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BOOK
OF
FINANCIAL POWERS

Embodying certain important Resolutions and general rules of the Government of India in regard to powers of expenditure.

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BOOK

OF

FINANCIAL POWERS

Embodying certain important Resolutions and general rules of the Government of India in regard to powers of expenditure.

AUDIT RESOLUTION I.

SECRETARY OF STATE AND GOVERNMENT OF INDIA.

Copy of Finance Department Resolution No. 368-Gl. (E.A.), dated the 15th March 1913, as amended up to 1st June 1918.

The Secretary of State having issued orders which necessitate the further modification of the rules published in the resolution of this department No. 465-Ex., dated the 26th January 1911, as amended by resolutions No. 6969-E. A., dated the 17th November 1911, and No. 2337-F., dated the 15th April 1912, the Government of India are pleased to issue the following revised rules in supersession of the rules prescribed in those resolutions.

I. An audit officer, before admitting in audit any charge against the general revenues which requires the sanction of the Secretary of State in Council, must satisfy himself that that sanction has been accorded either by general or by special order of the Secretary of State in Council. The cases in which the audit officer is to regard that sanction as necessary are stated in the following rules: For the admission of any charges which are not stated in these rules to require the sanction of the Secretary of State in Council, the authority of the Government of India, or, in classes of cases in which the Government of India have delegated their powers to local Governments, of the local Government should be regarded as sufficient.

Note.—The expression “general revenues” as used in this resolution means Imperial and Provincial revenues as well as the revenues of local funds administered by Government.

Despatch from the Secretary of State, No 125-Financial, dated 26th September 1913.

II. In these rules the word “remuneration” includes, besides monthly substantive pay or salary, all payments to officers from general revenues, whether in the nature of fixed allowances, subject to the exceptions below, or of fees, rewards (except language rewards, other than those which take the form of monthly allowances) or recurring honoraria. It does not include the pension of an officer who is re-employed, or local allowances granted on account of the unhealthiness or expensiveness of particular localities (which will in future be known as “compensatory local allowances”), exchange compensation allowance, travelling tentage or conveyance allowances, house rent allowances or grant of free quarters, allowances to civil surgeons for charge of railway employes, office allowances, hill allowances governed by authorised hill allowance codes, and non-recurring honoraria. Subject to the limitations contained in these rules, and to

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[Rules II (a) to III (3) (a).]

any specific orders of the Secretary of State bearing on particular matters, the

Paragraph 6 of despatch from the Secretary of State, No. 59 (Financial), dated 26th May 1911; and paragraph 4 of despatch No. 23-Public Works, dated 26th August 1910.

Government of India have full power to sanction the grant of allowances which are not included in the definition of remuneration: Provided that the sanction of

the Secretary of State in Council is required to—

(a) the grant of exchange compensation allowance in any case in which it is not now admissible; and

(b) Any modification of the broad principles on which the rules relating to the Calcutta, Bombay and Rangoon house allowance schemes are based, including the rates and the general conditions of

Despatch from the Secretary of State, No. 12-P. W., dated the 17th March 1911.

eligibility laid down in them and the admission to the schemes of appointments

whose creation required the Secretary of State's sanction subsequent to the introduction of the schemes or requires such sanction hereafter.

Note.—A sanction to the terms of employment of a particular individual or of the creation of an appointment

Despatch from the Secretary of State No. 134-Public, dated 2nd November 1917.

accorded by the Secretary of State in the ordinary course of business and not implying, on the face of it or in the circumstances attending it, an intention to limit the

Government of India in the future exercise of their ordinary powers, is not a specific order of the Secretary of State bearing on a particular matter within the meaning of this rule.

III. The sanction of the Secretary of State in Council is required—

(1) To any expenditure (except in cases in which authority is granted to the Government of India by this resolution) which is—

(a) of an unusual nature; or

(b) devoted to objects outside the ordinary work of administration; or

(c) likely to involve at a later date expenditure beyond the powers of sanction of the Government of India.

Note 1.—The Government of India are, however, empowered to sanction, up to a limit of ₹500 in each case,

Despatch from the Secretary of State, No. 55-Financial, dated 1st May 1914.

petty expenditure to which there is no objection except that it comes under (a) or (b) of this rule.

Note 2.—The purchase of a railway line by Government is a transaction involving expenditure of an unusual nature, and accordingly requires the sanction of the

Despatch from the Secretary of State, No. 34-Railway, dated 23rd April 1911.

Secretary of State in Council.

Note 3.—The Government of India are authorised to sanction expenditure of a reasonable nature on

Despatch from the Secretary of State, No. 40-P. W., dated 29th October 1915

amenities in connection with official residences for which rents are recovered.

(2) To the creation of any new permanent appointment, which would ordinarily be held by a

Despatches from the Secretary of State, No. 107 (Financial), dated 2nd August 1907, and No. 59 (Financial), dated 26th May 1911.

gazetted civil officer recruited in England and to the raising of the pay of such an

appointment already in existence or of such an officer.

Note 1.—The word "pay" in this clause has the meaning assigned to it in Chapter II of the Civil Service Regulations. The Government of India are empowered to sanction local or other allowances for an appointment or an officer of the above class, provided that the remuneration of the appointment or officer is not thereby raised to an amount in excess of ₹750 a month.

Note 2.—The Government of India are also empowered to sanction a temporary duty allowance for an appointment or an officer of the above class for any specified period when the remuneration of the appointment or of the officer is not thereby raised to an amount in excess of ₹800 a month, and up to two years when such remuneration is not thereby raised to an amount in excess of ₹50,000 a year (₹4,166½ a month). When the remuneration exceeds ₹900 a month, and when the period is expected to last or does last for more than two years, the sanction of the Secretary of State, though not necessarily his previous sanction, is required. The grant of temporary duty allowances to officers deputed for plague duty is not subject to the above restrictions.

Note 3.—Audit Officers may admit in audit temporary excesses over the sanctioned scale occurring from time to time in the lowest grades of services wholly or partly recruited in England on a theoretical basis, i.e., where the recruitment is based on an estimate of requirements and not on the number of actual vacancies to be filled.

Despatch from the Secretary of State, No. 72 (Public), dated 16th April 1915.

(3) (a) To the creation of a permanent appointment, not of the class

Despatches from the Secretary of State, No. 107 (Financial), dated 2nd August 1907, and No. 59 (Financial), dated 26th May 1911.

Telegram from the Secretary of State, dated 9th July 1912.

specified in III (2), of which the remuneration exceeds ₹800 a month,

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[Rules III (3) (b) to III (5) Note 2.]

- (b) To the raising of the remuneration of an officer, or of a sanctioned permanent appointment, not of the class specified in III (2), to an amount in excess of ₹800 a month, or to the increase of a remuneration which is already in excess of that amount.

Note 1.—In the case of incremental pay, the test for the application of this rule is the maximum pay attainable. The grant of increased remuneration to an officer on incremental or a time scale of pay, the maximum of which rises to or exceeds ₹800 a month, on the condition that it should be continued only so long as it does not cause his total remuneration to exceed ₹800 a month, does not accordingly require the sanction of the Secretary of State.

Note 2.—Where the remuneration of an officer cannot equitably be fixed at a monthly rate because it would in consequence of its source be liable to fluctuation from month to month, the sanction of the Secretary of State is required to the grant of a remuneration in excess of ₹9,600 a year, instead of ₹800 a month.

Despatch from the Secretary of State, No. 88 (Financial), dated 28th July 1905.

Note 3.—Note 2 to Rule III (2) applies here also.

Despatch from the Secretary of State, No. 124 (Financial), dated 4th October 1912.

Government of India, Finance Department Resolution No. 1237-E. B., dated 28th September 1917.

- (4) (a) To the placing of an officer on duty outside India, except as provided for in Article 84-A., and Note 2 to Article 85, Civil Service Regulations.

Despatch from the Secretary of State, No. 146-Financial, dated 28th November 1913.

- (b) To the temporary appointment or deputation of an officer in India on a remuneration (inclusive of deputation allowance, if any) exceeding ₹50,000 a year (₹4,166 $\frac{2}{3}$ a month), unless such officer has a lien on an appointment carrying a remuneration of equal or higher value fixed by statute.

Despatches from the Secretary of State, No. 128 (Financial), dated 9th November 1906, and No. 59 (Financial), dated 26th May 1911.

- (c) To a temporary appointment or the deputation of an officer in India on a remuneration (inclusive of deputation allowance, if any) exceeding ₹800, but not exceeding ₹4,166 $\frac{2}{3}$ a month, when such appointment or deputation is expected to last, or does last, for more than two years. But in this case previous sanction is not required.

Note 1.—The sanction of the Secretary of State is not required to the creation of (a) temporary appointments or deputations connected with plague; and (b) temporary appointments for settlement work, subject, as regards remuneration, to the rules contained in Appendix 4-A of the Civil Service Regulations.

Note 2.—The period for which a temporary appointment or deputation has been sanctioned by the Secretary of State may, if necessary, be extended without further reference to that authority, provided that such extension shall not exceed one month.

Note 3.—When the remuneration of an officer appointed to a temporary appointment or placed on deputation for a period of more than two years is increased beyond the limit of ₹800 a month laid down in this clause, by reason only of an increase of the pay or acting allowance of the officer holding it, the specific sanction of the Secretary of State will not be required to the continuance of the temporary appointment or deputation with increased remuneration until the expiry of the period originally sanctioned.

- (5) To the approval to the grant to an officer from general revenues, or from a local fund or from the revenues of a Native State, of an honorarium exceeding ₹1,000, for work which he is required to perform, either within or outside the course of his ordinary duties, when it is of such exceptional merit or of such an arduous or peculiar nature as to justify a special reward.

Despatch from the Secretary of State, No. 59 (Financial), dated 26th May 1911.

Telegram from the Secretary of State, dated 9th July 1912.

Note 1.—This rule applies to single payments only; a recurring honorarium or reward or fee ordinarily requires the same sanction as an increase of remuneration. But the fee paid to an officer selected as an examiner on purely personal grounds, irrespective of his position under Government, though these grounds may bring about his appointment in successive years, or for a term of years, is not a recurring fee within the meaning of this rule.

Note 2.—Pensioned officers of Government rank as private persons in respect of the receipt of honoraria from general revenues, from local funds, or from the revenues of a Native State.

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[Rules III (5) Note 3 to III (9).]

Note 3.—The Government of India can sanction the payment of bonuses to members of subordinate establishments of the Public Works Department, whether permanent or temporary, who are engaged on important works of construction, provided that the bonus and remuneration of any particular employé do not together exceed ₹9,600 a year.

Despatch from the Secretary of State, No. 31-Public Works, dated 28th July 1911.

- (6) To revisions of permanent establishments which involve additional expenditure of more than ₹50,000 a year. In the case of establishments, such as process-serving establishments, the scale and remuneration of which are determined by Courts of Law under rules having the force of law, the sanction of the Secretary of State in Council is not required under this clause unless the net extra expenditure involved after allowing for the receipt of fees, exceeds ₹50,000 a year.

Despatches from the Secretary of State, No. 107 (Financial), dated 2nd August 1907, and No. 44 (Financial), dated 15th April 1910.

Despatch from the Secretary of State, No. 125-Finl., dated 26th September 1913.

Note 1.—For the purposes of this rule the cost of any particular revision is to be determined with reference to the definition of remuneration in Rule II.

Note 2.—For the purpose of determining the above limit of ₹50,000 a year the cost of any temporary establishment which the new scheme will replace should not be taken as a set-off.

- (7) To all orders involving expenditure for which the Civil Service Regulations or other authorised code specially declare that the sanction of the Secretary of State in Council is necessary.

Resolution of the Government of India in the Finance Department, No. 916-Ex., dated 4th March 1899.

- (8) To the grant of any pension or gratuity that is not admissible under the provisions of the Civil Service Regulations, the India Army Regulations, or any other authorised code, or under any general authority conferred on the Government of India by a despatch of the Secretary of State in Council, such as his despatches sanctioning the grant, subject to specified conditions and limits, of pensions in respect of services rendered during the Mutiny, compassionate gratuities to the families of Government servants left in indigent circumstances, pensions or gratuities to non-officials injured (or to the families of non-officials killed) during or in consequence of service rendered to the State, political pensions or gratuities to non-officials, and pensions or gratuities to non-officials who have rendered exceptional service to the Government.

Despatches from the Secretary of State, No. 187 (Financial), dated 15th November 1901; No. 8 (Financial), dated 20th January 1905; No. 107 (Financial), dated 2nd August 1907; No. 98 (Financial), dated 14th August 1908; No. 44 (Financial), dated 15th April 1910.

Note 1.—The effect of the various orders quoted in this rule, so far as they relate to pensions and gratuities of non-officials and their families, is that the Government of India can sanction, without reference to the Secretary of State, the grant of reduced political life pensions to the heirs or other representatives of existing pensioners in accordance with the practice that has hitherto been followed; but that their power to sanction (1) new political life pensions or gratuities to non-officials or increases to existing political life pensions, (2) pensions or gratuities to non-officials who are injured (or to the families of non-officials who are killed) during or in consequence of service rendered to the State, and (3) other pensions or gratuities to non-officials who have rendered exceptional service to the Government, are limited to a pension not exceeding ₹1,000 a year, or a gratuity not exceeding ₹3,000 in any case.

Despatch from the Secretary of State, No. 20-Political, dated 17th March 1911.

Note 2.—The grant of a pension and a gratuity to the same individual requires the sanction of the Secretary of State.

- (9) To the grant to non-officials, on political considerations, of (a) land either free of revenue or on favourable terms, or (b) of assignments of land revenue if the value of the land or land revenue exceeds ₹1,000 a year. Grants of either kind on other than political considerations are subject to the statutory rules* published by the Government of India

Despatches from the Secretary of State No. 44½ (Financial), dated the 15th April 1910, and No. 45 (Financial), dated the 26th April 1912.

Despatch from the Secretary of State, No. 128 (Financial), dated 28th October 1910.

* *Vide* Appendix to Finance Department Resolution No. 465-Ex., dated 26th January 1911.

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[Rules III (9A) to III (13).]

under the authority of the Secretary of State in their Finance and Commerce Department Resolution of the 20th February 1894, No. 933, and Finance Department Resolution of the 31st October 1910, No. 5751-Ex.

Despatches from the Secretary of State, No. 44 (Financial), dated 15th April 1910, No. 45 (Financial), dated 26th April 1912, No. 75 (Financial), dated 23rd May 1913, and No. 21 (Political), dated 19th February 1916.

(9A) To the grant to a civil officer, who is in Government employ or in receipt of a service pension, of—

- (a) Land except where the grant is made under the ordinary revenue rules of the Province concerned, and involves no special concessions in money or its equivalent beyond the fact that the grantee has received the grant in preference to others ; or
- (b) An assignment of land revenue when the total amount exceeds R600 a year, or the assignment, if within that amount, is not limited to three lives and reduced by one-half on each succession ; or
- (c) A political pension given in consideration of services not connected with the grantee's official position. The Government of India may, however, continue to an official, in whole or part, an hereditary political pension granted for the benefit of the family generally.

- (10) To any expenditure of a non-recurring type on behalf of political pensioners, such as grants towards the funeral expenses of deceased pensioners, the provision of marriage dowries for daughters, allowances to meet the expense of proceeding under orders of competent authority from one locality to another and expenditure on other than ordinary repairs (as for example the installation of electric lights and fans) in connection with the residences which pensioners are provided with in certain cases at the cost of the State, if the amount, in any case, exceeds R1,000.

- (11) To any expenditure on the erection or alteration or furnishing and equipment of a church, or compensation for sittings therein, or to any grant-in-aid towards the erection or alteration or furnishing and equipment of a church not wholly constructed out of public funds, in excess of the amount admissible under the rules in the Public Works Department Code.

Despatch from the Secretary of State, No. 37-Public Works, dated 30th July 1915.

Note.—The Government of India are, however, empowered to sanction expenditure on the erection or alteration of a church which is either in excess of the permissible limit or is not covered by the ecclesiastical rules subject to a limit of Rs. 1,500 for any one church.

Despatch from the Secretary of State, No. 38 (Financial), dated 2nd June 1916.

- (12) To any cash grant to a charitable or religious institution (not being a grant for a church under the Public Works Department Code), which exceeds R10,000 a year if recurring or R50,000 if non-recurring ; and to any grant to a charitable or religious institution outside India.

Despatches from the Secretary of State, No. 107 (Financial), dated 2nd August 1907, No. 98 (Financial), dated 14th August 1908, and No. 28-Secret, dated 26th November 1909.

Note 1.—Institutions designed for medical relief are included in the category of charitable institutions.

Despatch from the Secretary of State, No. 49 (Financial), dated 18th August 1916.

Note 2.—This rule does not apply to charitable institutions which are educational in their scope and character.

- (13) To expenditure on State ceremonies and assemblies and on the entertainment, at the public charge, of distinguished visitors to India, when the outlay is estimated to exceed R1,00,000.

Despatches from the Secretary of State, No. 107 (Financial), dated 2nd August 1907, and No. 98 (Financial), dated 14th August 1909.

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[Rules III (14) to III (16).]

Despatches from the Secretary of State, No. 23 (Financial), dated 3rd March 1905, and No. 49 (Financial), dated 22nd April 1910.

(14) To grants to Local Governments having regular Provincial settlements, other than the following :—

(i) non-recurring grants made—

(a) to restore provincial balances to the prescribed minimum when they have been depleted owing to calamities such as famine or plague ;

(b) to enable Provincial Governments to restore the normal scale of expenditure on civil works or other services when it has been specially reduced in consequence of calamities such as famine or plague ;

(c) towards defraying the cost of schemes (the share of which met from general revenues is not more than 10 lakhs excluding, or 12½ lakhs including provision for establishment, tools, and

Government of India, Finance Department, Resolution No. 454-E.A., dated 8th September 1916.

plant), when the expenditure would ordinarily be met by local bodies, though passed *pro forma* through the Provincial accounts ; and

(d) for Provincial objects of secondary importance, of which the cost is within the limits mentioned in (c) ;

Despatch from the Secretary of State, No. 116 (Financial), dated 24th November 1911.

(ii) compensatory assignments, whether recurring or non-recurring,

made in connection with—

(e) erroneous credits of Provincial revenue in the Imperial section of the accounts ;

(f) expenditure undertaken from Provincial revenues on behalf of the Imperial Government ; and

(g) transfer of liabilities arising from changes in the method of classification of receipts or charges, or from other causes.

(iii) (a) recurring and (b) non-recurring assignments of amounts not exceeding ₹15,000 and ₹50,000, respectively, in each case which may arise.

Despatch from the Secretary of State, No. 56- Financial, dated 15th May 1914.

Despatch from Secretary of State, No. 33- Financial, dated 2nd June 1916.

(14 A) To recurring grants to local bodies exceeding ₹1 lakh a year in any one case.

(15) To expenditure for the direct benefit of Native States which is estimated to exceed

Despatch from the Secretary of State, No. 107 (Financial), dated 2nd August 1907.

₹10,000 a year on any one project, or ₹50,000 if non-recurring.

(16) To expenditure on providing any addition to the list of " the special saloon carriages reserved for the use of high officials," as approved in paragraph 3 of the despatch from the Secretary of State, No. 67 (Railway), dated 29th September 1911. The Government of India may sanction such expenditure as may from time to time be required (a) to complete and

Paragraph 4 of despatch from the Secretary of State, No. 58-Ry., dated 15th July 1910, and Railway Department Resolution No. 186-T., dated the 25th September 1916.

keep up to date one standard gauge and one metre gauge train for the use of His Excellency the Viceroy, and

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[Rules III (17) to V.]

(b) to maintain and, when necessary, to replace any of the other carriages referred to in this rule.

- (17) To expenditure in connection with the staff, household and contract allowance of His Excellency the Viceroy in excess of the limits laid down in the despatch from the Secretary of State, No. 55-Finl., dated 17th May 1912. The Government of India have the power to make a non-recurring addition to the contract allowance, of an amount not exceeding Rs. 20,000 in any year when occasions such as the visit of a member of the Royal Family to India or the occurrence of a State assemblage of unusual importance throw exceptional expenditure upon the contract allowance: provided that all such grants shall be reported to the Secretary of State when made.

Despatch from the Secretary of State, No. 128 (Financial), dated 28th October 1910.

(18) To the increase of the contract grant of the head of a province.

- (19) To the expenditure of public money: (a) on the purchase of a motor car for the use of an official, or (b) on the maintenance of such a motor car otherwise than from the contract grant of the head of the province except as provided in the rules approved in the despatch from the Secretary of State, No. 67 (Financial), dated 7th June 1912.

Despatch from the Secretary of State, No. 125 (Financial), dated 21st October 1910.

Note.—The sanction of the Secretary of State is not required—

Despatch from the Secretary of State, No. 34 (Financial), dated 29th March 1912.
official or ceremonial duties.

(a) To any expenditure by the head of a province from his contract grant on the hire of motor cars for use in the discharge of his

- (b) To the purchase of motor cars for the use of officers holding appointments *sui generis*, which are exceptional not only in their duties but their nature, when the circumstances rendering such a course desirable are of a temporary character: provided that the car is disposed of as soon as the need for its use has disappeared.

Despatch from the Secretary of State, No. 69 (Financial), dated 27th October 1916.

a course desirable are of a temporary character:

Despatches from the Secretary of State, No. 55 (Financial), dated 1st May 1908, and No. 59 (Financial), dated 26th May 1911.
Despatch to the Secretary of State, No. 262, dated 2nd November 1911.

(20) To the revision in any important respect of any existing provincial or quasi-provincial settlement.

IV. In applying these rules, audit officers may assume that all the provisions of the Civil Service Regulations, the India Army Regulations, the Public Works Department Code, the State Railway Codes, the Forest Code, and any other authorised Code, have received the sanction of the Secretary of State in Council in all cases in which that sanction is necessary. They may, therefore, admit, without requiring the sanction of the Secretary of State in Council, any pensions, acting allowances, or other allowances which are admissible under the rules of those codes. Any allowances which are in excess of those admissible under those codes will require the sanction of the Secretary of State in Council if they come within the terms of Rule III above.

Note.—The Government of India may allow an officer holding an officiating appointment the salary he would be drawing in the regular line, when the duties of the appointment and other circumstances of the case warrant such treatment. Their powers in this respect are not subject to the limitations, imposed on their general powers of increasing salaries by Rule III (2) and Note 1 thereunder, Rule III (3) (b) and Rule IV above.

Despatch from the Secretary of State, No. 84 (Financial), dated 12th November 1915.

V. Audit officers may also assume that any general sanctions issued before 1889 (such, for example, as the orders granting personal allowances to military officers in the police in some provinces, and the rules under which rewards are granted to officers for passing language

Rule VI of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893.

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[Rules VI (1) to VI (1) (c) (i).]

examinations) had duly received the sanction of the Secretary of State in Council when that is necessary, although under the procedure in force up to that year the orders were communicated to audit officers on the authority of the Government of India only.

VI. The following rules are special for railways and other public works, excluding military works to which rule VII below applies:—

(1) No outlay shall ordinarily be charged to loan funds without the sanction of the Secretary of State in Council; but this rule shall not apply to—

(a) irrigation projects of which the estimated cost does not exceed **₹10,00,000** excluding provision for establishment, tools and plant, or **₹12,50,000** inclusive of those charges;

Despatch from the Secretary of State, No. 60 (Public Works), dated 17th November 1905.

(b) capital expenditure on railway lines under construction—

(i) which are included in a railway programme sanctioned by the Secretary of State in Council. In such cases, the sanction of the programme by the Secretary of State in Council will be a sufficient sanction for such works included in it as require his sanction;

Despatch from the Secretary of State, No. 65 (Railway), dated 19th August 1904.

(ii) which satisfy the following conditions:—

(a) The estimated cost of each line does not exceed **₹12½ lakhs**;

(b) In the case of an extension of a line which was

originally sanctioned by the Government of India as being estimated not to exceed **₹12½ lakhs**, the cost of the original line and the extension are together within the **₹12½ lakhs** limit.

Despatches from the Secretary of State, No. 44 (Railway), dated the 24th May 1912, and No. 21 (Railway), dated the 21st February 1913.

(c) The line is a branch or chord line connecting with one railway only and no rights of extension are given;

(d) The construction of the proposed line is not objected to by the owners of the railway to which it is a branch or connecting chord, or by the working Company, if the Railway is the property of the State but worked by a Company having a financial interest in its results;

(e) There are no special circumstances in connection with the proposed line which, in the judgment of the Government of India, render it a case which ought to be reserved for the consideration of the Secretary of State.

Note.—The Government of India have no power to sanction—

(a) a chord line connecting with railways of different ownership, or

(b) an extension of a branch line which when so extended would connect at each end with a railway of different ownership.

(c) capital expenditure on open lines of railway—

(i) on a work or group of works included in a railway programme

sanctioned by the Secretary of State in Council. In such cases the sanction of the programme by the Secretary of State in Council will be a sufficient sanction for all works included in it;

Paragraph 12 of the despatch from the Secretary of State, No. 65 (Railway), dated 19th August 1904.

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[Rules VI (1) (c) (ii) to VI (3).]

Despatches from the Secretary of State, No. 128 (Financial), dated 28th October 1910, No. 42 (Financial), dated 5th May 1911, and telegram from the Secretary of State, dated 6th July 1911.

(ii) on a work or group of works not included in a sanctioned railway programme of which the estimated cost does not exceed Rs20,00,000.

Note 1.—Only the amount of the capital expenditure involved should be taken into account in determining whether a work or a group of works is or is not within the powers of sanction of the Government of India.

Despatch from the Secretary of State for India, No. 124 Railway, dated 14th November 1913.

Note 2.—The Government of India may not sanction any expenditure from loan funds on irrigation works and railways in excess of the limits of the programme for such works which have been sanctioned for the year by the Secretary of State in Council. Provided that in the case of railways they may (1) at any time when the Budget is being prepared in March sanction an addition, not exceeding the amount of the anticipated lapse in the sanctioned grant for the expiring year, to the railway programme of the ensuing year, as sanctioned by the Secretary of State in Council; and (2) they may, when the actual amount of the lapse is known, sanction an addition to the programme, or an increase to any addition already made under provision (1), not exceeding any amount by which the actual lapse in the grant for the previous year may have been greater than the lapse that was anticipated when the final revised estimates of that year were framed. All such regrants will be subject to the following conditions, (a) that the total amount of any regrant made under provision (1) or provision (2), or under provisions (1) and (2) combined, in respect of any one year shall not exceed Rs50 lakhs; (b) that if the actual lapse in the grant of the previous year prove to be less than the regrant sanctioned under provision (1), that regrant shall be reduced accordingly; and (c) that no regrant shall be made unless it can be provided for without disturbance of the Ways and Means programme. A A

Note 3.—In the event of an excess occurring in the expenditure of any year over the sanctioned grant of that year, the programme of the following year as sanctioned by the Secretary of State must ordinarily be reduced by the amount of such excess unless the sanction of the Secretary of State in Council to the contrary course is obtained. The Government of India may, however, on their own authority, waive such reduction if that course does not involve an alteration of the Ways and Means programme of the year, as shown in the Budget, by more than £250,000.

(2) The sanction of the Secretary of State in Council is required to any work charged to revenue

Rule VII (2) of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893, despatches from the Secretary of State, No. 33 (Public Works), dated 11th November 1910, and No. 15 (Financial), dated 17th February 1911, and Government of India, Finance Department, Resolution No. 454-E. A., dated 8th September 1916.

[other than railways which will be dealt with as under clause (1) above] of which the estimate of cost chargeable to general revenues exceeds Rs16,00,000 when

provision for establishment, tools and plant is not included and Rs20,00,000 when it is included. A

(2) (a).

Note 1.—This rule does not apply to cases in which a work, though subsidised by a lump sum grant from Government, is undertaken by, and on the responsibility of, a local body.

Note 2.—Expenditure in connection with residences of His Excellency the Viceroy and staff is subject to the following further restrictions:—

(a) *Original works and special repairs.*—The previous sanction of the Secretary of State in Council is required to any project estimated to cost more than Rs1,50,000 (works outlay). All sanctions

Despatches from the Secretary of State, No. 53 (Financial), dated 17th May 1912, and No. 14 (Financial), dated 24th January 1913.

accorded by the Government of India in excess of Rs2,500 and up to Rs1,50,000 shall be reported to the Secretary of State in Council.

(b) *Furniture.*—The previous sanction of the Secretary of State in Council is necessary to any grant in excess of Rs42,000 in any one year for public works expenditure on the supply and repair of furniture.

(3) When the estimate for construction of a work either from loan funds

Rule VII (3) of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893, and despatch from the Secretary of State, No. 42 (Financial), dated 5th May 1911.

or from revenue has been sanctioned by the Secretary of State in Council, the Government of India can ordinarily sanction outlay

in excess of the original sanctioned estimate up to an amount of 10 per cent. in excess of the estimate, provided that the excess is not more than Rs12,50,000 including establishment, tools and plant. In the case of estimates for new railway projects, however, the limits are 25 per cent. or Rs50,00,000 over the amounts

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[Rules VI (4) to VI (6) (b).]

Despatch from the Secretary of State, No 65 (Railway), dated 10th August 1904 reported to, and approved by, the Secretary of State in Council. But any excess over a revised estimate or completion estimate sanctioned by the Secretary of State in Council can be sanctioned only by him.

- (4) For the purpose of determining whether the sanction of the Secretary of State in Council is necessary under clauses (1), (2) and (3) of this rule, a group of works, which forms one project, shall be considered as one work and the necessity for obtaining sanction to a project is not avoided by reason of the fact that the cost of each particular work in the project is within the powers of sanction of the Government of India.

Rule VII (4) of the Resolution of the Government of India, Finance Department, No. 916-Ex., dated 4th March 1893.

Note.—The foregoing clause does not apply in the case of irrigation projects, the construction estimates of which have been closed and further capital outlay on which is being incurred under the rules for open capital expenditure. In the case of railways, proposals for expenditure contained in a completion estimate for any work, whether construction or open line, need not be grouped with any subsequent proposals for expenditure.

- (5) (i) Provided that the estimated cost including that of extensions, if any, does not exceed 100 lakhs, and the administrative conditions defined in Rule VI (1) (b) (ii) clauses (c) to (e) above are satisfied, the Government of India can sanction the construction of a railway, or an extension of a railway already constructed, by a branch line company domiciled in India, with rupee capital, on general branch line terms which have been previously approved by the Secretary of State in Council.

Despatches from the Secretary of State, No. 10 (Railway), dated the 28th January 1910, and No. 44 (Railway), dated the 24th May 1912.

- (ii) Provided that the estimated cost does not exceed ₹100 lakhs, and that the conditions laid down in Rule VI (1) (b) (ii), clauses (c) and (d) are satisfied, the Government of India can sanction the construction of a railway in a Native State or States at the cost of the Durbar or Durbars concerned.

Despatch from the Secretary of State for India, No. 3-Railway, dated the 8th January 1915.

Note.—The Government of India have full powers to authorise the raising of capital in rupees in India by Branch Line Companies domiciled in India for works which they are competent to sanction and to settle the terms of such issues of capital provided that in respect of guaranteed or rebate-aided lines the rate of commission to be allowed is not definitely fixed until the issue is imminent, i.e., in cases where the maximum rate of commission is specified in the preliminary agreement, provision is made that the terms of issue of the capital are subject to the approval of the Government of India.

- (6) As regards establishments on State Railways, the Government of India exercise additional powers as indicated below:—

- (a) *Non-pensionable establishments.*—Full powers in regard to—

- (i) creation of appointments and increases and alterations in scales subject to a maximum limit of remuneration of ₹4,166½ a month for any individual appointment,

Despatches from the Secretary of State, No. 65 (Railway), dated 19th August 1904, No. 44 (Financial), dated 15th April 1910, No. 59 (Financial), dated 26th May 1911, and No. 33 (Public Works), dated 4th August 1911.

- (ii) acting and travelling allowances, gratuities, leave, etc.

- (b) *Pensionable and non-pensionable establishments.*—Full powers in regard to the grant of fees, honoraria, bonuses, etc., on whatever account, subject, in the case of a reward for a useful invention or a payment for the right to adopt it, to a limit of ₹10,000.

Despatch from the Secretary of State, No. 60 (Railway), dated 30th May 1913.

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[Rules VI (7) to VII 4.]

- (7) The Government of India exercise full powers in regard to temporary non-pensionable appointments in the Public Works Department subject to a maximum limit of remuneration of $\text{R}4,100\frac{2}{3}$ a month for any individual appointment.

Despatches from the Secretary of State, No. 59 (Financial), dated 26th May 1911, and No. 33 (Public Works), dated 4th August 1911.

VII. The following rules are special to military expenditure:—

1. All new measures involving expenditure chargeable to heads Army, Marine, Military Works or Special Defence, the total initial cost of which *plus* one year's recurring expenditure is estimated to exceed $\text{R}50,000$, shall be submitted to the Secretary of State in an annual schedule.

Despatch from the Secretary of State, No. 98 (Financial), dated 14th August 1908, paragraph 9.

The following are exceptions to this rule:—

- (i) When the introduction of a measure, treated as a whole, is calculated to result in a saving, and that saving will accrue within the same financial year as that in which the expenditure (initial *plus* recurring) for the year is incurred, the measure need not be financed through the schedule.

Despatch from the Secretary of State, No. 81 (Military), dated 18th July 1913, paragraph 3.

- (ii) In cases where the initial expenditure is spread over more than one financial year, then in any year in which the savings are estimated to exceed the expenditure of that year, the measure need not be included in that year's schedule.

2. Except with the previous sanction of the Secretary of State in Council, the total expenditure on schedule measures in any one year shall not exceed the total sum allotted for such measures in the budget of that year.

Despatch from the Secretary of State, No. 98 (Financial), dated 14th August 1908, paragraph 9.

Notes.—The Government of India may, however, vary the allocation of the total schedule allotment of the year between the different measures included in the schedule, without reference to the Secretary of State, or may apply a portion of the total allotment to the prosecution of measures which are included in the schedule, but for which no actual provision has been made.

3. Expenditure on schedule measures shall not be incurred (a) in the case of measures which are beyond the powers of the Government of India, as defined in the foregoing sections of this Resolution and also in clauses 4 and 5 below as regards military works, until the specific sanction of the Secretary of State in Council has been received; (b) in the case of measures which are within the powers of the Government of India as defined in the foregoing sections of this Resolution and also in clause 5 below as regards military works until the measures have been submitted to the Secretary of State in an annual schedule.

Despatch from the Secretary of State, No. 98 (Financial), dated 14th August 1908, paragraph 9.

The following is an exception to the rule:—

Expenditure of the kind referred to in case (b) may be incurred without previous reference to the Secretary of State, and in anticipation of its inclusion in the next annual schedule, provided that it can be met from savings or lapses in the sanctioned schedule allotment of the year. When expenditure is so incurred a report should be made to the Secretary of State.

4. The specific sanction of the Secretary of State in Council is required to any military work of which the estimate of cost exceeds $\text{R}10,000$ exclusive of, or $\text{R}12,500$ inclusive of, provision for establishment, tools and plant.

Despatch from the Secretary of State, No. 98 (Military), dated 16th October 1914.

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[Rules VII—(5) to IX.]

Despatches from the Secretary of State, No. 98 (Military), dated 16th October 1914, and No. 43 (Military), dated 2nd July 1915, paragraph 25.

5. The Government of India can sanction outlay on any military work within the limits prescribed in clause 4 provided :—

- (a) That sanction is not accorded to any work which may form part of a larger scheme, itself unsanctioned and costing more than ₹12,50,000.
- (b) That a project costing more than ₹1,50,000 is not commenced, except in case of urgent necessity and subject to the conditions laid down in the exception to clause 3 above, until the schedule in which it is included has been sanctioned as a whole by the Secretary of State.
- (c) That estimates which require the sanction of the Secretary of State for some special reason apart from the amount involved are submitted for his previous sanction.

6. When the estimate for the construction of a work specified in clause 4 has been sanctioned by the Secretary of State in Council the Government of India

Despatches from the Secretary of State, No. 127 (Military), dated 29th October 1909, paragraph 20, and No. 98 (Military), dated 16th October 1914.

can ordinarily sanction outlay in excess of the original sanctioned estimate, up to an amount of 10 per cent. in excess of that estimate, provided that the excess is not more than ₹10,00,000 when provision for establishment, tools and plant is not included and ₹12,50,000 when it is included. But any excess over a revised estimate or completion estimate sanctioned by the Secretary of State in Council can be sanctioned only by him.

Note. Despatches from the Secretary of State, No. 3 (Political), dated 16th January 1903, No. 61 (Political), dated 7th June 1907, and No. 92 (Financial), dated 2nd August 1912.

VIII.—The sanction of the Secretary of State in Council is required to the grant of—

- (1) a loan which is—
 - (a) of an unusual nature; or
 - (b) devoted to objects outside the ordinary work of administration; and
- (2) a loan to a Native State in excess of Rs. 5 lakhs, or a series of separate loans granted at short intervals to an amount exceeding Rs. 5 lakhs.

Note 1.—In any case where a cash grant would be within the powers of sanction of the Government of India, the grant of a loan of an amount not exceeding that of the cash grant does not require the sanction of the Secretary of State in Council.

Note 2.—Loans and advances of the various classes described in Chapter 8 of the Civil Account Code, which have hitherto been sanctioned by the Government of India without reference to the Secretary of State, are not of an unusual nature within the meaning of clause (1) (a) of this rule.

IX. The Auditor-General, of his own motion or on reference being made to him by the Government of India, may review the audit decision of any subordinate Audit Officer on any point, and may, if he considers it to be incorrect, overrule it.

The Auditor-General may dispense with a reference to the Secretary of State, otherwise required by these rules,

Despatch from the Secretary of State, No. 80 (Financial), dated the 5th May 1914.

in certain cases where the expenditure involved has been small in itself or in comparison with the spending powers of the Government of India in directions of a similar character, and the failure to obtain the Secretary of State's sanction has involved a breach of the letter rather than the spirit of the Audit Resolution.

The local Governments and certain other administrative authorities have certain powers in regard to the remission of

Article 279-A., Civil Account Code.

disallowances by Audit Officers so far as

they affect payments made more than six months before the date when they

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[*Rules IX to X.*]

were challenged; and more restricted powers of remitting disallowances of payments made within six months from the date of payment. The Government of India have power to remit in all cases of overpayment whether challenged within six months or not, on the understanding that remissions of overpayments challenged within six months are only granted when there are very strong reasons for making the concession.

Despatch from the Secretary of State, No. 51
(Financial), dated the 22nd April 1910.

X. Except as provided in rule IX, any objection raised under these rules to any order issued by the Government of India will be reported to the Secretary of State for the required sanction.

AUDIT RESOLUTION II.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

Copy of Government of India, Finance Department Resolution No. 361-E, A., dated the 24th July 1916, as amended up to the 1st June 1918.

In Chapter III of their Report the Royal Commission on Decentralisation made certain recommendations regarding (a) the general financial relations between the Government of India and the local Governments, and (b) the enhancement of the powers of sanction enjoyed by the latter. The orders of the Government of India on the Commission's recommendations in respect of the first of these questions have already been published in their Finance Department Resolution No. 27-F., dated the 18th May 1912. The Government of India have now examined, with reference to the Commission's recommendations, the question of enhancing the powers of sanction of local Governments in respect of Provincial and Imperial expenditure; and they are pleased, with the sanction of the Secretary of State, to issue revised rules defining the financial powers of sanction and control which will be exercised by local Governments with which regular Provincial Settlements have been concluded, and stating the terms and conditions under which the administration of Provincial revenue and expenditure will in future be regulated by them. Those rules are contained in the annexure to this Resolution and supersede those contained in the Finance and Commerce Department, Resolution No. 3531-A., dated the 11th August 1897. Some of them have already been published in the Finance Department Resolution No. 249-E.A., dated the 15th July 1912, but are included in the annexure to the present Resolution so as to make it a complete and self-contained document. For the sake of convenience, the general terms and conditions of the Provincial Settlements, so far as they define the duties and obligations of Provincial Governments, have also been reproduced in the annexure.

NOTE.—The term "regular Provincial Settlements," as used in this Resolution includes settlements made on a provisional basis pending the subsequent introduction of a permanent settlement, as is at present the case in Bengal, Bihar and Orissa, and Assam. But it excludes the *quasi*-provincial settlements referred to in paragraph 2 of the Resolution.

2. Subject to the exception stated in note 4 to clause (18) of rule 10 of the annexed rules, the local Administrations of the North-West Frontier Province and Baluchistan, with which "*quasi*-provincial" settlements have been concluded, will exercise, in the case of all items of revenue and expenditure included in these settlements, the same powers of control and sanction as are given by those rules to the Provincial Governments mentioned above, in respect of revenue and expenditure classified under heads of account which are wholly Provincial or are divided in fixed proportions between Imperial and Provincial. Such powers shall be exercised subject to—

- (a) The rules of finance and procedure given in rules 5 to 10 and 24 to 26 appended to this Resolution.
- (b) The condition that all growth in the *quasi*-provincial expenditure must be restricted by the development of the assigned revenues, except in special cases where a contribution has been sanctioned by the Government of India outside the terms of the settlement.

These two administrations will also exercise, in respect of Imperial expenditure not included in their *quasi*-provincial settlements, the powers of sanction which are given by the rules appended to this Resolution to Provincial Governments in respect of wholly Imperial expenditure. They will not, however, possess the powers in respect of loans and advances mentioned in the rules, except to the extent mentioned below :—

- (i) They may sanction loans falling within class I mentioned in rule 27 out of allotments placed at their disposal by the Government of

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[Para. 2 (ii) to Rule 4.]

India, subject to the rules contained in Section VI of the annexure.

- (ii) They may, under similar conditions, sanction loans to land-holders and notabilities up to a limit of Rs. 20,000 in any year and of Rs. 5,000 in any one case.

3. The Civil Service Regulations and other authorised codes will be eventually amended in accordance with the terms of this Resolution. Pending such revision, the provisions of these codes and regulations will remain in force except in so far as they are clearly superseded by any rule in this Resolution.

4. It is to be clearly understood that the rules now issued deal solely with the specific financial powers of sanction and control possessed by local Governments. The power of administrative control which is vested in the Government of India is not affected.

ANNEXURE TO RESOLUTION.

RULES DEFINING THE FINANCIAL POWERS OF PROVINCIAL GOVERNMENTS.

I.—Certain conditions common to all Provincial Settlements.

1. The revenue received and the expenditure incurred on the public service in each province is to be classified as Imperial or Provincial according to the lists in Schedules A and B attached to this Resolution. All revenue recorded on the books of the Account Officer of the province, which according to the established system of public accounts is classified under the heads named in column 2 of Schedule A, will be Provincial to the extent stated in column 3 of the Schedule; and all expenditure recorded on the books of the Account Officer of the province which is similarly classified under the heads named in column 2 of Schedule B, will be Provincial to the extent stated in column 3. This definition gives the sole test prescribed in the settlement made with the local Government for deciding whether any item of revenue or expenditure is provincial.

Notes—The term "divided heads" refers to those major and minor heads the revenue or expenditure under which is divided in fixed proportions between Imperial and Provincial.

2. Inter-provincial adjustments are not ordinarily allowed. But such adjustments may be made through the exchange accounts by mutual agreement, and with the approval of the Comptroller General, in special cases where (a) the services of a joint establishment are utilised by two or more Provincial Governments; or (b) a local Government desires for special reasons to contribute from its Provincial revenues towards an educational or other institution or to any other scheme of expenditure in another province; or (c) if any charge of an exceptional nature which ought ordinarily to be borne by one province is paid in another province. All cases of dispute between Provincial Governments regarding such adjustments should be referred for the orders of the Government of India.

3. Expenditure under the head "33.—Famine Relief" will be divided between Imperial and Provincial revenues in the proportion of three-fourths and one-fourth, subject to the condition that if the Provincial share of expenditure resulting from a widespread and prolonged famine should be so great as to reduce the Provincial balance below one half the prescribed minimum the treatment of further expenditure will be a subject for special arrangement at the time.

4. Provincial Governments are expected to maintain all the provincial services in a state of administrative efficiency, providing any additional funds which may be necessary for this purpose either from the curtailment of other expenditure, or from the development of Provincial revenues.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Rules 5 (1) to 5 (10).]

II.—General limitations to the financial powers of Provincial Governments.

5. The delegation to Provincial Governments of the power of control over a portion of the public revenues is subject to the following general conditions.

Without the previous sanction of the Government of India*:

- (1) No additional taxation may be imposed, and no fundamental change may be made in any existing system of revenue management.
- (2) No new general service or duty may be undertaken.
- (3) The rates of duty on spirits and drugs may not be altered in any case in which the alteration is likely to affect the excise arrangement of neighbouring provinces, without the concurrence of the Provincial Government concerned.
- (4) The rates of discount upon the retail of stamps and court-fees labels may not be altered.
- (5) As a general rule, no item hitherto credited to general revenues Imperial or Provincial, may be alienated to form an asset of any local or special fund.

But a Provincial Government may, without previous reference to the Government of India, assign to a local body or a special fund, constituted by law, petty items of wholly Provincial revenue of a recurring character, which are not derived from the proceeds of general taxation and the yield of which does not on an average exceed Rs. 25,000 a year.

NOTE.—For the definition of a local fund or local body as used in this clause, see Article 33, Civil Service Regulations.

- (6) No public money may be removed from the public treasury for investment or deposit elsewhere. The Government of India, who are responsible for the provision of ways and means for the public service in all departments, retain in their own hands unconditional control over all money in the public treasury; and a Provincial Government may not withdraw such money except for expenditure upon the public service.
- (7) No alteration may be made in the form or procedure of the public accounts. In particular, Provincial Governments may not issue orders directing the division of a charge between two or more heads of account; the Comptroller General ordinarily decides the proper classification of an item in the accounts.
- (8) No services previously rendered to other departments at the charge of departments made over to the control of the Provincial Governments may be diminished, and no services previously rendered to the latter departments at the charge of the former may be increased.
- (9) No main artery of communication, such as a trunk road, may be abandoned, or allowed to fall out of repair.
- (10) No delegation of financial powers may be made to an authority subordinate to the Provincial Government except in cases where such delegation is expressly provided for in any authorised code, or by any order of the Secretary of State in Council or by any existing order of the Government of India.

But when a Provincial Government is empowered to create an appointment (permanent or temporary), and on the creation of such an appointment certain powers can be vested in the

*In many of the cases mentioned in this rule, the sanction of the Secretary of State will also be required, but the responsibility for obtaining such sanction will rest with the Government of India who will first have been addressed.

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[Rules 5 (11) to 8 (1).]

incumbent, it may, as an alternative to the creation of such appointment, delegate the same powers to some existing authority of lower status. Such delegation shall remain in force only for such term as that for which the Provincial Government would have been competent to sanction the new appointment above referred to.

- (11) No expenditure may be incurred (except in cases in which authority is granted to a Provincial Government under these rules) which is :
- (a) Of an unusual nature; or—
 - (b) Devoted to objects outside the ordinary work of administration; or—
 - (c) Likely to involve at a later date expenditure beyond the powers of sanction of the Provincial Government.
- (12) No pension or gratuity may be granted to an official that is not admissible under the provisions of the Civil Service Regulations or any other authorised general code, or under any general authority conferred on Provincial Governments by, or with the approval of, the Secretary of State in Council.
- (13) A Provincial Government cannot raise for its own finances any loan in the open market. Its power to sanction the raising of loans in the open market by local bodies is subject to the provisions of Acts of the Legislature and of rules framed thereunder by competent authority.

6. The financial powers of Provincial Governments are subject to the supervision and control of the Government of India; and a Provincial Government is bound to observe any general or specific instructions which the Supreme Government may issue from time to time in the exercise of its powers of supervision and control. The Governor-General in Council expressly reserves the right of issuing instructions to local Governments on general or particular matters affecting Provincial estimates, and revenues and services, when such action seems to him expedient.

7. Subject to the limitations and restrictions prescribed in these rules, Provincial Governments can exercise, in respect of Provincial and Divided heads of revenue and expenditure, all the financial powers of sanction and control which are exercised by the Government of India over the revenues of India or the expenditure therefrom under the Finance Department Resolution No. 368-G1. (E.A.), dated the 15th March 1913, as amended from time to time. In addition they can also exercise, in respect of the same heads, the powers vested in Provincial Governments under the provisions of the Civil Service Regulations, the Civil Account Code, the Public Works Department Code, the Forest Code and any other authorised code issued with the approval of the Government of India. They are, however, bound to observe the rules in these codes, except where authority is granted by this Resolution to incur expenditure not admissible thereunder. As regards revenue and expenditure which is wholly Imperial, their powers are further limited by the rules contained in this Resolution.

8. Any payments which are in excess of those admissible under the codes referred to in rule 7 or under any general or specific orders of the Secretary of State in Council or the Government of India, as well as any expenditure which is beyond the power of a Provincial Government to sanction, will require the sanction of higher authority.

But a Provincial Government may in individual cases, and for special reasons which should be communicated to the audit officer :—

- (1) Grant an officiating officer a higher salary than is authorised by the codes, subject to a maximum limit of Rs. 250 per month, and

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[Rules 8 (2) to 10 (2).]

subject to the condition that his salary must not exceed the pay of the officer for whom he acts.

- (2) Relax the conditions or limitations prescribed by any rule in any authorised code, without contravening its general spirit, so as to grant to an officer travelling allowance, not exceeding Rs. 1,000 in any case, in cases where no travelling allowance is admissible under a strict interpretation of the rule.
- (2) In cases not coming under clauses (1) and (2) above, relax the conditions or limitations prescribed by any rule in an authorised code or by an order of the Government of India, without contravening its general spirit, subject to the condition that the total amount payable under the sanction does not exceed Rs. 5,000 in any case if charged wholly or partly to Provincial, and Rs. 1,000 if charged wholly to Imperial, funds.

NOTE—All sanctions given under the above conditions must be subject to the further condition that the expenditure would in any case be within the power of the Government of India to sanction and would not require a reference to the Secretary of State. Each such sanction must moreover quote the appropriate provision of the present rule for the information of the Audit Officer concerned.

9. A Provincial Government has no authority to give effect to any part of a scheme of which any one item requires the sanction of higher authority, though in seeking the sanction of such authority to the scheme as a whole, it will be sufficient to indicate the total financial effect of the remaining items of the scheme without entering into the details comprising that total, save in so far as some exposition of these may be necessary to justify the item requiring higher sanction.

III—Restrictions on powers of local Governments with regard to expenditure which is wholly Provincial or is charged to a divided head.

10. The sanction of the Government of India is required :—*

- (1) To the creation of any new permanent appointment which would ordinarily be held by a gazetted civil officer recruited in England or by an officer of an Imperial Service as defined in Article 29-B, Civil Service Regulations ; to the raising of the pay of such an appointment or officer ; and, except as permitted by an authorised code or in the note to this rule, to any addition to the emoluments of such an appointment or officer by the grant of allowances of any kind (whether included or not in the definition of " remuneration ").

DEFINITION.—Remuneration includes, besides monthly substantive pay or salary, all payments to officers from general revenues (i.e., Imperial and Provincial revenues, as well as the revenues of local funds administered by Government) whether in the nature of fixed allowances, subject to the exceptions specified below, or of fees rewards (except language rewards other than those which take the form of monthly allowances) or recurring honoraria. It does not include the pension of an officer who is re-employed, or local allowances granted on account of the unhealthiness or expensiveness of particular localities, exchange compensation allowance, travelling, tentage or conveyance allowance, house-rent allowance or grant of free quarters, allowances to Civil Surgeons for charge of railway employes, office allowances, Simla or other hill allowances and non-recurring honoraria. But without the previous sanction of the Secretary of State no exchange compensation allowance can be granted in cases in which it is not now admissible ; nor may any modification be made of the broad principles on which the rules relating to the Calcutta, Bombay and Rangoon house allowance schemes are based, including the rates and the general conditions of eligibility laid down in them.

NOTE.—Provincial Governments are empowered to sanction temporary duty allowances for appointments or officers of the above class within the limits of their power to Secretary of State's despatch No. 74-Financial, dated 17th November 1916. sanction deputations.

- (2) To the creation of a permanent appointment not belonging to either of the classes specified in clause (1) of this rule, of which the remuneration exceeds Rs. 800 a month ; to the raising of the remuneration of an officer, or of a sanctioned permanent appointment, not belonging to the classes specified in clause (1), to an amount in excess of Rs. 800 a month ; or to the increase of a remuneration which is already in excess of that amount.

In many of the cases mentioned in this rule, the sanction of Secretary of State will also be required, but the responsibility for obtaining this will rest with the Government of India who will first have been addressed.

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[Rules 10 (2) Note 1 to 10 (5).]

NOTE 1.—In the case of incremental pay the test for the application of this rule is the maximum pay attainable. But the grant of an increased remuneration to an officer on an incremental or time-scale pay the maximum of which rises to or exceeds Rs. 800 a month, on the condition that it shall be continued only so long as it does not cause his total remuneration to exceed that limit, does not require the sanction of the Government of India.

NOTE 2.—Where the remuneration of an officer of the class mentioned in this rule cannot equitably be fixed at a monthly rate because it would in consequence of its source be liable to fluctuation from month to month, the sanction of higher authority is required to the grant of a remuneration in excess of Rs. 9,600 a year, instead of Rs. 800 a month.

Secretary of State's despatch No. 74-Financial, dated 17th November 1916.

NOTE 3.—The note to Rule 10 (1) applies here also.

- (3) To the abolition of an appointment of the classes mentioned in clause (1) above; and to any reduction in the remuneration of such an appointment.
- (4) (a) To the creation of a temporary appointment, or to the deputation of any officer, when the remuneration exceeds Rs. 2,500 a month; or when the remuneration, though not exceeding Rs. 2,500 a month, exceeds Rs. 800 a month and the temporary appointment or deputation is expected to last, or does last, for more than two years.
- (b) To the creation of a temporary appointment for an officer belonging to an Imperial service as defined in Article 29-B, Civil Service Regulations, or to the deputation of such an officer on special duty, for the discharge of work lying outside the ordinary course of the administration, when such appointment or deputation is expected to last or does last for more than six months.

NOTE 1.—The powers of Provincial Governments to sanction deputations are limited to deputations in India. They have no power to sanction deputations outside India except in the cases mentioned in Note 2 to Article 85 of the Civil Service Regulations.

NOTE 2.—In the case of temporary appointments required for Settlement work, Provincial Governments have full powers of sanction as to their number and duration, subject, as regards remuneration, to the rules contained in Appendix 4-A, Civil Service Regulations.

NOTE 3.—In the case of temporary appointments in the Public Works Department, which are not filled by the deputation of pensionable officers in permanent employ, Provincial Governments have full powers of sanction, irrespective of the duration of such appointments, so long as the remuneration does not exceed Rs. 2,500 a month.

NOTE 4.—The period for which a temporary appointment or deputation has been sanctioned by higher authority may, if necessary, be extended without further reference to the authority which granted the original sanction, provided that such extension does not exceed one month.

NOTE 5.—When the remuneration of an officer appointed to a temporary appointment or placed on deputation in accordance with the limits prescribed in clause (4) of this rule is increased beyond those limits by reason only of an increase of the pay or acting allowance which the officer holding it would draw in normal circumstances, the specific sanction of the Government of India will not be required to the continuance of the temporary appointment or deputation on the increased remuneration until the expiry of the period originally sanctioned.

- (5) To the grant to an officer in the service of Government, who is appointed to a temporary appointment or deputed on special duty in India, of a higher remuneration than is permitted by the following rules :—
- (a) Article 78-A, Civil Service Regulations, in respect of a temporary appointment filled by an officer in the service of Government.
- (b) Article 81, Civil Service Regulations, in respect of an officer deputed on special duty, provided that a Provincial Government may, in exceptional cases, grant to an officer not belonging to an Imperial service (as defined in Article 29-B, Civil Service Regulations) a deputation allowance exceeding that ordinarily admissible under Article 81, Civil Service Regulations.

NOTE.—This rule is to be understood as definitely precluding the grant of deputation allowances in all cases, except those in which the special duty involves a decided increase of work or responsibility or a change of station. Moreover, a change of station is an ordinary incident of service in India and does not in itself constitute a reason for an addition to an officer's emoluments: accordingly the fact that the transfer to special duty involves a change of headquarters, affords a reason for the grant of a deputation allowance only if the officer is thereby placed at unusual expense, owing to the period of deputation being a short one or to some other exceptional cause. Audit Officers should question any cases in which the orders of the authority sanctioning a deputation allowance do not show that such authority definitely considered and decided that the grant of an allowance was fully justified under the terms of this rule.

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[Rules 10 (6) to 10 (9) (b).]

- (6) To revisions of permanent establishments which involve additional expenditure exceeding Rs. 50,000 a year. Further, orders involving either (a) the revision of the rates of substantive pay of any one branch of the public service at a cost to that branch of the service alone of more than Rs. 25,000 a year, or (b) the raising of the average pay of a service, of which the maximum pay exceeds Rs. 500 a month, above the average rate approved at the last revision of the service as sanctioned by the Secretary of State or the Government of India, or (c) the grant of local allowances as compensation for dearness of living, or for increase of rents in any locality in which a considerable number of officers paid from Imperial revenues is employed, must be submitted in draft to the Government of India. If no orders are received by the Provincial Government thereon within three months from the date of their receipt in the Government of India, the scheme may then be brought into effect forthwith.

NOTE 1.—For the purpose of determining the above limit of Rs. 50,000 a year, the cost of any temporary establishment which the new scheme will replace may not be taken as a set-off.

NOTE 2.—In the case of establishments, such as process-serving establishments, the scale and remuneration of which are determined by courts of law under rules having the force of law, the sanction of the Government of India is not required under this clause unless the net extra expenditure involved, after allowing for the receipt of fees, exceeds Rs. 50,000 a year.

NOTE 3.—For the purposes of this clause, the cost of any particular revision is to be determined with reference to the definition of "remuneration" in clause (1) of this rule.

NOTE 4.—For the purpose of cases falling within class (b) referred to in this clause, an incidental increase of average pay which does not amount, for any single sanction, to more than one per cent. may be neglected.

- (7) To the grant to non-officials, on political considerations, of (a) land either free of revenue or on favourable terms, or (b) of assignments of land revenue, if the value of the land or land revenue exceeds Rs. 1,000 a year.

Grants of either kind on other than political considerations are subject to: (i) the statutory rules which have been published by the Government of India, under the authority of the Secretary of State, in their Finance and Commerce Department Resolution No. 933, dated the 20th February 1894, and their Finance Department Resolution No. 5751-Ex., dated the 31st October 1910, and which have been reproduced in the Appendix to the Finance Department Resolution No. 465-Ex., dated the 26th January 1911; or (ii) the rules published by the Government of India in their Revenue and Agricultural Department Resolutions No. 1-141-151, dated the 6th February 1872 (as amended by Resolution No. 1-127-4, dated the 28th February 1912), No. 21-223-12, dated the 7th October 1895, and No. 12-73-17, dated the 7th September 1897; and (iii) such other general or special orders as the Government of India may have issued from time to time.

- (8) To the grant to a non-official who is injured (or to the family of a non-official who is killed) during or in consequence of service rendered to Government, or who though not injured has rendered some exceptional service to Government, of a pension exceeding Rs. 1,000 a year or a gratuity exceeding Rs. 3,000 in any one case.
- (9) To the grant to a civil officer, who is in Government employ or in receipt of a service pension, of:
- (a) Land, except where the grant is made under the ordinary revenue rules of the province concerned, and involves no special concession in money or its equivalent beyond the fact that the grantee has received the grant in preference to others; or—
- (b) An assignment of land revenue when the total amount exceeds Rs. 600 a year, or the assignment, if within that

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[Rules 10 (10) to 10 (17) (a).]

amount, is not limited to three lives and reduced by one-half on each succession. All grants of assignments of land revenue made by a Provincial Government to civil officers should be confined to cases in which the services are of a very distinguished and exceptional character, *i.e.*, to cases in which a special pension would be admissible with reference to the orders of the Secretary of State embodied in Appendix 9 of the Civil Service Regulations. An annual return should be submitted by each Provincial Government to the Government of India, showing any assignments of land revenue made by it to civil officers, and the grounds on which such assignments have been made.

- (10) To any cash grant to a charitable or religious institution (not being a grant for a church under the Public Works Department Code) which exceeds Rs. 10,000 a year if recurring or Rs. 50,000 if non-recurring; and to any grant to a charitable or religious institution outside India.

NOTE 1.—Institutions designed for medical relief are included in the category of charitable institutions.

NOTE 2.—This rule does not apply to charitable institutions which are educational in their scope and character.

Despatch from Secretary of State, No. 49-Finl., dated the 18th August 1916.

- (11) To expenditure on State ceremonies and assemblies, and on the entertainment, at the public charge, of distinguished visitors to India, when the outlay is estimated to exceed Rs. 1,00,000.
- (12) (a) To recurring grants to local bodies from Provincial revenues exceeding Rs. 1 lakh a year in any one case.
- (b) To non-recurring grants to local bodies from Provincial revenues exceeding Rs. 10 lakhs in any one case.

NOTE.—Where the grant takes the form of a contribution towards the construction of a building or other public works by Government agency, and the cost of establishment, tools and plant is thus included in the real value of the grant made, the limit on the total assistance given will be Rs. 12½ lakhs.

- (13) To expenditure for the direct benefit of native states which is estimated to exceed Rs. 10,000 a year on any one project, or Rs. 50,000 if non-recurring.
- (14) To any expenditure on railway carriages specially reserved for the use of high officials otherwise than in connection with the maintenance of the carriages already set apart, with the sanction of the Secretary of State in Council, for the exclusive use of the head of the province. The previous sanction of the Government of India should be obtained to all expenditure required to replace any such carriage.
- (15) To the increase of the contract grant of the head of a province.
- (16) To expenditure of public money (a) on the purchase of a motor car or motor-cycle for the use of an official; or (b) on the maintenance of such a motor car, otherwise than from the contract grant of the head of the province, except as provided in the rules published by the Government of India in their Finance Department Resolution No. 250-E. A., dated the 15th July 1912.

NOTE.—Expenditure on the hire of motor cars for the use of the head of the province may be incurred from his contract grant without the sanction of a higher authority.

- (17) To the construction or the purchase of a vessel required for inland navigation and for use at ports, the cost of which exceeds Rs. 1 lakh. Within this limit a Provincial Government may sanction the construction or purchase of such vessels subject to the following conditions:—
- (a) The advice of the Director, Royal Indian Marine, as regards the type and cost of the vessel to be constructed or purchased shall invariably be obtained and shall be adopted on all material points.

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[Rules 10 (17) (b) to 11 (2).]

(b) Without the previous sanction of the Government of India no boat or vessel shall be built otherwise than at a government dockyard.

Otherwise the Government of India must be referred to.

Note.—These conditions do not apply to the acquisition or construction of non-seagoing vessels of any kind other than those driven by engine power.

(18) To expenditure on an irrigation or other public works project of which the estimate of cost chargeable to general revenues exceeds Rs. 16 lakhs when provision for establishments, tools and plant is not included, and Rs. 20 lakhs when such provision is included. When the estimate for the construction of a project has been sanctioned by the Secretary of State in Council or the Government of India, a Provincial Government can sanction outlay in excess of the original sanctioned estimate, up to an amount of 10 per cent. in excess of the estimate, provided that such excess is not more than Rs. 12½ lakhs including establishment, tools and plant; but any excess over a revised estimate sanctioned by the Secretary of State in Council or the Government of India can be sanctioned by these authorities only.

Note 1.—The rule in this clause does not apply to cases in which a work, though subsidised by a lump sum grant from Government, is undertaken by, and on the responsibility of, a local body.

Note 2.—The necessity for obtaining the sanction of higher authority to a project which consists of a group of works is not avoided by reason of the fact that the cost of each particular work in the project is within the powers of sanction of the Provincial Government; but this restriction does not apply to the case of irrigation projects the construction estimates of which have been closed and further capital outlay on which is being incurred under the rules for open capital expenditure.

Note 3.—The following projects shall be submitted to the Government of India irrespective of their cost:—

(a) Projects which affect the interests of more than one local Government or Administration

(b) Projects which are attended with more than ordinary engineering difficulties, e.g., docks and harbour improvements.

Note 4.—In the case of divisible expenditure in the North-West Frontier Province and Baluchistan of the classes mentioned in this clause, the limit of the Provincial Government's power of sanction both in respect of original estimates and of outlay in excess of the original sanctioned estimate, is Rs. 4 lakhs exclusive of charges for establishment, tools and plant, and Rs. 5 lakhs inclusive of those charges.

IV.—Powers of Provincial Governments with regard to expenditure which is wholly Imperial.

11. (1) No expenditure which is wholly Imperial may be sanctioned by a Provincial Government except in cases where authority is given by the rules in this Section, or by:—

(a) The provisions of any Act of the legislature or of rules framed under such an Act.

(b) Any rule in the Civil Service Regulations, the Civil Account Code, or any other code issued by, or with the approval of, the Government of India.

(c) Any order of the Government of India, laying down a scale, or a maximum scale, of expenditure.

Note.—A Provincial Government may sanction expenditure on the construction and repair of public works executed by civil officers, subject to the rules which govern its powers of sanctioning similar expenditure incurred by officers of the Public Works Department.

(2) A Provincial Government may sanction non-recurring expenditure, not exceeding Rs. 1,000 in any individual case, on any object for which no scale or limit to its power of sanction is separately prescribed in these rules or in the Civil Service Regulations and other authorised codes, provided that the sanction does not involve express contravention of an existing rule of the Government of India, and that the expenditure would be within the power of the Government of India to sanction and would not require a reference to the Secretary of State.

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[Rules 12 to 16 (2).]

12. A Provincial Government may (a) create a new permanent appointment which does not belong to the classes specified in clause (1) of rule 10 and the pay and allowances of which do not exceed ₹500 a month, or (b) make an addition to the pay and allowances of a sanctioned permanent appointment or of an officer, not belonging to these classes, if this does not have the effect of raising the total pay and allowances of the appointment or of the officer to an amount in excess of ₹500 a month; provided that (i) the additional cost involved can be met by permanent savings in the same department or some other department charged to the same major head of account, and (ii) no revision of permanent establishment, or any other scheme of expenditure, may be sanctioned which deals with any class or grade of officers as a whole.

Note—All increases of establishment sanctioned under this rule should be reported to the Government of India in the Finance Department in annual statements. The sanctions may be held to have been confirmed unless exception is taken to any of them by the Government of India on a review of the statements.

13. When no savings can be effected to meet the additional cost involved but there is sufficient budget provision, a Provincial Government may, subject to proviso (ii) in rule 12 :

- (1) Create a permanent non-gazetted appointment the pay and allowances of which do not exceed ₹250 a month, or make an addition to the pay and allowances of a permanent non-gazetted appointment or officer, if this does not have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of ₹250 a month.
- (2) Sanction the revision of permanent non-gazetted establishments, provided that its powers of sanction in respect of individual appointments, as defined in clause (1) of this rule, are not exceeded, and that the additional expenditure involved does not exceed ₹6,000 a year.

Note.—The note under rule 12 applies here also.

14. A Provincial Government may abolish, or reduce, the pay and allowances of any permanent appointment which does not belong to the classes specified in clause (1) of rule 10 and the pay and allowances of which do not exceed ₹500 a month.

15. A Provincial Government may sanction temporary appointments and deputations in India for any period, if the pay and allowances including deputation allowance do not exceed ₹250 a month. But the remuneration of an officer in the service of Government who is thus appointed to a temporary appointment or deputed on special duty must not exceed the amount which the Provincial Government is competent to sanction under clause (5) of rule 10.

15-A. A Provincial Government may sanction the appointment of temporary engineers in the Public Works Department as if the expenditure were Provincial, unless the temporary engineer is engaged for a particular work the cost of which is charged to Imperial revenues, and it is definitely intended that his services shall be dispensed with on the completion of the work.

Despatch from the Secretary of State, No. 34-Public Works, dated the 24th November 1916.

16. (1) A Provincial Government may sanction recurring contingent expenditure up to a limit of ₹200 a year in each case; provided that it may exercise the full powers of the Government of India in respect of expenditure on the renting of ordinary office accommodation and the payment of municipal and other taxes.

Note.—Recurring expenditure means a charge which binds Government beyond a single payment.

(2) A Provincial Government may sanction an increase not exceeding ₹6,000 a year in a contract grant for contingent expenditure. It may also sanction the substitution of a contract grant for varying budget grants in respect of any heads of contingent expenditure for which countersignature has hitherto been required, provided that the former does not exceed the aggregate

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[Rules 17 to 18 (5).]

of the latter (calculated with reference to the budget figures of the year in which the change is made) by more than Rs. 6,000.

17. A Provincial Government may sanction :—

- (1) Reduced political pensions to heirs or other representatives of existing pensioners in cases in which it is already authorised to do so, and in accordance with the practice explained in the Financial despatch from the Government of India to the Secretary of State, No. 222, dated the 9th September 1909.
- ✓ (2) New political life pensions up to a limit of Rs. 200 a year in each case.
- (3) Increases in existing political life pensions, provided that in no case is the total pension thereby raised beyond Rs. 200 a year.
- (4) Political gratuities not exceeding Rs. 1,000 in any one case.
- (5) Non-recurring expenditure on behalf of political pensioners—such as grants towards the funeral expenses of deceased pensioners, the provision of dowries for daughters, allowances to meet the expense of proceeding under orders of competent authority from one locality to another, and expenditure on other than ordinary repairs (as for example the installation of electric lights and fans) in connection with the residences with which pensioners are provided in certain cases at the cost of the State—if the amount does not exceed, in any case, Rs. 1,000.

Definition.—Political pensions and gratuities are pensions and gratuities granted to non-officials whose services, descent, or connections are such that it is on general grounds of policy very desirable that the Government should extend to them some measure of assistance or recognition.

Note 1.—It is not permissible to grant a pension and a gratuity to the same individual under clauses (1), (2), (3) and (4) of this rule.

Note 2.—A Provincial Government may sanction expenditure on the ordinary maintenance of residences provided for pensioners at the cost of the State, subject to the rules in the Public Works Department Code.

18. A Provincial Government may :—

- (1) Sanction an original work, including additions and alterations, required for an existing church up to a limit of Rs. 1,500 at one time, provided that the total expenditure on the church does not exceed the total grant permissible under the rules in part V of the Ecclesiastical rules embodied in Appendix 10 of the Public Works Department Code.
- (2) Sanction works in cemeteries attached to churches, and in cemeteries the expenditure on which is Imperial, up to a limit of Rs. 1,500 at one time, when the works are admissible under the Ecclesiastical rules embodied in Appendix 10 of the Public Works Department Code.
- ✓ (3) Sanction additions and alterations to chaplains' quarters, provided that the expenditure does not exceed the limit laid down in paragraph 917-IV of the Public Works Department Code.
- (4) Sanction proposals relating to the renewal and repair of furniture and articles of service in churches which are admissible under rule 27 in part V of the Ecclesiastical rules embodied in Appendix 10 of the Public Works Department Code.
- ✓ (5) Sanction ecclesiastical expenditure in excess of that permissible under, or not covered by, the rules in part V of the Ecclesiastical rules embodied in Appendix 10 of the Public Works Department Code, on additions or alterations to a church which is the property of Government under rule 32 of those rules, or to a building subsidiary thereto, up to a maximum aggregate of Rs. 500 in the case of any one church.

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[Rules 19 to 23.]

V.—Budget rules restricting the spending powers of Provincial Governments.

19. The exercise by a Provincial Government of its financial powers is subject to the ordinary rules of the budget system. The most important of these rules affecting the exercise of such powers are given below.

20. Provincial Governments are required, in ordinary circumstances and apart from famine requirements, to maintain balances of the following minimum amounts:—

	Rs.
Madras	20 lakhs.
Bombay	20 „
Bengal	20 „
United Provinces of Agra and Oudh	20 „
Punjab	10 „
Burma	12 „
Bihar and Orissa	12 „
Central Provinces and Berar	10 „
Assam	10 „

21. A Provincial Government may not budget for a deficit unless it satisfies the Government of India that the cause is exceptional and non-recurring, and also, if the deficit involves a reduction of the provincial balance below the prescribed minimum, that suitable arrangements will be made for the restoration of the minimum. Accountants General are required to make a report to the local Government and to the Government of India when it appears to them that there is any likelihood of the balance being reduced below the minimum. When a Provincial Government proposes to budget for a considerable deficit, the proposal should be forwarded to the Government of India for separate consideration in advance of the estimates.

22. If a Provincial Government exhausts its own balances and receives permission to overdraw upon the general balances, it will be required to take the necessary amount as a short loan from the Government of India. The loan will bear interest at such rates, and will be repayable in such instalments as the Government of India may prescribe.

23. In passing the provincial budgets for any year, the Government of India will fix a limit for ordinary *plus* fresh recurring expenditure. All extraordinary receipts, whether recorded in the accounts as such under "XXV.—Miscellaneous" or as ordinary revenue under any other head, will, subject to the approval of the Government of India to the necessary provision being made in the budget, be applied to such non-recurring outlay on public works or other objects as the local Governments (assisted by the advice of their Legislative Councils where these exist) may determine. The Government of India will not ordinarily allow such receipts to be used for the purpose of affording relief towards meeting the ordinary civil works expenditure of a province in such a manner as indirectly to set free funds for recurring expenditure under any head. Moreover, when a Provincial Government has taken a loan under rule 22, the Government of India will not, save in very exceptional circumstances, allow extraordinary receipts to be used for non-recurring expenditure on public works or other objects until the whole of such loan is repaid. In a year in which there is no object of sufficient urgency and importance to justify the expenditure thereon of such extraordinary receipts, they should be added to the provincial balances as a reserve against future emergencies. In submitting the budget estimates the local Government should draw the attention of the Government of India to the existence of these special items of revenue and to the manner in which it is proposed to dispose of them.

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[Rules 24 to 27.]

24. A Provincial Government cannot sanction any expenditure during a year which will involve an excess over the budget grant for the year under any head of account, unless it can effect re-appropriation (*i.e.*, reduce by the amount of the excess the sanctioned grant under some other Imperial or Provincial head of account under its control, as the case may be), subject to the provisions of rule 25.

Note.—In the case of Forest expenditure, a Provincial Government may sanction outlay for which no provision exists in the budget and which it cannot meet by re-appropriation, provided that such expenditure is covered by additional revenue earned within the same financial year. All such cases should be reported to the Government of India in the Finance Department.

25. A Provincial Government may sanction re-appropriations -

- (1) Between the grants for Provincial expenditure included in its estimates, whether under a wholly Provincial or a Divided major or minor head, provided that the aggregate grant for Provincial expenditure is not exceeded.
- Government of India, Finance Department
Resolution No. 200-F., dated the 26th January 1918.
- (2) Between the grants for Imperial expenditure included in its estimates under Divided major or minor heads, the head "23.—Ecclesiastical," and the wholly Imperial major or minor heads included in the groups "Direct Demands on the Revenues," "Interest" and "Miscellaneous Civil charges"; provided that the total of the Imperial grants for all these heads is not exceeded.

26. Any excess over the budget grants for Imperial expenditure under any head not mentioned in clause (2) of rule 25, as well as any excess which causes the limits mentioned in clauses (1) and (2) of that rule to be exceeded, requires the sanction of the Government of India. A Provincial Government cannot sanction any expenditure which may lead to such an excess unless it has obtained the sanction of the Government of India to a supplementary grant.

VI.—Powers of Provincial Governments to grant loans.

27. Advances and loans may be granted by Provincial Governments, for any of the purposes enumerated below, out of allotments placed at their disposal by the Government of India :—

- Class I.—Advances to cultivators under the Land Improvement Loans Act, the Agriculturists' Loans Act, or any other Acts; loans under the Co-operative Credit Societies Act; and loans under the Burma Fisheries Act.
- Class II.—Advances under special laws not coming within class I such as the Bengal Drainage and Embankment Acts, and the Bundelkhand Encumbered Estates Act.
- Class III.—Loans to native states; and loans to land-holders and notabilities apart from the provisions of any law.
- Class IV.—Loans to municipalities (other than Presidency corporations), district or local boards and other local authorities, under the Local Authorities Loans Act or any other Act.
- Class V.—Miscellaneous loans and advances which do not fall strictly under any of the above classes, and are not expressly provided for in the Civil Account Code or other authorised codes.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Rules 28(1) to 28(10).]

28. All loans and advances granted by the Provincial Governments under rule 27 are subject to the following limitations and restrictions:—

- (1) The procedure described by the various Acts of the legislature, and by rules framed thereunder by competent authority, for making applications for loans should be observed, as well as any conditions laid down in such Acts and rules governing the grant of the loans.
- (2) No loan can be granted, which is—
 - (a) Of an unusual nature.
 - (b) Devoted to objects outside the ordinary work of administration.

Note.—In any case where a cash grant would be within the powers of sanction of the Provincial Government, the grant of a loan of an amount not exceeding that of the cash grant, does not require the sanction of higher authority.

- (3) No loan can be granted under class III in excess of Rs. 5 lakhs ; nor can a series of separate loans under this class be granted at short intervals to the same recipient, so as to make the aggregate amount exceed Rs. 5 lakhs.
- (4) Loans to private individuals under class III may only be made when they involve some purpose of a public or political character.
- (5) No loan may be granted under class V without the sanction of the Government of India.
- (6) No loan may be granted at a lower rate of interest than 6 per cent, except where otherwise provided in any rules framed by competent authority under an Act of the legislature.
- (7) Borrowers should be required to adhere strictly to the terms settled for the loans made to them ; and no modification of those terms in their favour should be made subsequently except for very special reasons.

Provincial Governments may remit, without reference to the Government of India, the payment of interest on loans and may also remit and write off as Provincial expenditure any irrecoverable balances of the loans. They may also permit the postponement of an instalment in repayment of principal, subject to the condition that such postponement does not involve a longer period for the repayment of the loan than could have been fixed by the local Government when the loan was given.

- (8) A penal rate of compound interest not less than 8 per cent. a year should be enforced, at the discretion of the Provincial Government and so far as the law allows, upon all overdue instalments of interest or principal and interest.

Government of India, Finance Department
Resolution No. 415-A., dated the 31st August 1917.
- (9) The amount of loans granted in any year should not be such as to cause the total amount sanctioned by the Government of India for net payments on account of loans and advances of all classes coming under the Provincial Loan Account, to be exceeded. Subject to this condition, a Provincial Government may transfer funds sanctioned for one class to meet demands falling under another class, and may utilise any excess repayments during the currency of the year in making fresh loans and advances ; but no re-appropriations to class III for loans to private individuals are permissible from undischarged portions of allotment provided for the other classes.
- (10) The rules of procedure and accounting in Articles 118 to 128 of the Civil Account Code should be observed.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Rule 29 to Schedule A.]

29. Provincial Governments may sanction housebuilding and other miscellaneous advances, subject to the rules in the Civil Account Code and other authorised codes.

VII.—General Instructions as to Audit.

30. In applying these rules, audit officers may assume that all the provisions of the Civil Service Regulations, the Civil Account Code, the Public Works Department Code, the Forest Code, and any other authorised code, have received the sanction of the Secretary of State in Council in all cases in which that sanction is necessary.

For the admission of any charges which do not, under the conditions stated in these rules, require the sanction of the Government of India or of the Secretary of State in Council, the authority of the Provincial Government is sufficient. But the head of an audit office is at liberty, in his discretion and when the matter is of importance, to draw the attention of the Comptroller General to special cases not referred to in these rules in order that the Comptroller General may consider whether the case should be brought to the notice of the Government of India.

31. In all cases in which there is reason to doubt whether the expenditure is within its competence to sanction, a Provincial Government should, before sanctioning the expenditure, invariably obtain a report from its audit officer showing whether the expenditure is within its powers of sanction. Any objection raised by the audit officer under these rules to any order issued by a Provincial Government should be submitted for the orders of the Government of India, together with a copy of the audit officer's objection statement: provided that a Provincial Government can in certain circumstances remit disallowances by audit officers under the rules in Article 279-A of the Civil Account Code. In submitting to the Government of India any proposal which involves expenditure beyond the powers of sanction of a Provincial Government, the latter should obtain and forward with it a report from the audit officer indicating whether the expenditure is within the powers of sanction of the Government of India or requires a reference to the Secretary of State.

A.

Schedule of Provincial Revenue.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
1.—Land Revenue	<p>“Collections from Government Estates.” (Assam, Bengal and Bihar and Orissa.) Recoveries from zamindars and raiyats for the maintenance of boundary marks erected in the course of a survey and record of rights (Bengal and Bihar and Orissa). “Collections from Terai, Bhabar and Dudhi Government Estates,” “Land Revenue from resumed Gorait's Jagirs in Basti,” “Miscellaneous rents of water mills and stone quarries,” “Partition fees” (United Provinces). “Assessment of alienated lands less quit rents” (Bombay).</p>	} The whole.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Schedule A.]

Schedule of Provincial Revenue—contd.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
	All other heads except recoveries from zamindars and raiyats on account of special survey and settlement operations in Bengal and Bihar and Orissa.	Five-eighths in Burma, three-eighths in the United Provinces and one-half elsewhere.
IV.—Stamps . . .	All	One-half
V.—Excise	All	One-half in Burma, Punjab and Madras, three-fourths in the Central Provinces, Bihar and Orissa, and the United Provinces; and the whole elsewhere.
VI.—Provincial Rates .	All	The whole.
VIII.—Assessed Taxes .	All, except "Tax on surplus profits of Railway Companies" (Bombay).	One-half.
IX.—Forest	All	The whole.
X.—Registration . . .	All	The whole.
XII.—Interest	1. Interest on provincial loans and advances. 2. Interest on Government securities.	} The whole.
	Miscellaneous	
		Items classified as Provincial in Burma in 1906-07 and in the United Provinces in 1907-08; and the whole in the Central Provinces, Assam, Bengal and Bihar and Orissa.
XVI. A.—Courts of Law .	All	The whole.
XVI. B.—Jail	All	The whole.
XVII.—Police	All	The whole.
XVIII.—Ports and Pilotage.	All	The whole.
XIX.—Education . . .	All	The whole.
XX.—Medical	All	The whole.
XXI. A.—Agriculture . .	All	The whole.
XXI. B.—Scientific and Miscellaneous Departments.	All	The whole.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Schedule A.]

Schedule of Provincial Revenue—conold.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
XXII.—Superannuation receipts.	1. Contribution for pensions and gratuities. 2. Miscellaneous 3. Deduction for Pilotage Pension Fund (Bengal). 4. Family subscriptions of Indian members of the Covenanted Civil Service.	The whole.
XXIII.—Stationery and Printing.	All except value of supplies from Central Stores to Railways, Local Funds, Municipalities and other independent bodies.	The whole.
XXV.—Miscellaneous	Extraordinary items All other Minor Heads, except— 1. Gain by exchange 2. Premia on bills 3. Unclaimed bills of exchange. 4. Recovery of insurance and other charges on Europe stores. 5. Receipts on account of lapsed Wasika pensions payable in lieu of interest on the Oudh Loans (United Provinces). 6. Value of old currency notes assumed to be no longer in circulation. 7. Receipts for the purchase, sale, etc., of Government securities by Accountant General, Bombay. (Bombay.)	Items not exceeding Rs. 10,000. The whole.
XXVI and 38.—State Railways—Gross Receipts and Working Expenses.	Jorhat Railway. (Assam)	The whole.
XXIX.—Major Irrigation Works.	All. (Punjab, Madras, Bombay.) Direct receipts (Bengal, Bihar and Orissa and the United Provinces) except the receipts from Protective Irrigation Works (United Provinces).	One-half. One-half in Bengal, and Bihar and Orissa, and the whole in the United Provinces.
XXX.—Minor Irrigation Works and Navigation.	Works classified as Provincial in 1904-05 (Punjab); elsewhere, all.	One-half in Bengal, and Bihar and Orissa and Bombay; elsewhere the whole.
XXXI.—Civil Works	All	The whole, except receipts on account of buildings for the use of Imperial departments.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Schedule B.]

B.

Schedule of Provincial Expenditure.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
1.—Refunds . . .	The heads of which the corresponding receipts are wholly or partly Provincial.	The same share as in the corresponding heads of receipt.
2.—Assignments, etc. . .	Purchase of life pensions (Punjab). Miscellaneous compensations (Bombay).	} The whole.
	All other Minor Heads except miscellaneous compensations elsewhere than in Bombay.		The same share as in the corresponding heads of receipt.
3.—Land Revenue . . .	All except special expenditure on large survey and record of right operations in Bengal and in Bihar and Orissa.	The whole.
6.—Stamps . . .	All	One-half.
7.—Excise . . .	All	One-half in Burma, Punjab and Madras; three-fourths in the Central Provinces, Bihar and Orissa, and United Provinces; and elsewhere, the whole.
8.—Provincial Rates . . .	All	The whole.
10.—Assessed Taxes . . .	All	One-half.
11.—Forests . . .	All	The whole.
12.—Registration . . .	All	The whole.
13.—Interest . . .	Interest on Provincial Advance and Loan Account.	The whole.
18.—General Administration.	Civil Offices of Account and Audit.	Examiner or Inspector of Local Fund Accounts and his establishment and the Outside Audit Establishment in Madras.
	All other Minor Heads except "Currency Department," "Reserve Treasury" and "Allowances to Presidency Banks."	The whole.
19. A.—Courts of Law . . .	All	The whole.
19. B.—Jails . . .	All	The whole.
20.—Police . . .	All	The whole.
21.—Ports and Pilotage . . .	All	The whole.
22.—Education . . .	All	The whole.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Schedule B.]

Schedule of Provincial Expenditure—contd.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
24.—Medical	All	The whole.
25.—Political	All in the Central Provinces, Burma and Assam. In all other Provinces except the Punjab, all except the following : (1) Refugees and State prisoners. (2) Political Agent with the ex-Amir of Afghanistan (United Provinces). (3) Miscellaneous (Madras). (4) Charges for Aden and Persian Gulf (Bombay). (5) Special political expenditure (Bengal and Bihar and Orissa).	The whole. The whole.
26. A.—Agriculture	All	The whole, except the charges of the Camel Specialist and his establishment in the Punjab.
26. B.—Scientific and Miscellaneous Departments.	All Minor Heads, except— (1) Census (2) Ethnographic Survey (3) Archæological Department in Burma.	The whole.
29.—Superannuation Allowances, etc.	All, except (1) pensions of the Civil and Military Funds, (2) pensions of the Military Orphans Fund, and (3) pensions of the Medical Retiring Fund (Madras).	The whole.
30.—Stationery and Printing.	All, except "Stationery purchased for Central Stores" in Madras and Bombay and stationery supplied from Central Stores to officers of Imperial Departments in Central Provinces, Burma, Assam, Bengal, Bihar and Orissa, and the Punjab.	The whole.

GOVERNMENT OF INDIA AND PROVINCIAL GOVERNMENTS.

[Schedule B.]

Schedule of Provincial Expenditure—concl'd.

Major heads.	Minor or detailed heads.	Provincial share.
1	2	3
32.—Miscellaneous	Extraordinary items . . . All other Minor Heads, except— (1) Charges for remittance of treasure. (2) Discount on bills . . . (3) Loss by exchange . . . (4) Refunds of value of old currency notes credited to Government.	Items not exceeding Rs. 10,000. The whole.
33.—Famine Relief	All	One-fourth.
40.—Subsidised Companies.	Land	The whole, except in cases in which the outlay is specially incurred from Imperial funds. But Provincial expenditure under these heads is permitted only under special orders of the Government of India in regard to each railway.
41.—Miscellaneous Railway expenditure.	Surveys	
44.—Construction of Railways.	All	
42.—Major Irrigation Works.	.....	In the United Provinces all charges on account of Major Works of which the revenue is Provincial, including interest on Capital outlay from Imperial funds on all Minor and Navigation Works of which Capital and Revenue Accounts are kept. One-half in Bengal, Bihar and Orissa, the Punjab, Madras and Bombay, with the exception of Interest on Debt classified as Imperial in 1911-12 in the first two Provinces.
43.—Minor Irrigation Works and Navigation.	Punjab: Works classified as Provincial in 1904-05. All other Provinces	The whole. The whole in the Central Provinces, Burma, Assam, United Provinces, and Madras; and one-half in Bengal, Bihar and Orissa and Bombay.
45.—Civil Works	All	The whole, except expenditure on buildings for the use of Imperial Departments and, in the United Provinces, on Forest buildings at Dehra Dun. In Madras, expenditure chargeable to this head on account of joint Salt, Customs and Excise buildings is Provincial.

GENERAL RULES REGARDING THE GRANT OF CERTAIN CLASSES OF ALLOWANCES.

(a) *Copy of Government of India, Finance Department Resolution No. 358-E. A., dated the 31st August 1912, as amended up to the 1st June 1918.*

In rule I of the rules issued with Finance Department Resolution No. 249-E. A., dated the 15th July 1912, local Governments having *quasi*-permanent Provincial Settlements have been given full powers to sanction, subject to the conditions mentioned therein and to such general rules as are in force or may from time to time be laid down by the Government of India, the grant of certain allowances which are not included in the term "remuneration" as defined in that Resolution. Owing to the limitation imposed by Rules II (1) and III of the Resolution under reference, whereby no allowance of any kind can be granted to a gazetted civil officer recruited in England, an officer of an Imperial Service as defined in Article 29-B. of the Civil Service Regulations or an officer in whose case the cost of the allowance will fall wholly on Imperial revenues, the class of officers to whom the Local Government is empowered to grant these allowances is necessarily restricted. A further restriction is imposed by Rule II, paragraph 4 of which provides that no allowance of any kind can be granted if it forms part of a scheme involving additional expenditure in excess of Rs. 50,000 a year and the proviso to which lays down a special procedure for the grant of local allowances as compensation for dearness of living or increase of rents in any locality in which there is employed a considerable number of officers paid from Imperial revenues.

As regards the grant of allowances not included in the term "remuneration" to officers to whom these restrictions are not applicable, the limitations and conditions to which the grant is subject have in some cases already been defined in existing codes or orders, while in other cases no instructions have so far been issued. It seems, therefore, convenient to summarise in this Resolution the general rules and instructions on the subject which already exist or which the Government of India are now pleased to lay down.

I. *Compensatory local allowances.*—No general rules have hitherto been laid down to regulate the grant of these allowances, and the Government of India recognise that, owing to the varying conditions which prevail in different provinces and in different localities in the same province, it is not possible to lay down any general rules on the subject. Before sanctioning the grant of such an allowance in any case, a local Government must, however, be careful to assure itself that its orders are not likely to contravene any general or special orders of a higher authority. Thus, in particular, no local allowance outside the provisions of the respective house allowance schemes may be granted at Calcutta, Bombay or Rangoon as a measure of relief against the expensiveness of these localities.

II. *Exchange compensation allowance.*—No exchange compensation allowance can be granted in any case in which it is not now admissible. The grant of the allowance in cases in which it is now admissible will continue to be governed by the general rules contained in Chapter 3 and Appendix BB and BB¹ of the Civil Account Code, Volume I.

III. *Travelling allowances.*—The powers of a local Government to grant travelling allowances are limited by the rules in Part XI of the Civil Service Regulations, save that :

- (1) It can sanction conveyance allowances subject to the conditions mentioned in paragraphs 3 to 7 of the Finance and Commerce Department Resolution No. 1705, dated the 30th March 1888; but the amounts of the conveyance allowances that may be sanctioned are not restricted to the amounts specified in the scale laid down in paragraph 6 of that Resolution. In the case of

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[Paras. 1 III (2) to 1 IV (a).]

officers keeping their own motor vehicles a conveyance allowance should be given only if their ordinary duties entail a considerable amount of travelling

Government of India, Finance Department, Resolution No. 146-E. B., dated the 16th February 1917.

within five miles of headquarters. It should, moreover, be based on the scale of conveyance contemplated in paragraph 5 of the Resolution of the 30th March 1888 which the officer would have to maintain for the efficient performance of his ordinary duties if he had not kept the motor vehicle, and should not in any case be more than would be allowed in the case of the necessary upkeep of two horses or a horse and carriage. The grant of conveyance allowances to officers using Government motor vehicles will require the sanction of the Government of India.

(2) It can sanction permanent travelling allowances subject to the following conditions:—

- (a) Such allowance should be given only to officers who spend an appreciable part of the year on tour.
- (b) The amount of the allowance sanctioned for an officer should not exceed the average amount which would be drawn under the ordinary travelling allowance rules by an officer of the same class.
- (c) Controlling officers should be instructed to take sufficient steps to prevent the permanent travelling allowance being turned into a source of profit, and to make suitable reductions in the allowance of an officer who does not put in the amount of travelling which he is expected to perform.

(3) It can sanction tentage allowances, not exceeding Rs. 50 per month in any individual case, subject to the following conditions:—

Government of India, Finance Department, Resolution No. 548-E. B., dated the 8th May 1918.

- (a) Such allowance should be given only to officers who spend an appreciable part of the year on tour and whose duties necessitate the maintenance and use of tents.
- (b) The amount of the allowance should be regulated with reference to the cost of purchasing and maintaining tents according to the standard laid down in each case, and controlling officers should be authorised to withhold tentage in cases of failure to procure or keep up the minimum equipment prescribed.

NOTE 1.—The allowance may be continued to an officer during any temporary diversion of his services, for a period not exceeding three months, to an appointment in which he does not require tents, subject to the condition that the tents in respect of which he draws the allowance continue to be actually maintained by him. Such diversion may also include leave of any kind, provided that the total period of leave or deputation does not exceed three months. When there is any reason to believe that the period of absence will exceed three months, the benefit of this concession should be withheld.

NOTE 2.—When an officer on leave or deputation draws tentage, the officer officiating for him is allowed to draw only the tentage of his own rank and not of the rank in which he may happen to officiate.

IV. *House-rent allowance and grant of rent-free quarters.*—The powers of a Local Government to sanction the entire or partial remission of rents leviable from officers occupying quarters provided for them by (or at the expense of) Government will continue to be subject to the rules in the Public Works Department Code (e.g., paragraph 916 and Rules IV to VI of paragraph 919, Volume I); and the power to grant house-rent allowances will be subject to similar limitations, the amount of the allowance being dependent on the pay and status of the officer and not ordinarily exceeding ten per cent. of his salary inclusive of any local allowances: Provided that:—

- (a) any proposal to grant a concession of either kind in connection with a large house-building scheme which requires the sanction of the Government of India under the last sentence of clause 1 of paragraph 917 of the Public Works Department Code, Volume I, should be submitted simultaneously for the orders of that authority;

ALLOWANCES: RULES OF 1912.

[Paras. 1 IV(b) to 2.]

(b) any grant of house-rent allowances or of rent-free quarters at Calcutta, Bombay or Rangoon, outside the provisions of the house allowance schemes for these cities, will require the sanction of the Government of India.

NOTE.—The local Governments of Bombay, Bengal and Burma are empowered to sanction the admission of appointments paid wholly or partly from Provincial revenues to the benefit of the Bombay, Calcutta and Rangoon house-allowance schemes, respectively, subject to the correct application of the rules being certified by the responsible audit officer: Provided that in the case of appointments whose creation required the Secretary of State's sanction subsequent to the introduction of the schemes or requires such sanction hereafter, the Secretary of State's sanction is required to the admission.

Government of India, Finance Department, Resolution No. 276-E. B., dated the 3rd March 1915.

V. *Allowances of Civil Surgeons for charge of railway employes.*—The restriction referred to in clause (1) of paragraph 1 of this Resolution will practically prevent local Governments from sanctioning such allowances except in the rare cases where they are paid to Military and Civil Assistant Surgeons, or other subordinates holding Civil Surgeoncies, and are charged wholly to Provincial revenues or Local funds administered by Government. In these cases the allowance should be determined in accordance with the following scale, and should be granted in consultation with the Railway authorities:—

	Rs.
Up to 25 employes	Nil
25 and up to 99 employes	25
100 " 399 "	50
400 " 799 "	75
800 " 1,599 "	100
1,600 " 2,999 "	125
3,000 " 5,999 "	150
6,000 " 8,999 "	175
9,000 employes and above	200

NOTE 1.—In the above calculations each European and Eurasian employe counts as 3 Indians, i.e., a station having 25 European and Eurasian employes and 100 Indians should be reckoned as having 75+100=175 employes. Indian employes drawing less than Rs. 15 a month should be omitted from the calculation.

NOTE 2.—The above scale applies to the allowances for the charge of State Railway employes. In the case of employes on Assisted Railways and State Railways leased to and worked by Companies an addition of 20 per cent may be made to the allowances which would be admissible under the above scale.

NOTE 3.—In cases in which the addition of administrative duties to the medical charge justifies it, an additional allowance not exceeding Rs50 a month may be allowed in each case.

NOTE 4.—Where a Medical Officer is in medical charge of the staff of two or more railways at any one station, the allowance to be assigned to him should be a consolidated allowance calculated with reference to the whole number of employes of all lines, and not be made up of two or more allowances calculated with reference to the number of employes of each line separately. The allowances in each such case should be divided between each line *pro rata*.

VI. *Office allowances.*—No general rules regarding such allowances have been laid down by the Government of India nor is it proposed to prescribe any such rules. Local Governments should, however, be careful to regulate the allowances in such a manner that they are not turned into a source of profit.

VII. *Hill allowances.*—The powers of local Governments as regards hill allowances will continue to be subject to the special rules which have been laid down, with the approval of the Secretary of State or of the Government of India, to regulate the grant of these allowances, and which have been embodied in the hill allowance codes of the several provinces concerned. Any general revision or important modification of these rules should be referred to the Government of India for approval; but special concessions in individual cases may be sanctioned by the local Government.

2. The foregoing paragraph deals with allowances which are excluded from the term "remuneration" as defined in Rule I of the rules issued with the Finance Department Resolution No. 249-E.A., dated the 15th July 1912, but the Government of India consider that it will be convenient to deal here also with the subject of the grant of personal allowances which under the rules referred to form part of the emoluments included in that term. Provincial Governments will, under the enhanced powers vested in them, exercise a much wider discretion than hitherto in respect of the grant of these allowances in the case of officers other than those belonging to an Imperial service, or to the class of gazetted civil officers recruited in England, and as it is desirable that there should be no material divergence between the practice of Provincial Governments and that of the Government of India in the matter of granting these allowances, it is necessary that the principles which have guided the

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[Paras. 2 I to 2 IV.]

Government of India in dealing with proposals for the grant of these allowances should be indicated for observance by Provincial Governments in cases falling within the limits of their financial competence. The following rules embodying those principles are accordingly laid down for the information and guidance of Provincial Governments in the case of the grant of personal allowances of the various kinds. Personal allowances are classified as follows:—

I. *Restitutive personal allowances*, which are given for protection against loss through a change in the salary of an appointment or through transfer from one appointment to another. A personal allowance of this class is contemplated at the end of Rule I under Article 38 ~~and by clause (b) of Article 157 A~~, Civil Service Regulations, and the definition sufficiently describes the allowance. An allowance of this nature adjusts itself automatically and no rules of guidance in respect of it are necessary.

II. *Compensatory personal allowances*, which are given to those who merit promotion but whose advancement has been retarded through no fault of their own, or who have nothing further to look forward to. This class of personal allowance is by far the most numerous, and to secure uniformity of practice, the following rules are laid down to regulate the grant of the allowance:—

- (1) No application for the grant of a compensatory personal allowance should be entertained unless:—
 - (a) the officer's service has been consistently satisfactory and has been of a character superior to what is ordinarily expected of the incumbent of the appointment;
 - (b) the officer is fit for promotion but there is no possibility of giving him any advancement in the near future;
 - (c) the officer has been at least five years on the same pay, or if his pay is progressive, on the maximum pay of his appointment.
- (2) The mere fulfilment of the above conditions should not be regarded as securing a personal allowance to an officer as a matter of course; the imposition of these tests is made to enable the summary rejection of a number of claims of an obviously weak character which are constantly made. If a claim satisfies these tests, the sanctioning authority should scrutinise its merits and, if satisfied in this respect, may sanction an allowance subject to the following restrictions:—
 - (i) A personal allowance should not, except for very special reasons, exceed 20 per cent. of the officer's pay.
 - (ii) A personal allowance at a progressive rate is preferable to a fixed allowance in the case of an officer who has still several years to serve before retirement. The maximum of such a personal allowance should not, except for very special reasons, exceed 25 per cent. of the officer's pay.

III. *Remunerative personal allowances*, which are given to officers:—

- (1) for the discharge of additional duties which devolve on them for any length of time; or
- (2) for the exercise of exceptional qualifications which are especially valuable in the discharge of their duties, and are not ordinarily expected of incumbents of the appointments.

In these cases the following conditions should be applied:—

- (i) A personal allowance should not ordinarily exceed 20 per cent. of the officer's salary.
- (ii) A personal allowance should be surrendered when the additional duties are withdrawn or the special qualifications are no longer required in the particular appointment, or when the officer is transferred from this appointment to another.

IV. *Concessional personal allowances*, which are given in special cases for particularly meritorious services. Such allowances should be given only on very rare occasions and on exceptional grounds, and the amount of the allowance should be determined with reference to the circumstances of each case.

ALLOWANCES: RULES OF 1888.

*(b) Copy of Government of India, Finance and Commerce Department
Resolution No. 1705, dated the 30th March 1888.*

One of the proposals made by the Finance Committee on the subject of travelling allowances was that "permanent conveyance allowances should be scrutinised and cut down or abolished when sufficient cause for their retention is not shown." The Committee did not submit any detailed proposals as regards these allowances, but they discussed them with the local authorities, and suggested certain general principles on which the allowances should be regulated. The Governor General in Council has considered the views of the Finance Committee on the subject, and thinks that some revision of these allowances should be effected on the principles laid down below.

2. The allowances in question have hitherto been granted without reference to any definite scale, and they are of various amounts. It seems to be possible, however, to divide them into classes according to certain principles, and to determine, with reference to such classification, what modifications should be made in the allowances at present granted.

3. It must be understood, in the first place, that an officer's salary is supposed to include the cost of keeping up such means of conveyance as are requisite for his ordinary duties, if he is of the same standing as persons who in this country ordinarily use such means of conveyance. It is only when an officer's duties involve an extraordinary amount of moving about within a limited area, that a claim for conveyance allowance can be recognised by Government; and even this rule is not without exceptions; for, in many cases, the salaries of officers have been fixed with special reference to the expenditure involved in the performance of their duties, and in such cases no further claim for a conveyance allowance can be admitted. Such cases are those in which the pay of the appointment has been fixed at a specific amount peculiar to itself, and is not determined by the rate fixed for a group of appointments to some of which only the special duties are attached.

4. Further, it is only in a few exceptional cases that any claim for an allowance on account of a carriage should be admitted. Officers on high pay may be presumed to possess a carriage, and in their case the conveyance allowance should merely represent the cost of keeping one, or, if the requirements of the case are altogether special, two, additional horses. On the other hand, officers on low pay, who do not ordinarily use carriages, are sufficiently provided for when the cost of maintaining a horse or pony is granted to them.

5. In accordance with the principles above stated, the allowances may be classified as follows:—

- (i) Where the duties are such as to necessitate the keeping of a horse specially for them.
- (ii) Where the duties are such as to necessitate the keeping of two horses specially for them.
- (iii) Special cases in which the allowance should include the cost of keeping a horse and carriage.
- (iv) Where the duties are such as to necessitate the keeping of a pony specially for them.
- (v) Cases of occasional conveyance in and about a large town.

6. The amount of the allowance should of course vary in different localities, and the Governor General in Council considers that the following is a suitable scale:—

Case (i) One horse —	Rs.
In Bombay, Calcutta, or Rangoon . . . . .	. 35
In other expensive places . . . . .	. 30
In ordinary cases . . . . .	. 25

ALLOWANCES : RULES OF 1888.

[Paras. 7 to 8.]

Case (ii) Two horses —	Rs.
Expensive places . . . . .	. 60
Ordinary places . . . . .	. 50
Case (iii) Horse and carriage . . . . .	. 50
Case (iv) A pony —	
Expensive places . . . . .	. 20
Ordinary places . . . . .	. 15
Case (v) Occasional conveyance in and about a large town —	
Officers on salary over Rs. 300	Nil
Chaplains and officers on salaries of Rs. 100 and not exceeding Rs. 300 . . . . .	. 20
Officers on salaries below Rs. 100 . . . . .	. 15
Boat allowances according to circumstances	

7. The amounts stated above are intended as maximum amounts ; the allowance granted in any particular case may be of such smaller amount as the Government, in consideration of the circumstances, may judge to be adequate, but it should never exceed the limits above laid down. The Governor General in Council desires further to lay down the principle that conveyance allowances are given to enable officers to meet certain specific expenditure, and that the Government is entitled, in every case in which the allowance is given at the maximum rate applicable, to see that it is spent in the way intended. If an officer gets Rs. 20 towards the keep of a horse, it would not be necessary to enquire in what precise manner he spent it, so long as the duties for the performance of which it is paid did not suffer. But the maximum amount of allowance prescribed should in no case be drawn except upon a certificate that the necessary means of conveyance are maintained.

8. In the annexed tables* all conveyance allowances at present granted are classified under the heads mentioned above. It does not appear necessary

* Not printed.

to state in detail the reasons which have led to this classification ; they are generally manifest on the surface. The enforcement of the principles accepted by the Government of India would, in some cases, cause a reduction in the existing rates ; but before giving effect to these proposals, the Governor General in Council desires to place them before the local Governments and to be favoured with their views both on the principles themselves and on the classification which has been adopted as regards allowances already granted. The Governor General in Council proposes, when orders are finally issued, to leave it to Local Governments to decide whether in any particular case the reduction should be enforced at once or only in the case of incumbents appointed after the date of this Resolution.

AUTHORITIES SUBORDINATE TO PROVINCIAL GOVERNMENTS.

Copy of Government of India, Finance Department Resolution No. 352-E. A., dated the 25th July 1917.

In the annexure to the Resolution of the Government of India in the Finance Department, No. 361-E. A., dated the 24th July 1916, revised rules were issued defining the financial powers to be exercised by local Governments with which provincial or *quasi*-provincial settlements had been made. These rules were intended to be complete in themselves as regards all matters falling within their scope, but they formed only a part of a comprehensive scheme of delegation which has been engaging the attention of the Government of India since the Decentralisation Commission reported. The approval of the Secretary of State has now been obtained to all the essential features of the scheme and the Government of India desire to explain the general principles on which it is based.

2. The classes of expenditure in respect of which financial powers are exercised may be divided broadly into two main categories:—

- (a) Expenditure which is regulated by the provisions of the principal authorised codes, namely, the Civil Service Regulations, the Civil Account Code, and the Public Works Department Code.

It will be convenient to refer to the decentralisation of financial powers in regard to such expenditure under the description "code delegations."

- (b) Expenditure coming under the classes enumerated in the Audit Resolution of 15th March 1913 as amended from time to time with the approval of the Secretary of State.

The latter expenditure is not generally regulated by the provisions of the codes above mentioned—though, in the absence of a separate body of rules defining the powers in such matters possessed by the various authorities subordinate to the Government of India, the substance of some of the existing orders on the subject has, as a matter of convenience, been incorporated in one or other of the codes mentioned in clause (a) above. Delegations in regard to such expenditure will be referred to as "expenditure delegations." The main items of outlay falling under this category are as follows:—

- (1) Expenditure directly connected with the creation of new appointments and the raising of the emoluments of existing appointments.
- (2) Contingent charges, that is, those referred to in Chapter 6 of the Civil Account Code, Volume I.
- (3) Other classes of expenditure which are not included under clauses (1) and (2) above and are also not regulated by the provisions of the principal authorised codes, *e.g.*, grants to educational institutions, political pensions, etc.

Expenditure delegations.

3. The rules which will in future regulate the financial powers of the various authorities have been framed in accordance with certain underlying principles which it seems desirable to explain. First in order come the powers of Provincial Governments (by which term is meant local Governments with whom a regular, or *quasi*-provincial, financial settlement has been concluded) as regards expenditure under provincial and divided heads. An examination of the rules dealing with such expenditure will show that, subject to the limitations imposed, the Provincial Governments now exercise the same financial powers as the Government of India. The administrative control of the supreme Government remains unimpaired and the local Government is required to obey all general or specific instructions issued by superior authority, while in several matters the delegated powers must be exercised in accordance with the rules in the financial codes. But the rules are so framed that, when any case of doubt arises, the presumption will be that the Provincial Government possesses power

AUTHORITIES SUBORDINATE TO PROVINCIAL GOVERNMENTS.

[Paras. 4 to 6.]

to dispose finally of the case, unless it can be shown that it is excluded by one or other of the limitations mentioned.

4. The rules defining the powers of a Provincial Government relating to imperial expenditure are framed on a different model. As regards such expenditure the Provincial Government does not occupy the same independent and responsible position as it does with regard to the revenues placed under its control, but rather that of an agent of the Government of India. The rules in this case define precisely not the limits of the powers conferred but the powers themselves. The presumption therefore will be, when doubt arises as to an item of imperial expenditure, that power to sanction it does not exist unless it has been expressly conferred. The same principle has been adhered to in framing the rules which will be separately issued defining the powers of Minor Local Governments, with whom no provincial settlement has been made, and of Departments of the Government of India.

5. A group of authorities, sometimes loosely referred to as Heads of Departments, still remains for consideration. It includes all authorities subordinate to a Provincial Government, to a Minor Local Government or to a Department of the Government of India to whom power to sanction expenditure has been or may be delegated; but in this Resolution attention will be confined to the group of authorities who are subordinate to Provincial Governments. In their case it has proved impracticable to frame any set of rules which would define accurately the powers they were permitted to exercise. Amongst them there is to be found a wide range of status and considerable variety of function. An exhaustive enumeration of the powers they already exercise would be a difficult and laborious task, and the result would be unsatisfactory since the authorities of various grades could not be satisfactorily grouped owing to wide difference of conditions in different provinces. Moreover, it would still be necessary to refer to the Government of India and the Secretary of State whenever any enhancement of the delegated powers became desirable. The Government of India have therefore obtained the approval of the Secretary of State to a set of fundamental rules (a copy of which is annexed to this Resolution) defining not the actual powers to be exercised in each case, but the maximum extent to which powers may be delegated without reference to the Secretary of State. Such an arrangement, while free from the objections already mentioned, will not interfere with the Secretary of State's general control, for it will be a matter entirely for him to decide in the first instance whether a particular kind of power is suitable for delegation and to fix limits which cannot be exceeded without his previous sanction. At the same time the Government of India, or the Provincial Government, as the case may be, will have full authority to decide whether the maximum powers which *may* be delegated to any particular group of authorities shall in practice be delegated in any individual case included in that group. The power of redelegation vested in Provincial Governments by these rules is substantial, but it will be understood that their promulgation in no way affects the general administrative control of the Government of India who retain unimpaired the right to issue directions to Provincial Governments as to the exercise of the powers conferred by the fundamental rules.

6. It is not the intention of the Government of India to inaugurate by the present Resolution any sweeping change of policy. Power has not been delegated in the past without due regard to the circumstances of the particular office or department concerned. The same principle will be followed in future, and the general power of redelegation which the fundamental rules confer must be exercised not comprehensively and by a single general sanction, but on a special consideration in each case of the circumstances of the particular department on behalf of which the enhanced powers are demanded, and only when some real administrative convenience is obtained thereby. The order of delegation ought therefore to include such supplementary restrictions as provincial conditions or the nature of the case render desirable.

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[Paras. 7 to 9.]

7. It will not be necessary to discuss each of the rules in detail, but as regards one or two of them some explanation is desirable :—

- (a) With effect from the date of this Resolution all existing delegations of financial power to subordinate provincial authorities which are not conserved by the first fundamental rule will *ipso facto* cease to be operative except in so far as they fall within the terms of the fundamental rules. There are, for example, cases in which subordinate authorities at present nominally exercise the full power of Provincial Governments as regards the revision of certain classes of establishments. The delegated power will for the future remain effective within the limits and subject to the conditions mentioned in rule 2, but beyond that will be abrogated unless the original delegation can be traced back to the authorisation of the Secretary of State himself or is otherwise specifically covered by the provisions of rule 1.
- (b) The powers which may be delegated in the creation of permanent and temporary establishments are defined in rules 2 and 3. The Government of India are of opinion that a subordinate authority to whom powers may be delegated under these rules should rarely, if ever, be authorised to create appointments in his own office and they trust that Provincial Governments will bear this in mind.

8. In several provinces allotments are placed annually at the disposal of Commissioners from which they make non-recurring grants towards works of public improvement and for general purposes of a public nature within their divisions. The Government of India have in recent years received proposals from several local Governments that District Officers also should receive annual grants similar to those of Commissioners. It is of course within the ordinary powers of a local Government to place a budget grant at the disposal of a particular officer, and under rule 5 it will be open to them to delegate to District Officers and to other subordinate authorities a limited power of sanctioning expenditure from such grants. There is, however, an important distinction between the powers exercised by Commissioners and those which may be delegated to other authorities under rule 5. The power of a Commissioner to sanction expenditure from his discretionary grant is not subject to the limits imposed by rule 5 and it has been decided with the approval of the Secretary of State that they should be held to exercise the full powers of a local Government both as to the amount and as to the nature of expenditure sanctioned. It follows that unless the expenditure is (1) held to be unusual or outside the ordinary course of the administration, or (2) beyond the powers of the local Government or contrary to any instructions it has issued, the sanction given by the Commissioners cannot be challenged in audit. The phrases ordinarily used to define the powers of a Commissioner in this connection are necessarily of a vague and general character, *e.g.*, "objects deserving of assistance from the public funds," or "services which may suitably be recognised by a small money grant." The discretion implied in these phrases may suitably be exercised by officers of the high standing and seniority of Commissioners of Divisions. But the Government of India do not consider it advisable at present that similar powers should be entrusted to officers of a lower standing. If acting under rule 5 a local Government were to delegate like extensive powers to District Officers its order would be open to objection in view of what has been said in paragraph 6 above, since it would amount to delegation by a single comprehensive and general sanction. It would indeed amount very nearly to the delegation of the whole powers of the local Government.

9. At the same time the Government of India do not desire to nullify the effect of rule 5 in the case of District Officers by a general prohibition. As already stated, it will be open to local Governments to delegate the powers of sanctioning expenditure to District Officers under that rule. But whenever

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[Paras. 10 to 12 (b).]

such powers are delegated, it is essential that the objects on which the allotment may be expended should be clearly and precisely defined in the order of delegation. The order should specify, for instance, the works of public improvement or the objects deserving of public assistance on which money may be spent or, to take another example, the kinds of service which can suitably be recognised by monetary rewards. Provided the nature of the expenditure which may be incurred is clearly indicated in the orders of the local Government, so that the audit officer can see at once whether any particular sanction is or is not covered, by its terms, the Government of India have no objection to the placing of annual grants at the disposal of District Officers. They trust that what has been said above will be borne in mind by local Governments when they exercise their powers under rule 5.

Code delegations.

10. The various codes deal with so great a variety of circumstances involving expenditure that the question of the delegation of the powers conferred thereby cannot be treated with anything like the same generality. Ordinarily it has been found necessary to indicate the permissible extent of delegation separately for each article of a code under which the question of financial decentralisation can arise. In pursuance of this policy the Government of India have obtained the approval of the Secretary of State to a large number of amendments in the Civil Service Regulations and to a smaller number in the Civil Account Code and the Public Works Department Code, providing for the delegation of powers. It will be convenient to explain the principles which underlie these isolated delegations, the case of the Civil Service Regulations being quoted by way of illustration. Under that code, as it stood before the issue of the amendments, dated the 14th August 1916, it will be found that most of the articles which gave rise to a question of delegation were expressed in a form which conferred certain authority on the "local Government." In other words, powers had already been delegated from the Government of India to the local Government, using the latter term in its ordinary sense. Appendix I to the Civil Service Regulations also contains a list of authorities who are entitled to exercise the powers of a local Government for the purposes of the Civil Service Regulations or certain named portions of it. By this means a considerable further measure of delegation had already been authorised as the entries in the Appendix include not only "Provincial Governments" and "Minor Local Governments" as above defined, but numerous Heads of Departments.

11. The amendments which have now been made in the Civil Service Regulations in many cases take the form that a local Government may delegate its powers either fully or to some defined extent to "Heads of Departments," and a clause has been inserted in Article 29-A empowering the Government of India to delegate the powers of a Head of a Department to any authority. Code delegations in the past have been arranged with little regard to system and uniformity, the extent of the powers obtained being often mainly dependent on the activity of a particular subordinate authority or local Government in moving for higher powers. Under the new system much of this purely accidental differentiation is eliminated, while scope is allowed for such variety of treatment as is really required by local differences.

12. The principles underlying the scheme may in fact be summarised as follows :—

- (a) The general right of declaring what *kinds of powers* are to be considered suitable for delegation is reserved to the Secretary of State, inasmuch as no note authorising further delegation can be introduced under any article in the Civil Service Regulations without his previous sanction.
- (b) The general right of deciding what *authorities* are to be considered *prima facie* eligible for delegated powers is reserved to the

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[*Para. 12(c) to Rule 1 (c).*]

Government of India, with whom will rest the power of adding to the list of "Heads of Departments" for the purposes of the Civil Service Regulations.

- (c) The right of deciding whether a particular power capable of delegation under clause (a) above shall or shall not be delegated to a particular authority eligible under clause (b) above will be reserved entirely to the local Government. That is, it will be optional for the local Government in any particular case to delegate or not to delegate. If the local Government does delegate a given power, it can confer it on all or any of the Heads of Departments subordinate to it, and can subject the exercise of the power by such authorities to such conditions as it may choose to impose; and it can afterwards revoke or modify such conditions as experience may show to be desirable.

13. By the Resolution of the Government of India No. 5525-Ex., dated the 19th November 1909, the power to decide what officers were to be deemed Heads of Departments for the purposes of the codes was delegated to local Governments subject to certain limitations. It will be seen that under the new system this power has been resumed by the supreme Government. The numerous additions which have been made to the list of powers which may be delegated to Heads of Departments rendered it desirable to secure a stricter control over the selection of the authorities who may exercise these powers, and the necessity of placing the delegation question on some definite and intelligible basis also suggested the advisability of a reversion to the practice prevailing before 1910. Where therefore an article in the Civil Service Regulations provides for the delegation of powers to Heads of Departments, local Governments can at once authorise the devolution of powers so far as officers who are already declared to be Heads of Departments under Appendix I-A to the Civil Service Regulations, are concerned. The sanction of the Government of India is, however, required to additions to the list to Heads of Departments given in the Appendix referred to, either for the purpose of the Regulations generally or of specified articles, and proposals to this end should be submitted to them for sanction. Officers not named in Appendix No. I-A, who have been declared by local Governments to be Heads of Departments under the Resolution in this Department, No. 5525-Ex., dated the 19th November 1909, may continue to exercise such powers as have already been delegated to them, but the extension to them of the larger powers that can now be delegated to Heads of Departments requires the sanction of the Government of India.

ANNEXURE TO THE RESOLUTION.

FINANCIAL POWERS OF AUTHORITIES SUBORDINATE TO A PROVINCIAL GOVERNMENT.

I. GENERAL.

1. An authority subordinate to a Provincial Government may sanction (1) expenditure from general revenues or (2) advances of public money only in cases where authority is given by these rules, or by :

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act ;
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India ;
- (c) Any order of a competent superior authority delegating to it financial powers with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State ; or

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[Rules 1 (d) to 2 (2) (b) (i).]

- (d) Any order of a competent superior authority laying down a scale, or a maximum scale, of expenditure.

II. ESTABLISHMENTS : PERMANENT.

2. (1) In the case of non-gazetted and menial establishments whose strength is regulated by definite standards laid down with the approval of the Government of India or a Provincial Government, the Government of India may delegate to an authority subordinate to a Provincial Government power to sanction (a) the creation or abolition of permanent appointments, (b) the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and (c) the revision of permanent establishments, subject to the following fundamental conditions :—

- (i) No appointment may be created or abolished, the pay and allowances of which exceed R150 a month ; no reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R150 a month ; nor may any addition be made to the pay and allowances of an existing appointment, or of an officer, if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R150 a month, or of increasing pay and allowances the total of which is already in excess of that amount.
- (ii) No individual scheme of revision may be sanctioned costing more than R10,000 a year.
- (iii) The total cost of all schemes sanctioned in any year under this clause by a single authority shall not exceed such limit as may be laid down by the Government of India for such authority.

(2) In the case of establishments not covered by the provisions of clause (1) above whose cost is charged to a wholly Provincial or a Divided head, a Provincial Government may delegate to any authority subordinate to it, power to sanction—

(a) Revision of establishment, subject to the following conditions :—

- (i) Any additional expense involved must be met by permanent savings effected in the same department or in some other department which is under the control of the sanctioning authority and the cost of which is charged to the same major head of account.
 - (ii) No appointment may be created or abolished which would ordinarily be held by a gazetted civil officer recruited in England or by an officer of an Imperial service as defined in Article 29-B, Civil Service Regulations, nor may the pay and allowances of any such appointment or officer be raised or reduced.
 - (iii) No appointment may be created or abolished the pay and allowances of which exceed R150 a month ; no reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R150 a month ; nor may any addition be made to the pay and allowances of an existing appointment or of an officer if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R150 a month or of increasing pay and allowances the total of which is already in excess of that amount.
 - (iv) No class or grade of officers may be created or abolished ; nor may any alteration be made in the rates of pay and allowances prescribed by a higher authority for any class or grade of officers.
- (b) Increases in non-gazetted and menial establishments without equivalent reduction, subject to budget rules and to the following conditions :
- (i) No appointment may be created the pay and allowances of which exceed R50 a month nor may any addition be made to the pay

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[Rules 2 (2) (b) (ii) to 3 (4) (i).]

and allowances of an existing appointment or of an officer if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of ₹50 a month or of increasing pay and allowances the total of which is already in excess of that amount.

(ii) The pay and allowances of any appointment shall not exceed the prescribed rates in cases where such rates have been definitely laid down by a higher authority for any particular class of appointments.

(iii) No scheme may be sanctioned costing more than ₹3,000 a year.

(3) In the case of establishments not covered by clause (1) above, whose cost is charged to a wholly Imperial head, the Government of India may delegate to an authority subordinate to a Provincial Government powers not exceeding those referred to in clause (2) of this rule.

NOTE 1.—The limits of pay and allowances, etc., mentioned in clauses 1 and 2 of this rule are maximum limits and it is open to the Government of India or a Provincial Government to prescribe lower limits in any particular case.

NOTE 2.—All increases of establishment sanctioned by a subordinate authority with reference to powers delegated to it under this rule should be reported in annual statements to the Provincial Government which should include the cases relating to wholly Imperial establishment in the annual statement which it has to render to the Government of India showing the alterations made by it in such establishments.

III. ESTABLISHMENTS : TEMPORARY.

3. (1) The Government of India may delegate to an authority subordinate to a Provincial Government the power to sanction (a) temporary appointments, or (b) the deputation on special duty in India of any officer under the control of such authority, for any specified period and subject to the condition that the pay and allowances of the appointment or of the officer shall not exceed ₹250 a month.

(2) In the case of establishments whose cost is charged to a wholly Provincial or a Divided head, a Provincial Government may delegate to any authority subordinate to it the power to sanction (a) temporary appointments, or (b) the deputation on special duty in India of any officer under the control of the latter, for any specified period and subject to the condition that the pay and allowances of the appointment or of the officer shall not exceed ₹100 a month.

(3) The delegation of powers under clauses (1) and (2) will be subject to the following further conditions:—

(i) The pay and allowances of any appointment shall not exceed the prescribed rates in cases where such rates have been definitely laid down by a higher authority for any particular class of appointments.

(ii) The pay and allowances of an officer in the service of Government who is appointed to a temporary appointment, and the grant of deputation allowance to an officer deputed on special duty, shall be regulated strictly by the provisions of Articles 78-A and 81 of the Civil Service Regulations and any general orders issued from time to time by the Government of India.

(4) A Provincial Government may delegate to an authority subordinate to it the power to vary details (namely, the rates of pay of particular appointments, the number of hands employed, and the period of employment) of any temporary establishments employed under such subordinate authority, subject to the following conditions:—

(i) The cost of a temporary establishment shall not be raised beyond the total amount sanctioned for the establishment by the authority which sanctioned its employment.

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[Rules 3 (4) (ii) to 7.]

- (ii) Where the authority which sanctioned the employment of the temporary establishment is the Provincial Government, the pay and allowances of no appointment shall be raised above such a maximum as the Provincial Government may, by general or special order, fix for this purpose.
- (iii) In other cases, the pay of no appointment shall be raised above the limit of sanction enjoyed by the authority which sanctioned the employment of the temporary establishment.

IV. CONTINGENT CHARGES AND PURCHASE OF ARTICLES FOR THE PUBLIC SERVICE.

4. An authority subordinate to a Provincial Government may sanction contingent charges (see chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service, subject to the provisions of any authorised code and of any orders issued by the Government of India from time to time.

NOTE.—A Provincial Government may treat the pay of sweepers, whether they are whole-time servants or otherwise as a recurring contingent charge and may adopt a similar course in the case of such other classes of menials, e.g., cooks, syces, grass-cutters, etc., as they may from time to time declare to be ineligible for pension. Rules 2 and 3 of these rules will not apply to such establishments. A Provincial Government may delegate its powers under this note to any authority subordinate to it.

V. OTHER EXPENDITURE.

5. A Provincial Government may delegate to an authority subordinate to it power to sanction (a) recurring expenditure not exceeding Rs. 200 a year, or (b) non-recurring expenditure not exceeding Rs. 1,000, in any individual case, on any object for which no scale or limit to the latter's power of sanction is prescribed in these rules or in the Civil Service Regulations and other authorised codes; provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India, and that the expenditure is within the power of sanction of the Provincial Government.

VI. REAPPROPRIATION OF BUDGET GRANTS.

6. (1) The powers of sanction of an authority subordinate to a Provincial Government are subject to the general condition that any expenditure sanctioned by it must be met from grants placed at its disposal to meet the particular class of expenditure or by reappropriation under clause (2) of this rule.

(2) A Provincial Government may delegate to any authority subordinate to it power to sanction reappropriation of savings in the sanctioned grants under the control of such authority, subject to the following fundamental limitations:—

- (1) The total of the grants under its control shall not be exceeded.
- (2) Savings under salaries shall not be reappropriated to other classes of expenditure.
- (3) Savings on non-recurring expenditure under Supplies and Services, Contingencies and other detailed heads shall not be reappropriated in order to provide for additional recurring expenditure under Salaries, Establishment or on any other account.

VII. SPECIAL.

7. A Provincial Government may delegate its financial powers to an administrative department of its secretariat subject to the condition that the powers so delegated shall not exceed those delegated to the corresponding administrative department of the secretariat of the Government of India.

MINOR LOCAL GOVERNMENTS AND THEIR SUBORDINATE AUTHORITIES.

Copy of Government of India, Finance Department Resolution No. 370-E. A., dated the 1st August 1917, as amended up to the 1st April 1918.

The rules defining the powers of Provincial Governments to sanction expenditure were published as an annexure to the Resolution of the Government of India in the Finance Department No. 361-E. A., dated the 24th July 1916, and the rules limiting the extent to which the powers of Provincial Governments might be delegated to subordinate authorities have been similarly issued with Resolution No. 352-E. A., dated the 25th July 1917. With the sanction of the Secretary of State, the Government of India have now framed similar rules (a) defining the powers of Minor Local Governments as defined in part I of the annexure and (b) providing for the delegation of powers to authorities subordinate to them. These rules are appended as an annexure to this Resolution.

2. In Resolution No. 362-E. A., dated the 25th July 1917 cited above the general principles underlying the scheme of delegation have been explained and the rules now published should be read in the light of these explanations. It must be clearly understood that the promulgation of these rules in no way affects the administrative control of the supreme Government who retain unimpaired the right to issue directions to local Governments as to the exercise of the powers vested in them.

ANNEXURE TO THE RESOLUTION.

I.

RULES DEFINING THE FINANCIAL POWERS OF MINOR LOCAL GOVERNMENTS.

Definition.

A Minor Local Government is a Local Government with which a regular or *quasi*-provincial settlement has not been concluded. The term "regular Provincial settlement" as here used includes settlements made on a provisional basis pending the subsequent introduction of a permanent settlement.

I.—General.

1. A Minor Local Government may sanction (1) expenditure from general revenues or (2) advances of public money only in cases where authority is given by these rules, or by:—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act.
- (b) Any rule in the Civil Service Regulations, the Civil Account Code, or any other code issued by, or with the approval of, the Government of India.
- (c) Any order of the Government of India delegating to it financial powers with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State.
- (d) Any order of the Government of India laying down a scale or maximum scale of expenditure.

II.—Establishments.

(a) Permanent.

2. A Minor Local Government may sanction the creation or abolition of permanent appointments, the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and the revision of permanent establishments, subject to the following conditions:—

- (1) No appointment may be created or abolished which would ordinarily be held by a gazetted civil officer recruited in England, or by an

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[Rules 2 (2) to 4.]

officer of an Imperial service as defined in Article 29-B, Civil Service Regulations, and the pay and allowances of no such appointment or officer may be raised or reduced.

- (2) No appointment may be abolished the pay and allowances of which exceed R500 a month, nor may any reduction be made in the pay and allowances of an appointment or of an officer in cases where they exceed R500 a month.
- (3) When the additional cost involved can be met by permanent savings in the same department, or in some other department charged to the same major head of account, a Minor Local Government may—
 - (a) Create individual appointments the pay and allowances of which do not exceed R500 a month, or make an addition to the pay and allowances of an appointment or an officer, if such addition does not have the effect of raising the total pay and allowances of the appointment or of the officer to an amount in excess of R500 a month.
 - (b) Sanction the revision of establishments subject to the provisions of clause (3) (a) of this rule and to the condition that no class or grade of officers may be dealt with as a whole.
- (4) When the additional cost involved cannot be met as indicated in clause (3) of this rule, but can be met by re-appropriation from budget grants at its disposal as provided in Rule 10 (2), it may—
 - (a) Create individual non-gazetted appointments the pay and allowances of which do not exceed R50 a month or make an addition to the pay and allowances of a non-gazetted appointment or officer, if such addition does not have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R50 a month.
 - (b) Sanction the revision of non-gazetted establishments

Government of India, Finance Department, subject to the provisions of clause (4) (a) of this rule and to the conditions (i) that the additional expenditure involved does not exceed R3,000 a year, and (ii) that no class or grade of officers is dealt with as a whole.

Notes.—All increases of establishment sanctioned under this rule should be reported to the Government of India in the Finance Department in annual statements. The sanctions may be held to have been confirmed unless exception is taken to any of them by the Government of India in the Finance Department on a review of the statements.

(b) Temporary.

3. A Minor Local Government may sanction the creation of temporary appointments, and the deputation of officers in India on special duty—

- (a) For any specified period, if the pay and allowances of the appointment or of the officer do not exceed R250 a month.
- (b) For not more than six months if the pay and allowances of the appointment or of the officer exceed R250 a month, but do not exceed R1,500 a month.

III.—Contingent charges and purchase of articles for the public service.

4. A Minor Local Government may sanction contingent charges (see chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by the Government of India from time to time.

Notes.—A Minor Local Government may treat the pay of sweepers, whether they are whole-time servants or otherwise, as a recurring contingent charge and may adopt a similar course in the case of such other classes of menials, e.g., cooks, syces, grass cutters, etc., as it may from time to time declare to be ineligible for pension. Rules 2 and 3 of these rules will not apply to such establishments.

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[Rules 5 to 7 (5).]

IV.—Other Expenditure.

5. A Minor Local Government may sanction expenditure on (1) grants-in-aid or contributions to educational and medical institutions and to local bodies and (2) educational scholarships, subject in both cases to the provisions of any authorised code and to any orders issued by the Government of India from time to time.

6. A Minor Local Government may sanction :—

- (1) Reduced political pensions to heirs or other representatives of existing pensioners in cases in which it is already authorised to do so, and in accordance with the practice explained in the Financial despatch from the Government of India to the Secretary of State, No. 222, dated the 9th September, 1909.
- (2) New political life pensions up to a limit of R200 a year in each case.
- (3) Increases in existing political life pensions, provided that in no case is the total pension thereby raised beyond R200 a year.
- (4) Political gratuities not exceeding R1,000 in any one case.
- (5) Non-recurring expenditure on behalf of political pensioners, such as grants towards the funeral expenses of deceased pensioners, the provision of dowries for daughters, allowances to meet the expense of proceeding under orders of competent authority from one locality to another, and expenditure on other than ordinary repairs (as for example the installation of electric lights and fans) in connection with the residences with which pensioners are provided in certain cases at the cost of the State, if the amount does not exceed, in any case, R1,000.

Definition.—Political pensions and gratuities are pensions and gratuities granted to non-officials whose services, descent or connections are such that it is on general grounds of policy very desirable that the Government should extend to them some measure of assistance or recognition.

NOTE 1.—It is not permissible to grant a pension and a gratuity to the same individual under clauses (1), (2), (3) and (4) of this rule.

NOTE 2.—A Minor Local Government may sanction expenditure on the ordinary maintenance of residences provided for pensioners at the cost of the State, subject to the rules in the Public Works Department Code.

7. A Minor Local Government may :—

- (1) Sanction an original work, including additions and alterations, required for an existing church, up to a limit of R1,500 at one time, provided that the total expenditure on the church does not exceed the total grant permissible under the rules in part V of the Ecclesiastical Rules embodied in Appendix 10 of the Public Works Department Code.
- (2) Sanction works in cemeteries attached to churches, and in cemeteries the expenditure on which is Imperial, up to a limit of R1,500 at one time, when the works are admissible under the Ecclesiastical Rules embodied in Appendix 10 of the Public Works Department Code.
- h/h (3) Sanction additions and alterations to chaplains' quarters, provided that the expenditure does not exceed the limit laid down in paragraph 917-IV of the Public Works Department Code.
- (4) Sanction proposals relating to the renewal and repair of furniture and articles of service in churches which are admissible under rule 27 in part V of the Ecclesiastical Rules embodied in Appendix 10 of the Public Works Department Code.
- h/h (5) Sanction ecclesiastical expenditure in excess of that permissible under, or not covered by, the rules in part V of the Ecclesiastical Rules embodied in Appendix 10 of the Public Works Department

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[Rules 8 to 1 (b).]

Code, on additions or alterations to a church which is the property of Government under rule 32 of these Rules, or to a building subsidiary thereto, up to a maximum aggregate of Rs500 in the case of any one church.

8. A Minor Local Government may sanction (a) recurring expenditure not exceeding Rs200 a year, or (b) non-recurring expenditure not exceeding Rs1,000, in any individual case, on any object for which no scale or limit to its power of sanction is prescribed in these rules, or in the Civil Service Regulations and other authorised codes, provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India, and that the expenditure is within the power of sanction of the Government of India.

9. A Minor Local Government may in individual cases and for special reasons which should be communicated to the audit officer :—

- (i) Grant an officiating officer a higher salary than is authorised by the codes subject to a maximum limit of Rs100 a month and subject to the condition that his salary must not exceed the pay of the officer for whom he acts.
- (ii) Relax the conditions or limitations prescribed by any rule in any authorised code without contravening its general spirit, so as to grant an officer travelling allowance not exceeding Rs1,000 in any case, in cases where no travelling allowance is admissible under a strict interpretation of the rule.
- (iii) In cases not coming under (i) and (ii), relax the conditions or limitations prescribed by any rule in an authorised code or by an order of the Government of India without contravening its general spirit subject to the condition that the total amount payable under the sanction does not exceed Rs1,000 in any case.

NOTE.—All sanctions given under this rule must be subject to the condition that the expenditure is within the power of the Government of India to sanction and does not require a reference to the Secretary of State. Each such sanction must, moreover, quote the appropriate provision of the present rule for the information of the audit officer concerned.

V.—Re-appropriation of Budget Grants.

10. (1) The powers of sanction of a Minor Local Government are subject to the general condition that any expenditure sanctioned by it must be met from the provision made in the Budget for the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) A Minor Local Government may sanction re-appropriation of savings in sanctioned grants subject to any restrictions that may be imposed by the Government of India from time to time and to the condition that the total grant placed at its disposal in the sanctioned Budget of the Administration is not exceeded.

II.

RULES DEFINING THE FINANCIAL POWERS OF AUTHORITIES SUBORDINATE TO MINOR LOCAL GOVERNMENTS.

1. An authority subordinate to a Minor Local Government may sanction (1) expenditure from general revenues or (2) advances of public money, only in cases where authority is given to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act.
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India.

AUTHORITIES SUBORDINATE TO MINOR LOCAL GOVERNMENTS.

[Rules 1 (c) to 4.]

- (c) Any order of a competent superior authority delegating to it financial power with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State.
- (d) Any order of a competent superior authority laying down a scale or maximum scale of expenditure.

2. The Government of India may delegate to any authority subordinate to a Minor Local Government any financial powers not exceeding those which the Government of India or a Provincial Government are competent to delegate to authorities subordinate to a Provincial Government.

3. Any authority subordinate to a Minor Local Government may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by a superior authority from time to time.

4. (1) The powers of sanction of an authority subordinate to a Minor Local Government are subject to the general condition that any expenditure sanctioned by it must be met from grants placed at its disposal to meet the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) A Minor Local Government may delegate to any authority subordinate to it power to sanction re-appropriation of savings in the sanctioned grants of the branch or branches of the administration which such authority controls, provided that :—

- (i) The total of the grants under its control shall not be exceeded.
 - (ii) Savings under Salaries shall not be re-appropriated to meet other classes of expenditure.
 - (iii) Savings on non-recurring expenditure under Supplies and Services, Contingencies and other detailed heads shall not be re-appropriated in order to provide for additional recurring expenditure under Salaries, Establishment or on any other account.
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DEPARTMENTS OF THE GOVERNMENT OF INDIA AND THEIR SUBORDINATE AUTHORITIES.

*Copy of Government of India, Finance Department Resolution No. 371 E.A.,
dated the 1st August 1917, as amended up to the 1st April 1918.*

The Government of India have had under consideration the question of the financial powers of their several Departments and of the authorities subordinate to the latter. They are now pleased to announce that the Secretary of State has approved of the rules contained in Appendices I and II to this Resolution, which will in future regulate the powers in question.

APPENDIX I.

FINANCIAL POWERS OF DEPARTMENTS OF THE GOVERNMENT OF INDIA.

I.—General.

1. A Department of the Government of India may sanction (1) expenditure from general revenues, or (2) advances of public money, only in cases where authority is given to do so by these rules, or by—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act ;
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India ;
- (c) Any order of the Government of India delegating to it financial-powers with reference to rules approved by the Secretary of State ; or
- (d) Any order of the Government of India laying down a scale or maximum scale of expenditure.

II.—Establishments.

(a) Permanent.

2. A Department of the Government of India may sanction the creation or abolition of permanent appointments, the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and the revision of permanent establishments, subject to the following conditions—

- (1) No appointment may be created or abolished which would ordinarily be held by a gazetted civil officer recruited in England, or by an officer of an Imperial Service as defined in Article 29-B., Civil Service Regulations, and the pay and allowances of no such appointment or officer may be raised or reduced.
- (2) No appointment may be abolished the pay and allowances of which exceed R500 a month, nor may any reduction be made in the pay and allowances of an appointment or of an officer in cases where they exceed R500 a month.
- (3) When the additional cost involved can be met by permanent savings in the same department, or in some other department charged to the same major head of account, it may—
 - (a) Create individual appointments the pay and allowances of which do not exceed R500 a month, or make an addition to the pay and allowances of an appointment or an officer if such addition does not have the effect of raising the total pay and allowances of the appointment or of the officer to an amount in excess of R500 a month ;

DEPARTMENTS OF THE GOVERNMENT OF INDIA

[Rules 2 (3) (b) to 5.]

- (b) Sanction the revision of establishments subject to the provisions of clause (3) (a) of this rule and to the condition that no class or grade of officers may be dealt with as a whole.
- (4) When the additional cost involved cannot be met as indicated in clause (3) of this rule, but can be met by re-appropriation from budget grants at its disposal as provided in rule 7 (2), it may—
- (a) Create individual non-gazetted appointments the pay and allowances of which do not exceed R250 a month, or make an addition to the pay and allowances of a non-gazetted appointment or officer, if such addition does not have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R250 a month ;
- (b) Sanction the revision of non-gazetted establishments subject to the provisions of Government of India, Finance Department Resolution No. 95-E.A., dated 1st March 1918. clause (4) (a) of this rule and to the conditions (i) that the additional expenditure involved does not exceed R6,000 a year, and (ii) that no class or grade of officers is dealt with as a whole.

Note.—All increases of establishment sanctioned under this rule should be reported to the Financial Department of the Government of India in annual statements. The sanctions may be held to have been confirmed unless exception is taken to any of them by the Financial Department on a review of the statements.

(b) Temporary.

3. (1) A Department of the Government of India may sanction the creation of temporary appointments, and the deputation of officers in India on special duty :

- (a) For any specified period, if the pay and allowances of the appointment or of the officer do not exceed R800 a month ; and
- (b) For not more than two years if the pay and allowances of the appointment or of the officer exceed R800 a month, but do not exceed R2,500 a month.

(2) The Public Works Department of the Government of India may also sanction the creation of temporary appointments, which are not filled by the deputation of pensionable officers in permanent employ, irrespective of the duration of such appointment, if the pay and allowances do not exceed R2,500 a month.

III.—Contingent charges and purchase of articles for the public service.

4. A Department of the Government of India may sanction contingent charges (see chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by the Government of India from time to time.

Note.—A Department of the Government of India may treat the pay of sweepers, whether they are whole-time servants or otherwise, as a recurring contingent charge and may adopt a similar course in the case of such other classes of menials, e.g., cooks, sycos, grass-cutters, etc., as it may from time to time declare to be ineligible for pension. Rules 2 and 3 of these rules will not apply to such establishments. A Department of the Government of India may delegate its powers under this Note to subordinate Heads of Departments.

IV.—Other expenditure.

5. A Department of the Government of India may sanction (a) recurring expenditure not exceeding R200 a year, or (b) non-recurring expenditure not exceeding R1,000, in any individual case, on any object for which no scale or limit to its power of sanction is prescribed in these rules or in the Civil Service Regulations and other authorised codes, provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India, and that the expenditure is within the power of sanction of the Government of India.

DEPARTMENTS OF THE GOVERNMENT OF INDIA.

[Rules 6 to 1 (a).]

6. A Department of the Government of India may in individual cases and for special reasons which should be communicated to the Audit Officer :—

- (i) Grant an officiating officer a higher salary than is authorised by the codes subject to a maximum limit of ₹250 a month and subject to the condition that his salary must not exceed the pay of the officer for whom he acts.
- (ii) Relax the conditions or limitations prescribed by any rule in any authorised code, without contravening its general spirit, so as to grant an officer travelling allowance not exceeding ₹1,000 in any case, in cases where no travelling allowance is admissible under a strict interpretation of the rule.
- (iii) In cases not coming under (i) and (ii), relax the conditions or limitations prescribed by any rule in an authorised code or by an order of the Government of India without contravening its general spirit subject to the condition that the total amount payable under the sanction does not exceed ₹1,000 in any case.

Note.—All sanctions given under this rule must be subject to the condition that the expenditure is within the power of the Government of India to sanction and does not require a reference to the Secretary of State. Each such sanction must quote the rule for the information of the audit officer concerned.

V.—Re-appropriation of Budget Grants.

7. (1) The powers of sanction of a Department of the Government of India are subject to the general condition that any expenditure sanctioned by it must be met from the provision made in the Budget for the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) A Department of the Government of India may sanction re-appropriation of savings in the sanctioned grants under its control, provided that :

- (1) The total grant under its control for any major head is not exceeded ; and
- (2) The savings under salaries shall not be re-appropriated to other classes of expenditure.

VI.—Special.

8. The rules contained in this Appendix do not affect the larger powers which the Army and Railway Departments are authorised to exercise in certain matters under special rules applicable to them.

9. A Department of the Government of India may not exercise the powers conferred by rules 5 and 6 of this Appendix in respect of expenditure in its Secretariat office ; and its power to incur such expenditure under rule 2 is confined to menial establishments and under rule 3 to cases in which the pay and allowances of the appointment created or of the officer deputed are less than the pay and allowances of the lowest grade of the Upper Division of its Secretariat office.

APPENDIX II.

FINANCIAL POWERS OF AUTHORITIES SUBORDINATE TO DEPARTMENTS OF THE GOVERNMENT OF INDIA.

I.—General.

1. An authority subordinate to a Department of the Government of India may sanction (1) expenditure from general revenues or (2) advances of public money only in cases where authority is given to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act,

AUTHORITIES SUBORDINATE TO THE DEPARTMENTS OF THE GOVERNMENT OF INDIA.

[Rules 1 (b) to 5 (ii).]

- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India.
- (c) Any order of the Government of India delegating to it financial powers with reference to the provisions of a statute, or to rules approved by or an order of the Secretary of State.
- (d) Any order of the Government of India laying down a scale or maximum scale of expenditure.

II.—Establishments.

2. The Government of India may delegate to any authority subordinate to one of its Administrative Departments powers not exceeding those of a Minor Local Government in respect of (a) the creation or abolition of permanent appointments, (b) the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and (c) the revision of permanent establishments.

Note 1.—All increases of establishment sanctioned under powers delegated in accordance with this rule should be reported to the Financial Department of the Government of India in annual statements. The sanctions may be held to have been confirmed unless exception is taken to any of them by the Financial Department on a review of the statements.”

Note 2.—The following special powers may be exercised by the Comptroller and Auditor General and the Controller of Currency, respectively :—

- (a) The Comptroller and Auditor General may, in the case of non-gazetted and menial establishment employed in Postal and Telegraph Account offices, and in the Telegraph Check offices, sanction the creation or abolition of permanent appointments, the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and the revision of permanent establishment, subject to the following conditions :—
 - (i) No appointment may be created or abolished, the pay and allowances of which exceed R150 a month ; no reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R150 a month ; nor may any addition be made to the pay and allowances of an existing appointment, or of an officer, if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R150 a month, or of increasing pay and allowances the total of which is already in excess of that amount.
 - (ii) The total cost of all schemes sanctioned in any year under this clause shall not exceed R50,000.
- (b) The Controller of Currency may, in the case of non-gazetted and menial establishments employed in currency offices, exercise the powers mentioned in clause (a) save that the limit for the purpose of condition (ii) of that clause is in his case R25,000 a year only.

3. The Government of India may delegate to any authority subordinate to one of its Administrative Departments powers in respect of temporary appointments or deputations in India not exceeding those of a Minor Local Government.

III.—Contingent charges and purchase of articles for the public service.

4. Any authority subordinate to a Department of the Government of India may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by a superior authority from time to time.

IV.—Other expenditure.

5. The Government of India may delegate to an authority subordinate to a Department of the Government of India powers to :—

- (i) Grant an officiating officer a higher salary than is authorised by the codes subject to a maximum limit of R100 a month and subject to the condition that his salary must not exceed the pay of the officer for whom he acts.
- (ii) Relax the conditions or limitations prescribed by any rule in any authorised code, without contravening its general spirit, so as to grant an officer travelling allowance not exceeding R1,000 in any case, in cases where no travelling allowance is admissible under a strict interpretation of the rule.

**AUTHORITIES SUBORDINATE TO THE DEPARTMENTS OF THE
GOVERNMENT OF INDIA.**

[Rules 5 (iii) to 7.]

- (iii) In cases not coming under (i) and (ii), relax the conditions or limitations prescribed by any rule in an authorised code or by an order of the Government of India without contravening its general spirit subject to the condition that the total amount payable under the sanction does not exceed R1,000 in any case.

Note.—All sanctions given under this rule must be subject to the condition that the expenditure is within the power of the Government of India to sanction and does not require a reference to the Secretary of State. Each such sanction must quote the rule for the information of the audit officer concerned.

V.—Re-appropriation of Budget Grants.

6. (1) The powers of sanction of an authority subordinate to a Department of the Government of India are subject to the general condition that any expenditure sanctioned by it must be met from grants placed at its disposal to meet the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) The Government of India may delegate to any authority subordinate to one of its Administrative Departments power to sanction re-appropriation of savings in the budget grants of its own office and of any department or establishment which is controlled or administered by it provided that :

- (i) The total grant for any major head shall not be exceeded.
- (ii) Savings under Salaries shall not be re-appropriated to meet other classes of expenditure.
- (iii) Savings on non-recurring expenditure under Supplies and Services, Contingencies and other detailed heads shall not be re-appropriated in order to provide for additional recurring expenditure under Salaries, Establishments or on any other account.

7. The rules in this Appendix do not apply to the Surveyor General of India, the Director-General, Posts and Telegraphs, and authorities subordinate to these two heads of Departments.

SURVEYOR GENERAL OF INDIA AND HIS SUBORDINATE AUTHORITIES.

[Para. 1 to Rule 3.]

Copy of a letter from the Government of India, Department of Revenue and Agriculture to the Surveyor General of India, No. 542—52-2, dated the 7th August 1917.

I am directed to say that, with the sanction of the Secretary of State, the Government of India are pleased to issue the rules detailed in the appended schedules I and II defining your financial powers, and the financial powers of authorities subordinate to you.

* Despatch to the Secretary of State, No 234-Financial, dated the 1st September 1916, and enclosures.

Extract (paragraphs 1 and 2) from Despatch from the Secretary of State, No 1-Financial, dated the 5th January 1917 (received on the 29th January 1917).

2. A copy of the correspondence* with the Secretary of State is enclosed for your information.

SCHEDULE I.

FINANCIAL POWERS OF THE SURVEYOR GENERAL.

I.—General.

1. The Surveyor General may sanction (1) expenditure from general revenues or (2) advance of public money, only in cases where authority is given to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act ;
- (b) Any rule in the Civil Service Regulations, the Civil Account Code, or any other code issued by, or with the approval of, the Government of India ;
- (c) Any order of the Government of India delegating to him financial powers with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State ; or
- (d) Any order of the Government of India laying down a scale or maximum scale of expenditure.

II.—Establishments

2. (a) The Surveyor General may not sanction any permanent additions to, or reductions in, the sanctioned strength of the Imperial, Provincial or Upper Subordinate Services of the Survey of India ; or alter in any way the rates of pay and allowances sanctioned for these services.

(b) He may sanction the deputation on special duty in India of an officer belonging to any of these Services, who is serving under him and not under any Provincial or Minor Local Government—

- (i) For any specified period, if the pay and allowances (including deputation allowance, if any) do not exceed ₹250 a month.
- (ii) For not more than six months, if the pay and allowances (including deputation allowance, if any) exceed ₹250 a month, but do not exceed ₹1,500 a month.

The grant of deputation allowances in such cases should be regulated strictly by Article 81, Civil Service Regulations, and any general orders issued from time to time by the Government of India.

3. The Surveyor General may sanction the creation of non-gazetted appointments, permanent or temporary, the raising or reduction of the pay and

SURVEYOR GENERAL OF INDIA.

[Rules 3 (a) to 3 (c).]

allowances of non-gazetted appointments or officers, or the revision of non-gazetted establishment, subject to the following limitations :—

- (a) In the case of fixed establishments employed in the headquarters offices now located at Calcutta and Dehra Dun—
- (i) any additional expense involved must be met by an equivalent reduction in the same office or in another office falling within the class mentioned in this clause ;
 - (ii) no permanent or temporary appointment may be created or abolished, the pay and allowances of which exceed R250 a month ; no permanent or temporary reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R250 a month ; nor may the pay and allowances of an appointment or of an officer be raised permanently or temporarily to an amount in excess of R250 a month ; provided that the Surveyor General may transfer an appointment, with the person holding it, from one office to another within the class mentioned in this clause, irrespective of any limit of pay.
- (b) In the case of other establishments employed in the offices mentioned in clause (a)—
- (i) any additional expense involved must be met from the budget provision for the particular office ;
 - (ii) no permanent or temporary appointment may be created, the pay and allowances of which exceed R100 a month ; no permanent or temporary reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R100 a month ; nor may the pay and allowances of an appointment or of an officer be raised permanently or temporarily to an amount in excess of R100 a month.
- (c) In the case of establishments employed in offices other than those mentioned in clause (a) and in field parties—
- (i) any additional expense must be met from the total budget grant for such offices and field parties, the Surveyor General being authorised to utilise the savings in the grant for one party or office to augment the establishment of another ;
 - (ii) no permanent or temporary appointment may be created, the pay and allowances of which exceed R250 a month ; no permanent or temporary reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R250 a month ; nor may the pay and allowances of an appointment or of an officer be raised permanently or temporarily to an amount in excess of R250 a month.

Note 1.—[In the case of officers employed in fixed establishments in the headquarters offices now located at Calcutta and Dehra Dun, the Surveyor General cannot exercise the powers conferred on him by clause (a) of this rule, so as to override the provisions of the Civil Service Regulations regulating the salary and allowances of officers officiating in sanctioned appointments. The establishments mentioned in clauses (b) and (c) of this rule do not generally provide for a fixed scale of appointments on definite rates of pay. The acting allowance rules in the Civil Service Regulations cannot therefore be applied to such establishments and the Surveyor General may grant temporary increases of pay under the provisions of this rule to officers in permanent and temporary employ for a temporary increase in work and responsibility, as well as for working in special localities and under special circumstances.]

Note 2.—[In the case of establishments referred to in clause (b) of this rule, the Surveyor General may declare the services of any particular officer to be pensionable, provided that—

- (i) the total number of pensionable officers in any office at any particular date does not exceed any maximum limit that may have been imposed by the Government of India ; and
- (ii) the officer has rendered at least ten years' approved service on a temporary footing.

The Surveyor General may in such cases allow the officer to count towards pension the whole, or any portion, of his previous continuous temporary service. He is also authorised to decide what portion of the service will count as superior for the purposes of the pension rules.]

Note 3.—[Clauses (a) (ii), (b) (ii) and (c) (ii) of this rule do not preclude the Surveyor General from varying at his discretion the pay of officers holding appointments for which maxima rates have been fixed by a higher authority.]

SURVEYOR GENERAL OF INDIA.

[Rules 4 to 1 (d).]

4. The powers of the Surveyor General under clauses (b) and (c) of Rule 3 are subject to the further limitation that no scheme of revision of permanent establishments may be sanctioned involving an additional expense exceeding R25,000 a year.

III.—Contingent charges.

5. The Surveyor General may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by a superior authority from time to time.

IV.—Other Expenditure.

6. The Surveyor General may sanction (a) recurring expenditure not exceeding R200 a year, or (b) non-recurring expenditure not exceeding R1,000, in any individual case, on any object for which no scale or limit to his power of sanction is prescribed in these rules, or in the Civil Service Regulations and other authorised codes, provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India and that the expenditure is within the power of sanction of the Government of India.

V.—Re-appropriation of Budget Grants.

7. (1) The powers of sanction of the Surveyor General are subject to the general condition that any expenditure sanctioned by him must be met from grants placed at his disposal to meet the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) The Surveyor General may sanction re-appropriation of savings in sanctioned grants under his control provided that—

- (i) the total grant placed at his disposal shall not be exceeded; and
- (ii) savings under Salaries shall not be re-appropriated to meet other classes of expenditure.

VI.—Special.

8. The Government of India may delegate to the Surveyor General any additional powers not exceeding those which it is authorised to delegate to Heads of Imperial Departments generally.

SCHEDULE II.
FINANCIAL POWERS OF AN AUTHORITY SUBORDINATE TO THE SURVEYOR GENERAL.*I.—General.*

1. An authority subordinate to the Surveyor General may sanction (1) expenditure from general revenues, or (2) advance of public money, only in cases where authority is given to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act;
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India;
- (c) Any order of a competent superior authority delegating to it financial powers with reference to the provisions of a statute or to rules approved by, or an order of, the Secretary of State; or
- (d) Any order of a competent superior authority laying down a scale, or a maximum scale of expenditure.

AUTHORITIES SUBORDINATE TO THE SURVEYOR GENERAL OF INDIA.

[Rules 2 to 4 (2) (3).]

II.—Establishments.

2. The Government of India may delegate to an authority subordinate to the Surveyor General power to sanction the creation of appointments, the raising or reduction of the pay and allowances of an appointment or of an officer, and the revision of establishments, subject to the following conditions :—

- (i) The powers referred to in this rule may be exercised only in respect of the Lower Subordinate Service and of the clerical and menial staff.
- (ii) Any additional expense involved must be met from budget grants at the disposal of such subordinate authority, which are available for the purpose.
- (iii) No permanent or temporary appointment may be created the pay and allowances of which exceed R100 a month; no permanent or temporary reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R100 a month; nor may the pay and allowances of an appointment or of an officer be raised permanently or temporarily to an amount in excess of R100 a month.
- (iv) No scheme of revision of permanent establishments may be sanctioned involving an additional expense exceeding R10,000 a year.

III.—Contingent charges.

3. An authority subordinate to the Surveyor General may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by a superior authority from time to time.

IV.—Re-appropriation of Budget Grants.

4. (1) The powers of sanction of an authority subordinate to the Surveyor General are subject to the general condition that any expenditure sanctioned by him must be met from grants placed at his disposal to meet the particular class of expenditure or by re-appropriation under clause (2) of this rule.

(2) The Government of India may delegate to an authority subordinate to the Surveyor General power to sanction re-appropriation of savings in the sanctioned grants under the control of such authority, subject to the following fundamental limitations :—

- (1) The total of the grants under its control shall not be exceeded.
 - (2) Savings under salaries shall not be re-appropriated to other classes of expenditure.
 - (3) Savings on non-recurring expenditure under Supplies and Services, Contingencies and other detailed heads shall not be re-appropriated in order to provide for additional recurring expenditure under Salaries, Establishment or on any other account.
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**DIRECTOR-GENERAL, POSTS AND TELEGRAPHS AND HIS
SUBORDINATE AUTHORITIES.**

[*Para. 1 to Rule 2 (2).*]

*Copy of Government of India, Department of Commerce and Industry
Resolution No. 9607, dated the 15th August 1917.*

The Finance Department Resolution No. 361-E. A., dated the 24th July 1916, dealt with the financial powers of Provincial Governments. The position of the authorities subordinate to the Departments of the Government of India has now been examined and the Government of India are pleased, with the approval of His Majesty's Secretary of State for India, to issue in the annexure to this Resolution, fundamental rules regarding the financial powers of the Director-General of Posts and Telegraphs and the authorities subordinate to him. The actual powers to be exercised by the Director-General of Posts and Telegraphs and his subordinate authorities will be issued hereafter in the form of a comprehensive schedule.

ANNEXURE TO RESOLUTION.

FINANCIAL POWERS OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

I.—General.

1. The Director-General may sanction (1) expenditure from general revenues, or (2) advances of public money, only in cases where he is authorised to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act; or
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other code issued by, or with the approval of, the Government of India ;
- (c) Any order of a competent superior authority delegating to him financial powers with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State ; or
- (d) Any order of a competent superior authority laying down a scale, or a maximum scale, of expenditure.

II.—Fixed Establishment Charges.

2. The Director-General may sanction the creation or abolition of permanent appointments, the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and the revision of permanent establishments, subject to the following conditions and to the provisions of rule 4 :—

- (1) No appointment may be created or abolished which would ordinarily be held by a gazetted civil officer recruited in England, or by an officer of an Imperial Service as defined in Article 29-B, Civil Service Regulations, and the pay and allowances of such an appointment or officer may not be raised or reduced.
- (2) No appointment may be created or abolished the pay and allowances of which exceed Rs300 a month ; no reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed Rs300 a month ; nor may any addition be made to the pay and allowances of an existing appointment or of an officer, if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of Rs300 a month or of increasing pay and allowances the total of which is already in excess of that amount.

DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS

[Rules 2 (3) to 8 (4).]

(3) No revision of permanent establishments may be sanctioned the cost of which exceeds ₹50,000 a year.

(4) No class or grade of officers may be created or abolished the pay and allowances of which exceed ₹100 a month; nor may any alteration be made in the rates of pay and allowances prescribed by a higher authority for any class or grade of officers.

3. The Director-General may sanction contract allowances for the carriage of mails up to a limit of ₹25,000 a year in each case and subject to the provisions of rule 4.

4. The extra expenditure on fixed establishment charges resulting from sanctions accorded by the Director-General under rules 2 and 3, together with those accorded by a subordinate authority under the rules applicable to it, shall not exceed ₹6 lakhs in the first year and ₹12 lakhs in the following year.

III.—Temporary and Experimental Establishment charges.

5. The Director-General may sanction temporary (including monsoon) and experimental establishment charges, subject to the provisions of clause (2) of rule 2 and of rule 3. The limits in rule 4 will not apply to sanctions accorded under this rule.

6. The Director-General may sanction the deputation of officers in India on special duty—

(a) For any specified period if the pay and allowances of the officer do not exceed ₹300 a month.

(b) For not more than six months if the pay and allowances of the officer exceed ₹300 a month but do not exceed ₹1,500 a month.

The grant of deputation allowances in such cases shall be regulated strictly by the provisions of Article 81, Civil Service Regulations, and any general orders issued from time to time by the Government of India.

IV.—Contingent charges and purchase of articles for the public service.

7. The Director-General may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service subject to the provisions of any authorised code and of any orders issued by the Government of India from time to time.

Note.—The Director-General may treat the pay of sweepers, whether they are whole-time servants or otherwise, as a recurring contingent charge, and may adopt a similar course in the case of such other classes of menials, e.g., cooks, syces, grass-cutters, etc., as he may from time to time declare to be ineligible for pension. Rules 2 and 5 of these rules will not apply to such establishments.

V.—Other expenditure.

8. The Director-General may sanction—

(1) Estimates for construction of telegraph lines chargeable to capital up to ₹50,000 for each work.

(2) Estimates for the reconstruction of telegraph lines chargeable wholly or partly to capital provided that the amount chargeable to capital does not exceed ₹50,000 for each work.

(3) Supplementary or revised estimates for the construction or reconstruction of telegraph lines, the original estimates for which have been sanctioned by the Government of India up to a limit of ten per cent. in excess of the original estimates, provided that the excess is not more than ₹50,000 in any case.

(4) Estimates for repairs to existing telegraph lines and for reconstruction chargeable wholly to revenue.

DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

[Rules 8 (5) to 14 (2).]

- (5) The laying out and maintenance of gardens in connection with telegraph buildings when public considerations require it, up to a limit of R9,000 a year.
- (6) Expenditure on the renting of telegraph lines, wires and cables up to a limit of R2,000 a year in each case.

9. The Director-General may sanction the sale of unserviceable and obsolete stores, provided that if such sale results in a loss of over R20,000 a report should be made to the Government of India.

10. The Director-General may sanction the writing off of losses of cash, stores and stamps due to robbery, accident, etc., up to a limit of R5,000 in each case.

11. The Director-General may incur expenditure on account of donations for members of the signalling, ministerial and other subordinate establishments, other than postal servants, up to such annual limit, not exceeding Rs. 10,000, as the Government of India may fix from time to time.

12. The Director-General may sanction (a) recurring expenditure not exceeding Rs. 200 a year, or (b) non-recurring expenditure not exceeding Rs. 1,000, in any individual case, on any object for which no scale or limit to his power of sanction is proscribed in these rules, or in the Civil Service Regulations and other authorised codes, provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India, and that the expenditure is within the power of sanction of the Government of India.

NOTE.—The Director-General's power of waiving recovery of items of revenue which accrue to the Department under the operation of standing rules is subject to the limitations prescribed in this rule, except in cases where it is regulated by statutory rules or by authorised codes.

13. The Director-General may, in individual cases and for special reasons which should be communicated to the Audit Officer :—

- (i) Grant an officiating officer a higher salary than is authorised by the codes, subject to a maximum limit of R100 a month and subject to the condition that his salary must not exceed the pay of the officer for whom he acts.
- (ii) Relax the conditions or limitations prescribed by any rule in any authorised code, without contravening its general spirit, so as to grant an officer travelling allowance not exceeding R500 in any case in cases where no travelling allowance is admissible under a strict interpretation of the rule.
- (iii) In cases not coming under (i) and (ii), relax the conditions or limitations prescribed by any rule in an authorised code or by an order of the Government of India without contravening its general spirit, subject to the condition that the total amount payable under the sanction does not exceed R500 in any case.

NOTE.—All sanctions given under this rule must be subject to the condition that the expenditure is within the power of the Government of India to sanction and does not require a reference to the Secretary of State. Each such sanction must, moreover, quote the appropriate provision of the present rule for the information of the Audit Officer concerned.

VI.—Re-appropriation of Budget Grants.

14. (1) The powers of sanction of the Director-General are subject to the general condition that any extra expenditure involved thereby must be met from the provision made in the budget for the purpose or by re-appropriation under clause (2) of this rule.

(2) The Director-General may sanction re-appropriation of savings in sanctioned grants subject to any restrictions that may be imposed by the Government of India from time to time and to the condition that the total grant placed at his disposal for the expenditure of the Department is not exceeded.

AUTHORITIES SUBORDINATE TO THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

[Rules 1 to 5 (a).]

FINANCIAL POWERS OF AUTHORITIES SUBORDINATE TO THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

I.—General.

1. An authority subordinate to the Director-General may sanction (1) expenditure from general revenues or (2) advances of public money, only in cases where it is authorised to do so by these rules, or by :—

- (a) The provisions of any Act of the Legislature or of rules framed under such an Act.
- (b) Any rule in the Civil Service Regulations, the Civil Account Code or any other Code issued by, or with the approval of, the Government of India.
- (c) Any order of a competent superior authority delegating to it financial powers with reference to the provisions of a statute, or to rules approved by, or an order of, the Secretary of State.
- (d) Any order of a competent superior authority laying down a scale or a maximum scale of expenditure.

II.—Fixed Establishment charges.

2. The Government of India may delegate to an authority subordinate to the Director-General the power to sanction (a) the creation and abolition of permanent appointments, (b) the raising or reduction of the pay and allowances of sanctioned permanent appointments or of officers, and (c) the revision of permanent establishments, subject to the following fundamental conditions :—

- (1) No appointment may be created or abolished the pay and allowances of which exceed R50 a month; no reduction may be made in the pay and allowances of an appointment or of an officer in cases where they exceed R50 a month; nor may any addition be made to the pay and allowances of an existing appointment or of an officer if it will have the effect of raising the total pay and allowances of the appointment or officer to an amount in excess of R50 a month or of increasing pay and allowances the total of which is already in excess of that amount.
- (2) The pay and allowances of any appointment created shall not exceed the prescribed rates in cases where such rates have been definitely laid down by a higher authority for any particular class of appointments.
- (3) No scheme may be sanctioned costing more than R5,000 a year.

3. The Government of India may delegate to an authority subordinate to the Director-General the power to sanction contract allowances for the carriage of mails up to a limit of R100 a month in each case.

III.—Temporary and Experimental Establishment charges.

4. The Government of India may delegate to an authority subordinate to the Director-General power to sanction temporary (including monsoon) and experimental establishment charges subject to the provisions of clause (1) of rule 2 and of rule 3.

5. The Government of India may delegate to an authority subordinate to the Director-General the power to sanction the deputation in India on special duty of any officer under the control of such subordinate authority—

- (a) For any specified period if the pay and allowances of the officer do not exceed R50 a month.

AUTHORITIES SUBORDINATE TO THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

[*Rules 5 (b) to 8 (2) (3).*]

(b) For not more than six months if the pay and allowances of the officer exceed R50 a month but do not exceed R100 a month.

The grant of deputation allowance to an officer, deputed to special duty shall be regulated strictly by the provisions of Article 81 of the Civil Service Regulations and any general orders issued from time to time by the Government of India.

IV.—Contingent charges and purchase of articles for the public service.

6. An authority subordinate to the Director-General may sanction contingent charges (see Chapter 6 of the Civil Account Code) and expenditure on the supply of articles for the public service, subject to the provisions of any authorised code and of any orders issued by the Government of India from time to time.

Note.—The Government of India may delegate to an authority subordinate to the Director-General the power referred to in the Note to rule 7 of the fundamental rules governing the financial powers of the Director-General.

V.—Other expenditure.

7. The Government of India may delegate to an authority subordinate to the Director-General power to sanction (a) recurring expenditure not exceeding R200 a year, or (b) non-recurring expenditure not exceeding R1,000, in any individual case, on any object for which no scale or limit to the latter's power of sanction is prescribed in these rules or in the Civil Service Regulations and other authorised codes; provided that the sanction does not involve an express contravention of an existing rule or order of the Government of India, and that the expenditure is within the power of sanction of the Director-General.

VI.—Re-appropriation of Budget Grants.

8. (1) The powers of sanction of an authority subordinate to the Director-General are subject to the general condition that any expenditure sanctioned by it must be met from grants placed at its disposal to meet the particular class of expenditure, or by re-appropriation under clause (2) of this rule.

(2) The Government of India may delegate to any such subordinate authority power to sanction re-appropriation of savings in the sanctioned grants under the control of such authority, subject to the following fundamental limitations:—

- (1) The total of the grants under its control shall not be exceeded.
 - (2) Savings under Salaries shall not be re-appropriated to other classes of expenditure.
 - (3) Savings on non-recurring expenditure under Supplies and Services, Contingencies and other heads shall not be re-appropriated in order to provide for additional recurring expenditure under Salaries, Establishment or on any other account.
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POWERS OF THE ADMINISTRATIVE DEPARTMENTS OF PROVINCIAL SECRETARIATS.

Copy of Government of India, Finance Department letter to all Provincial Governments, No. 1411-E. B., dated the 22nd November 1917.

I am directed to invite attention to the Resolution of the Government of India in this Department No. 352-E. A., dated the 25th July 1917, with which were published the fundamental rules, sanctioned by the Secretary of State, to regulate the delegation of powers to authorities subordinate to Provincial Governments. Rule 7 of these rules empowers a Provincial Government to delegate its financial powers to an Administrative Department of its Secretariat, subject to the condition that the powers so delegated shall not exceed those delegated to the corresponding Administrative Department of the Government of India. The powers exercised by the Administrative Departments of the Government of India other than those which are embodied in one or other of the authorized codes are regulated by rules which have received the approval of the Secretary of State. I am

~~His Excellency the Governor in Council.~~

His Honour the Lieutenant Governor in Council.

His Honour the Lieutenant Governor.

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55.

to enclose a copy of these rules for

the information of

your information.

2. In addition to the powers conferred by the codes or by the fundamental rules the Public Works Department of the Government of India exercises certain powers by a practice of old standing in accordance with the Rules of Business framed by the Governor General under section 8 of the Indian Councils Act, 1861. I am to enclose a list of these powers also and to say that it is open to

Madras _____

Bombay _____

Bengal _____

the United Provinces _____

the Government of

the Punjab _____

Punjab _____

Bihar and Orissa _____

_____ you, under rule 7 of the Rules regulating the delegation of powers to an authority subordinate to a Provincial Government to delegate to ^{their} ~~its~~ Public Works Department powers not exceeding those enumerated in the list.

3. Article 285 of the Civil Account Code provides that, if an order be sent to an Accountant General by a department of a local Government other than the Financial Department he will not refuse obedience, but will report to the Financial Department that such an order has been issued, and request that it may be communicated to him by the Financial Department in the ordinary course. The Government of India understand that hitherto—no doubt owing to the long separation of public works and civil accounts—it has not been held that this rule applies to financial sanctions in Public Works matters. They consider, however, that it is desirable that the procedure should be uniform, so that the audit officer may in all cases be able to satisfy himself that the rules have been complied with, and in view of the extensive powers which the local Government will now be able to delegate to ^{their} ~~its~~ Public Works Department, they believe that no practical inconvenience will result. Instructions will be issued to all audit officers that with effect from the 1st April 1918, Article 285 of the Civil Account Code should be applied to all orders sanctioning expenditure issued by the Public Works Departments of local Secretariats unless power to sanction the expenditure has been delegated to the Department by the local Government. It will be necessary for the local Government before the date mentioned to decide and inform the audit officer what powers the Public Works Department is for the future to exercise without reference to the Finance Department.

SPECIAL POWERS OF THE PUBLIC WORKS AND THE COMMERCE AND INDUSTRY DEPARTMENTS.

[Paras. 1 to 3 to Rules 1—3.]

Copy of the Government of India, Finance Department letter to all Accountants General and Comptrollers, the Audit Officer, Delhi Province, and the Examiner of Accounts, Military Works Services, No. 1412-E.B., dated the 22nd November 1917.

It has been brought to the notice of the Government of India that audit officers sometimes find difficulty in deciding whether a Department of the Government of India, in issuing an order which is to be applied in audit, has authority to do so. In order to remove these doubts in certain cases, I am to enclose a list of the powers exercised by the Departments of Commerce and Industry and Public Works under the rules made by the Governor-General under section 8 of the Indian Councils Act, 1861 (now section 40 (2) of the Government of India Act, 1915). The list includes only those powers which are peculiar to the two Departments and do not affect those powers which they possess in common with other Departments.

2. It is a fundamental principle in all cases that no Department other than the Finance Department has authority to issue orders defining the interpretation of any rule in an authorized code if the order be one which has to be applied in audit. Subject to this condition orders issued by the Commerce and Industry and Public Works Departments in exercise of the powers enumerated in the list should not be challenged in audit unless the audit officer has clear ground for inferring that a particular sanction introduces a new principle or practice leading to increased expense.

3. These orders are issued with the concurrence of the Comptroller and Auditor General.

List showing powers of sanctioning expenditure exercised by the Department of Commerce and Industry and the Public Works Department without reference to the Finance Department.

Commerce and Industry Department.

1. Power to sanction sketch estimates for the construction of telegraph lines, the cost of which falls within the powers of the Government of India.

Public Works Department.

1. Power to sanction projects for new Protective* or Minor* irrigation works, and for civil works, the cost of which falls within the powers of the Government of India.

NOTE (1).—As regards Imperial civil works, Public Works Department accord technical sanction in all cases. They accord administrative sanction only to works connected with the departments under their control.

NOTE (2).—Concurrence of the Finance Department is necessary for any expenditure on Imperial Public Works in Minor Administrations which have no provincial settlements, also in Persian Gulf Consulates and remote Political Agencies.

2. Power to sanction revised estimates for all classes of irrigation projects, whether sanctioned by the Secretary of State or the Government of India, when the excess expenditure is within the powers of sanction of the Government of India, unless the excess expenditure is of such amount as to render a project, sanctioned as a productive work, unremunerative.

3. Power to sanction expenditure debitable to the open Capital Account of all classes of irrigation works which does not require the sanction of the Secretary of State.

* New productive works require to be referred to the Finance Department [Public Works Department Code II, paragraph 1902 (b)].

**SPECIAL POWERS OF THE PUBLIC WORKS AND THE COMMERCE
AND INDUSTRY DEPARTMENTS.**

[Rules 4—10].

4. Power to sanction expenditure on the preparation of surveys for proposed irrigation works, the collection of irrigation data, and the preparation of Famine Relief programmes.

5. Power to sanction the leasing of buildings as residences which are referred to the Government of India under paragraph 916 of the Public Works Department Code, Volume I, *viz.*, when the rent of the house to be leased by Government exceeds 10 per cent. of the average salary and local allowances, if any, of the class of official by whom it will be occupied.

6. Power to sanction expenditure on the construction or purchase of residential buildings, referred to in paragraph 917, Public Works Department Code, Volume I, and expenditure on additions and alterations to such buildings, excepting :—

- (a) Cases in contravention of the principle that houses may only be provided for officers whose appointments are permanent in respect of locality.
- (b) Large house building schemes.
- (c) Proposals for expenditure on residential buildings in Minor Administrations which have no provincial settlements, also Persian Gulf Consulates and remote Political Agencies.

7. Power to sanction expenditure on the buildings referred to in paragraph 917, VII, Public Works Department Code, Volume I, as shown below :—

- (a) *Commander-in-Chief's residence at Simla ("Snowdon")* :—
 - (i) Expenditure on repairs to buildings and roads in excess of Rs. 5,000 a year.
 - (ii) Purchase of new furniture up to a limit of Rs. 1,000 a year.
 - (iii) Expenditure on repairs and renewals of furniture within the limits prescribed by the rules relating to the occupation of "Snowdon".
 - (iv) Expenditure on the maintenance of the electric installation up to a limit of Rs. 7,000 a year.
- (b) *Residences of Members of Council in Simla* :—
 - (i) Additions and alterations involving expenditure within the limits laid down in the rules relating to Members' houses.
 - (ii) Expenditure on furniture within the limits laid down in the rules relating to Members' houses.
- (c) *Houses let to high officials other than Members of Council in Simla, viz., "Knockdrin," "Ava Lodge" and "Holcombe"* :—
 - (i) Original works up to a limit of Rs. 2,500 in each case.
 - (ii) Expenditure on purchase, repairs, etc., of furniture in "Ava Lodge" and "Holcombe" subject to the conditions that the total capital value of the furniture in each of these houses does not at any time exceed Rs. 3,000, and that the expenditure in any one financial year shall be limited to Rs. 1,000.

8. Power to sanction expenditure on original works and repairs in the cases of the European clerks' quarters and Indian clerks' barracks, Simla.

9. Power to write-off a portion of the capital cost of a residential building under paragraph 919, Rule I (g), Public Works Department Code, Volume I.

10. Power to dispose of all applications for reduction or remission of rent of Government buildings occupied as residences, in consultation with the Administrative Department concerned.

**SPECIAL POWERS OF THE PUBLIC WORKS AND THE COMMERCE
AND INDUSTRY DEPARTMENTS.**

[*Rules 11—13 to Paras. 1—2.*]

11. Power to re-grant lapses for the furniture fund, Viceregal Estates, and make additional grants up to the amount of sale proceeds.

NOTE.—Additional grants from the Reserve of Rs. 7,000 in any one year are only made after consulting Finance Department.

12. Power to sanction allotments within the Budget grant of Imperial heads placed under the control of the Public Works Department and sanction re-appropriations within each major head.

13. Power to admit Engineers on promotion to administrative classes to the benefits of the favourable pension rules (article 636 of the Civil Service Regulations) proscribed for the officers specified in article 635 of those Regulations.

DISCRETIONARY GRANTS OF HEADS OF PROVINCES.

*Copy of Government of India, Finance Department Resolution No. 1215-E.B.
dated the 19th September 1917.*

At the instance of the Secretary of State, the Government of India invited the views of Provincial Governments as to the maximum limit which in their opinion should be imposed on the allotment which might be placed annually without higher sanction at the disposal of the Head of the Province for the grant at his discretion to objects deserving assistance from public funds. After considering the replies received and the expenditure of this character hitherto incurred, the Governor General in Council has been pleased to decide that the annual maxima should be as follows :—

	Rs.
Madras	15,000
Bombay	25,000
Bengal	40,000
United Provinces	15,000
Punjab	15,000
Burma	15,000
Bihar and Orissa	30,000
Central Provinces	15,000
Assam	15,000
North-West Frontier Province	10,000
Baluchistan	10,000

Within these limits, Provincial Governments may themselves fix the amounts of the grants, the sanction of the Government of India being required only when it is proposed to exceed them.

2. Expenditure from these grants is already subject to three restrictions :—

- (a) No expenditure may be incurred which is beyond the powers of the Provincial Government.
- (b) No recurring expenditure may be incurred.
- (c) All expenditure is subject to audit.

The Government of India having again considered the matter are of opinion that while these conditions are necessary and should be retained, no further restrictions need be imposed.

PRINCIPLES GOVERNING EXERCISE OF DISCRETIONARY
POWERS.

[Paras. 1 to 3.]

Copy of Government of India, Finance Department letter to all Local Governments and Administrations, No. 595-A., dated the 8th December 1917.

I am directed to invite a reference to paragraph 137 of the Public Works Department Code, Volume I, which gives discretionary power to Local Governments and Administrations to sanction the relaxation of the rules laid down in paragraphs 1885 and 1886, Public Works Department Code, Volume II. It has been brought to the notice of the Government of India that this rule has been interpreted as allowing Local Government's discretion, where Provincial revenues alone are concerned, to reduce or waive the levy of the usual percentage charges on account of Establishment and Tools and Plant, not only on a consideration of the particular circumstances of individual works, but also by general orders covering a wide class of cases. In one instance, indeed, an order remitting Establishment charges has been made applicable to all Municipalities and Local Funds in the province, *i.e.*, it confers almost complete exemption from the operation of the substantive rule in the entire body of cases which the rule was framed to include.

2. The procedure thus adopted raises an important point of audit principle affecting not only the particular rule referred to above, but applying also to many other aspects of financial delegation. It is essential under any comprehensive scheme of delegation that a wide measure of discretion should be left to Local Governments and in some cases to subordinate authorities, to deal with particular matters with reference to special provincial conditions and the special circumstances of individual cases. It is also very desirable that any discretion thus expressly conferred on Local Governments should be freely exercised without constant challenge on the part of audit. It is, however, a condition indispensable in the exercise of such discretion that the fundamental rule, the application of which is thus modified in particular cases, should be maintained in the spirit; and where, as in the case referred to in paragraph 1 of this letter, powers of sanctioning exemptions and concessions intended to be applied in individual cases on their merits are used to exempt a general class of cases from the operation of the substantive rule and thus in effect to abrogate or seriously undermine the rule itself, it is the duty of audit, in the view of the Government of India and the Comptroller and Auditor General, to bring the matter to the notice of the proper authorities. The procedure laid down in the Note under Article 732 (b), Civil Account Code, Volume II, should, so far as it is applicable, be followed, by audit officers in dealing with such cases.

3. The Government of India trust, therefore, that this principle will be duly observed in the future, and as regards the particular matter on which this issue has been raised, they would be glad if any extant orders contravening the principle here laid down could be further considered and amended as far as may be necessary.

COMPENSATION FOR ACCIDENTAL LOSS OF PROPERTY.

[Paras. 1—3.]

Copy of Government of India, Finance Department Resolution, No. 334-E.B., dated the 9th March 1917.

In view of the enhanced powers now exercised by subordinate authorities of various grades the Government of India consider that such authorities may with advantage be empowered to grant compensation to public officers for the accidental loss of their property. Provincial Governments and Minor Local Governments should accordingly dispose of such cases with reference to the fundamental rules regulating their financial powers and consistently with the principles set forth in the Appendix to this Resolution.

2. If Provincial Governments have occasion to delegate their powers in this matter to authorities subordinate to them, the condition should be imposed that such subordinate authority shall not sanction compensation exceeding one month's salary of the officer or Rs. 1,000 whichever is less. Minor Local Governments are not authorised to delegate their powers to subordinate authorities.

3. It must be clearly understood that the value of property lost must for the purposes of assessment for compensation, be taken at the value which the articles would have fetched if sold at the time of loss, and not at the cost of replacing them by new articles.

COMPENSATION FOR ACCIDENTAL LOSS OF PROPERTY

[Rules 1 to 5.]

APPENDIX.

Rules for the guidance of various authorities in India in disposing of claims for compensation for loss of property by Civil Officers.

1. Claims to compensation made by civil officers will ordinarily be considered only in cases in which—

- (1) The loss is caused by the action of an enemy or insurgents or of raiders or wild tribes in frontier tracts, or
- (2) The loss is due to accidents which occurred when the claimant was travelling by water or rail, on duty, or
- (3) The loss is directly connected with the discharge of the duties on which the officer was employed at the time, or
- (4) The property lost consisted of necessary equipment which at the time of its complete or partial destruction was in a Government building or other habitation where the officer was obliged to reside for the effective discharge of his duties, or
- (5) The property is lost in consequence of endeavours on the part of the officer to save the property of Government which was also endangered at the time, or
- (6) The property is destroyed under the orders of competent authority.

Provided that no compensation will be paid in respect of (a) losses due to ordinary thefts, even when accompanied by violence, or (b) losses which are due in any way to negligence or other default on the part of the claimant.

Note.—Compensation will be paid in respect of animals (1) which are killed, captured or stolen by the enemy; (2) which are destroyed by order of competent authority to prevent the spread of infectious or contagious diseases; or (3) when the loss of the animal is due to exposure or excessive work necessitated by use in the public service or to an accident directly due to such use

2. When any one of the conditions in Rule 1 is satisfied, compensation may be granted to the officer, as an act of grace and at the discretion of the sanctioning authority, up to the then value of the necessaries lost by him and subject to the limits specified in Rules 3 and 4.

Note.—The question whether the articles lost are “necessaries” within the meaning of this rule will be determined by the sanctioning authority with reference to the officer’s personal standing and circumstances.

3. A Provincial Government may sanction the payment of compensation not exceeding Rs. 5,000 if the expenditure is debitable to a Provincial or divided head, and not exceeding Rs. 1,000 if it is debitable to an Imperial head. A Minor Local Government may sanction the payment of compensation not exceeding Rs. 1,000.

4. When animals are destroyed by order of competent authority to prevent the spread of infectious disease, a Provincial Government or a Minor Local Government may sanction the payment of compensation not exceeding the amount payable to a private person in similar circumstances.

5. Cases not definitely covered by rule 1, in which nevertheless a Provincial Government or Minor Local Government is of opinion that compensation may be awarded for special reasons, should be referred to the Government of India in the Finance Department.

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