

ANNEXURE

FORM AA

Statement showing advances drawn from the Contingency Fund during the "Vote on Account" period for expenditure on a "New Service" for which necessary provision had been made in the Budget estimates for _____ . The advances were later recouped to the Fund after the Appropriation Act was passed.

Particulars of Service.	Name of Department.	Amount of Advance from the Contingency Fund.	Number and name of the grant in which provision exists in the Budget estimates, with amount of provision.	Brief reasons why the expenditure could not be deferred till the Demands for Grants were voted by the Legislature.
1	2	3	4	5

366

CHAPTER XVII - POWERS OF SANCTION

I - POWERS OF VARIOUS AUTHORITIES IN THE MATTER OF FINANCIAL SANCTIONS

(i) POWERS OF ADMINISTRATIVE DEPARTMENTS :

17-1. For Powers of Administrative Department for according financial sanctions see Paras 3-9 to 3-12 of Jammu and Kashmir Book of Financial Powers.

(ii) POWERS OF SUBORDINATE AUTHORITIES :

17-2. The extent to which powers to sanction expenditure have been delegated to various Heads of Departments and other subordinate authorities, is given in Chapter 5-1 to 5-18 Jammu and Kashmir Book of Financial Powers.

II - POWERS IN REGARD TO CERTAIN SPECIAL MATTERS

(i) WRITE OFF OF LOSSES :

17-3. (a) Subject to the limits and conditions laid down in rule 4-8 of Jammu and Kashmir Book Of Financial Powers, a competent authority may write off finally the irrecoverable value of stores or public money lost by fraud or negligence of individuals or other cases, provided that :—

(i) the loss does not disclose a defect of system the amendment of which requires the orders of higher authority ; and

(ii) there has not been any serious negligence on the part of some individual Government officer or officers which may possibly call for disciplinary action requiring the orders of any higher authority.

These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and of deficiencies depreciation etc. in the value of stores included in the stock and other accounts.

(b) All sanctions to write off of losses should be communicated to the Accountant General for scrutiny and for bringing

367

to notice any defects of the system which appear to require attention.

Note 1.—Loss of cash in treasuries, whether in course of remittance or out of treasury balance should not be written off except with the specified sanction of the Finance Department.

Note 2.—The expression 'value of stores' used in this rule should be interpreted as meaning 'book value' where priced accounts are maintained and in other cases replacement value to be determined on the basis of market value prevalent at the time the article is lost.

Note 3.—In cases where recoveries are made in cash e. g. by deduction from pay or otherwise from the persons responsible for a loss, the entire amount recovered should be credited to the department bearing the loss. Recoveries made indirectly e.g. by stoppage of increment or promotion as a measure of punishment, should not be treated as recoveries made in cash.

(ii) REMISSION OF DISALLOWANCES BY AUDIT OF WRITING OFF OF OVER-PAYMENTS MADE TO GOVERNMENT SERVANTS.

[17-4. The recovery of an amount disallowed in audit or otherwise found to have been over-paid to a Government servant should not be waived merely on the ground that the amount was not drawn himself by the official or it was drawn in good faith. The liability of a person receiving payment in excess of the amount due, remains to pay the same as no body can be allowed to retain the benefit arising out of a mistaken belief. Every overpayment to a Government employee is and must be regarded as debt owed to the public and action should be taken to recover it with despatch.]

The Administrative Department may, however, with the concurrence of the Finance Department remit part or whole of the over-paid amount in cases where the merits of any such case are of an exceptional nature, and repaying the amount in full is beyond the Government servant's capacity to pay and is likely to reduce his income

adversely below the subsistence level over a period exceeding six consecutive months :

Provided that no such remission shall be allowed if—

- (i) the overpayment comes to notice within a year of its payment,
- (ii) the amount is less than 3 months pay,
- (iii) the amount has been paid provisionally subject to subsequent adjustment.

III—COMMUNICATION OF SANCTIONS

17-5. The Accountant General, is entitled to receive a copy of the orders sanctioning expenditure from the authority which is competent to accord that sanction. So every sanctioning authority is responsible to see that all sanctions and orders relating to receipts and expenditure, revision of scales, creation or abolition of appointments, etc. against which audit is to be conducted by the Accountant General are communicated to him in accordance with the following procedure :—

(a) If the order is issued by an authority subordinate to the Government to whom the power to sanction has been delegated by that authority direct ;

(b) If the order is issued by an Administrative Department of the Government and is one to which the assent of the Finance Department is given the order will be conveyed by the secretary to Government in the Administrative Department concerned, who will send a copy to the Finance Department.

(c) In other cases the order will be conveyed under the endorsement of the secretary to Government in the Finance Department to whom the Administrative Department will send a copy of the sanctioning order for communication to the Accountant General.

Note 1.—The term 'Secretary' used in clauses (b) and (c) above includes Deputy Secretary and Under Secretary.

Note 2.—All enclosures to the sanctions shall be attested by the sanctioning authority or at least by a Gazetted Officer working under him.

Explanation 1.—Orders affecting the personal emoluments, posting, leave etc. of Gazetted Government servants not requiring consultation of the Finance Department should be communicated direct to the Accountant General by the sanctioning authority. Even if an order affecting a Gazetted Government servant is notified in the Gazette, a separate intimation to Audit will still be necessary.

Explanation 2.—Changes in the personnel of subordinate establishment and in their emoluments should be indicated in pay bills and absentee statements by the authorities preparing these documents who are responsible to ensure that orders of competent authority are obtained in each case as required by the rules. Orders of a special nature authorising the grant to a non-gazetted Government servant or directing stoppage of any increase in the emoluments or otherwise affecting the emoluments admissible to him against sanctioned pay of the appointment which he holds, should however, be communicated to the Audit Office by letter.

II. In cases referred to in clause(c) above i. e. where the Administrative Department is not empowered to sanction the expenditure, if an order sanctioning the expenditure is sent to the Accountant General direct by the Administrative Department and not endorsed by the Finance Department, it will be open to the Accountant General to challenge such a sanction on the basis of powers of propriety requiring an order of the Finance Department either supporting or modifying the original order.

17-6. As Audit of expenditure on works is conducted against technical sanctions, orders conveying such sanctions must be communicated to the Accountant General by the Public Works Department or in case where the execution of works has been assigned to any Department other than the Public Works Department, by the Department concerned. It should be conveyed independently of the communication of Administrative approval.

In order to facilitate audit scrutiny the authorities concerned should invariably quote the reference to administrative approval when they communicate technical sanction to the Accountant General.

[Note 1.—Except as provided herein below or in cases covered by any special rules or orders of Government no work shall be commenced or liability incurred in connection with it until :—

- (i) Administrative Approval has been obtained from the authority appropriate in each case,
- (ii) A properly detailed design and estimate has been sanctioned, and
- (iii) Funds to cover the charge during the year have been provided by competent authority.

Execution of works or obtaining of supplies on grounds of urgency or emergency in contravention of the above rule, can be made by the executive officers only on the written orders of the Chief Engineer. On receipt of such written orders, the executive officer may proceed to carry out the necessary work, subject to the condition that he immediately intimates to the Accountant General that he is incurring an unauthorised liability and states approximately the amount of the liability which he is likely to incur.

Note 2.—Technical sanction to work shall be accepted in audit even if it exceeds the amount of the administrative approval by a sum not exceeding 5 per cent.

17-7. All orders conveying sanction to the grant of additions to pay, such as duty allowance, deputation allowance and local allowance etc. should contain a brief but clear summary of the reasons for the grant of the addition so as to enable the Accountant General to see that it is correctly classified as duty allowance, deputation allowance or local allowance etc. as the case may be. In cases in which an official record in

an open letter is considered undesirable, the reason for the grant of such additions to pay should be communicated confidentially to the Accountant General. A similar procedure should also be followed in all other cases where sanctions relate to the grant of special concessions or allowances to Government servants. The sanction in such cases should mention the reasons in consideration of which particular concession is granted and quote the rule or rules in pursuance of or in relaxation of which the concession is allowed.

17-8. Sanctions accorded by competent authority to grants of land and alienations of land revenue, other than those in which assignments of land revenue are treated as cash payment should be communicated to the Accountant General in a consolidated monthly return giving the necessary details to enable him to audit the sanction accorded.

17-9. In all letters conveying sanctions to new grants-in-aid the sanctioning authorities should invariably quote the rule under which the sanction has been accorded. Where a sanctioning authority imposes any further restrictions or conditions in addition to those laid down in the rule such restrictions or conditions should also be clearly set forth in the letter.

IV—SIGNING OF SANCTIONS

17-10. All letters or orders sanctioning expenditure, appointments etc. must be signed by the sanctioning authority personally or by a Gazetted Government servant in charge of his office authorised to sign for him but in no case by a non-gazetted Government servant. Such copies of sanctions signed by a non-gazetted Government servant are not sufficient and should be authenticated by a Gazetted Government servant.

Note.—In respect of sanctions accorded by Government see also Rule 17-5 and notes below it.

V—DATE OF EFFECT OF SANCTIONS

17-11. Statutory Rules have effect from the date on which they are passed and the executive orders of Government from the date of issue of letter in which the sanction is conveyed. A sanction of any other authority has effect from the date of orders conveying the sanction. In all cases, however, these orders are subject to any special provisions as to the date of effect in the rules, orders and sanctions themselves.

Note 1.—Orders sanctioning creation of the temporary posts should, in addition to the sanctioned duration of the post, invariably specify the date from which it is to run, whether it be the date of entertainment or otherwise.

Note 2.—See also rules 16-6, 16-7 and 16-9

17-12. Powers derived from a delegation cannot be exercised by the recipient of the delegated powers from a date earlier than the delegation.

VI—RETROSPECTIVE SANCTIONS

17-13. (1) In sanctioning revision of pay or the grant of concessions to Government servants it should be borne in mind that retrospective effect should not be given to financial sanctions, except in exceptional circumstances, without the specific approval of Government.

(2) In the absence of special reasons to the contrary, concessions regarding rates of pay for any class of Government servants should take effect as from the first of March and not from some date in the middle of a financial year.

VII—LAPSE OF SANCTIONS

17-14. (1) A sanction for any charge which has not been acted on for a year must be held to have lapsed, unless it is specifically renewed with necessary provision in the Budget Estimates.

Note.—This rule does not apply to a case where an allowance sanctioned for a post or a class of Government servants has not been drawn by a particular incumbent of the post or a particular set of Government servants nor does it apply to additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority.

(2) In determining, whether a sanction has been acted upon, within one year of its issue, the following criteria may be adopted :—

(i) The period of one year should be calculated from the date of issue of the sanction and the sanction should be considered to have been acted upon if payment in whole or in part has been made in pursuance of the sanction within 12 months from the date of its issue. Where part payment has been made within the stipulated period the subsequent payment of the balance may, subject to the existence of Budget provision, be made without a fresh expenditure sanction. The bill for the subsequent payment besides containing a reference to the expenditure sanction, should also contain a reference to the No. and date of voucher under which the first payment was made :

(ii) when there is a specific provision in a sanction for any fresh charge that the expenditure would be met from the Budget provision of a specified financial year, such sanction will lapse on the expiry of the specified financial year.

17-15. (a) When the assent of the Finance Department is given to the sanction of expenditure (recurring or non-recurring) within the financial year or the power to sanction such expenditure within the financial year, is delegated, the sanction accorded will lapse on the 31st March. In the case of establishment charges where payments are made on monthly basis the sanction will expire on the last day of February of the financial year in question, unless the sanction covers a broken period of the month of March, payment for which can under the rules be made in the month of March.

(b) When the assent of the Finance Department is given, or delegation granted to the sanction of recurring expenditure for a specified period within the financial year, the sanction as of necessity cannot go beyond the financial year and expires after the period specified, in any case before the close of the year, or in the case of establishment charges paid on monthly basis, on the last day of February unless the sanction covers a broken period of the month of March. In such cases renewals may be made without any restriction.

(c) When the assent of the Finance Department is given or delegation granted to the sanction of recurring expenditure for a specified period not limited to the financial year the sanction accorded will not extend beyond the termination of the specified period.

(d) In respect of all sanctions described in rules, clauses (a), (b) and (c) it is the duty of the Audit to report to the Finance Department renewals extending beyond the limits laid down.

CHAPTER XVIII—MISCELLANEOUS SUBJECTS

(i) GENERAL RULES AND PRINCIPLES RELATING TO CONTRACTS :

18-1. (a) General rules and principles for the guidance of authorities who have to enter into contracts or agreements involving expenditure from the Consolidated Fund of the State are given in annexure 'A' to this Chapter.

(b) The various clauses of contracts and assurances of property to be executed by different authorities, as authorised by the Governor in exercise of powers conferred by section (1) of section 122 of the Constitution, are given in Annexure 'B' to this Chapter.

(i) For rules regulating the black-listing of contractors, see Annexure 'C' to this Chapter.

(ii) GRANTS OF LAND ASSIGNMENTS OF REVENUE AND OTHER CONCESSIONS ETC. :

18-2. No grant of land assignment of revenue, or concession grant, lease or licence of mineral or forest rights or right to water powers or any easement, or privilege in respect of such concessions may be authorised or relinquishment of revenue allowed except with the sanction of the competent authority.

Supplementary instructions in regard to agreements relating to these matters are contained in Annexure 'A' to this Chapter.

(iii) DESTRUCTION OF OFFICIAL RECORDS CONNECTED WITH ACCOUNTS :

18-3. The General rules on the subject are contained in 'Appendix I' (Special Rules applicable to particular departments are prescribed in the respective departmental manuals).

(iv) SECURITIES FROM GOVERNMENT OFFICIALS :

18-4. Subject to any special rule or order made by Government in this behalf every cashier, store-keeper and other subordinate who is entrusted with the custody of cash stores should be required to furnish security, the amount being regulated according to circumstances and to local conditions in each case under the sanction of competent authority

and to execute a security bond in Form F. C. 45 setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

"Where a cashier or a store-keeper is required to furnish a personal security in addition to the cash security prescribed under rules, he shall execute another security bond in Form F. C. 58 setting forth that terms and conditions under which the executant shall undertake to indemnify the Government against the loss."

[Explanation.—For purposes of this rule the competent authority shall be the concerned Administrative Department.]

18-5. Rules regarding the security of treasurers in treasuries and the form of security bond to be executed by them are given in the "J&K Treasury Code". The following instructions apply generally to securities to be taken from other Government servants Gazetted and non-Gazetted entrusted with the custody of cash or stores. If the officer is not himself actually handing the cash or stores (as in case of Treasury Officers etc.) no security is necessary from him.

(1) No security deposit need be taken from custodians of office furniture, stationery and other articles required for office management or from Librarian of Library staff. In the case of offices the Nazirs of which keep charge of small amounts of cash and have to disburse pay to the staff up to Rs. 2,000 monthly, no security need be taken but care should be taken to appoint a suitable man to the post.

(2) The cashiers who have to disburse pay from Rs. 2,001 to Rs. 5,000 monthly should deposit a security of Rs. 500 (Rs. 250 in cash and Rs. 250 personal).

(3) The cashiers of large offices who have to disburse pay to the staff every month from Rs. 5,001 to Rs. 19,000 should deposit a security of Rs. 1,000/- (Rs. 500/- in cash and Rs. 500/- personal).

¹[(3) (a) The Cashiers/Nazirs of large offices, who have to disburse pay to the staff every month exceeding Rs. 19,000/- should deposit a security of Rs. 1,500/- (Rs. 700/- in cash and Rs. 800/- personal)].

²[(4) (a) The cashiers and store-keepers of Food and Supplies Department, Jammu shall deposit a cash security of Rs. 1000/- each.

³(b) Unless otherwise indicated by a separate order of the Government in any case the following staff of Food and Supplies Department Kashmir shall deposit cash and personal security as shown against each :—

	Cash	Personal
1. Cashiers	Rs. 4,000/-	Rs. 30,000/-
2. Supervisors/Inspectors/Senior Supervisors/Senior Store-Keepers/ Verification Officers and other officials who may be put to work in above cadres.	Rs. 3,000/-	Rs. 10,000/-
3. Store-Keepers/Depot Asstts.	Rs. 2,000/-	Rs. 10,000/-
4. Store-Keepers for Leh/Kargil Districts	Rs. 2,000/-	Rs. 10,000/-
5. Muffasil Chowkidars	...	Rs. 500/-

Note 1.—Where however it is not possible for the concerned to pay the cash security in lump the same may be recovered from their pay in suitable instalments not exceeding ⁴36.

(5) The store-keeper and assistant store-keeper of Police Department should deposit cash securities of Rs. 1,000 and Rs. 500 respectively (half amount to be deposited in cash at once and half to be deducted from their pay within two years) and also mortgage, immovable properties valuing Rs. 4,000 and Rs. 2,000 respectively failing which personal securities of similar amounts shall be obtained.

(6) For store-keepers in departments like the P.W.D., Electricity, Sericulture, where the stores handled are considerable, the security required will be fixed by Government according to the circumstances of each case.

1. Inserted vide F. D. Notification SRO-158 dated : 17-4-1971.
2. Recast vide F. D. Notification SRO-44 dated : 28-1-1967.
3. Recast vide F. D. Notification SRO-192 dated : 13-5-1981.
4. Recast vide F. D. Notification SRO-122 dated 9-4-1982 effective from 13-5-1981

(7) The two store-keepers of the Text Book Stores, Jammu and Srinagar of the Research and Publication Department be required each to deposit a cash security of Rs. 500 and personal security of Rs. 1,000 the cash security be realised in easy instalments of Rs. 5 per mensem from each.

¹(8) The store-keepers of the Industrial Training Institute should deposit a cash security of Rs. 1,000 (to be deducted from their pay in easy instalments of Rs. 10 p. m.) and a personal security of Rs. 5,000.

Exception 1.—The condition laid down in sub-para 7 above is relaxed in favour of the store-keepers of the two Text Book Stores, Jammu and Srinagar.

Exception 2.—The provisions of sub-para 2 and 3 above shall not apply to Nazirs of offices attached to Civil Secretariat.

²Exception 3.—The Junior Commissioned Officers entrusted with the security of cash in N.C.C. Units are exempted from furnishing of security required under these rules.

18-6. When an officer who has furnished security takes regular leave or is deputed to other duty, the officer who is appointed to officiate for him should be required to furnish the full amount of security prescribed for the post, unless the competent authority otherwise directs.

Note.—Persons officiating in short term vacancies may be exempted by Government in the Administrative Department concerned from furnishing security if circumstances warrant such exemption provided that :—

- (i) there is no risk involved ;
- (ii) such exemption is granted only in case of permanent Government servants ; and
- (iii) the period of officiating appointment in which security is generally taken does not exceed four months.

1. Inserted vide F. D. Notification SRO-11 dated : 19-1-1966.
2. Inserted vide F. D. Notification SRO-31 dated : 20-1-1981.

18-7. Whenever a private person or a firm contracts with Government to supply stores or execute a work, he or it should, unless exempted by competent authority be required to give security for the due fulfilment of the contract and suitable provision regarding the security should be incorporated in the agreement and in the tender forms.

18-8. The security taken from a Government servant or a contractor should be in one of the forms given in the Annexure 'D' to this chapter or partly in one and partly another of these forms when this is specially prescribed by the competent authority or by some rule or order.

¹[18-8-A. Notwithstanding anything contained in rule 18-8 security from Forest lessees may also be accepted in the form of a Bank Guarantee favouring the Chief Conservator of Forests, valid for a period of not less than the original period of the lease inclusive of extensions that can be given under clauses 11 and 12 of the agreement plus an additional period of two years subject to the conditions that :—

- (a) In case where Bank Guarantee has been accepted as Security every extension in the lease shall always be subject to the extension in the period of validity of the Bank Guarantee for the corresponding additional period.
- (b) The Bank Guarantee shall not be revocable except with the permission of the Government in the Forest Department and shall also be renewable on a mere demand being made by Conservator of Forests on the Bank concerned.
- (c) The question of enforceability by the Government or the Chief Conservator of Forests of any such Guarantee against the lessee shall not be made subject-matter of any dispute before arbitrator or otherwise or made subject of any proceedings by the lessee in any form, whatever, in relation to the contract at any time.]

²[18-8-B. Bank Guarantee in lieu of Earnest Money may also be accepted from contractors for civil works and other supplies and services. The conditions contained at Rule 18.8-A in respect of Forest Leases shall apply *mutatis mutandis* to other contracts for works, supplies and services. Care has to

be taken that the bank guarantee is executed well in time before the expiry of contract period including the period of extension if any granted. The bank guarantee shall be in the Form contained in Annexure-E of chapter 18 and among other things it shall specifically be provided therein that the liability or obligation of the bank under the guarantee bond shall not be affected or suspended by any dispute between the Government and the contractor/supplier and payment under the guarantee bond may not wait till the disputes are decided by the competent Court of Law or tribunal and that any payment made by the bank to the Government Department under the guarantee bond shall be deemed to have been rightfully and lawfully made.]

18-9 Security furnished in cash by a Government servant or a contractor may be converted, at the cost of the depositor, into any of the interest bearing forms of security mentioned in items (2) to (5) of Annexure 'D' provided that :—

- (i) the depositor has expressly requested in writing that this be done, and
- (ii) the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement or bond.

Note 1 — Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms part of a deposit which is being paid in instalments and has not yet been realised in full.

Note 2 — Percentage deductions made from a contractor's bill held as security for the due fulfilment of a contract should not be converted into any other form of security unless there is special rule or order for such conversion.

18-10. When a Government servant has furnished security in the form of a fidelity bond, the departmental authority receiving the bond should see that the Government servant pays the premia necessary to keep it alive on the due dates and continues to do so until a period of six months has elapsed since he vacated his office. If the Government servant fails to deliver the premium receipt to the departmental authority in time, he should be removed from his post at once.

1. Inserted vide F. D. Notification SRO-112 dated : 17-2-1978.

2. Inserted vide F. D. Notification SRO-95 dated : 19-3-1984.

When the bond is returned to the Government servant acknowledgement duly signed by him and witnessed should be obtained.

18-11. Subject to any rule or order made by the Government in this behalf the form of the security bond to be executed at the time of furnishing security should be determined under orders of the head of department according to the kind of security furnished. When a Government servant is specially permitted to furnish security partly in one and partly in another of the forms of security specified in Annexure 'D' referred to in Para 18-8 he should execute separate bonds for the different kinds of security.

18-12. The securities should be lodged for safe custody with the treasury.

Note 1.—All the Post Offices Savings Bank Pass Books should be sent to the Post Office as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.

In the case of deposit receipts of banks, the depositor should receive the interest when due, direct from the bank on a letter from the pledgee authorising the bank to pay, it to him.

Note 2.—The security bonds of Government servants employed in treasuries should be kept in a locked box in the doublelock strong room of the treasury. The Treasury Officer will be responsible for the safe custody of the bonds and should keep, the key of the box in his personal custody.

18-13. A security deposit taken from a Government servant should be retained for at least six months from the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for keeping it.

18-14. Without the special orders of the competent authority no security deposit should be repaid or re-transferred to the depositor, or otherwise disposed off, except in accordance with the term of his security

bond or agreement. A departmental authority on returning any security to the depositor should invariably obtain his acknowledgement duly signed and witnessed. When an interest bearing security is returned or re-transferred, the acknowledgement should set forth full particulars of the security.

18-15. The percentage deduction from bills held as security in connection with contracts to execute works should not be refunded till the final bill has been prepared and passed.

(v) CONSENT AND DELEGATION ORDERS

18-16. The authorities which exercise the powers of a competent authority under the various rules in this Code are detailed in Jammu and Kashmir Book of Financial Powers.

(vi) CONTINGENCIES, STORES, FEES, COMPENSATIONS, REMUNERATION ETC.

18-17. Except as provided in the specific delegations made in the Jammu and Kashmir Book of Financial Powers, disbursing officers, controlling officers and Heads of Departments may incur expenditure on objects which are specified in detail in the distribution statements other than pay of inferior servants under the primary units of appropriation "other charges" and which are necessary for the technical working of the department in which they are incurred within the amounts allotted in such estimates or otherwise by competent authority unless there is something novel, doubtful or irregular in the character of the expenditure.

(vii) WRITE OFF OF LOSSES ETC.

18-18. (1) A competent authority may write off the irrecoverable value of stores, livestock or public money lost by the negligence of individuals or other causes provided that the loss does not disclose (a) defect of system the amendment of which requires the orders of higher authority, (b) Serious negligence on the part of some individual officer or officers which might call for disciplinary action requiring the orders of the higher authority.

Note.—These orders apply also to the writing off of losses of revenue, irrecoverable loans and advances and deficiencies, depreciation

etc., in the value of stores included in the stock and other accounts but these rules do not apply to losses of cash in treasuries whether in the course of remittance or out of the Treasury balance. Individual cases of such losses should be reported to the Government and their specific approval obtained before any item of loss is written off.

(2) All sanctions to write off under this article shall be communicated to the Accountant General who will scrutinise each case and bring to notice any defect of system which appears to require attention.

Note.—A half yearly statement of all such writes off of losses shall be sent to the Finance Department through the Administrative Department concerned.

(3) Worn out and unserviceable articles shall be sold by auction and the sale proceeds thereof credited into the treasury, the difference between the original value and the sale proceeds being written off by the competent authority. The life prescribed for stock articles is given in Appendix 12.

The expression 'value of stores' used in this rule should be interpreted as meaning 'book value' where priced accounts are maintained and 'replacement value' in other cases.

(viii) INDENT FOR FORMS

18-19. No Government servant can prescribe a new Treasury Form or get reprinted any of the Treasury Forms mentioned in this or the "State Treasury Code" without the authority of the Finance Department. A stock of such forms is kept in the Government Presses at Jammu and Srinagar, and before the form is printed it is revised if necessary, with concurrence of the Accountant General. Consequently Government servants (including Treasury Officers) should indent for them from the Jammu and Srinagar Presses. Ordinarily one year's requirements should be indented for at a time, and such indents for a year should reach the Press by the first November of the preceding year, i.e., 5 months before the commencement of the year of requirement so that the Manager of

the Press may supply them to the indenting officers before the year commences. Supplementary indents and indents sent too late should be accompanied by explanations.

Note.—In the treasuries in the frontier districts of Leh, Kargil and Kishtwar the stock of forms in reserve must be sufficient to obviate inconvenience from closure of the passes.

(ix) JEEPS AND VEHICLES

18-20. For rules relating to the use of jeeps and other Government vehicles see Appendix 13 to this Code.

(x) TRANSFER OF GOVERNMENT ASSETS TO AUTONOMOUS BODIES

18-21. (1) When a Government undertaking is converted into a State owned Private Ltd. Company, specific approval of Legislature should be obtained by means of a token vote or otherwise for transfer of Government assets to the Company.

(2) Transfer or gift of Government property of a value exceeding rupees fifty thousand to outside parties, institutions etc. should be made only after it is brought to the notice of the Legislature by a suitable mention in the Explanatory Memorandum on the Budget.

(3) In case of urgency where it may not be possible to wait till the matter is brought to the notice of the Legislature through the Explanatory Memorandum on the annual Budget, arrangements may be made by entrusting the management of the property to the body or institution but the formal transfer of the title to the property should be effected only after a mention is made in the Explanatory Memorandum.

(4) When Government properties are transferred to autonomous organisation suitable safeguards should be imposed to provide that it should not be encumbered or alienated by the recipient of the property without prior approval of the Government.

(5) A suitable mention of such transfer as per paras 1 to 4 above shall also be made in the appropriation accounts of the year to which the transaction relates, by the Accountant General.

(xi) INSURANCE OF GOVERNMENT PROPERTY

18-22. The normal policy of Government is not to insure its properties and no expenditure should be incurred without the prior consent of the Finance Department.

(xii) RULES REGULATING RECOVERY OF DEPARTMENTAL OUTSTANDINGS FROM GOVERNMENT SERVANTS

18-23. In order to ensure that no undue delay takes place in the recovery of amounts due to Government from Government servants and that no such amounts are left unrecovered and also that the dues of Government servants are not unduly withheld on this account, the following instructions are issued for the guidance of all Government employees .

1. All Government servants should consider it their primary duty to pay off Government dues as they fall due. In the event of their failure to do so the payment of their dues to the extent of the amount estimated to be recoverable may in the discretion of the competent authority be withheld pending passing of final orders. The period of withholding shall be until the question of recovery is finally decided but shall not ordinarily exceed six months during which period all the enquiries must be completed.

2. The authority competent to order withholding of the payment of such dues will in the case of non-gazetted officers be the authority competent to appoint and in the case of gazetted officers Administrative Department concerned.

3. The Head of the Department interested in the recovery of any outstanding shall approach the authority specified in Rule (2) above direct or through the Administrative Department concerned as the case may be for issue of necessary orders.

4. The Administrative Department concerned will in the case of

gazetted officers communicate orders to the Accountant General who will stop payment of any dues under audit at the time of issue of instructions to the Treasury Officer for withholding of such dues to the extent necessary. The dues of non-gazetted officers will be withheld through the pay bills of the establishment to which such officers belong.

5. For officers serving on an agreement the production of a No Demand Certificate from the Electrical and Public Works Departments or from any other Department prescribed in this behalf by Government, will be necessary on the termination of the term of service of such officers, before payment of final dues is made to them by the Accountant General. This rule applies to officers who quit service of the State otherwise than on retirement, and who are not eligible for pension.

6. In the case of outstandings relating to Departments other than those referred to in rule 5 above, it will be the duty of the Department to see that timely action is taken for the recovery of Government dues from Government employees and that such dues are not left unrecovered till the time of an officer's quitting the service.

ANNEXURE 'A'

[Referred to in Rule 18-1(a)]

GENERAL RULES AND PRINCIPLES RELATING TO CONTRACTS

No contracts may be entered into by any authority which has not been empowered to do so by or under the orders of the Government.

The following general principles have been laid down for the guidance of authorities, which have to enter into contracts or agreements involving expenditure from Public Funds :

(i) In all tender notices it should *inter alia* be provided that :—

“As soon as the acceptance of the tender is communicated to the successful tenderer the contract shall be complete and binding on him. A formal deed incorporating the terms of the contract will be executed by the successful tenderer later on. Failure to execute such a formal deed shall not, however, prevent the contract from being enforced against him. Any loss sustained by the Government as a result of retendering the contract shall be recovered from him.”

The terms of a contract must be precise and definite, and there must be no room for ambiguity or misconstruction therein.

It should state the quantity and quality of work to be done, the specification to be complied with, the time within which the work should be completed, the conditions to be observed, the security to be lodged, the terms upon which the payment will be made and the penalties executed.

Note 1.—In making agreements with or in favour of any person, firm, company, syndicate municipality or other public body for any concession, grant or lease of land or mineral or forest rights or of right to waterpower, or of right of way or other easement or of any privilege in respect of land of mineral or forest

rights, the deed of concession or the agreements if the rights under it are transferable must be so formed that it will be beyond the power of the grantees or contractees to transfer their rights or any part of them except with the sanction of the competent authority.

All such concessions and agreements will further be subject to any special provision made by the competent authority to meet particular cases or particular classes of cases.

Note 2.—When contract is likely to endure for a period of more than 5 years, it should where feasible, include provision for unconditional power of revocation, or cancellation by Government at any time on the expiry of six months notice to that effect.

(2) As far as possible, legal and financial advice from the Law and Finance Departments should be taken in the drafting of contracts before they are finally entered into.

Note.—No contract or agreement for execution of a contract should be executed or entered into and no tenders for a contract should be accepted without previous consultation with the Finance Department if expenditure of money or abandonment of revenue is involved thereby for which previous consultation with the Finance Department is required.

(3) Standard forms of contracts should be adopted wherever admissible, the terms to the subject to adequate prior scrutiny.

(4) The terms of a contract once entered into should not be materially varied without the previous consent of the competent legal financial authority. No payment to contractors by way of compensation, or otherwise outside the strict terms of the contract or in excess of the contract rates may be authorised without the previous approval of the Finance Department.

(5) No contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the competent financial authority.

(6) whenever practicable and advantageous, contract should be placed only after tenders having been openly invited and in case where the lowest tender is not accepted reasons should be recorded. In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors. In the case of contracts for perishable stores a warranty clause on the lines indicated in the specimen form herein below should invariably be incorporated.

SPECIMEN FORM OF WARRANTY CLAUSE

The contractor/seller hereby declares that the goods/stores/articles sold to the buyer under this contract shall be of the best quality (and workmanship) and shall be strictly in accordance with the specifications and particulars contained/mentioned in the clausewhereof and the contractor/seller hereby guarantees that the said goods/stores/articles would continue to conform to the description and quality aforesaid for a period of todays/months from the date of delivery of the said goods/stores/articles to the purchaser and that notwithstanding the facts the purchaser (inspector) may have inspected and/or approved the said goods/stores/articles, if during the aforesaid period ofdays/months the said goods/stores/articles be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the purchaser in that behalf will be final and conclusive) the purchaser will be entitled to reject the said goods/stores/articles or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods/articles/store will be at the sellers risk and all the provisions herein contained relating to rejection of goods etc. shall apply. The contractor/seller shall, if so called upon to do, replace the goods etc., or such portion thereof as is rejected by the purchaser otherwise the contractor/seller shall pay to the purchaser such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of the purchaser in that behalf under this contract or otherwise.

Note.—In all contracts where a warranty clause is included, the position regarding delivery of goods in replacement of rejected ones should be made clear beyond doubt by adding if necessary, the words.

“Free of cost at the ultimate destination” after the words “by the purchaser” in the penultimate sentence of the said clause; while so incorporating the clause the authorities will ensure that the amended clause is in consonance with the other conditions of the contract.

(7) Even in cases where a formal written contract is not made no order for supplies, etc., should be placed without at least written agreement to the price.

(8) Provision must be made in contracts for safeguarding Government property entrusted to a contractor.

(9) The Accountant General has power to examine contracts and to bring before the Public Accounts Committee any cases where competitive tenders have not been sought, or where high tenders have been accepted, or where other irregularities in procedure have come to light.

(10) The instructions given in the Annexure hereto should be carefully observed in drawing up instruments relating to immovable property.

These principles will apply to all contracts involving expenditure from the consolidated fund of the State and should be carefully observed by all Government servants who have to enter into such contracts on behalf of Government.

(Referred to in Para 10 of Annexure A)

INSTRUCTIONS TO GOVERNMENT SERVANTS
CONCERNED WITH THE DRAWING UP OF INSTRUMENTS
RELATING TO IMMOVABLE PROPERTY

1. Many of the old printed forms still in use refer to "His Highness Maharaja Bahadur" wherever such words occur they should be substituted by Governor of Jammu and Kashmir" and consequential alterations should be made throughout the draft.

2. (i) Most standard forms refer to the other party as a single individual with the usual particulars of parentage, castes and residence. When the Instrument is in favour of a body of persons, the heading will have to be altered and particular care is needed to ensure that this is done correctly.

(ii) In the first place, the exact nature of the body must be ascertained, and the description must be entered in the draft e. g. a firm carrying on business in partnership through A. B. one of the partners or a company, association or society incorporated or registered under the provision of any rule or Act. When the party is a company the address of the registered office should be given.

3. Government servants executing deeds on behalf of Government should distinguish between the power merely to sign such deeds and the power to grant lease, etc., without reference to Government. If the power to make a grant has not been delegated reference should be given to the orders of Government itself. If the power has been delegated, a reference should be made to the order of delegation.

4. (i) If a lease is to be executed on behalf of a corporation, there must be either a resolution of the governing body, or some other form of authorisation and there should also be an inspection of the articles of association or the bye-laws to show that the execution of the document by the person signing it is in order.

(ii) When the deed is in favour of an incorporated body the agreement is with the body itself, and should be so expressed. A common mistake is to describe the agreement as being made with the manager or managing body. Such expression should be avoided.

5. When the deed is in favour of a firm, the agreement is with the actual partners trading under the name of the firm and not in favour of any legal person as a part from the partners individually. For this reason, it is important that the name of the partners should be known and that it should also be known whether the party executing the lease has power to bind the partners. Particular caution is needed when the deed relates to land, as the powers of partners to bind each other in this respect are strictly limited.

6. All references to specified sums of money, terms of years and so on should invariably be expressed in words, and not in figures. Abbreviations should be used as little as possible.

7. Schedules, maps and plans form part of a draft and should always be included in any draft which is to be sent to the Legal Remembrancer for scrutiny.

ANNEXURE 'B'

[Referred to in Rule 18-1 (b), and 18-2]

Execution on behalf of Governor of certain contracts and assurances of property made in the exercise of the executive powers of the State sanctioned vide Government Order No. 3 of 1957 dated 23-2-1957, 18-SR of 1960 dated 28-7-1960, 13-Camp dated 16-10-1958, 37-Camp/57 dated 28-9-1959, etc.

The undermentioned contracts and assurances of property made in the exercise of the executive powers of the State shall be executed on behalf of the governor by various officers subject to any limit fixed by Government from time to time.

I. In case of all Departments and Secretariats—

Contracts and other instrument relating to advances for the purchase of motor cars : By the Secretary incharge of the Department concerned.

II. In the casre of Chief Secretariat—

Agreements relating to scholarships, lonas for studies etc. : By the Secretary (General Department).

III. In the case of the Department of Community Development and National Extension Service :—

Contracts and other instruments relating to the business of the Department : By the Secretary to Government, Development Commissioner, District Development Officers, Block Development Officers and Project Officers.

IV. In the case of the Department of Information—

All contracts relating to business of the Department : By the Secretary to Government, Director of Information and Principal Information Officer.

V. (1) Contracts or the lease of lands, buildings, orchards :—

(a) In the case of Revenue Department : By the Secretary to Government, Financial Commissioner, Commissioners, deputy Commissioners and Tehsildars.

(b) In the case of Rakhs Departments : By Director, Rakhs and Farms, or the Assistant Director, Rakhs and Farms.

(c) In the case of Agriculture Department : By director Agriculture, Joint Director, Agriculture or Deputy Director, Agriculture.

(d) In the case of Horticulture Department : By the Joint Director of Horticulture or the Deputy Director of Horticulture.

(2) Contracts for the supply of food and fodder for animals and for supply of dairy produce : By the Director of Animal Husbandry or the Deputy Director Animal Husbandry or any other Officer authorised by him.

(3) Contracts for the removal of grass leaves, etc. in Government Orchards : By the Director of Agriculture or Deputy Director Agriculture or Joint Director of Agriculture or Joint Director of Horticulture or Deputy Director of Horticulture.

(4) All contracts and instruments relating to conveyance of foodgrain Stock, and other matters connected with Food and Supplies Department : By the Directors Food and Supplies Department.

(5) Leases of houses, land and other immovable property defined as evacuees Property : By the Custodian and Deputy Custodians Evacuee Property within their respective jurisdiction.

(6) Agreements and bonds relating to rehabilitation loans : By the Secretary to Government, Provincial Rehabilitation Officer or such other Officers whom the Government may authorise in this behalf.

(7) Contracts connected with ferries dues for grazing cattle on places other than canal banks, fisheries, Nadroo contracts and leases of orchards etc. by the commissioner of the Province or the Deputy Commissioner concerned.

(8) Contracts or other instruments for the purchase of livestock and purchases, supply and conveyance of materials, stores, etc. connected with Agriculture, Animal Husbandry, Rakhs and Farms, and other Departments included in the Agriculture Portfolio : By the Secretary to Government or by the respective Heads of Departments or such other selected officers whom they may authorise in this behalf.

(9) Contracts relating to purchase of cloth and stores for preservation of records as also for disposal of waste paper etc. : By the Director Land Records.

(10) Contracts relating to Co-operative Departments : By the Registrars Co-operative Department.

VI. In the Department of Forests—

(1) Agreements relating to Forest leases and appropriation of Forest products : By the Secretary to Government, Chief Conservator or Conservator of Forests and Divisional Forest Officers.

(2) Contracts and other instruments relating to all matters connected with.—

(a) Game Preservation : By Conservator of Forests.

(b) Fisheries and State Rakhs : By Director Fisheries.

VII. Central furniture, Stores : By Secretary to Government.

VIII. In the Departments of Health and Medical Education.—

(1) Stationery and Printing :—

(a) Contracts for the supply of stationery and bonds of employees when it is necessary that they should be executed by the obligee;

(b) Contracts for printing work ;

(c) Contracts relating to disposal of waste paper and purchase of local stores etc.;

(d) Contracts for clearance, handling, conveyance and delivery of consignments and supply of labour etc.;

(e) Agreements with Government auctioners ;

(f) Contracts for supply of uniform materials ;

(g) Contracts for preparation of uniforms ;

(h) Agreement for supply of bicycles, type-writers, and other office equipments ; and

(i) Contract for machinery and printing.

By the Secretary to Government, the Controller Stationery and Printing or Managers of Government Presses.

(2) Education:—

(i) Contracts for purchase, Supply and conveyance of furniture, materials and other stores and contracts relating to all matters connected with the department including purchase of books etc. for libraries;

(ii) Agreements relating to employment of persons in Gazetted cadre ;

(iii) Rent deeds relating to houses hired for schools etc.;

(iv) Agreements relating to Departmental Training inside or outside the State ;

- (v) Agreements connected with grants-in-aid to Educational Institutions and Universities of Jammu and Kashmir, Srinagar;

By the Secretary to Government, Director Education.

Deputy Director Education, Chief Inspectress.

District Inspectors of Schools, Inspectresses of Girls Schools.

Zonal Education Officers, Assistant Director Research and Publication and Principals of Colleges.

- (vi) Agreements relating to construction of school buildings etc. through Local Construction Committee : By the Chairman of the Committee .—

(3) (a) Medical—

- (i) Contracts for purchase and supply of medicines and stores ;
- (ii) Contracts for supply of hospital equipments ;
- (iii) Contracts for supply of ration and other articles for Hospitals ;
- (iv) Service contracts in connection with employment of persons in the Department ;
- (v) Leases of buildings, land etc. for dispensaries etc. ;
- (vi) Contracts for purchase, supply and conveyance of furniture, materials and other stores and contracts relating to all matters connected with the Department ;

By the Secretary to Government, the Director or Deputy Directors, Health Services, Superintendents of Hospitals and Chief Medical Officers.

(a) Jails—

Contracts relating to all matters connected with the business of the Department : By the Secretary to Government or Inspector General of Prisons.

IX. In the Department of Food and Supplies—

Agreements with ~~retail~~ dealers for distribution of rationed articles, all contracts and agreements relating to all matters connected with supplies and Price Control Department : By the Director Supplies, Jammu and Kashmir.

X. In the Department of Works, Irrigation and Power, Roads and Buildings, Irrigation, Electric and Mechanical Department and Flood Control Department.

(1) (a) All instruments relating to purchase, supply and conveyance or carriage of materials, stores, machinery, etc.;

(b) All instruments relating to the execution of works of all kinds connected with buildings, roads, bridges, canals, tanks, reservoirs and embankments etc. and instruments relating to the construction of Water-Works, Sewage Works, etc.;

(c) Bonds of auctioners, security bonds for the due performance and completion of works ;

(d) Security bonds for the performance of their duties by Government servants whom the officers below have the power to appoint : By the Secretary to the Government, Chief Engineers, Roads and Buildings, Irrigation, Flood Control , Electricity as the case may be, Superintending Engineers, Executive Engineers, Assistant Engineers and Sub-Divisional Officers, Roads and Buildings, Irrigation, Electricity, Flood Control as the case may be.

(2) Leases for grazing cattle on canal banks or road sides, for cultivation of lands, leases of water for Irrigation and other purposes and

instruments relating to the sale of grass, trees and other produce on the road sides or the plantations : By the Secretary to Government, the respective Chief Engineers, Superintending Engineers, Project Officers and Sub-Divisional Officers.

(3) Leases of houses, land or other immovable property, agreements for the recovery of fines, on account of drift wood or other timber passing into a canal : By the Secretary to Government or the respective Chief Engineers, Superintending Engineers, Executive Engineers.

(4) Agreements relating to loan of tools and plants to contractors and others : By the Secretary to Government or the respective Superintending Engineers, Executive Engineers.

(5) Agreements for catering contracts in Dak Bungalows and Rest Houses : By Chief Engineers and Executive Engineers.

(6) All deeds and instruments relating to any matters other than those specified in items 1 to 5 : By the Secretary to Government.

(7) Low and middle Income Group Housing Schemes, Agreements relating to house building advance to Government servants under the low and middle income group housing scheme : By the Secretary to Government.

XI. In the case of Home Department—

1. Police Department—

Contracts for the supply of clothing etc. for the preparation of uniforms etc. contracts and other instruments for the purchase, supply and conveyance, carriage and of materials, stores, machinery etc. : By the Secretary to Government, Inspector General of Police or Deputy Inspector General of Police or any subordinate officers whom the Government may authorise in this behalf.

2. Transport Department—

(a) All Contracts for purchase of motor cars etc. for State Motor Garage : By the authority competent to make the advances;

(b) All contracts for the purchase, supply and conveyance and carriage of materials, stores, machinery and tools etc. : By the Secretary to Government or Transport Commissioner ;

(c) All contracts for the lending of tools, plants, equipment and machinery to contractors ;

(d) All contracts for the handling of goods and merchandise subject to such financial limits as are fixed under rules and orders in force : By the Secretary to Government or Transport Commissioner or such other officer as may be authorised by the Commissioner in this behalf.

XII. Excise and Taxation Department—

(i) All contracts, deeds and other instruments relating to the business of the Excise Department.

(ii) Contracts for miscellaneous stores, chemicals and apparatus etc. ; and

(iii) Security bonds in connection with employment of special temporary staff or security bonds for due performance of their duties by Government Servants : By the Secretary to Government or Excise and Taxation Commissioner or Deputy Excise and Taxation Commissioners.

XIII. Treasuries—

(1) Security bonds or mortgage deeds as security in connection with employment of Treasurers, Cashiers and Clerks charged with disbursement of money or custody and handling of securities : By the Secretary to Government, Finance Department.

(2) Instruments relating to re-assignment of insurance policies which are assigned to Government in accordance with rules regulating State Insurance Fund : By the Secretary to Government, Finance Department (Insurance).

(3) Deeds of transfer shares held by Government : By the Secretary to Government, Finance Department.

XIV. Trade Agencies—

Contracts for purchase and supply of materials, machinery etc. on behalf of various Government Departments : By the Trade Commissioner, Delhi or Trade Agents.

XV. All deeds and instruments relating to matters connected with any Department (not hereinbefore specified) : By the Secretary to Government in that Department.

XVI. All contracts and Assurances of property made in exercise of the executive power of the State relating to the Department (Land Records and Nazool) shall be executed on behalf of the Governor by the various officers specified hereunder :—

1. Land Records :

Contracts and other instruments relating to binding of registers and printing of forms etc. : By Director Land Records.

2. Nazool Department contracts relating to lease of Land : By Assistant Commissioner Nazool (Jammu and the Tehsildar Nazool, Srinagar within their respective jurisdictions).

XVII. All contracts and instruments made in the exercise of the executive power of the State relating to Purchase of material, stores and machinery for various industrial concerns and centres and Mining leases including contracts for extraction of minerals granted under the law, shall be executed by the Director of Industries and Director of Geology and Mining respectively on behalf of the Governor.

XVII.A. All deeds and instruments relating to matters connected with Labour Department by the Labour Commissioner.

XVII.B. All deeds and instruments relating to matters connected with employment exchanges by the Director Employment Exchange.

ANNEXURE ' C '

Rules regulating the black- listing of contractors as sanctioned under Council Order No. 187 of 1934.

To regulate and make uniform the procedure to be followed in black-listing a contractor, the following rules are laid down :

1. A black-list shall be maintained by the Chief Secretariat, General Department, of all contractors, who have been debarred by competent authority from obtaining contracts from Government. A copy of this list shall be supplied to Administrative Departments on the 1st April of each year (under confidential cover) for the information of authorities competent to sanction contracts on behalf of the State.

The General Department shall be responsible for sending a copy of every amendment and addition made to this list within two weeks of the amendment or addition.

Whenever any competent authority passes an order black-listing a particular contractor, immediate information thereof shall be sent (marked confidential) to the Secretary in the General Department for necessary amendment or addition to the list.

2. No contract shall be sanctioned in favour of a contractor who is on the black-list.

3. Administrative Department concerned on their motion or on a report received from a Head of Department may after such enquiry as may be deemed proper black-list a contractor.

4. A contractor may be black-listed for the following reasons :—

(a) if he refuses to work or becomes incapable of working or has been declared an insolvent by a court of competent jurisdiction or has been convicted of any such offences or has been made the subject of an order by a criminal court which implies, in the opinion of the competent authority a defect of character which unfits him as a contractor;

(b) if he has been found guilty by the competent authority of unfair dealing, dishonesty, bad workmanship, wilful neglect of duty or any other defect of character which unfits him as a contractor ; and

(c) if he is found to have taken part in anti-State or subversive activities.

5. Whenever any Administrative Department of the Government shall be of the opinion that there are good grounds for black-listing a contractor it shall cause the reason thereof to be reduced to writing.

6. The order shall contain the substance of imputation against him under different heads of charges and he shall be given an opportunity to show cause against these charges. After hearing the contractor if he appears, the administrative Department shall pass final orders in his case.

7. Every contractor considering himself aggrieved by an order passed under rule 6 shall be entitled to prefer one appeal and only one on a properly stamped petition to the Council of Ministers against the original order. No further appeal or revision shall lie.

8. A contractor ordered to be black-listed may apply for a review of the order to the authority passing it on any of the following grounds :—

- (a) that there are some new facts or circumstances that call for a reconsideration of the order, or
- (b) that any material irregularity has been committed in passing the order, or
- (c) for any other sufficient reasons.

There shall be only one application for review.

9. The period of limitation for a petition of appeal or review shall be 60 days from the date of the communication of the order to the person aggrieved. In computing this period, however, the date on which it is communicated or published and the time requisite for obtaining its copy shall be excluded.

10. Copies of orders or orders under appeal or review shall be attached to the petition.

11. Every petition of appeal or review preferred under these rules shall contain all material statements and arguments relied on by the contractor, shall contain no disrespectful or improper language and shall be completed in itself.

12. Every order passed under rule 5 of these rules shall specify whether a contractor shall remain on the black-list permanently or for a period to be specified in the order.

ANNEXURE 'D'

(Referred to in rule 18.8)

FORMS OF SECURITY

Forms of Security	Conditions
(i) Cash	<p>(1) Government will not pay any interest on any security deposit held in the form of cash. Such security deposits may be converted, at the cost of depositor, into any of the interest bearing forms of security mentioned in item (ii) to (v) below, if the depositor expressly requests in writing to that effect and the acceptance of the new form or forms of security is permissible under this rule and under the terms of agreement or bond. Cash actually received or recovered may be converted into an interest-bearing form of security even when it forms part of a deposit which is being paid in instalments but has not been realised in full.</p> <p>(2) Percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract shall not be converted into any other form of security unless there is a special rule or order for such conversion.</p>

Forms of Security	Conditions
(ii) Promisory notes and stock certificates of the Central Government or a State Government.	(1) These securities shall be accepted at five per cent below their market price or at their face value, whichever is less and shall be dealt with in accordance with the rules, in Chapter IX of the Government Securities Manual.
(iii) Post Office Cash Certificates, National Saving Certificates, Treasury Savings Deposit Certificates, National Plan Saving Certificates and 10 years Defence Deposit Certificates.	<p>(1) These Certificates shall be formally transferred to the Governor. The Departmental authorities authorised to accept security under rule 18-8 shall accept the same with the sanction of the Postmaster of the office of registration at their surrender value at the time of tender.</p> <p>(2) Certificates which are not held in the name of the person furnishing the security shall not be accepted.</p>
(iv) Post Office Saving Bank Pass Book.	(1) A Pass Book for a deposit made under the Post Office Savings Bank Rules may be accepted as security provided that the depositor has signed and delivered to the Postmaster a letter in the prescribed form as required by those rules.

Forms of Security	Conditions
(v) Deposit receipts of Schedule Banks.	<p>(2) The Pass Book shall be sent to the Post Office as soon as possible after the 15th June of each year, so that the necessary entries on account of interest may be made in them.</p> <p>(1) The deposit receipt shall be made out in the name of the pledgee or, if it is made out in the name of the pledger, the bank shall certify on it that the deposit can be withdrawn only on , the demand, or with the sanction of the pledgee. The bank shall agree that on receiving a signed treasury challan and a withdrawal order from the pledgee in respect of the deposit, or any part thereof, it will at once remit the amount specified into the nearest Treasury along with the challan and send the treasury receipt to the pledgee.</p> <p>(2) The depositor shall agree in writing to undertake any risks involved in the investment and make good the depreciation, if any.</p> <p>(3) The depositor shall receive the interest when due, diirect from the bank on a letter from the pledgee authorising the bank to pay it to him.</p> <p>(4) The responsiblity of the pledgee in connection with the deposit</p>

Forms of Security	Conditions
(vi) Fidelity bonds from insurance companies in forms prescribed by Government.	<p>and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.</p> <p>A fidelity bond may be accepted as security form a Government servant but not from a private party. When a Government servant has furnished security in the from of a fidelity bond, the departmental authority authorised to accept security under rule 18-8 shall see that the Government servant pays the premia necessary to keep it alive on the due dates and continue to do so until he vacates his office. If the Government servant fails to submit the premium receipts in time he shall not be allowed to perform the duties of his post and dealt with in accordance with terms of his appointment.</p>
(vii) Any other form of security approved by Governmemnt for acceptance in any particular departments, such as mortgages on real property and personal security.	<p>These securities may be accepted only in accordance with the rules and conditions laid down in the relevant departmental regulations or by special orders of Government.</p>
¹ (viii) 10 years social security certificate.	<p>The pledging of 10 years social security certificates should be in accordance with the precedure laid down in the rules governing these certificates.</p>

ANNEXURE 'E'

[Refer Rule 18-8 B]

GUARANTEE BOND

In consideration of the Government of Jammu and Kashmir (hereinafter called the 'Government') having agreed to exempt

----- (hereinafter called) "the said contractors" from the demand, under the terms and conditions of an Agreement

dated-----made between-----for-----

(hereinafter called 'the said Agreement'), of security deposit for the due fulfilment by the said contractor (s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee

for Rs. ----- (Rs. ----- only)

We----- (hereinafter referred to as (indicate the name of the bank)

at the request of ----- contractor (s) do hereby undertake to pay to the Government an amount not exceeding

Rs. ----- against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor (s) of any terms and conditions contained in the said Agreement.

2. We----- do hereby undertake to pay (indicate the name of the bank)

the amount due and payable under the guarantee without any demur, merely on demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said contractor (s) of any of the terms and conditions contained in the said Agreement or by

reason of the contractor (s) failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.-----

3. We undertake to pay the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor (s)/ supplier (s) in any suit or proceeding pending before any court or tribunal relating thereto or liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be valid discharge or our liability for payment thereunder and the contractor (s)/ supplier (s) shall have no claim against us for making such payment.

4. We----- further agree that the (indicate the name of the bank)

guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged

or till----- Office/Department-----

certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor (s) and accordingly discharges this guarantee, unless a demand or claim under this guarantee is made on us in writing on or before the ----- we shall be discharged from all liability under this guarantee thereafter.

5. We----- further agree with the (indicate the name of the bank)

Government that the Government shall have the fullest liberty without our consent and without any affecting any manner our obligations here under to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor (s) from time to time

or to postpone for any time or from time to time any of the powers exercisable by the Government against the said contractor (s) and the forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by the reason of such variation, or extension being granted to the said contractor (s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said contractor (s) or any such matter or thing whatsoever which under the law relating to sureties would, but for the provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor (s) /supplier (s).

7. We-----lastly undertake
(indicate the name of the bank)

not to revoke this guarantee during the currency except with the previous consent of the Government in writing.

Dated the-----day of-----

for-----
(indicate the name of the bank)

GOVERNMENT OF JAMMU AND KASHMIR
FINANCE DEPARTMENT

Circular

Subject:- Composite House Building Advance-Classification of Government employees.

Attention is invited to Rule 14.18-A of Financial Code Volume I which regulates the grant of House Building Advance etc. to the Government employees. For the purpose of grant of advance under this rule the Government servants are grouped in two categories viz., Lower category employees i. e. whose emoluments (pay including D.A and other allowance etc.) are up to Rs. 700/- p. m. and Higher category employees i. e. whose such emoluments exceeds Rs. 700/-per month. The amount of advance in favour of a particular Government servant is determined with reference to the category (thus defined) in which he falls. A doubt has been raised whether the income ceiling of Rs. 700/- referred to in the said rule will continue to hold good under the revised pay structure (introduced w. e. f. 1-4-1987) also.

Finance Department propose to revise the present classification, in the context of revision of pay scales. In the meantime it is hereby clarified that the amount of advance payable to a Government servant under the said rule should be determined with reference to the pre-revised notional pay plus allowances drawn on 31-3-1987 (vis-a vis the existing pay ceiling of Rs. 700/-).

These instructions will also apply, *mutatis mutandis*, in the case of any other advance/loan or any other benefit that may be admissible under any other rules or departmental regulations, the amounts of which are determined with reference to the pay ceiling fixed prior to 1-4-1987 (not revised so far after issue of SRO-370 dated :17-7-1987)

(Sd.) J. A. KHAN,
Commissioner/Secretary to Government,
Finance Department.