation. In cases of transfer or vacation of appointment it should be seen that the quarters are re-allotted to another entitled officer.

If a quarter is vacated with sufficient reasons, action should be taken as indicated below:-

(i) Officers and others not entitled to free accommodation. Licence fee should continue to be claimed.

(ii) Individuals entitled to free quarters-The CDA should be informed that claims for compensation in lieu of quarters are not to be entertained.

The above action should be taken with the approval of the Barrack /Stores officer. In the event of a disagreement between the Barrack/Stores officer and his AAO full facts of the case should be reported for orders of the CDA through the RAO.

If a building is vacated before the end of a month by a individual not required under rule to occupy Government accommodation the question whether licence fee should be charged-up to the end of the month or only upto the date of vacation should be considered with reference to paragraph 6 (a) ART Quarters and Rents.

If a building leased out to a private person, not a Government employee, is vacated, it should be seen that the notice for vacating the quarters as required under the agreement has been received from the tenant ill time. Otherwise, action will be taken at once to recover the amount due from the tenant in time in accordance with the terms of agreement.

It will be seen that an officer entitled to be provided with accommodation by Govt. vacates his quarter on transfer from the Station within 10 days after the date of handing over charge. If in his new Station no accommodation can be provided, a married officer's family may continue in occupation for a period of 60 days after his handing over. It will be seen that the sanction of the Area-Commander exists for extending the period of retention of accommodation beyond 60 clays in the case of officers posted to non-family Stations or afloat and who have no suitable family accommodation where families can go. Sanction of the Station Commander will also be looked for, for retention of family accommodation at the last duty station upto the end of the current school/ college academic year of the children of service of6cers/personnel below officer's rant: on transfer from one peace station to another. The recovery of rent will be regulated as under:

- (a) Service Officers--as per provisions of para 211.
- (b) Personnel below Officer's rank Rs. 5 per mensum.

184. The occupation return should be compared with the returns of recoveries of water and electric energy submitted by the Barrack. / Stores Officer to check the accuracy of date for allotment and vacation of quarters.

### **Annual Occupation Returns**

185. These returns will be checked in the following manner:-

- (a) It should be seen that the general completion of the return is correct.
- (b) The return should be checked to see that it includes all the buildings shown in the Register of rentable buildings maintained by the BSO.
- (c) A comparison between the occupation return and the consumers ledgers for water and electricity should be made to see that buildings in respect of which charges for water and electricity have been made are duly shown as occupied in the occupation return.

(d) The particulars recorded in the return should be compared with those noted in the Revenue Ledger except in the case of personnel entitled to licence fee free accommodation where the particulars will be compared with the initial occupation returns case in which the two documents do not agree will be taken up with the authority concerned, electricity, hire charges of fans, other Electrical appliances.

186. Recoveries from non-entitled consumers who are paid by the Defence Accounts Department or by a Civil Accounts Officer will be made in the same way as, and together with recoveries of licence fee. For this purpose, the Barrack/Stores Officer will prepare the Return of Recoveries (electric) (IAFW-2218) from the Meter Reader's Book and forward it to the A.A.O. so as to reach him not later than the 10th of the month following that to which the charges pertain. The return will be checked in full by the staff of A.A.O. B.S.O. and posted in the Revenue Ledger. A.A.O. B.S.O. will exercise test check over the pasting of return of recoveries in the revenue ledger to the extent of 10% of the total no. of items in the returns.

**Note:** In checking the Return of recoveries it will be seen that charges for water and electricity if payable by the consumer direct to a Public Supply Company, are not included in the return.

187. Normally charges on account of electricity and water will be included in the monthly return of recoveries. In case, however, where it is not possible to record meter reading monthly, a provisional recovery as assessed by the Barrack/Stores Officer will be made monthly. The Barrack/Stores Officer will prepare adjustment bills for individuals on the basis of meter reading (electric and water combined) promptly on a change of occupancy, and otherwise at quarterly intervals and submit to the A.A.O. for incorporation of the figures in the licence fee bill.

188. In the case of private consumers the amounts will be billed for and or recovered by the Barrack/ Stores Officer. The monthly bill (IAFW-2217) will be prepared by the Barrack/Stores Officers and sent to the consumer accompanied unless standing arrangements to make recoveries in cash by the Garrison Engineer have been made, by a receivable order (IAFW-507) which should give such details as will enable the treasury receipt to be identified with the relevant bill without the bill itself. The return of treasury receipt will be watched by the Barrack/Stores Officers. After taking into account the amounts recovered in cash and credited into treasury, the Barrack/ Stores Officer will prepare and render to his A.A.O. monthly an abstract of all receipts duly supported by treasury receipts. The A.A.O. will check the abstract and see that the total recoveries made by the Barrack/Stores Officer from Private consumers as recorded in a folio of the Revenue Ledger agree with the amount shown in the Return of Recoveries as recovered by the Barrack /Stores Officer from these consumers. The number and date treasury receipt will

be cited against the appropriate items in the Return of Recoveries and credit for unlinked items watched through correspondence. Bill issued to consumers direct by the BSO for water and electricity should be checked by the AAO BSO 100% both in regard to quantities and rates.

189. In case of IAF entitled consumers, the monthly consumption will be measured by means of meters or assessed by Barrack/Stores Officer (where meters are not installed or are out of order) and a voucher showing the total number of units consumed will be prepared annually in triplicate and priced at the sanctioned issue rate. In addition to charges for electric energy, rent for internal installations will also be included in the voucher. The voucher will be forwarded in duplicate to the officer commanding the Unit or Department concerned for acceptance. On receipt of the original accepted voucher, the Barrack/Stores Officer will complete his copy accordingly and pass it on to the A.A.O. for completing the Revenue Ledger. The voucher will then be sent to the A.A.O. Garrison Engineer's office for adjustment. The charges pertaining to March Final will be adjusted in the accounts of the closing year.

190. In the case of entitled consumers of manufacturing and quasi commercial concerns, an abstract showing the totals for each concern will be prepared in duplicate half yearly in the case of Dairy Farm and annually in all other cases. One copy of the abstract will be forwarded to the A.A.O. not later than the 10th of the month following the end of the period to which it relates. The A.A.O. will then intimate the respective amounts including charges on account of rent of internal electric installation to the parties concerned. No adjustment on account of these transactions will be made in the MES account. In the case of Bakeries the statement furnished by the Barrack/ Stores Officer to the ASC authorities will contain an endorsement by the R.A.O. to the effect that this has been checked and found correct, before submission to the Officer-In charge, Bakery concerned.

### **Water Supply**

191. The procedure for the recovery of charges for water supply will be as follows:

In a non-Cantonment Station where water is obtained from a Municipality, company, local body or any Government source (Civil/Military) for the troops as a whole, or from a MES, Installation, the recoveries on account of water supply in respect of non-entitled consumers will be made by the Defence Accounts Department in the case of Officers and other ranks who are paid by that Department, or by a Civil Accounts Officer (see paragraph 709, MES Regulations 1968 Edn) in accordance with the procedure laid down in paragraph 186. From all other non-entitled consumers the amounts will be billed for and recovered by the



Barrack/Stores Officers in accordance with the Instruction laid down in Paragraph 188 above.

192. In a Cantonment Station in which the MES Officer is functioning as the 'Officer' under Section 233 of the Cantonment Act (Act II) of 1924 and in which the Cantonment board is not receiving a bulk supply of water from the MES under Section 234-A of the Act, recoveries are required to be effected by the Board, vide Section 234 of the Act. In such cases the Return of Recoveries will be prepared from the Meter Reader's Books and rendered to the Board. The total cost at the prescribed rate notified from time to time of all water supplied to paying consumer (including supplies made under agreements, vide Section 222 and 225 of the Act) and charges for water supplied to persons and buildings exempted from payment by the Board (but excluding exemptions granted by the local Government under Section 99-A of the Act in respect of persons and buildings entitled to a free supply of water under Defence Service Regulations) less the Collection and audit charges will be debited quarterly to Main Head 4C (L) Cost of water supplied by MES to non-entitled consumers by credit Revenue Receipts.

For this purpose the Barrack/Stores Officer will send every quarter to the A.A.O. Garrison Engineer's office for adjustment, a transfer voucher supported by a statement showing the total cost of water debitible as above for each of the months in the quarter.

The water charges collected by the Board, after deducting collection and audit charges, will be paid into the treasury to the credit of the 'officer' referred to above. The amount will be adjusted by A.A.O. Garrison Engineer's office by credit to Main Head IV-E (2) Receipts on Account of water supplied to paying consumers.

193. In a Cantonment station in which the MES Officer is functioning as the 'Officer' under Section 233 of the Cantonment Act (Act. II) of 1924 and in which the Cantonment Board is receiving under Section 234-A of the Act, a bulk supply of Water from MES for all persons in the Cantonment other than 'entitled' consumers. The board shall pay the MES for all water so received at the rate(s) included in the agreement with the M.E.S.

The meter readings for supplies made to isolated "non-entitled" consumers residing outside the Board's bulk supply area, but inside the MES Area, would be added to the Board's Main Bulk supply meter readings and paid for by the Board to the MES as part of bulk supply. Such "Non-entitled consumers" will deal with the Board and pay for their water at the Board's rate.

In cases where barrack areas or individual military buildings occupied by “entitled” consumers are situated within the Board’s supply area but outside the MES Area, and it is uneconomical to lay a special MES Main for such buildings or barrack area, the quantity of water supplied to these buildings or barrack areas will be deducted from the Board's main bulk supply meter readings, the Board being billed only for the net quantity. The occupants of such buildings or barrack areas will deal with the Barrack (Stores Officer and pay him for all water consumed at the MES all India, flat rate.

The recovery from the Cantonment Board will be watched through the Revenue Ledger and when made shall be credited to Main Head VII MES Revenue. The Loss, if any sustained by the M.E.S. on account of difference between MES costed rate(s) of water at the taking over point(s) where a bulk supply is given and the agreement rate(s) shall be debited to Main Head 4-C(L) by credit to Main Head VII B-1. For this purpose the Barrack/Stores Officer shall prepare monthly a transfer voucher and pass it on to the A.A.O., Garrison Engineers Office concerned for check and adjustment.

**Note 1:** For purposes of this paragraph an “entitled” consumer means a person in a Cantonment who is paid from the Defence Services Estimates and is authorised by general or special order of the Government of India to receive a supply of water for domestic purposes from the MES or the PVY'D: w such terms and conditions as may be specified in the order.

**Note 2:** The procedure for the recovery of water charges, from officers governed by AO 10S/86 is laid down in Army Hqs. QMG's Branch No. 75063/ 98 Q (A), dated 7/8th August 1951. It should be ensured that the provisions thereof are complied with while effecting recoveries of water charges from the entitled paying consumers residing in Cantonment areas.

194. The forms used for recovery of water charges will be

- (a) Licence Fees, Electricity and Water Bill (I.A.F.W.-2241) (I.A.F.W.-2241-A).
- (b) Return of Recoveries (Water) (IA.F.W-2298). (C) Water bill (I.A.F.W.-2300).

## **Furniture**

195. The Barrack/Stores Officer will forward his duplicate to the A.A.O. GE concerned, the statement of the furniture hired out to officers etc., in the Form prescribed in Appendix 'E' to the “Memo” on Procedure, Organisation and duties of the Barrack/ Stores Branch of the MES `Indicating the Capital Cost of articles of furniture, issued on rent as shown in the Station Distribution Furniture Ledger (IAFW1814). The A.A.O. GE will verify promptly that the -hiring of furniture is

authorised and within the sanctioned scale and that the rates and arithmetical calculations of columns 4 and 6 of Furniture Statement are correct.

After carrying out the above check, the A.A.O. will forward positively within a week of receipt, a copy of the above statement to the A.A.O. B/SO who will enter the amount of the assessed licence fee in the Revenue Ledger for recovery from the Officers / individuals concerned.

Similarly, Barrack Service representative at outstations will submit in duplicate a statement of furniture issued on hire together with the list of vouchers to the A.A.O. G.E. for check and onward transmission of one copy to the AAO/BSO.

**Note:** With reference to para 33 of the Memorandum on Procedure, organisation and duties of the Barrack Stores Branch of the MES as amended by Govt. of India, Min. of Def. Corrigendum No. 29469; 2A/5482 ASO I (Work), dated 15-11-58, the Barrack Stores Officer will furnish furniture Hire Statement as under:

- (i) Immediately after issuing the furniture.
- (ii) Subsequent changes by 10th of each month showing changes during the preceding month.

## SECTION 21-LICENCE FEE BILLS

195. In the matter of recovery of licence fee, etc., the A.A.O. will pay particular attention to the rules relating to the provision of accommodation and allied services and recovery of quartering charges in the Regulations and Special Army Orders 10/S486 .a amended from time to time and also to AI 12/S/65 as long as it remains operative.

197. From the occupation return and the returns of recoveries of electricity and water after they have been checked the A.A.O. will enter the names of occupants and the period of occupation etc., in the Revenue Ledger (IAFW-2240) and in cases where licence fee etc., is recoverable will prepare and issue licence fee bills including charges of water, electricity, furniture, conservancy etc. on behalf of the Barracks/ Stores Officer.

198. If occupation returns are not received in time, the A.A.O. will prepare the licence fee bill on the basis of the entries in the Revenue Ledger for the previous month subject to the readjustment on receipt of the occupation returns.

199. Licence fee bills will be prepared and disposed of as under:

(a) **Indian Army Officers**-Will be prepared in quadruplicate on IAFW-2241-A. Original and duplicate copies will be sent to CDA (O) Poona and triplicate copy returned to BSO. Fourth copy will be retained as office copy.

(b) **IAF Officers**-Will be prepared in five copies on IAFW-2241 Original and duplicate copies will be sent to OC Air Force, Central Accounts Office, Near Subroto Park, New Delhi-10, who after actioning the original in the IRLA will forward the duplicate copy to the Unit of the officer along with the statement of entitlement IAFW (F) 1517. Triplicate copy will be sent to Dy. CDA (AF) Subroto Park, New Delhi-10. Quadruplicate copy will be returned back to BSO. Fifth copy will be retained as office copy.

**Note:** As an exception to the procedure laid down in clause (b) the first rent bill after occupation (whether on posting or change) by an IAF officer will be prepared in quadruplicate and the quadruplicate copy will be sent to the Deputy P C.D.A. (A.F.), New Delhi

(c) **I.N. Officers** will be prepared in four copies two copies will be sent to Supply Officer in charge, I.N. Pay Office, Bombay. One copy will be sent to CDA (Navy), Mumbai and fourth copy will be retained as office copy.

(d) **Civilians in Government Service**--Will be prepared in quadruplicate on TAFW-2241 except those mentioned at item (ii) below in whose case the licence fee bills will be prepared in triplicate

(i) Paid from Defence Services Estimates and attached to Air Force Units--Two copies will be sent to the OC TAF C.A.O., New Delhi. One copy will be sent to the Local Air Force Commander of the unit concerned and one copy will be retained as office copy.

(ii) Paid from Defence Services Estimates and attached to Unit and formations (excluding air Force)-One copy will be sent to the Unit/Formation concerned. One copy will be sent to the CDA concerned and one copy will be retained as office copy.

**Note:** In the case of Defence Accounts Department personnel, one copy of licence fee bills will be sent to the Paying Controller and one copy to the Auditing Controller. The receipt of licence fee bills will also be acknowledged by the Auditing Controllers and watched by A.A.O.

(iii) Raid from Civil Estimates-Two copies will be sent to the Civil Accounts Officer concerned. One copy will be sent to the formation concerned and one copy will be retained as office copy.

(e) **For building occupied by other departments, as offices etc.**-Will be prepared in quadruplicate on TAFW-2241. Three copies will be sent to the Head of the Office concerned and one copy will be retained as office copy.

(f) **All other cases**-Will be prepared triplicate on IAFW-2241. Two copies will be sent to the Allotting Authority and one copy will be retained as office copy.

Licence fee bills will be forwarded so as to reach the authorities concerned not later than the 23rd of the month to which they pertain. In the case of private individuals licence fee is recoverable in advance and therefore, licence fee bills will be prepared well in advance so that they may be asked to pay the bills on or before 5th of the month to which rent bills pertain.

200. Blank.

201. When quarters are to be vacated before the last day of month owing to the departure of the occupant on transfer, leave or retirement, the Officer Commanding the Station, Unit or Head of the Department or any other authority responsible for the allotment of quarters will intimate the probable date of vacation to the Barrack/Stores Officer. The B /S.O., will intimate the impending change to the A.A.O. who will prepare and issue a rent bill to the appropriate authorities, so that in the case of Military Officers the amount may be debited to the 1R.L.A. of the Officer concerned immediately and the recovery may be effected in other cases before the occupant's departure. Any balance remaining to be recovered will be intimated by A.A.O. to the Accounts Officers to -whose audit area the individual is transferred.

202. After scrutiny of Occupation Return; and Returns of Recoveries etc., licence fee bills will be prepared by the A.A.O. B/S.O licence fee bills for a particular month will be allotted a consecutive serial number from a numbering register to be maintained for the purpose. These will be sorted out by each pay section of CDA's Office,/PAO (OR, )/ 1N Pay Office/A.F. Central Accounts Office, etc., as the case may be. Thereafter a simple forwarding memo (T.A.F.Z.2014) (hereinafter called Top List) in triplicate (quadruplicate in the case of Navy Officers and A.F. Civilians whose Accounts are maintained on T.R.L.A. system) entering therein the serial number of the licence fee bills total amount recoverable (i.e. licence fee percentage plus amount on account of water, electricity etc.) on

each bill will be prepared. The total number of licence fee bills forwarded will be entered in figures as well as in words in the top list.

The original and duplicate copies triplicate (in the case of Air Force and Navy) of the top lists along with the licence fee bills will be forwarded to the CDA and other Officers concerned by registered post in two or three convenient batches before the 23rd of the month.

In respect of I.A.F. Officers four copies of the top sheets in a form noted below will be prepared. Two copies each of licence fee bills and the top sheets will go to A.F.C.A.O. and one copy of the top sheet alone to D.C.D.A. (A.F.) New Delhi who will pair it with the copy of the top sheet received from A.F.C.A.O.

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Sl.No.	Service No. Pay A/C/ No.	Rank	Name	No. & date of Rent bill	Amount
1	2	3	4	5	6

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The A.A.O. will watch the prompt receipt of acknowledgement of licence fee bills (the return of one copy of the top list duly endorsed). On receipt of such acknowledgements, he will complete the Revenue Ledgers. If any undue delay in receipt of acknowledgement is noticed and the A.A.O. B.S.O will render a report to the CDA for necessary investigation and administrative action.

In the case of private individuals who pay licence fee etc. in cash the outstanding list of licence fee bills will be submitted to the B./S.O. for necessary action. A copy of this list will also be submitted to the C.D A.

203. Licence Fee bills will be prepared for the current month, and be recovered in arrears by the 1st of the following month, except in the case of pensioners and private persons from whom rents are to be recovered monthly in advance. It will also be seen that in the case of private persons, additional three month licence fee

which will be treated as deposit has been recovered as required by A:TO letter No. 64443/MP/M/O3 (Coord) Dt. 6-12-67.

The bills for licence fee & allied charges in respect of Defence Services Officers for married accommodation will be issued on the prescribed computerized forms IAFW-2241-A IAFW-2241-B and IAFW2241-C by the AAO BSO.

Form IAFW--2241-A will be used for initial occupation/standard licence fee P: allied charges. Form IAFW-2241-B will be used for recovery of water & electricity charges and form TAFW-2241-C for refund bills.

Form IAFW-2241-A will be filled by BSO at the time of initial occupation based on handing/taking over documents signed by authorized representative and other records available with him. Format "B" will be filled quarterly by AAO BSO as per return of recoveries rendered on quarterly basis by BSO on 31st March, 30th June, 30th September and 31st December of the year. Format "C" will be used for refund bills.

Four copies of the bills for each officer in respect of Army and Naval officers and five copies for each Air Force Officer will be received by AAO BSO from BSO. The same will be distributed on completion of the columns to be filled by AAO BSO as laid down in para 199 and acknowledgement watched. The additional copies will be returned to BSO.

204. An officer allotted accommodation will be responsible for payment of licence fee of accommodation whether, he occupies it or not unless the allotment is formerly cancelled by the Station Commander.

205. Licence fee will be charged from the date of occupation to the date of vacation of the quarters except as in paragraphs 181 (iii) and 204 above.

No licence fee will be recorded for the date of occupation if the quarters are occupied in the afternoon and for the date of vacation if the quarters are vacated in the afternoon.

206. When Government buildings or parts thereof are let to Private individuals etc., A.A.O. should see that their insurance where necessary is effected as required by paragraph 637 Regulations for the M.E.S. (1968 Edn.).

## **Refunds**

207. In the case of remissions or refunds, the A.A.O. will trace the original demand or realization and make a note against the original entry in the accounts so as to avoid a double or erroneous claim. Any acknowledgement previously granted by the MES authorities will be, taken back if possible and destroyed and note of repayment made on the counterfoil of the original receipt. After the above process has been completed, A.A.O. will prepare the refund licence fee bill, which shall bear separate consecutive serial numbers prefixed by a distinctive mark "Refund". The Office copies of the refund licence fee bill will be kept in a separate file and audited by the RAO at the time of his periodical visit to the formation. The A.A.O., Barrack/Stores Officer will be held personally responsible for any refund erroneously or incurred authorised by him. All doubtful cases of refund should be referred by him to the CDA through the RAO concerned.

Normally refund bills shall be forwarded to the Pay Accounts Authorities concerned as in the case of licence fee bills requiring recovery action. Where, however, each refund is involved, refund licence fee bills will be issued by the A.A.O. Barrack/Stores Officer to the parties concerned. On receipt of the claim duly supported by the refund bill; it will be transmitted to the A.A.O., Garrison Engineer's Office for "check" linking with the original cash recovery and payments out of the assignment held by the Garrison Engineer. A List of all such payments made will be sent to the A.A.O., Barrack/Stores Officer monthly for completion of Revenue Ledger.

208. Amounts recovered oil account of licence fee bills will be credited as Revenue receipts except that any recoveries made from a Department of the Central Government will be treated as reduction of expenditure under the maintenance minor head concerned or minor head (a) licence fee for hired building in the case of building hired on a non-repairing leases if such recoveries are effected before the accounts of the year are closed. The A.A.O. Garrison Engineer's Office will ensure that the adjustment is carried out correctly.

In cases where recoveries on account of licence fee, etc., are made through the Civil Accounts Officers, debits will be raised duly supported by the accepted copies of the rent bills.

**Note:** In the case of Posts and Telegraph Department debits oil account of licence fee etc., for Military buildings occupied by that Department, when such charges are borne by the Department estimates shall be raised in arrears in the accounts for March (Preliminary) every year.

209. Monthly lists showing all accommodation including hired/leased lying vacant in the Station will be prepared and submitted to the Station Commander by the



Barrack/Stores Officer for his information and necessary action. A copy of this list will also be furnished to AAO BSO.

**Note:** List of vacant buildings for which chowkidars have been employed and paid for is required to be furnished to AAO BSO by CDA as laid in item I (XII) of Annexure 'B' to Chapter V of OM Part-11 Vol. 1. This will be checked by the AAO BSO, with the list received by him from the BSO and the occupation/vacation returns. Any discrepancy will be pointed out of all concerned.

210. After the issue of licence fee bill, the AAO Barrack Stores Officer will forward the occupation Returns to the RAO with his necessary remarks on points, which he has settled locally on his own appreciation, and those on which he desires directions from the RAO/CDA. The occupation returns and lists of vacant buildings prepared by the Barrack Stores Officer will be revised critically by the RAO with a view to ensuring the Government accommodation has been utilized to the best advantage of the State and that no wasteful expenditure is incurred in retaining hired and requisitioned buildings, when vacant Government buildings could with advantage be utilized for the purpose. Where an RAO is satisfied that there is "prima facie" a case of irregular allotment and/or extra expenditure to the State the matter should be taken up by him locally at the highest level accessible to him on the spot. When, however, this method does not yield the desired result, the cases should be brought to the notice of the CDA for further action with higher administrative authorities.

211. The following concessions have been approved for Commissioned Officers governed by Pay and allowances Regulations of the respective services as modified from time to time

**LICENCE FEE.** The flat rates of Standard Licence fee based on the living area classification any type of the accommodation is prescribed by Govt. from time to time. The rates shall be applicable to both married and single officers actually occupied irrespective of the rank of the occupant.

**FURNITURE:** At the flat rates prescribed from time to time.

**ELECTRICITY:** Service officers will be charged at half the rate of the prevailing rates of recovery by local State Electricity/Boards/Electric supplying agencies.

**POWER:** Will be charged at full rates of the prevailing rates of recovery by local Electricity Boards/ Supplying agencies.

**WATER:** As prescribed by Govt from to time, the present rate is Rs.4.00 per thousand liters.

### Visitors Book of MES Inspection bungalow

212. The AAO will check the visitors Books maintained in MES Inspection Bungalow and will ensure that the amounts realized are in accordance with the rates of licence fee prescribed by the CWE and 'that these amounts have been credited to Government and brought to Account under the revenue sub-head concerned. It will also be ensured that the instruction contained in "Rules for the occupation MES Inspections Houses" (as amended) issued by the E-in-C's are compiled with. This will be checked by the AAO to the extent of 100%.

### Guest Rooms

213. Guest Rooms attached to officers' mess will be under the control of PMC Officers Mess to which they are attached for the purpose and Allied Charges from the Occupants. Furnishing of items such as sustains mattresses. Carpets and other items are not authorised to the Guest Rooms out of Govt. Fund. The recovery charges towards such furnishings when provided out of Mess funds will be fixed by Station Commanders and shall be credited to Mess Account. The recovery of L.F. from the occupants shall be made at the rates prescribed by Govt. from time to time. The present rates are as under:

Station	Occupation		Remarks
	Single Bed Suite Rs.	Double Bed Suite Rs.	
(a) Plain Stn.	3.00	6.00	
(b) Hill Stn, Delhi, Madras & J & K except Srinagar	4.00	8.00	(1) Occupation charges will be levied for single bed if the occupant stays single in a double bed Suite.
(c) Bombay, Calcutta, Srinagar Darjeeling, Nepal & Kangra Hills	5.00	10.00	

The basic charges mentioned above are for officers including civilian officers of Defence Services and DAD on duty. The term duty includes temporary duty and the period of joining time on permanent transfer. The rates will be double when such officers are not on duty including leave. Retired Officer including civilian officers from Defence Services & DAD will be considered as officers not on duty.

The recovery on account of consumption of Electricity and water shall be made at All India Flat rates in addition to L.F where separate meters exist. Confessional rates of Electricity and water shall be applicable only to service officer on duty. Where no separate meters consumption exists is to be assessed by PMC in consultation with MES authorities.

The basic charges of Licence Fee will be collected from the occupant by Secretary Officers Mess and the amount deposited in Govt Treasury through T.R. A register as per the format being used for MES Inspection Bungalows will be maintained for recording occupancy of Guest Rooms, which is auditable, by LAO.

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## CHAPTER VIII

### STORES

#### SECTION 22---STORES FOR PARKS

##### **Introductory**

217. The working stock of stores required for works project carried out by the MES consisting of selected non-indigenous items and certain indigenous items of short supply which do not deteriorate through long storage, are held in the Engineer Stores Depots and Engineer Parks.

A.A.Os are attached to the Engineers Parks. The duties of the AAO attached to Parks are analogous to those of the A.A.O., Garrison Engineer's Office in addition he is required to carry out a continuous check of stores ledgers etc., maintained in these formations.

218. The stores accounting procedure to be followed ' Engineer Parks is laid down in "Standing Orders for the Organisation and Stores Accounting Procedure of Engineer Stores Depots" issued by the Engineer-in-Chief.

The numerical record of all stores received into and issued from Engineer Parks and Dumps is maintained by MES Officer in accordance with the principles laid down in Chapter VI of the above standing Orders.

219. The detailed procedure may be varied by Chief Engineers to suit the size, scope and staff of the stores concerned, but it is essential that the accounting procedure as laid down in Chapter VI so far as it relates to use of Store-in-Hand Ledger (IAFW-2223 or loose leaf ledgers) and receipts and issue vouchers (IAFW-2321) should be observed. Issues from one store holder to another will be on a numerical basis. The final issues either from an Engineer Park or a Dump for incorporation in Works whether for a project or for maintenance will be accounted for financially in the 'consignees' accounts.

220. The various processes to be gone through by the A.A.O. in exercising; check over these ledgers fall generally under the following main categories:

*(a) Verification*

(i) Castings.

(ii) Closing Book balance and

(iii) Opening Book Balances

(b) Linking of the receipt side of "Transfer Inwards" and of "Purchases" and on the issue side linking of "Transfer outward" and of "Final issues".

(c) The check of "Final Receipts" (Surplus found on counting Stock, etc.) and the check of the "Final Issues" i.e. issues for final consumption (as distinct from a transfer to some other stores account) also auditable by the DAD or "Issues on payment or quantities charged off on "Loss Statements", etc... etc.

### **Castings**

221. The A.A.O. will ensure that balance is struck after each transaction and the castings leading up to the balances are arithmetically correct. The last balance on each folio will be transcribed by him in words.

### **Closing balances**

222. To ensure that the final closing balance at the end of the period under check is correct, the total of the issues of each article will be struck and deducted from the aggregate total of receipts and the opening balances. A line will be drawn neatly against the closing balance of each article in the ledger which will be initialled and dated in ink or coloured pencil by the A.A.O., an additional initial being affixed

against every alternation to such balances. In the case of receipt transactions, in the event of any discrepancy coming to notice on receipt of issue vouchers, etc., the balance will be rectified on the date the discrepancy comes to notice without altering the previous balances.

### **Opening Balances**

223. It will be particularly that the last audited closing balances (which represent the opening balances) have not been altered or erased.

### **Linking of Receipt**

224. (i) Audit of receipts will be carried out by the A.A.O. Engineer Parks with reference to the copies of receipt vouchers furnished by the Parks Authorities.

(ii) On receipt of convey notes, issue vouchers, from the consignors' A.A.O./LAO, the A.A.O. of consignee Engineer Park will link the same with the Depot receipt vouchers already checked by him and endorse them as linked quoting the relevant receipt voucher No. and The Park receipt vouchers will also be cross-linked by quoting reference to issue vouchers etc. If and when any discrepancy in the description and/or quantity of stores is noticed during the linking the relevant ledger entries will be checked and the error, if any, rectified on the date on which it is brought to notice without affecting the previous transaction and balances.

(iii) At the end of the month, the file of receipt vouchers will be reviewed by the A.A.O. and action initiated to call for the outstanding consignors issue vouchers etc.

**Note:** The audit of receipts will not, however, be considered as completed unless the same is carried out with reference to the consignor's issue vouchers etc. The linking of Park receipt Vouchers with the issue vouchers, etc. will be done by the A.A.O. with due care and wanting issue vouchers called for and watched with vigilance.

### **Linking of Issue**

225. The issue entries in Ledgers should be linked in full from the Ledgers into the issue vouchers, loss statements etc, furnished to the A.A.O. by the Park authorities.

The issue vouchers will not be priced by the A.A.O. Park/depots in respect of Stores and tools and Plant issue to work Projects in charge of M.E.S. or to Divisional Stock or to other Parks. In the case of stores and tools and plant issued to CPWD, Provincial PWD or other Departments on repayment or book debit, relevant issue vouchers will be priced by the A.A.O. Park. Necessary debits will

be raised by the AAO through the financial accounts against the Accounts Officers of PWD and other Departments concerned and the required numbers of schedules supported by the accepted copies of vouchers sent to the C.D.A.

### **Issues on Loan**

226. Issue Vouchers pertaining to Stores issued on loan which will bear a distinctive marking to show that the issue is on loan, will be posted, (1) in the ledges as an issue and the stock balance column reduced accordingly and (2) In the loan ledger as a receipt (see form shown in Appendix F to standing order; and the balance in loan column increased accordingly issue and receipt entries relating to loan issues in the quantitative accounts should be checked in full and at the same time the transactions should be traced into the loan ledgers by the A.A.O.

In cases where hire charges are recoverable on account of T & P issued on loan to civil bodies, etc., the A.A.O. will watch the receipt of accepted vouchers for raising necessary debits against the Consignees' Accounts Officers concerned.

### **Final Receipts & Final Issues**

227. Check: of “Final Receipts” and “Final Issues” will be exercised with reference to the various rules pertaining to Stock taking, payment issues and losses, etc., contained in the various books regulations and standing orders.

### **Scheduling of vouchers etc**

228 The Park authorities will send the Receipts and Issue Vouchers under cover of skeleton list in decades for their A.A.O. for exercising check over the ledgers, scheduling of vouchers and effecting accounts adjustment where necessary. The A.A.O. will take oil recent of the two copies of Issue Vouchers, schedule one copy to the A.A.O./L.A.O of the Consignees for verification and tracing of credits into the consignees' ledgers. Acknowledgement of the latter A.A.O. / L.A.O. will invariably be obtained and recorded.

229. The A.A.O. will prepare monthly a reconciliation statement in registers on the Proforma given below:

(1) Register for watching the Receipt & Scheduling of Missing Vouchers

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M.E.S. (A.A.O.) MANUAL

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Srl. List No.	Wanting Vr. No. & date	Date on which called for	Date of Receipt	Schedule No. and date	Initials of AAO
1	2	3	4	5	6

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(2) Register for watching the Acknowledgement of Top Lists  
(All Lists, which have not been acknowledged for two months arc, progressed through this Register).

LOA/ AAO	Date on which Scheduled	Date of Reminder due	Date of receipt	Initials of AAO
1	2	3	4	5

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**Delay Register**

230. The Delay Reports and the Delay Reports Register, the Delay Register within Chapters IV, VI and VII of "Standing Orders for tile MES Depots" will be subjected to a test check by the AAO. It would ' inter-alia be seen that

(i) Valid reasons exist for not preparing receipts Vouchers.

(ii) In the case of issues from such stores, issues have been properly accounted for in the ledger and that minus balances are not registered in the ledger as a result thereof.

(iii) There has not been undue delay in bringing the stores outstanding on delay reports to account by means of Regular receipt vouchers.

(iv) Necessary action is taken in respect of short delivered or damaged stores as valid down in Chapter VII of the above quoted standing orders.

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232. Instructions for the maintenance and check of accounts pertaining to MISS Workshops as laid down in MES Regulations, local Audit Manual and this Manual will generally be followed in the case of Stores for each item of "Manufacture".

SECTION 23-STORES ACCOUNTS-DIVISIONAL STOCK



233. Garrison Engineers obtain stores either for works installations or for Divisional stock.

When materials are obtained, which can immediately be used upon a particular work, the cost there of will be charged to the work. Materials received for a particular work will be treated similarly even though they may not be immediately used, a materials account subordinate to the work concerned being opened by the SDO concerned under the rules in the Regulations for the MES.

234. To avoid delay involved in obtaining the daily requirements of Stores, a reserve supply of stores for minor works and maintenance last for four months is kept in the Divisional Stock. As at the time these stores are received it is not known on what works they would be used, they will be accounted for only numerically and not financially in the stock register. Control of Stock is exercised solely on numerical basis. Expenditure on stock is, however, controlled through allotment of funds.

### **Fictitious Adjustment**

235- All transactions of receipts and issues should be recorded strictly in accordance with rules. Fictitious stock adjustments such as (1) of debiting to a work of the cost of materials not required or in excess of actual requirements, or not brought on site (2) the debiting to a particular work for which funds are available of the value of material intended to be utilized on another work for which no funds are available (3) the writing back of the value of materials used on work to avoid excess over appropriation etc., are prohibited. Any breach of this rule constitutes a serious irregularity and must be reported to the CDA.

### **Stock Limit**

236. For every item of stores both of Engineers and Ordnance Origin authorised to be held by each GE in his divisional stocks, Maximum limits will be fixed by the CWE. Those will not exceed four month's normal requirements of the divisional for minor works/ maintenance. Any excesses over the authorised maximum quantities will require the sanction of the CWE. When separate stocks are maintained under orders of the GE outstation subdivisions, it is essential that the quantitative limits of these stocks shall be so fixed that the total limits authorised for the division as a whole are not exceeded.

237. The A.A.O. will check the divisional stock register against the limits referred to in the proceeding para. He will see that: -

- (a) the order has been placed on the authorised source of supply.
- (b) the powers of purchase of the authority concerned are not exceeded.
- (c) the direct and local purchase of stores are resorted to only accordingly to the MES Standing Orders.. Paragraphs 470-47.6

The powers of MES Officers for the purchase of stores categorised under local purchase “(vide Para 746, MES Regulations (1968 Edn) will be as laid down in MES regulations, table `B' item 2 and 5(a) (i) )”

The powers of `direct purchase' of Stores categorised under direct purchase (vide Para 747), M.E.S. Regulations (1968 Edn) will be as laid down in M.E.S. Regns. Table `B' items 5. These powers will be exercised when the category of store is required for important works Projects urgently and delay in obtaining them through normal channels will be detrimental and adversely affect the progress of such project, so but when such stores are required for replenishment of stock, recourse to direct purchase will not be made until it has been confirmed by E-in-C that stores are not available in ESDs and that further central provisioning is not being undertaken.

- (d) the maximum purchase prices of stores of local origin purchased locally are not exceeded by the Garrison Engineer without the prior sanction of the C.W.E.

### **Receipts of stores**

238. On receipt of stores, the individual receiving the same will prepare a receipt voucher (in triplicate) showing the date of receipt the number and date of the indent/issue voucher and railway receipt, the number and page of the measurement book (if required), the particulars of stores including the quantity. The number, date and value of credit notes will also be shown as a separate item.

Two copies of the receipt vouchers bearing allocation and accompanied by the consignors' issue voucher/invoice and measurement book (when required) will be submitted to the Accounts Section.

### **Check of Measurement Book**

239. The measurement book will be checked in the manner described in Chapter-V. The quantities and source of supply shown in the measurement book will be checked with the entries on the receipt voucher to see that they agree. At

the end of the entries in the measurement book, an endorsement will be made as shown below:

Checked with the receipt voucher No- -----  
dated---- - - -

A.A.O

Garrison Engineer

### **Check of Receipt vouchers with the invoice**

240. The receipt voucher will also be checked with the consignors' invoice to ascertain that the quantity and description of stores as well as the source of supply shown therein are correct.

### **Deficiencies**

241. In the case of stores received from firms and non-military Government Departments, only actual quantities of stores received will be brought on charge and the discrepancies pointed out to the party concerned.

When however the conditions of delivery is for stations of despatch and also when in the case of stores received from other M.E.S. Divisions or other Military Departments if the consignor's `vouchers had been received the full quantities as recorded on the consignor's vouchers will be entered on the receipt voucher. Any stores damaged or deficient will be entered on a loss statement (if the consignor(s) invoices have not been received. The quantities actually received will be entered on the receipt voucher. Any deficiency coming to light on receipt of the consignors' voucher will be dealt with by correspondence).

The loss statement will be disposed of as laid down in Chapter-X and a note kept of discrepancies dealt with by correspondence to watch their final settlement.

### **Adjustment of value of Stores received**

242. (a) Receipt vouchers for stores received for works will not be adjusted in accounts. They will be checked as indicated above and filed serially in separate files by Stab-Division. When debits for stores or ISD. London invoices are received they will be verified and allocated by the SDO concerned direct to the relevant works, quoting reference to the receipt vouchers prepared on the receipt of stores. In the case of ID Schedules, an allocation sheet will also be prepared and attached to the ID Schedule by the SDO. On receipt of these documents from the SDO, the AAO SO (A) will link the invoices or debits with the receipt Vrs. by noting on the latter the number and date of the invoice or the ID Schedule. Paid

ISD Invoice will be adjusted in accounts by debit to the work heads concerned by contra credit to subhead stores (including Transportation Stores) under Main Head-7 Expenditure on Works (other than Capital Projects) Maintenance, etc.

(b) In the case of stores received for works from Park the copy of the Issue Vrs. received from the A.A.O. of the consignor Park will be priced at P.V.E.S. rate, verified and linked with the receipt vouchers and adjusted in accounts by the A.A.O. of the consignee by credit to sub-Head F Stores (including Transportation Stores) under Main Head-7 Expenditure, on Works (other than Capital Projects) Maintenance, etc, One copy of the receipt voucher with the number and date of the issue of the Park and the monetary value duly noted thereon will be returned to the SDO concerned for entry in the construction accounts.

(c) In the event of stores issued by the Army to MES the stores section of the CDA office will make no adjustment in the accounts in respect of such issues The pricing group will send a copy of the priced vouchers to the A.A.O. of the MES Formation receiving the stores and obtain his acknowledgement. The A.A.O. will link the particulars of stores, etc. as given in the priced voucher with the receipt voucher referred to sub-para (a) above by noting on the latter the number and date of the communication with which the priced voucher is received and pass on the voucher to the SDO concerned for allocation against the works head concerned and return. He will watch that the cost of stores is duly adjusted by debit to work heads indicated by the SDO, and contra credit to the head of account, which will depend upon the class of stores issued. The A.A.O. will take steps to obtain the wanting priced vouchers from the stores section concerned.

(d) The adjustment of the cost of stores for MES Installations which received will be carried out finally against the relevant minor bead Sub-Head 'C' Maintenance and Operation of Installations under Main Head 7 Expenditure on Works (other than capital Projects) Maintenance etc.

Receipt Vouchers of stores for stock whether received direct or from Parks will not find a place in the accounts but will only be verified and linked by the A.A.O. with the paid I.S.D. London Invoices, etc., or with the Issue vouchers of the Parks. In the case of stores for stock issued by the Army and I.S.Ds to MES the value will be adjusted in the accounts from the priced vouchers as in the case of such stores received for works.

### **Railway Freight**

243. A list of consignments for works will be prepared monthly by the Garrison Engineer's Office showing particulars of credit notes and railway warrants issued

during the month and reference to the receipt vouchers quoted therein. This list will also include credit notes and railway warrants debitable to works carried out in the division issued by other Garrison Engineers but will include credit notes and railway warrants issued in one division on behalf of other Garrison Engineers. Necessary particulars with regard to the letter will be communicated to the Officer concerned by the Garrison Engineer. When a consignment contains more than one article the amount of freight in respect of each article will be shown separately.

The list will be allocated, noted as liabilities in the relevant construction accounts and passed on to the Accounts Sections where these will be filed for future reference. As debits are received the A.A.O. will note against the items concerned the month's inward account in which the debit has been adjusted and also quote reference to relevant ID Schedule.

All reference to the CDA (Factories) Accounts Officers of the Railways in connection with warrants and credit notes outstanding will be made by Garrison Engineers through their AAO.

244. Railway Freight Charges relating, to conveyance on credit notes of MES Stores for stock will be debited direct to Main Head 7 Sub-Head 'F' by the PCDA (Factories), Calcutta.

### **Overhead charges**

245. When a payment is made (eg. labour on handling stores etc.) or a debit is accepted for indirect charges relating to consignments for stock, the stock head will be debited direct.

### **Issue of Stores**

246. Issues will be made on Indent, all copies of which will be received by the individual concerned. The indents will be priced by the store clerk and entered in the stock register. Two copies of the indents duly allocated will be received by the A.A.O. from the SDO. In case of indents for issues to contractors, an unstamped but dated acknowledgement will also be obtained on IAFW-2826 detailing full particulars of the materials including the rates and values chargeable. The No & date of the acknowledgement will be noted on the Indent.

247. In the case of stores supplied by the MES, to Army the MES. Authorities will pass on two copies of the issue vouchers duly priced and classified in so far as the MES Head is concerned to the MES A.A.O. The latter will complete the allocation on the voucher as regards the Army head to which the amount is debitable and adjust the voucher in the accounts. In cases of doubt, the A.A.O. will

ascertain from the CDA the Army classification head under which the cost of store is debitable. He will retain one copy of the voucher in support of his accounts and forward the other copy to the LAO of the receiving Unit or Formation for necessary verification (in due course) of credits in the consignees' stores ledgers etc. The latter's acknowledgement will be obtained and recorded.

### **Check of Indents**

248. The A.A.O. will check the Indents to see that they are priced at the current rate, that the calculations are correct and that all alterations in quantities are attested that the stores have been correctly allocated to the work concerned and that when stores are issued to the contractors' reference to the unstamped acknowledgement receipt is quoted on the indent.

249. The contractor's unstamped acknowledgement receipts will also be checked to see particularly that the rates charged to contractors agree with those provided in their contracts. The total amount shown on the indent as chargeable to a contractor's account should agree with the amount on the contractor's receipt.

### **Disposal of Indents**

250. One copy of the Indent will, after entry in the Abstract of Receipts and charges, be returned by the A.A.O. to the SDO concerned and the other retained in the Accounts Section, securely filed.

251. Contractor's acknowledgement will be recorded separately and kept under A.A.O. safe custody after the amounts recoverable from contractors have been noted in the Contractor's Ledger.

### **Overdrawal & Underdrawal of Stores**

252. The quantities of stores actually issued as compared with the amount of work done will be checked by Surveyor of Works Branch, but the A.A.O. will see that the check certificate of Surveyor of Works Branch exists on the relevant bill and that unexpected stores, if any have been promptly accounted for.

### **Stock Accounts**

253. In addition to receipt vouchers and indents mentioned above the following records are maintained by the executive in connection with stock

- (a) Stock Purchase Register (IAFW-2316).
- (b) Stock Register (IAFW-2279).
- (c) Priced Stock List.
- (d) Road Metal Register (IAFW-1809).
- (e) Stores-in-hand Ledger (IAFW-2223).

The detailed procedure for the maintenance of these records, is described in the following paragraphs

### **Stock Purchase Register (IAFW-2319)**

254. The stock purchase register will be maintained loose leaf under the supervision of the A.A.O. and will contain an analysis to determine stock book rates, a separate page being allotted to each item of stock.

255. Normally the stock book rate will remain constant throughout the year, but on receipt of a consignment of stores during the year, the Garrison Engineer will examine the cost of the articles included in the consignment and if a particular rate is found to be seriously affected will revise the rate for that article accordingly, at the same time indicating the date from which the revised rate will take effect.

256. The rates will be worked out by adding in the stock purchase register, to the estimated cost of stores and freight (plus custom duty charges in case of English Stores) a figure representing "Over Heads" percentage calculated on the basis of the information provided by the stores overhead estimates which will be prepared by the Garrison Engineer and sanctioned by the CWE. The grand total thus obtained will be divided by the quantity received to find out the rate per unit. The stores overhead estimates will cover all overhead expenses pertaining to the operation of the Divisional Stock except-

- (i) Railway freight and custom duty,
- (ii) Pay of regular, temporary and permanent MES establishment'

**Note 1:** The overhead charges consist of the expenditure of the nature specified below which is actually debited to Stock head

- (a) The wages of all industrial personnel and work charged non-industrial personnel engaged on the care and maintenance of the Stores.
- (b) The cost of handling stores received and issued.
- (c) Proforma costs of repairs and maintenance of the stores building and yards based on the normal percentages laid down in Appendix, 'B' of MES Regns. (1968 Edn)
- (d) Normally losses, wastages, etc., stores in stores
- (e) The cost of preservation and repairs of stores in stock.
- (f) The cost of packing stores for issue when necessary.
- (g) All other incidental charges.

**Note 2:** The overhead percentage referred to above is based on the proportion, which the total overhead estimate bears to the estimated turn over of stock. The term "turn over" of stock refers to the total issues made over a specified period and this will be estimated with reference to actual issues during the previous year.

Expenditure incurred against the "Overhead charges estimates" will be recorded in the constructions accounts separately for each item of overhead charges mentioned above.

As actual charges incurred on stores come forward they will be noted in the stock purchase register so far as the cost of stores and freight, as distinct from overhead Charges are concerned.

After the close of the accounts for March, the average cost of each article purchased during the year will be worked out by dividing the total cost (estimated if actual is still not known) plus overhead charges at the fixed percentage of all consignments by the total quantity received. This average rate will be noted in Register.

### **Stock Register (I.A.F.W.-2279)**

257. This register contains a numerical account of receipts and issues and balances of articles of stock.

258. The maximum and minimum quantities and the stock book rate will be noted in respect of each article.

259. Balances will be brought forward from the last year's register and receipts and issues posted daily from vouchers and indents. The balances will be struck after each transaction. A cross checks will be exercised on the accuracy of the balances by striking totals at the bottom of each page and working out the balance.

260. The posting in the register including balances from last year will be checked item by item with the previous register and original vouchers, it being seen that the description and quantity of articles taken on or struck off charges are the same as on the voucher. If a consignment causes an excess over the maximum limit the reason for the excess will be looked for.

### **Priced Stock List**

261. This list contains stock book rates and is compiled and issued by the Garrison Engineers at the beginning of each financial year. The compilation of the list will be supervised by the A.A.O.

262. Copies of the priced stock list will be supplied to all concerned should it become necessary to revise a stock book rate during the course of a year. a correction slip indicating date from which the revised rate takes effect will be issued.



263. Blank.

**Road Metal Register (IAFW-1809) & Stores in Hand Ledger IAFW-223)**

264. It will be seen that the provisions of MES Regulations, (1968 Edn) paras 243, 759 and 779 have followed.

SECTION 24-AUDIT OF STORES ACCOUNTS

265. The A.A.O. will audit the stores accounts of Sub-Divisional Office and will be responsible for the check of all the numerical and quantitative store ledgers. Accounts etc. maintained in those Offices. A list of such ledgers and accounts is given in Annexure to this Chapter. Additions and alterations to this list can be made at the discretion of CDA as and when found necessary but an initiation thereof will be sent to the CGDA.

266. The ledgers and accounts will be checked by the A.A.O. to the extent and in the manner laid down in MES Local Audit Manual and any other relevant instructions issued from time to time.

267. The frequency of visits to SDOs, Offices by the A.A.O. will be fixed by the CDA having regard to the local conditions.

Normally the outstation S.D.Os' Offices will be visited half yearly.

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**Annexure of Chapter VIII**

List of ledgers and accounts for the audit of which A.A.O., Garrison Engineer's Offices are responsible:

- (a) (1) Stock Register.  
(2) Material Registers  
(3) Store-in-Hand Ledgers.  
(4) Road Metal Registers.  
(5) Demolition Register with Demolition Stores Ledger and Salvage Ledger.  
(6) Fan and Meter Registers.

- (7) Bulbs Accounts
- (8) Furniture Ledgers.
- (9) Changes in Furniture distribution Ledgers
- (10) T & P Ledgers.
- (11) Distribution Ledger of T&P.
- (12) Register of Articles- in-use.
- (13) Mileage Card.
- (14) Log Book of Road Rollers.
- (15) Log Book of E&M Installation.
- (16) Annual Return of E&M Installation.
- (17) Plant Record Books.
- (18) P.O.L. Accounts.
- (19) Register of Revenue derived from lands, trees, usufructs, etc., maintained by SDOs.

(b) Meter Reader's Books of Electricity and Water and Consumers Ledgers will be checked by the A.A.O. Barrack/Stores Officer.

## CHAPTER IX

### WORKSHOPS

#### SECTION 25-WORKSHOP ACCOUNTS

273. Workshops are of two categories

- (i) Repair Shops.-These cater for the normal repair requirements in connection with the maintenance and operation of Installations, maintenance of vehicles T&P and furniture and repairs to Plant and Machinery etc.
- (ii) Workshops required for manufacturing purposes and which E-in-C establishes in consultation with the financial authorities.

The expenditure on (i) above is booked directly to the work or maintenance head concerned whereas the expenditure on (ii) is maintained on "Cost Accounting" basis and the accounts are adjusted under Major Head 58, Main Head 7, Sub-Head C, and Minor Heads.

The Accounts of Workshops mentioned at (ii) above are maintained by the Defence Accounts Department on the lines indicated in Appendix "K" to the MES Regulations. For this purpose, an accounts clerk will be posted to the workshop who will work under the orders of the A.A.O. attached to the Garrison Engineer of the Division in which the workshop is located. The accounts clerk in charge of the workshop accounts will maintain.

- (i) Workshop Account (T.A.F.W. 2233).
- (ii) Materials Account (T.A.F.W. 2242).

274. All other records maintained below will be maintained by Superintendent of the Workshop and checked by the Accounts Clerk where necessary

- (i) Detailed Estimate (I.A.F.W. 2227).
- (ii) Work Order (I.A.F.W.-2228).
- (iii) Register of Work Orders (IAFW-2229).
  - (a) Outside work Orders for MES.
  - (b) Outside work Orders for other Government Military Departments.
  - (c) Outside Work Orders for other Government Non-Military Departments.
  - (d) Outside Work Orders for private individuals.
- (iv) Daily Labour Sheet (IAFW-2236).
- (v) Indent for Materials (TAFW-2305).
- (vi) Daily Material Sheet (IAFW-2235).
- (vii) Daily Miscellaneous Charges Sheet (TAFW2313).
- (viii) Annual Workshop Return (IAFW-2234).
- (ix) Monthly Workshop Return (TAFW-2238).
- (x) Expenditure Sheets (IAFW-2230). Workshop Accounts

275. The Workshop Account will deposit from the Daily Sheets, which will be passed on by the Workshop Superintendent daily to the Accounts Clerk and recorded by the latter.

For Audit charges a transfer voucher will be prepared monthly and forwarded to the A.A.O. Garrison Engineer's Office concerned for adjustment. Credits will be entered from transfer vouchers prepared on completion of work.

If the amount based on the estimated cost of a job is received in advance, the amount will be credited to Deposits to which head will be debited the final cost of the job.

276. (a) A flat overhead percentage on the total cost of labour and power charges (direct charges) should be levied on all work done in MES Workshops. This percentage is fixed from time to time by the E-in-C, Army Headquarters, in consultation with the Controller General of Defence Accounts and the Ministry of Defence (Finance) and is communicated by the latter. The percentage is intended to cover the following charges

- (i) Above by deduction from expenditure.
- (ii) Interest, depreciation and telephone charges.
- (iii) Proforma charges on account of

- (a) Electricity.
- (b) Water.
- (iv) On costs.

These charges should be adjusted in the accounts as under:

The elements on account of-

- (i) Above by deduction from expenditure.
- (ii) By credit to Revenue.
- (iii) & (iv) By deduction from expenditure under the detailed heads concerned when the jobs are done for a department of the Central Government and by credit to Revenue in other cases.

What portion of the overhead percentage represents each of the various elements it consists of, is determined by the E-in-C Army Headquarters in the same manner as the percentage itself and is likewise communicated by the Ministry of Defence (Finance).

(b) The recoveries on account of overhead percentage should be compiled as and when effected by the Accounts Clerk in Charge of the Workshop Account in the first instance under a temporary head "Suspense Account--Recoveries on account of overhead percentage pending re-adjustment under detailed heads concerned" in the Workshop Account (I.A.F.W. 2233).

This head should be cleared at the end, of each month by adjustment in the manner indicated at (a) above. In column 22 of IAFW-2233 should appear, at the end of the month, a figure representing that portion of the recoveries only which is finally creditable to the Workshop Account.

### **Reconciliation of Workshop Accounts**

277. The Workshop Account will be checked with the aid of original vouchers included in the financial account (i.e., the Abstract of Receipts and Charges) of the month by the A.A.O., Garrison Engineer's Office and a reconciliation Statement prepared analyzing the difference between the two accounts. Error in the Workshop Account will be corrected and those in the financial accounts noted in the Abstract of Receipts and Charges are rectified in the financial accounts of the next month.

### **Bills Muster Rolls and Receipts Vouchers**

278. These documents would not involve posting in workshop account to which all expenditure incurred is debited through Daily Sheets. These documents will

therefore, be allocated, checked and passed to the A.A.O. for disposal. Entries in respect of each will, however, be traced in the Workshop Account and the number and date of the documents noted in the particular columns of the account against the entries concerned for facility of check with the financial accounts, it being seen particularly that the amounts agree.

### **Expenditure Sheet (I.A.F.W. 2230)**

279. An expenditure sheet will be maintained in respect of each job and posted from Daily Sheets. At the close of each month, totals will be struck and carried to the Summary. An abstract of all expenditure sheets will then be prepared in IAFW. 2233 Workshop Account form by noting in column 2 the number of the work orders. The total of the abstract should agree with the total in the Workshop Account (I.A.F.W. 2233), maintained by the Accounts Clerk.

### **Completion Cost**

280. When a job has been completed and all expenditure relating thereto brought to account, the final cost will be worked out and noted in the Expenditure Sheet and a red diagonal line drawn through the blank space under Daily expenditure to ensure that no further debits are booked against the job.

281. The number and date of I.A.F.W. 2233 will be noted in the Expenditure Sheet and the amount posted in the Workshop Account. One copy of the voucher will be filed by the Accounts Clerk and the other duly allocated passed to the A.A.O. for incorporation in the Financial Accounts.

282. At the end of the year, the expenditure incurred on all completed jobs will be adjusted as above, by debit to the party concerned.

### **Review**

283. The financial working of Workshop is reviewed on I.A.F.W. 2234 Monthly Workshop Return.

The Return is prepared by the Superintendent and checked by the Accounts Clerk who will endorse thereon his certificate.

The Capital Costs will be checked from the Plant Record Book and the Register of Building and the booked expenditure and credits compared with the

figures in the works accounts. All calculations will be checked to see that they are correct.

284.        )  
285.        ) } Blank  
286.        )

## CHAPTER X

### MISCELLANEOUS

#### SECTION 26-COMPLETION REPORTS

287. On completion of a work, completion reports will be rendered in accordance with the following procedure:

Part 'A' of the form (IAFW-2266A) will be initiated by GE as soon as the work is physically completed and will be forwarded through engineer crannies duty checked by AAO concerned to the Engineer Adviser of the CFA. After being noted, the form will be returned direct to the Garrison Engineer concerned for completion of Part 'B' and resubmission in accordance with the procedure laid down in paragraph 379 AIES Regulations (1968 Edn.)

288. The A.A.O., Garrison Engineers' Office will check the amount of administrative approval and Technical Sanction with the register of Approvals of Works. The completion cost will be verified from the construction account and it will be seen that all recorded liabilities and expected credits have been adjusted, unused stores have been credited to Government and drat a remark has been added in the constructions account by the Sub-divisional Officer to the effect that the completion report has been submitted. This remark will be initialled by the A.A.O. in token of his having passed the completion report.

It should be seen that in the completion report reference is quoted to the correction slip to the register of buildings against each item which involves a new entry or an alteration to an existing entry in that register and that the correction slip has been received. The correction slip will be checked by- the A.A.O. with the completion report and other record in his possession to see that it has been correctly madeout. In cases in which completion report involves an entry or an alteration to an existing entry in the Plant record book of an installation, the entry or the correction in the plant record book will be checked. In respect of completion reports relating to furniture it should be seen that the articles have been brought on ledger.

289. All newly constructed residential or rentable buildings will be noted in the rent assessment ledger and action taken to assess tire rent. If a work or a renewal involves an increase in the- Capital Cost of an existing residential or rentable building the Capital Cost in the rent assessment ledger will be altered and rent revised under rules.

290. After action has been taken as above, the completion cost will be noted in the register of approvals to works (IAFW-1816) and the completion forwarded in duplicate after signature by the Garrison Engineer to the A.A.O. who will, after verification and check, transmit the original to the CWE for disposal, retaining the duplicate in his office for subsequent check by the R.A.O.

291. The A.A.O. will see that accounts of works are closed promptly and completion reports and completed requisitions submitted without undue delay. To this end he will prepare at the close of his monthly check of the construction accounts for November, Jan. and March in IAFW (CDA)-268 a list of works on which there has been no expenditure for three months or which appear to have been completed (as indicated by a comparison of the actual expenditure with the sanctioned amount) but for which completion reports have not been received.

**Note:** Should an error or omission in the recorded expenditure of a work come to light after its accounts have been closed the accounts may be reopened in order to rectify the error or omission unless the amount involved is not more than Rs. 10 in which case it will be sufficient to make a note of error or omission in the relevant documents concerned (See Para 589 MES Regulations).

292. To ensure that in the preparation of the list no omissions have been made, the A.A.O. will check the list for November with the previous year's registers of approvals to works and requisitions and satisfy himself that it include all works for

which completion reports have not been received and which have been carried over to the next year.

293. The list will be sent to the Sub-Divisional Officer concerned and its return carefully watched. On receipt back, it will be put up to the Garrison Engineer with the observations of the A.A.O. on the reply of the Sub-Divisional Officer. Unless a completion report (or completed requisition) satisfactory explanation of the suspension of work is received, the work will continue to appear in the list of the succeeding months down to March, after which the A.A.O. will bring the matter to the notice of the RAO through the Garrison Engineer. The list of March will not be finally recorded until all overdue completion reports and completed requisitions have been received and a note to that effect has been made in the construction account folio for which a completion report is necessary or in the Register of Requisitions unless a work has been carried over to the Construction Account or the Register of Requisitions for the next year.

### SECTION 27-CONTRACTORS' LEDGER (I.A.F.W. 785)

The rules in this Section apply to all transactions with contractors in connection with contracts or Jobs undertaken by them whether relating to the execution of works or to the supply of materials for works of stock.

294. The Contractors' ledger is a running account with each contractor in respect of each contract, showing the amounts due by him for advances made and material supplied to him etc. and due to him for work done/material supplied/services rendered, etc. and is closed and balanced monthly.

295. The contractor's ledger will be maintained contract wise and even in cases in which the only Payments is the final payment, a separate ledger folio will be opened.

#### **Posting the Ledger**

296. Except when the contractor's account is closed and the procedure prescribed in paragraph 475 of the Regulations for the MES (1968 Edn) is observed in respect of unpaid bills, the value of work done or supplies made by a contractor should not be credited to his account until his bill has been passed. Debit entries in the ledger



should be made from passed bills and Vrs. numbers quoted as soon as payments have been made. The value of materials, if any, issued to a contractor, should be debited to his account -on the authority of his acknowledgement.

**Note 1:** Security Deposits of contractors should not be included in the Contractors ledger,

**Note 2:** When a deduction made from a contractor's bill for one work, is creditable to the account of another work, two distinct sets of entries should be made in the ledger one for the payment made on account of the former work and the other for the recovery creditable to the latter.

**Note 3:** A set of folios of the contractors, ledger will be reserved for keeping notes of attachment orders issued by courts against Contractors or fines inflicted upon them, Recoveries effected in satisfaction of these orders will also be noted therein. Government claims should be given precedence over court attachment orders. Attachment orders will be acted upon according to the priority of their receipts. The payment due on bills as well as security, in the case of a joint contract, can not be attached- to satisfy on order of attachment against one of the parties, under section 63 of the Code of Civil procedure when attachments are levied by more courts than one, it is safe to deposit Money in the court of the highest grade and intimation of such remittance given to the other courts. Detailed instructions regarding "Attachment" of amounts due to contractors by order of Civil Court's are contained in CGDA Circular No. 10424/AT-11 dated the 1st April, 1952.

### **Balancing and Reconciliation**

297. The ledger accounts should be closed and balanced monthly. In the case of term contracts for artificer's work and running contracts for supplies, etc. the closing balance of each contract should be analyzed and detailed, so as to show, in respect of each separate work the full particulars of amounts outstanding. The ledger will be signed by the A.A.O. monthly and submitted to the Garrison Engineer for his information and for taking necessary steps for recovering the outstanding amounts when due for recovery.

298. The A.A.O. will be responsible for the correctness of the Contractor's ledger and for securing agreements, month by month between and balances detailed in the construction accounts and the corresponding balance of the accounts in the ledger. He will also be responsible to watch that the amounts due from a contractor are recovered completely from his bills for his jobs to which they relate.

299. The A.A.O. may be called upon by the CDA to submit to him an extract from the, monthly balances of each contractor's accounts. A contractor should be

encouraged to examine his ledger account from time to time and sign it in token of his acceptance. He may be given an extract of the ledger account, if required.

300. Blank.

### SECTION 28-- TRANSFER OF CHARGES A.A.O

301. When a A.A.O. is about to be relieved of his duties in an MES Formation, either permanently or temporarily, he will prepare, in a tabular form a memorandum reviewing the accounts of the formation. For this purpose, IAF (CDA-264 will be used and printed entries therein will be supplemented as required and completed so far as they relate to the different MES formations, The state of suspense accounts, and of outstanding in the accounts of works will be reviewed in particular. Recoveries to be made from the staff or from contractors and others, which should receive special attention, will be mentioned. Any, arrears or defects in the working of the main office or subordinate officers will be specified with a statement of remedies applied or contemplated. All important pending cases and claims in dispute will be pointed out indicating the present position thereof, other points requiring the special- attention of the relating AAO whether in regard to the initial or compiled accounts or to objection statements and audit objections, will be set forth in detail.

302. The relieving AAO should, while taking over the charge, examine inter alia the following books and records:

(a) The Cash Book particularly the current month's entries, should be ascertained if all vouchers exist for accounts not yet submitted to the CDA. If any are wanting, it should be seen that steps have been taken for their submission: if not, this should be done at once by the AAO who is being relieved. The cash book should be checked on the day of handing over and a note that this has been done, recorded in the Cash book.

(b) The registers of MES advances and deposits, the contractors' ledger and registers of barrack damages and unpaid wages will be examined to see that that they have been posted upto date and that action has been taken in all cases, for the adjustment of outstanding.

(c) The register of security deposits and the post office saving Bank pass books, etc., will be checked to see generally that a satisfactory record of securities is kept.

(d) The duplicate copies of contract documents will be scrutinised to see that contractor have executed the necessary security-bond or deposited security required under the rules except in the case of contractors who are allowed to tender up to an unlimited amount and exempted from Payment of Security or the execution of Security Bond.

(e) Stores accounts will be examined to see that they have been properly maintained by the S.D.Os.

(f) The register of approvals to works, requisitions and appropriations, receipt books, measurement books and unstamped acknowledgement receipt books, will be seen to ascertain that they are posted upto-date. The blank and completed receipt books, measurement books and unstamped acknowledgement receipt books will be checked with the entries in the respective registers.

(g) Licence Fee assessment ledger/revenue ledger will receive particular attention. It will be seen that there are no large Outstanding and that action has been taken to expedite recoveries in all cases.

(h) The relieving Accountant should acquaint himself with the duties of each clerk and should enquire if there are any arrears, and, if so, for what reasons and when the work will be brought up-to-date.

(i) The relieving Accountant should examine all pending cases, objection statements and papers regarding disputed claims and obtained full information as to their disposal.

(j) All original documents such as muster roll and vouchers under Rs. 25 etc., will be handed over and a proper receipt obtained thereof.

303. After the relieving AAO has obtained full information on all points, he will complete the transfer report and forward it to the CDA through the head of the MES Formation. The transfer report will be signed by both the relieved and the relieving Accountants.

304. When there are abnormal arrears, a list detailing them, together with the relieved AAO's explanation, should be attached to the transfer report. The arrears in such cases should be specially brought to the notice of the head of the MES Formation.

305. The relieving AAO will find it convenient if he has a statement prepared for himself showing Engineer's

(a) Assistant Garrison /Charges-,

(b) The Sub-Divisional Officers' charges and the establishment employed therein:

(c) The names of the latter and their position whether permanent or temporary;

(d) All disputed claims of contractors with full details regarding points of dispute.

## SECTION 29-REGISTER OF BUILDINGS

306. The A.A.O will maintain the register of buildings, a printed copy of which will be supplied to him by the Garrison Engineer.

Register of Military Buildings in respect of Buildings constructed by GE (Project) prepared in duplicate will be routed through the AAO GE (P) who will check it and furnish one copy to GE (Maintenance) another to the AAO GE (Maintenance).

307. A copy of the correction slips, issued by the Garrison Engineer, will also be supplied. These slips will be posted in the register as soon as received and the entries concerned corrected, a record of the corrections being kept in a flyleaf of the register under the initials of the A.A.O. who will in addition review the register, periodically, to see that it is kept up-to-date.

308. All sanctions and orders connected with the sale, & demolition, re-appropriation or transfer of buildings, will be noted in the remarks column against the entry concerned in the register. As a correction slip embodying these orders is received and the correction has been made, the note kept in the remarks column will be scored through under the initials of the clerk carrying out the correction. At the time of the clerk review, the A.A.O. will see that the necessary correction slips embodying these orders, have been received.

**Note:** Amendments to the Capital cost of all buildings borne on the Register of Buildings will be made when the effect of improvement or additions is to enhance the rentable value. Change in Capital up to Rs.400/- in respect of all Buildings and these due to renewals costing Rs.20, 000/- or less to temporary buildings will, however, be disregarded.

309. Blank.

#### SECTION 30-OBJECTION STATEMENT

310. An objection Statement (Form-A) on the accounts of the GEs will be prepared in IAF (CDA)-262-GE every quarter after the construction accounts have been checked. It will be rendered -in the first instance to the Garrison Engineer and to the CWE. After getting columns 12 to 14 thereof duly completed by the parties concerned it will be rendered in duplicate to the CDA so as to reach him not later than the 15th of the second month following the Quarter to which the Statement relates. The A.A.O. will offer his final remarks in the covering letter under which the Statement is sent to the CDA. It will be the responsibility of the CDA to take all further action to settle the items finally. A copy of the objection statement with the final action endorsed thereon will be sent by the CDA to the A.A.O. for the letter's record.

Objections relating to the accounts of BSO will be prepared every Quarter in Form IAF (CDA) 262 BSO., by the A.A.O. BSO showing inter alia, all out-standings on account of licence fee, electricity and water over-due for a quarter. After fretting columns 6 and 7 duly completed by the BSO and the OC Station the A.A.O. BSO will submit the Statement to the CDA as indicated above

311. Each quarter's objection statement will be self contained and up-to-date, that is to say it will include all items of previous reports, which still remain unsettled.

### **Detailed Rules for Preparation of Quarterly Objection Statement IAF (CDA)-262-GE**

312. The following items will be taken in the quarterly objection statement: -

(1) (i) Want of Administrative Approval an expenditure irrespective of the amount involved.

(ii) Want of Technical Sanction--As under (i) above.

(2) Excess over Administrative Approval and Technical Sanction,

(a) Original Administrative Approvals and Technical Sanction. All cases in which there is an excess of the expenditure over the amounts administratively approved and technically sanctioned.

(b) Revised Administrative Approval and Technical Sanction. Any Expenditure incurred in excess of the revised amounts of administrative approval and technical Sanction.

(3) Want of Appropriation

All expenditure incurred without allotment of funds but trifling, items of expenditure need not be objected to.

Note 1: Expenditure incurred at the commencement of a financial year, which is covered by a provisional allotment, need not be placed under objection for want of appropriation.

Note 2: Un-settled objections relating to appropriation will not be carried forward after the close of the financial year. These will be included in Statement 'C' of the Annual Review of MES Expenditure by the C.D.A.

(4) Excess over Appropriation

Any expenditure in excess will be included.

(5) Vouchers Awaited

In respect of objections falling under this Category, numbers of vouchers awaited and also the amount should be shown separately by months under different groups. The number may be written in red ink or otherwise distinguished so that they may not be included in the amounts when making totals.

(6) Outstandings against Contractors-

Amounts outstanding against contractors in the Contractors Ledger for more than 3 months, comprises

- (i) Overpayments to contractors and other miscellaneous dues, e.g., licence fee, electricity and water charges etc., remaining unrecovered for more than 3 months;
- (ii) Charges against contractors oil account of cost of stores, advance payments, etc., remaining unrecovered for more than 3 months from the date of completion of works.

(7) Overpayments to other Individuals---  
All overpayments irrespective of date

(8) Purchase or disposal of stores-  
All purchases and disposals not approved by the competent authority.

(9) Other Objections-  
Under this head will be recorded miscellaneous objections including expenditure involving infringement of the standards of financial propriety, and amount of losses awaiting regularisation, excepting those outstanding under MES Advances.

(10) Outstandings in Suspense Account  
All items outstanding for more than 3 months following the month in which the debt, originated, and expenditure in excess of funds for deposit works, charged to miscellaneous advances irrespective of date.

(11) Every quarter general abstract showing amounts placed under objection and cleared during and to the end of the quarter for each class of objection separately will be prepared by the A.A.O. and this will be checked in local audit and initialled by the Regional Audit Officer.

### SECTION 31---LABOUR REPORTS

313. The Labour Report (IAFW-2257) is prepared by the Sub-Divisional Officer or Superintendent in Charges (a) all cases in which mustering is dispensed with and the record of Labour employed is kept in IAFW-2256. Casual Labour Roll, and (b) when ordered by the Garrison Engineer for any work under execution departmentally, irrespective of whether mustering is done or not.

314. The labour report shows the number of men engaged the class of Labour, the rates of pay and the work on which employed. It is compiled from the Muster Roll or the Casual Labour Roll and submitted to the Garrison Engineer.

315. The objects of the Labour Reports are

(1) To keep the Garrison Engineer informed of the progress in the execution of work.

(2) To afford a means of checking during the course of the day, the number of labourers actually working at the time of the Garrison Engineer's inspection of works.

316. To be of real value, therefore, the labour reports should reach the Garrison Engineer's Office punctually and as early as possible. After scrutiny by the Garrison Engineer, the Labour Reports will be handed over to the A.A.O. for check with the muster roll or Casual Labour Roll, when received for payment.

## SECTION 32-LOSSES

### **Garrison Engineer's Officers**

317. Losses will be dealt with either on loss Statement expense vouchers as laid down in Section 34 MES Regulations (1968 Edition).

In cases where stores, furniture, tools, etc., become unserviceable through fair, wear and tear are sold and issued at less than their book value they will be accounted for by means of expense voucher to be sanctioned by the competent Engineer authority under the powers laid down in Table 'B' of the Regulations for the MES. For all other losses, loss Statements will be prepared for the sanction of the competent financial authority. The term "Losses" includes actual losses, depreciation and wastage.

318. Articles held on charge without value, will not be struck off the ledgers until the loss statement approved by the Competent Financial Authority has been received. The value entered on the loss statement will be assessed on cost price less depreciation. . When articles are borne on ledger charge with value, an issue voucher will be prepared for -adjustment, reference to the voucher being quoted in the loss statements.

319. Infuctious expenditure caused by abandonment or curtailment of a project or by change of plan or designed by defective design on construction or by premature termination of a contract or any other cause should be sanctioned as a loss by Competent Financial Authority under Rule 161 and Appendix II, Pt-I-Army-Schedule VI, F.R. Part-I 1963 edition. Receipts from the disposal of Stores or other assets sold or utilised elsewhere should be credited to the project in order to arrive at the net amount of the loss.

**Note:** Infructuous expenditure has been defined as one in which Government receives no useful return, for the money expended or in which there has been unnecessary or avoidable extra expenditure.

320. Loss Statement (in all MES Formation including Parks) will be prepared in quadruplicate and forwarded to the A.A.O. for pricing. Two copies of the un-sanctioned loss Statement (triplicate and quadruplicate) will be retained by the A.A.O. and original and duplicate sent to the M.E.S. authorities for obtaining the sanction of the Competent Financial Authority in consultation with the Regional CDA or the CDA concerned in the case of special works referred to in the note under Para 322. The A.A.O. Garrison Engineer's Office will at the time of returning the priced copies of loss Statements made an entry of these in the register of losses to be maintained by him in the proforma given below

REGISTER OF LOSSES

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Serial No.	No. and date of loss Statement of expense voucher on which adjustment of loss or write off has been made	Month account	Amount	Date of receipt of sanctioned loss statement or Vr.	Remarks
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In the case of Parks, a similar register is maintained by the executive and it will be ensured by the A.A.O. Park that these loss statements have been entered in the register.



321. On receipt of the sanction of the Competent Financial Authority, the sanctioned copy of the loss statement will be shown to the A.A.O., Garrison Engineer's Office who will complete the register of losses maintained by him; The A.A.O. Park will see that the register maintained by the executive has been completed. The remarks of the competent Financial Authority will be transcribed on the triplicate and quadruplicate copies of the loss statement and triplicate copy forwarded to the- Regional CDA or the CDA concerned in the case of special works referred to in note under para 322 for the preparation of Annual Statement of losses and the quadruplicate retained for his record and audit purposes. In the case of loss statements sanctioned by the Government of India, a reference to Government letter sanctioning the loss will be cited by the A.A.O. on the copies of the loss statements.

322. On the 1st May each year, the A.A.O. will furnish to the Regional CDA with a statement giving the number, the date of all loss statements sanctioned during the preceding financial year.

**Note:** Even in respect of losses of building and furniture on charge of Air Force Units and Indian Navy, the Regional Cs. D.A. in whose area such losses occur, will be responsible for inclusion of the items in their statements of losses. In the case of special works, the transactions in respect of which are brought to account finally by the CDA, Navy/Air Force, the responsibility for the exhibition of losses in the Appropriation Accounts should rest with the Controller of Defence Accounts concerned.

323. Losses, which have not been regularised under the sanction of the competent Financial Authority, will be included in the Monthly Objections Statement.

324. In the case of Parks, the loss statements will be priced at the rates shown in the PVES. As regards Non-P.V.E.S Items, the rates will be obtained from GE, Park. The Assistance of Ministry of Finance (Defence) should be sought if any difficulties are experienced in fixing rates for non-P.V.E.S items.

325. Losses of individual items and even of dissimilar items noticed in a particular stock-taking in any one section of a Park will be treated as one item of loss, the AAO will see that a single loss statement is prepared in such cases.

326. E-in-C's standing orders provide for the preparation of issue vouchers to adjust deficiencies or damages in the case of stores received by purchase or transfer as also in respect of deficiencies disclosed during stock-taking and for other losses within the Park. These vouchers which are en faced "Loss under Investigation" are also to be entered in the register or losses.

**Note 1:** The discrepancies arising out of incorrect in-identification or nomenclature or stores and involving no monetary loss should be regularised by adjustment vouchers (without a loss statement on IAFA-498', such adjustment vouchers will bear reference to the original receipt issue vouchers on which the item was incorrectly identified and the ledger page number affected.

**Note 2:** Incorrect identification of stores unless paid for as such, doesn't involve monetary loss except in cases where there is a discrepancy in the total number of all sizes of an item or for change in condition when the loss involved shall be written off in loss statement.

## SECTION 33-MISCELLANEOUS

### **Transport Indents and Orders**

327. Transport Indents and Orders (I.A.F.7-2150) dully priced and endorsed with the relevant Army Head to which the cost is creditable will be forwarded by LAO of the Unit providing the transport, monthly to the ME LAO concerned with a converting Memorandum specifying the number and date of each transport indent or order. On receipt, these will be acknowledged by the A.A.O. and passes on to the Sub Divisional Officer concerned for necessary allocation to the relevant MES Heads of accounts. Y On receipt back of the transport indents, etc. from the Sub-Divisional Officers concerned, the AAO will ad lust the amount in the MES accounts by per contra credit (by deduction from charges) to the Army Head concerned as indicated on the indents., etc. 1-le will at the same time note against the relevant item in the covering memorandum, referred to the above the voucher number and the months accounts in which the particular transport indent or order has been adjusted. The transport indents and the covering memorandum will be recorded by the A.A.O. in a separate file to facilitate test check by the Regional Audit Officer. A.A.O. will also ensure that the transport indents are promptly adjusted in the MES Accounts.

The A.A.O. will watch the receipt of a transfer voucher from the Superintendent in charge of transport on MES charge showing the particulars of transport used on work, etc. during the month.

The A.A.O. will check the price with reference to the rates laid down in A.I. from time to time and make the necessary adjustment by debit to the work etc. concerned.

### **Hired Transport Bills of Contractors**

328. Hired transport bills after pre-audit by the CDA (Store Section) will be paid by the MES Officer out of his assignment and adjusted in the Financial and construction accounts like other bills.

### **Registers and Records**

#### **Periodical Services Measurement Books**

329. Periodical Services Measurement Books are checked arithmetically by the local audit staff who will, as a safeguard against unauthorised corrections, initial in ink all corrections in calculations and totals an additional initial being affixed for every alteration. If, however, on receipt of a bill based on measurements in a Periodical Services Measurement Books the A.A.O. finds that the particular entries pertaining to the bill have not been checked by the local audit staff, those entries, will be checked by the Garrison Engineer's A.A.Q. before passing the bill.

#### **Registers of Sanctions (I.A.F.W.-2252)**

330. The A.A.O. will maintain a Register of Sanctions in I.A.F.W.-2252. In this will be recorded all Administrative Approvals for standing charges, e.g. payment of rent for Railway sidings, contingent charges etc. Separate Registers will be maintained for each Major Head.

#### **Register of Barrack Damages**

331. This register is maintained by the DIES Budget clerk in IAFW-2260. Recovery of barrack damages is progressed by the B/R. E/M or B/S Branches. Entries will be made at the time of passing an estimate or a registration for making good the damage and initialled by the A.A.O. Recoveries will be watched through this register and column 4 or 5 completed as cash is received.

Items remaining outstanding for more than three months will be brought to the notice of the Garrison Engineer for special action.

332. The A.A.O. will advise the head of MES Formation to review, from time to time, the several registers, books and accounts, periodical services measurement book, etc. maintained in this office and Sub-Divisional Offices, even though he may have scrutinised and initialled the individual entries or sets of entries therein. For this purpose, he may require these records to be laid before him though the A.A.O. monthly or at such other intervals as may be fixed by him. The fact of such review will be placed on record in all cases in a suitable form on the register of

account, etc, concerned. To see that there is no delay in the submission of the registers, etc, the A.A.O. will keep a note in his calendar of returns and, in the case of the record maintained in their office, will inform the Sub-Divisional Officers, the date on which they should be sent to him, for inspection by the head of the office. I.D. Schedules

333. To keep watch on the disposal of I.D. and other remittance schedules, received from the C.D.A. for verification and adjustment, the A.A.O. will maintain a Guard File in which all the covering lists with which I.D. Schedules, etc. are received from the CDA will be recorded after noting thereon the date or which the schedules are sent to the Sub-Divisional Officers concerned for verification and allocation. The A.A.O. will mark off entries contained in the lists as and when the ID Schedule are adjusted by citing reference to the number and date of the transfer voucher through which the adjustment is effected and record the ID Schedules after adjustment have been made. All ID Schedules for credit notes and railway warrants will be linked with the lists of those document maintained by the AAO

**Note:** Before accepting debits from Civil Accountants General on account of compensation to land owners in respect of acquisition of land paid by the Collectors, it will be seen by the A.A.O. that--

- (a) the acquisition of land has been sanctioned by the Government of India;
- (b) compensation has been assessed by the Collector;
- (c) the funds are available;
- (d) the land owners receipt in support of the payment are attached and
- (e) the debit in question have been accepted as correct by the Defence Authorities.

### **Annual Furniture Return**

334. The Annual Furniture return (IAFW 2219) will be submitted by the Garrison Engineer to the CWE in support of the Annual Schedule of demands. The values recorded in the return will be checked by the A.A.O. Garrison Engineer's Office, before it is submitted.

### **Guard File of Specimen Signatures**

335. Copies of office orders issued by the Garrison Engineer authorising an Assistant Garrison Engineer or Sub-Divisional Officer to sign estimates, bills and other accounts documents and specifying the particular powers to be exercised by the officer together with his specimen signatures received by the A.A.O./CDA should be recorded in a Guard file. The specimen signatures of other officers wherever necessary will also be similarly recorded in the Guard Pile, which should be page, numbered and a suitable alphabetical Index kept therein to facilitate easy

reference. Particular care should be taken to complete this Register as and when transfer of an officer or Subordinate in charge of Cash/Stores takes place.

### **Advances and Deposits**

336. Separate registers for deposits and MES Advances are maintained of IAF (CDA)-258.

Except as permitted by Regulations, no expenditure or credit should be compiled under these heads. The register should contain full particulars of transactions to admit of action being taken for final adjustment.

The register should be reviewed monthly to see that necessary action has been taken for their clearance and to ensure that no item remains outstanding longer than it should be no minus amounts in these registers.

**Note:** Receipt on account of Sales Tax recovered at source from the work contracts will be initially deposited to Code head 0/017/05 (Misc. deposits) with category Code Head 15 and at the close of the month, the head will be cleared by drawing a consolidated cheque by the GE in his favour for payment to the treasury concerned on challan. No balance is allowed to remain outstanding at the end of the month in the Suspense Account.

### **Register of Securities**

337. A register of interest bearing securities will be maintained by the executive on IAFW-2286 in which will be recorded the receipt or disposal of the security deposits of contractors and establishment. The original acknowledgements of the depositors for the refund of security deposits, will, except in the case of refund of Cash deposits, be properly filed with the Register.

The Garrison Engineer will at the close of the year record in the register a certificate to the effect that all securities of the acknowledgement of the authorised custodians are in his possession or in that of the CDA.

### **Register of Unstamped Acknowledgement Receipt Books**

338. The A.A.O. will keep a record of all blank unstamped acknowledgement receipt book, (IAFW1826) in the Proforma given below and all issues of these books will be made by him in the same manner as is done in the case of measurement books. All blank will be kept in his safe custody.

Register of U.S.R. Books

St. No.	Srl. No. of USRs	Date of Issue	Particular SDO/ Supdt.to whom issued	Signature of SDO/ Supdt	Remarks
1	2	3	4	5	6

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Only one unstamped acknowledgement receipt book will be issued to a sub-divisional Officer or an outstation Superintendent at a time. In the case of a large project, an additional book may (at the discretion of Garrison Engineer) be issued for use on that project only.

The Original unstamped acknowledgement receipt duly signed by the MES representative and the contractor's duly authorised Agent, with corrections, if any, initialled by both parties, will be sent to the A.A.O. immediately after the transaction. In case any unstamped acknowledgement receipt is cancelled, the cancelled receipt (Original) endorsed with reasons for cancellation and signed by the Sub-Divisional Officer will also be sent to the AAO. After noting the amounts of unstamped acknowledgement receipts in the contractor's ledger the originals will be docketted by the A.A.O. in separate jackets by each book. A monthly outstanding statement will be prepared showing cases where the link in the serial numbers is missing and sent to the Sub-Divisional Officer concerned for further action.

At the time of checking a Running Account Receipt in respect of an advance payment to a contractor it will be verified by the A.A.O. with reference to the original unstamped acknowledgement receipts in his possession that all unstamped acknowledgement receipts in respect of transactions up to the date of the RAR have been adjusted. Similarly when the final bill is prepared, adjustment made in respect of unstamped acknowledgement receipts will be checked by the A.A.O. with the original unstamped acknowledgement receipts.

### Records

339. All records should be carefully catalogued and preserved. The periods, for which the different kinds of records will ordinarily be retained, are shown in Appendix. 'A' to this Manual. In order to avoid the congestion of old records which are not likely to be of any use and to make room for new records, all time expired records will be listed and proposal for their destruction submitted in April

every year to the LAO/ RAO (MES) through the head of the MES Formation. On receipt of the approval of the LAO/RAO (MES) destruction will be carried out in the presence of the Regional Audit Officer and the list of documents destroyed with the certificate of destruction noted thereon kept on record

### **Works Passing Register**

340. This register will be subjected to broad check in a quarter to ensure that it is maintained properly and in accordance with the instructions issued by E-in-C vide his letter No. 41917 E3 Dt. 18/20-11-64 as may be amended from time to time

### **Road Register (Property Accounts)**

341. The GE will maintain a Road Register, showing separately for each road, the class of road and length, expenditure on new construction (Capital Outlay) and Annual Expenditure on maintenance.

This register will also show all bridges culverts, drains and retaining walls. The register will be subjected to broad check once a quarter to ensure it is maintained properly and in the prescribed form.

### **Reimbursement of freight charges for transportation of cement by Road**

341-A. When the transportation of cement is made by road instead of by rail, regularisation of difference between Rail and Road Freight charges will be watched by the A.A.O. To observe this A.A.O. will maintain a column: for register and will enter all payments made by the GE for conveyance, of cement by Road.

## CHAPTER XI

### **CHAPTER XI ACQUISITION/REQUISITION AND HIRING OF IMMOVABLE PROPERTIES FOR DEFENCE SERVICES**

#### SECTION 34-INTRODUCTORY

##### **Methods for procurement of Immovable Properties**

342. There are three methods by which rights over lands and buildings can be taken to meet the requirement of Defence Services

- (a) By hiring or purchase by Agreement with the owners,
- (b) Requisition and if necessary, its subsequent acquisition
- c) Temporary occupation under RAIP Act 1952 or under corresponding State enactment; Requisition and Acquisition of immovable property in Act 1952.

343. Any one method or combination of the methods may be adopted but the same should be of the cheapest to the Govt. and as far as possible, most convenient to all concerned.

#### SECTION 35- GENERAL POLICY



344. (a) As an over raiding principle, no immovable property will be hired or requisitioned unless its possession is considered of vital importance to meet Defence requirements.

(b) Requisitioning and acquisition of immovable properties and hiring of lands and buildings are responsibilities of Defence Land and Cantonment Service whereas requisitioning and acquisition will be effected by them through Collectors and other local revenue authorities to whom powers of the Collector under LA. Act 1894 and powers of the competent authority under the RAIP Act 1952 have been delegated hiring of lands and buildings is their direct responsibility.

(c) Requisitioning being a temporary measure under RAIP Act 1952 property can be retained under occupation for 10 years. In case, any land or building will be responsible for obtaining of the Govt. of India for acquisition of the same.

#### **Acceptance of Necessity**

345. (a) Before any land or building is taken on hire or it to be requisitioned the necessity for such action must be accepted by the competent Admn authority as mentioned in Annexure-I to this Chapter.

(b) In terms of Rules-9 of RAIP Act 1952, officers of the Indian Defence Estate Service are authorised to approve the compensation fixed by the Collector/ land Acquisition Officers for the acquisition of immovable properties in the Capacity of Financial Authority to the extent indicated in Annexure-II to this Chapter.

(c) Similarly in terms of Rule 9 of RAIP Act 1952 officers of the IDES are authorized to approve compensation fixed by Collector/ SLAC/LAOS and payable property owners on account of annual rentals or recurring payments or compensation on entry or surrender per property in the capacity of financial authority to the extent indicated in Annexure-III to this chapter.

(d) The sanctioning authorities mentioned in Annexure-I may sanction requisitioning of properties required only in connection with the operations of other similar emergent cases which can not be postponed and for which obtaining of Govt. sanction may delay matters to such an extent as to defeat the object in view. In the remaining cases where requisitioning of immovable property is desired to be restored to, prior approval of the Govt. should be obtained. All cases of acquisition of land and buildings will also be dealt with the prior approval of the Govt.

(e) All cases of hiring or requisitioning of immovable property, which do not fall within the powers of the competent Admn. Authorities or where property is required for purpose other than those authorised in Barrack Synopsis, Quarters and

Rents, MES Regulations or other Govt. orders issued from time to time, will require the sanction of the Govt. of India.

**Note 1:** The procedure indicated above will not apply to the hiring or requisitioning of jute trills or factories or all immovable properties other than residential accommodation for service officers within the Municipal and Corporation limits of New Delhi/ Delhi.

2. Accommodation hired or requisitioned under this procedure, will confirm, as far as possible, to prescribed scales, whenever different scales of accommodation are specified in orders/instructions the lowest scale may be adopted. Hiring /requisitioning of immovable properties intended for use of office accommodation by the Min. of Def. DHQ and their attached Units will continue to be the responsibility of the Ministry of Works and Housing.

3. In cases of Acquisition of lands, revised Administrative sanction would not be necessary if the actual area of the land acquire does not exceed the amount of Admn. sanction by more than 5% subject to the maximum of 5 acres and further subject to the condition that over all cost of acquisition does not exceed the amount provided in the Admn. sanction by more than 10% in case where a single letter conveys sanctions is necessary if project, be revised Govt. sanction is necessary if compensation for one or more projects exceed the corresponding provisions in the Govt. sanction by more than 10% but over all total of the finalised/unfinalised cases if within 10% of the total provision of the sanction. Compensation in such cases of acquisition/ requisition of land will, however approved by the Govt. even if the amount of assessment falls within the competence of the Officers of Defence Estate Service. Cases where only part of the Area sanctioned for acquisition has been acquired, also fall under his category excess in such cases is, however, to be determined on prorata basis. Wherever, the compensation has been approved by the Govt. the formal sanction is required to be issued by the lower formations.

4. In case, the initial recurring or terminal compensation is fixed by Arbitration and the amount awarded excess the Admn. approval. The revised sanction would be necessary and compensation will be paid according to the award.

### SECTION 36-METHOD OF PAYMENT AND ACCOUNTING

346. The procurement of property by way of acquisition, requisition or hiring involves payment of compensation either recurring or non-recurring.

(a) Prior to 1-1-83 Collectors/land Acquisition Officers were making Payments to the owners after drawing the moneys from Civil Treasuries in terms of Appx. 6 of

TR Vol-11. The entire expenditure on this account was being included in the Central Section of the Treasury accounts under Defence Services and debits for the same were being passed on by the AG of the State to the CDA concerned. The method of making payments by book debits through Civil Exchange accounts was terminated and w.e.f. 1-10-76. Accounts Section of Main Office started making payments to the AGs by Cheque/Bank Draft in respect of such transaction.

(b) In partial modification of the procedure laid down in Appendix 6 of TR Vol. 11, it was decided that w.e.f. 12-2-75 moneys for payments to be made by the Collectors /Land Acquisition Officers in Assam State will be obtained by them from the DEO concerned, after that date no funds were to be drawn by them from Civil Treasuries except in the case of recurring compensation pertaining to the properties requisitioned before that date.

(c) The procedure made applicable in Assam State w.e.f. 12-12-75 was also extended to the States of Punjab, J & K and Rajasthan w.e.f 3-3-78. In the remaining cases, where requisitioning of immovable property is desired to be resolved, to prior approval of the Govt. should be obtained.

(d) With effect from 1-1-83 the so called "Assam Procedure" as mentioned in Sub Para (b) above has been extended and made applicable to all the States. This procedure will also apply for payments of recurring compensation/ terminal compensation in r/o Properties already requisitioned and the properties requisitioned/acquired for Defence Service and the properties requisitioned/acquired for Defence Services before 1-1-83 but payment due in such case is outstanding.

347. Procedure to be followed by Collectors/Land Acquisition Officers on introduction of new scheme

(i) An estimate of monthly Cash Assignment should be given for each quarter one month in advance of the Quarter to enable the DEO to obtain necessary Cash Assignment from the CDA.

(ii) (a) The actual drawal of fund from DEO should be accompanied by land Award Statements indicating details of Scheme and sanction should take into account money remaining unspent with them;

(b) Amt. remaining unpaid for advances received earlier from treasuries should be refunded to treasuries as per earlier procedure and credit afforded to the C, DA to whom advances were debited by the Treasuries.

(c) Undisbursed amount should be refunded to the DEOs by the civil authorities/Courts within a period of one year.

(iii) A simple Cash Account should be rendered to the DEO monthly by 10th of the following month giving details of the amount drawn and paid. The account should be duly supported by payee's receipts, receipts pertaining to deposits of moneys into Courts and the certificate regarding Cash balance in Hand.

**Notes:** Payees receipt means the receipt given by the owner for the amounts received from collector/ land Acquisition Officers for compensation of land and not the receipt given by the Collector/Land Acquisition Officer for having received the money from the DEO.

348. Procedure to be followed by DEO:

(i) Amount of monthly cash requirements will be fixed in consultation with the CDA by the Director DL & C based on the details received by the DEOs from the collectors/land Acquisition Officers. On that basis DEO will seek necessary cash assignment from the CDA on quarterly basis in terms of para 535 of MES Regulations.

(ii) All payments out of Cash Assignment will be made to the collectors/land Acquisition Officers through cheque/bank draft after pre-audit of the requisition for advance by the A.A.O. At that time of grant of advance DEO will ensure that land award Statt. Assessment report and the relevant Govt. sanction for requisition/ acquisition of land will be sent in support of the requisition to the AAO so that advances can be compiled to the appropriate head of account. Simultaneous entries will also be made by the DEO in the main Cash Book of Cash Assignment and land Acquisition Officer collector-wise Cash Book under the dated initials of AAO.

(iii) The details of properties being acquired/requisitioned as mentioned in the Land Award Statements/sanctions will be noted in their ledgers by the DEO before forwarding the requisition for advance to the AAO and a certificate to that effect will be endorsed thereon. The details of unspent balances with the collector/land Acquisition officers with full particulars will also be sent with requisition to the AAO duly verified.

(iv) DEOs will watch the regular and timely receipt of cash accounts from the collectors/land Acquisition Officers duly supported by all connected vouchers, payee's receipts etc. Delayed receipt/non-receipt of cash accounts should be promptly taken app with the collectors/land Acquisition Officers and pursued at appropriate level.

The monthly account will be submitted by the DEO. to the AAO giving details of the amounts drawn and the amount paid supported by the payee's receipts, pertaining to deposits made into court and the certificate regarding the cash balance in hand. These documents will be finally audited by the AAO and kept on record.

(v) DEO will maintain the following documents, which shall be subject to audit, try the AAO and LAO/RAO

(a) Separate Cash Book for Cash Assignment in respect of acquisition/requisition of properties will be maintained. It will be maintained in two books covering transactions of alternate months. There will be a separate Cash Book for payment of rents against hired properties. The Cash Books shall be balanced and closed on the 25th of each month (except for the month of March when it shall be closed on 31st under the dated signature of the DEO and will be sent to the CDA through AAO along with supporting vouchers for post audit.

**Cash Book will be maintained on the Proforma**

**PROFORMA I**

Cash Book for the Month of.....

Date	SI.No.	To whom	on whom A/C	Cheque/ draft Ref.
1	2	3	4	5

Voucher ref.	Cash Rs. P.	Bank	Initial of the Officer maintaining the account
6	7	8	9

**PROFORMA II**

Cash Book for the Month of.....

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M.E.S. (A.A.O.) MANUAL

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Sl. No.	Requisition Acq.No.	Total advance paid to Disbursing Officers during the month uptodate	Advances to Disbursing Officers uptodate
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Nature of Advance	Amount spent by Disbursing Officer during the month	Balance Amount with ADEO uptodate	Remarks
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Note. (i) Separate Cash Book will not be maintained for each Collector /DC/LAO/SLAO but separate pages will be allotted each Collector/ DC/ LAO/ SLAO within the jurisdiction of DEO and the same indicated in the index at the beginning of the Cash Book.

(ii) On the 25th of each month, the total figures from each of the ledger account will be transmitted to concerned Cash Book quoted at paras 3 and 4 above which will be closed on the same date under the dated signature of DEO.

(iii) At the end of Cash Book, separate pages should be allotted for summary of all totals. The totals of each Collector/DC/ LAO / SLAO would be entered here also each month as follows

Sl. No.	Name of disbursing Officer	Amount paid	Amount spent by disbursing Officer	Remarks
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TOTAL

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(iv) "Disbursing Officer" means collector JDC LAO /SLAG.

(v) "Nature of Advance" means on account of final payment, Misc. payment and initial payment etc.

**Cash Book for Works Project**

(b) A separate Cashbook will be maintained on the above lines for this purpose.

**(c) Collector/DC/LAO/SLAG/wise Cash Book**

This cashbook shall be maintained separately for each collector/ DC /Land Acquisition Officer on the prescribed proforma.

**(d) Personal Ledger**

Personal ledger will be maintained for all the projects of acquisition or requisitioning. Separate pages will be allotted for each collector/DC/LAO/SLAG within the jurisdiction of DEO and the same indicated at the beginning of the ledger. This index will also show the page nos of the ledger in which particular projects have been entered. It will be maintained in the following proforma. Entries on top of the page will be as follows:

- (a) Requisition /Acquisition No.
- (b) Name of the project.
- (c) Works Project/ Acquisition Project under head 469.
- (d) Total amount Advanced.
- (e) Draft No and Date.

These would be followed by tabulated entries as below:

Sl. No.	Name(s) Pages and his/her/their status	Name of the Village	Khasra Nos.	Area
1	2	3	4	5

Amount Awarded	Amount paid	Date of payment	Balance	Remarks
6	7	8	9	10

The AAO will confine 100% check only to the General Cash Book and the Collectors/ DCs /LAOs/SLAOs wise Cash Book. Regarding personal ledgers this need not be subject to audit verification monthly. However, this will serve as a subsidiary documents for audit check as and when necessary.

(e) All the above documents alongwith Stamped receipt received from all the Collectors/DCs/ LAOS/SLAOs during the month will be sent to AAO for his verification initially of the new item in the personal ledger and signing all the above Cash Book after verification.

(f) The AAO will confine 100% check only to the General Cash Book and the Collectors/ DCs/LAOS/SLAOs wise Cash Book mentioned above. As regards the personal ledger this need not be subject to audit verification monthly. However, this will serve as subsidiary documents audit check as and when necessary.

#### SECTION 37-DOCUMENTATION AND AUDIT BY THE AAO

349. (i) The AAO will maintain register on sanctions. On receipt of requisition of advance from the DEO, complete details as mentioned in the Land Award Settlement and sanctions attached there to will be recorded in the above register with full particulars regarding payment against each sanctions /case. The details of final payment against each sanction/case -will also be noted in the above register with reference to the payee's receipts submitted by the DEO every month. He will also ensure from the LAO/ Collector wise Book that payment in respect of the particular case has not been made earlier to avoid possibility of double payment.

(ii) Before releasing payment it will be ensured that cash assignment to cover the payment being made has been placed at the disposal of the DEO by the CDA. For this purpose Cash Assignment register maintained by the DEO will be verified with reference to the original communication of the CDA.

(iii) The various cash books/ledgers maintained by the DEO will be audited by the A.AO to the extent of 100%. He will maintained all the new entries herein after due verification and will endorse a certificate of stocking at the end of each month in each Cash Book/Ledger. He will also ensure that land acquired has been taken on charge in the land register by DEO.

(iv) The receipt of monthly account duly balanced and closed by the DEO monthly along with the payee's receipt pertaining to deposit made into court and the certificate regarding cash balance in hand will be watched regularly. After



noting full particulars regarding payment-in the register of sanction, the monthly account will be finally audited by the AAO and kept on his record.

(v) With a view to ensure proper control over the unspent balance with the land Acquisition Officers a register of unpaid balances will also be maintained by the AAO. This register shall be completed every month with reference to the payee's receipt submitted by the DEO. The register should contain complete details of unspent balances with the land Acquisition Officers, against each sanction/cast- and the same should have a cross reference to the entry made in the register of sanction proforma for unpaid balances register should be prescribed /maintained.

(vi) The bills for payment submitted by the DEO will be carefully scrutinised with reference to the general points as per para 120 and also the following facts

(a) The requisition for advance is supported with all the details viz. details of unspent balances with the land Acquisition Officers, land award statement, sanction of the CEA, correctness and verification certificate of DEO, a certificate of the DEO showing ledger page references wherein details have been noted by him.

(b) The amount will be compiled to the appropriate head of account as mentioned it, the sanction.

(c) Payments against the expenditure debitable to locally controlled head will be made only after pre-audit of the bills by the Main Office

(d) Payments in satisfaction of award court decree will not be made unless Govt. sanction for snaking allotment of funds under "Charged" head is received. It will be ensured that sanction-covering allotment of funds of this account indicates Min. of Def. (Finance/Budget) UO No and date of Min. of Def. and dated under which bulk allotment has been made.

(e) Payment of legal fee to the Central Govt. standing Counsel and Pleaders will be made only when: -

(a) It is clearly certified by the DEO that the amount as claimed in the bill have been verified with reference to the rates prescribed by the Ministry of Law (as circulated from time to time) and found correct.

(b) Complete details of the court cases with dates of hearing etc., are given in support of the claim.

(c) Proper sanction exists for the engagement of the pleader counsel and also to defend the case in the Court.

(d) The instruction contained in Chapter XII of Defence services regulation is complied with and the rates/fees claimed are in accordance with these prescribed by Ministry of Law from time to time.

350. Finalisation of discrepancies noticed in the Audit of Cash accounts will be through objections Statement for which APR shall be maintained.

351. Uudisbursed amounts, when received from Collector/Land Acquisition Officers will be compiled to Misc. Suspense head (Code Head 0/020/61) as plus receipts. The clearance of the suspense head shall be watched as usual as and when amount is reclaimed, it will be complied as Minus as credit to Misc. suspense head.

352. The A.A.O. will render to the CDA, monthly report indicating the land Acquisition Officer/Collector. Project while amount paid, account cleared for which payee's receipt is available and amounts remaining undisbursed with the disbursing officer. This will ensure necessary feed back to the CDA on the unspent balances, which have to be with till clearance. The CDA should give guidance to the AAOs to seek refund of the amount remaining undisbursing officer for More than one year. In the event the refund will be made taking into account, the amount remaining unspent. The AAO will carry out 100% verification to ensure that the land Acquired has been taken on charge in the land Register by the DEO.

#### SECTION 38-HIRING OF BUILDINGS

353. Accommodation required for service officers, separated families, Messes and Office Accommodation will hired under the provisions of quartering regulations. The hiring shall confirm, as far as possible through the prescribed scales. Wherever different scales of accommodation are specified in different orders the lowest scale will be adopted.

354. The hiring of accommodation and of retails to the owners is the responsibility of the DEO. For this purpose, DEO are authorised to operate separate Cash Assignment and separate Cash Book for the same.

355. For the purpose of hiring of accommodation, a permanent station board is constituted at each station comprising of Station Commander, the SEMO GB PEO or their representatives and a 'Q' Staff Officers who will act as secretary. A representative of the proceedings of the Station Board will not, however be invited if the representative of the Collector is not available for any reason, after he is invited to attend the Board.

**Note 1:** Prior approval of the Min.of Def. should be obtained where the agreed rent for hired accommodation exceeds the rentals ceiling of Rs. 1000/-.

**Note 2:** (a) At isolated and small Stations where the Senior most combatant Officers is functioning as Station Commander under para 20 (b) of reds, for the Army requirement of holding the Stations Board of Officers for hiring of Accommodation will be dispensed with., The reasonableness certificate of the house at such Station should be approved by the Civil authorities or by the DEO where Civil authorities are unable or unwilling to do so.

(b) At these isolated and small Stations where Officers functioning at Station Commanders are below the rank of Lt. Col. Admn. Sanction for hiring will be accorded by next higher formation commander based on the rent reasonableness certificate as provided in (a) above.

**Note 3:** A similar board with Chief Administrative Officers in place of Station Commander and other corresponding Officers as members will be set for regulating hiring of the CAO's Pool of accommodation in New Delhi/Delhi.

### **356. Sanction for Hiring**

If the rent of the house as assessed by the Station Board is accepted by the owner, administrative sanction for the hiring will be issued by the Station Commander of the competent authority. The sanction shall include the rent of the officers for whom house is being hired; monthly rent payable and the appropriate head to account to which expenditure is debitable. Copies of the Admin section shall be endorsed to the CDA with additional ink signed copy, GE DEO and all other concerned.

### **357. Hiring of Accommodation Excess of Authorised in Plinth Area**

In exceptional, where no suitable accommodation within the prescribed plinth area can be found and the hiring authorities certified to that effect, hiring up to 25% in excess of the prescribed plinth area can be resorted to with the prior approval of the next higher formation commander i.e. Sub Area/indep. Sub Area Commander after taking into account all the relevant factors i.e., location of the house, reasonableness of rent as certified by the Station Board and certificate from the Station Commander that hiring of the particular house is inescapable due to non availability of house within the plinth area limit and that excess over the normal limit has been kept to the minimum. In no case the rent ceiling applicable to each category be exceeded. The cases involving hiring in excess of 25% of the prescribed plinth area shall be reported by the hiring authority to AHQ obtaining Government sanction.

**Note 1:** “All hiring will as far as possible be in accordance with the scales prescribed by the Govt. from time to time for officers of various ranks houses with lesser plinth area and without the facility of garage and or servant quarter may be hired provided the houses so hired are otherwise suitable for occupation and there is no likelihood of their remaining vacant. Rent for such houses will be fixed by the sanction Board for the plinth Area actually hired with due regard to the prescribed rental ceiling”.

**Note 2:** In case of private houses hired by the Govt. without a separate servant quarter where an officer engages a servant (provided he is authorised for it) an excess plinth area up to 240 sq. ft. (is the area authorised for servant quarter) will be allowed in the permissible plinth area in the Main-hiring unit. The relaxation in the authorised plinth area of the main living unit excluding servant quarter up to 25% will also apply in such cases and may be allowed with prior approval of the next formation Commander.

**Note 3:** The tolerance limit of 25% in the authorised plinth area of the building inclusive of garrage and servant quarters provided the officer does not claim reimbursement of rent for garrage separately hired. Scales for married accommodation area given in Annexure IV to this Chapter.

### **358. Period of Hiring**

(a) The hiring shall be for a minimum period of 3 years but the same may be for 4 or 5 years depending upon the requirement and conditions prevailing at a particular Station as well as willingness of the owner.

(b) Houses taken on hire will ordinary be de hired on the expiry of the period of hiring as mentioned in Clause 2 of the lease Agreement, if the owner is not willing to extend the hiring for further period. In such cases, dehiring may be approved by the authority who had sanctioned the hiring.

(c) Where the owner of the house makes a request for dehiring of the house before he expiry of the period of hiring and is proposed to accede to the request, prior approval of the Min. of Def. should be obtained to the dehiring.

(d) In cases where the owner is willing to extend the period of hiring for a farther period and the house is required to be retained, a fresh hiring agreement will be executed in the prescribed form for a minimum period of such continued hiring will have to be approver by the Station Board. In case when a owner is not willing to extend the period of hiring for three years but is willing to continue hiring for a shorter teen and retaining of the house for such shorter term is

administrative acceptable, fresh agreement should be executed with the approval of sub area Commander or his equivalent in the prescribed form for a shorter term, which will not be for a period less than one year. Rent for extended hiring for this period will not exceed the rate for reserved in the expired lease deed.

(e) In cases where owner of the house is not willing to enter into fresh agreement even with enhanced rent fixed by the Station Board and it is administratively not possible to hire the house and it is proposed to retain under the local rent control laid prior approval of the Min. of Defence should be obtained. In such case payment of rent will continue to be made at the rate observed in the expired leases pending issue of Govt. orders or till the date of de-hiring of the house, whichever is earlier.

(f) Prior approval of the Govt. will be obtained in the case involving any deviation from the above instructions.

### **359. Execution of Lease Agreement**

(a) As soon as Admn. Sanction for the hiring of the accommodation is accorded by competent authority DEO will arrange for the execution of lease agreement with the owner of the house of the prescribed proforma. The lease agreement will be signed by the owner or his accorded representative and the DEO. Thereafter its two copies shall be sent to the AAO for scrutiny and onward transmission to the Main Office.

(b) The lease agreement will be scrutinized by the AAO with reference to para 63 (xi) of OM Part- VIII before its submission to the Main Office to ensure that--

- (i) It has been executed on the prescribed Form.
- (ii) All additions and alterations made in the deed have been attested by both the parties signing the same and
- (iii) Approved site plan, details of fixtures and fittings in the building, copies of the proceedings of the Station Board etc. are attached to the lease agreement.

(c) It will be ensured by the AAO that no payment on account of rent of hired buildings shall be made unless lease agreement has been executed and its attested copy is received by him from the Main Office.

(d) The Provisional payment of rentals of hired properties for Defence purposes up to a period of three months from the date of hiring of accommodation may be made by the Defence State: Officers.

### 360. **Payment of Rents for Hired Accommodation**

Rent bills for payment of rentals for the hired houses shall be submitted by the DELI to the AAO duly, completed and pre-received by the owners. These will be checked by the AA O with reference to the attested copy of the lease agreement to ensure that-

- (i) Proper sanction exists for the hiring.
- (ii) LA has been executed and attested by the
- (iii) The period for, which rent is claimed is covered by the lease agreement.
- (iv) It will be linked with the last charge.

After ensuring correctness of the rent bill, it shall be passed for payment out of DEOs Cash Assignment at the end of the each month i.e. 25th of each month/31st March, Cash Book alongwith paid vouchers shall be submitted by the DEO to the AAO duly balanced and closed under his dated signatures. The Cash Book shall be submitted to the Main Office duly checked in terms of Paras 151 to 154.

(v) In case pre-receipted bills are not submitted by the owner rentals should be released on Hand Receipt prepared by the DEO to liquidate the liability of the Government and to avoid evidence from court on the ground of non payment of rent.

### **ANNEXURE I to CHAPTER XI**

Competent administrative authorities and limits of powers for sanctioning hiring and requisitioning of immovable properties for any; defence purpose are as follows

(a) GOC-in-C/Equivalent Naval Commander/AOC-in-C	Rs. 50,000/ per property
(b) Commander of a Corps, Division/ Area, Independent Sub Area or Independent Brigade, Group/Equivalent Naval/AIR Force Commander.	Rs. 25,000/- . per property.
(c) Commander of Brigade, Area or Sub Area/Equivalent Naval/AF Commander	Rs. 5,000/ per property

**Note:** These powers both for hiring and requisitioning will be calculated as follows:

(a) In case of hiring and requisitioning, the amount will be calculated by taking into account the initial account of non-recurring compensation, if any, plus one year's rental/recurring compensation.

(b) The term "per property" means immovable property i.e. land, building hired or requisitioned at a point of time for the same purpose irrespective of the fact whether the property/ properties is/are owned by one or more persons.

(c) In case, the initial, recurring or terminal compensation is fixed by arbitration and the amount awarded exceeds the administrative approval, no revised sanction will be necessary and the compensation will be paid according to the award.

### **ANNEXURE II to CHAPTER XI**

Powers of Defence Estates Service officers to approve compensation assessed by Collectors/SLAC/ Land acquisition officer for the acquisition of immovable properties in the capacity of financial authority:

1. Director General	Rs.1 Crore
2. Addl. Director General/Director	Rs.10 Lakhs
3. Deputy Director General /Director	Rs.5 Lakhs

### ANNEXURE III to CHAPTER XI

Competent Executive Authorities of Defence Estate Services and limits of powers vested with them for according financial approval in respect of compensation payable to the property owners on account of annual rentals or recurring payments or compensation on entry or surrender per property are given below:

- |  |            |
|--|------------|
| (i) Director, DE in Commands.                              | Rs. 50,000 |
| (ii) Joint Director DE in commands,<br>corps/Division/Area | Rs. 25,000 |
| (iii) DEO  | Rs. 5,000  |

**Note 1:** The term “per property” means immovable property, land, building hired or requisitioned at a point of time for the same purpose irrespective of the fact whether the property/properties is/are owned by one or more persons.

**Note 2:** Rentals and compensation, which exceeds the above, mentioned financial powers will be referred to the next higher authority. Cases in which the annual liability or compensation exceeds Rs.50.000 will require approval of Min. of Defence.



**Note 3:** The above limits of powers and the authority by whom they are exercisable will also hold good in the matter of approval of rentals and compensation payable on surrender, if any, in respect of hired properties.

**APPENDIX 'A'**  
**Periods of Retention of Records**

Serial No.	Description of Records	Period of retention year	Remarks
1	2	3	4
1.	Duplicate copies of contract agreements	6 years after the date of completion	
2.	Occupation Returns	5 years	
3.	Register of cases	10 years	
4.	Register of measurement Books	10 years after completion of the register for existing entries.	
5.	Measurement Books	10 years after completion of work.	
6.	Register of Receipt Books	3 years after completion of the register of existing entries.	
7.	Bills-Licence fee, Electricity and water	1 year after the charges have been recovered.	
8.	Unstamped Acknowledgement Receipt and their register.	10 years after completion of work.	
9.	Licence fee assessment ledger	20 years	
10.	Revenue ledger	5 years	
11.	Receipts books counterfoils (MES)	10 years	
12.	Muster Rolls	10 years	

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13.	Return of recoveries (electricity)	2 years
14.	Return of recoveries (water)	2 years
15.	Demand Register	3 years
16.	Casual Leave Register	1 year after the register is closed.
17.	CDA's Office Order file	5 years
18.	Attendance Register	1 years
19.	Correspondence files	2 years after the case is finally closed.
20.	Abstract of Receipts and charges, MES	5 years
21.	Accounts-Monthly	5 years
22.	Bills-Casual personnel	10 years
23.	Cash Vouchers below Rs. 25	10 years
24.	Contractors ledger (not containing accounts of works in progress)	10 years
25.	Guard File of specimen Signatures	5 years
26.	I.D. Schedules with vouchers	5 years
27.	Loss Statements	5 years
28.	Master Note Book	10 years
29.	Objection statements issued by the AAO on the numerical audit of store accounts.	5 years
30.	Bills Dairy Register	2 years
31.	Register of Suspense Accounts (provided none of the balances are outstanding on the date of destruction)	5 years
32.	Register of losses	5 years
33.	Register of sanctions	3 years
34.	Register of requisitions	5 years
35.	Register of Muster Rolls	2 years
36.	Register of scheduling of issue vouchers	3 (Applicable to Engineer park only.)
37.	Register to watch linking of issue vouchers	3 years
38.	Register of abjection statements	5 years
39.	Reports and Returns calendar of	1 year
40.	Statement of items place under objection	3 years
41.	Transfer Receipts/Issue/Expense Vouchers	5 years
42.	Original paid vouchers of public Fund Account Cont. btlls & other Misc.	5 years
43.	Estt. pay bill	33 years

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**ANNEXURE 'A'**  
**(Referred to in Para 81-A)**  
**CHECK LIST**

**Scrutiny of Contractors by A-A.O**

1. General description of work.....
2. The date of acceptance.....
3. CA was accepted on first tendering.....
4. The date of receipt of the contract.....
5. The contract is on the appropriate form and all Schedules, annexure etc. duly completed attached.
6. Schedule 'A' is scrutinized and checked with basic schedules /E-in-C's orders and they are arithmetically correct.
7. There are no peculiar/ ambiguous items in the Schedule likely to lead to an uncertain liability.
8. Administrative approval and Technical sanction have been accorded prior to going for tendering...
9. There is no deviation from the standard forms of agreement and schedules as amended from time to time.....
10. All the amendments to standard forms have been made in the agreement.

11. All the documents have been signed and alterations attested by both the parties.
12. All documents have been page numbered and indexed in proper form.
13. The particular specification do not reveal any special features, departures from usual specification.
14. The arbitration clause is correctly filled in.
15. In the case of furniture contracts they confirm to the E-in-C's designs.
16. In the case of single tendering up to Rs. 2 lakhs by the CWE and Rs. 5 lakhs by the CEs, CDA has been consulted before acceptance of single tender except where the reasons for urgency (to be recorded) it is not considered possible to do so. The reasons for dispensing with competition and method of determining the rates will be placed on record in writing at the time of acceptance of single tender.
17. The deviation percentage has been prescribed in the contract and the same is within the authorised limits fixed by the E-in-C....
18. (a) The time limit for the execution of work has been clearly stated.  
(b) Date of completion as envisaged by the contract has been shown.
19. The clause regarding the provision of water is in conformity with the latest orders on the subject.
20. In the case of store supply contract the supply is intended to replenish stock.
21. There are no discrepancies between the terms of acceptance letter and final contract documents.
22. No special tenders such as those of the "cost plus" type has been accepted except with prior sanction of the E-in-C's.
23. Attested copies of all relevant drawings have been attached to the original contract documents.
24. The original and the duplicate copies have been carefully compared and the latter agree with the former. Point out the amendment made.....
25. The contractor has executed the security bond and furnished the necessary security backing money...
26. A suitable note has been made in the register of contracts.
27. The building nos. mentioned in the CA has been verified with the Register of Military Buildings.
28. Any other points of interest noticed which is considered worthwhile to be brought to the notice of Main Office. Specify them if any..... (Above Annexure 'A' to Para 81-A add& d vide CS No. 93/77).

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