

The Municipal Account Code, 1930

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CHAPTER I

General

I.1. Short title. - These rules may be called the Municipal Account Code, 1930.

I.2. Definitions. - In these rules, unless there is anything repugnant in the subject or the context

[(a) "Committee" or "Municipal Committee" except section 2A, means a Municipal Committee or Municipal Council constituted or deemed to have been constituted by or under this Act]

(aa) "Banker's deposit-at-call Receipt" means the acceptance in writing by a bank or banker of liability to pay on demand the amount specified on such receipt;

[(aaa) "Director" means the Director, Urban Development Department, Haryana;]

(b) "Employee" means an officer or servant employed by the committee and includes a Government servant in foreign service under the committee, but does not include a Government servant doing work for the committee under the control of his departmental superiors in Government service;

(c) "Goods" includes animals;

(d) "Government" means the [State] Government;

(e) "Head of Department" includes the Secretary, the Medical Officer of Health, the Municipal Engineer, the senior medical officer of the medical institutions of a committee and any other officer in charge of a separate department of the committee whom the committee, with the sanction of the Commissioner the committee, with the sanction [-] of the Deputy Commissioner [-], may declare to be the head of a department for the purpose of these rules;

(f) "Member" means a member of the committee;

(g) "Municipal Engineer" means the officer appointed by the committee to be in charge of the Municipal Works Department;

[(h) "The Act" means the Haryana Municipal Act, 1973;]

(i) "Treasury" means a Government treasury or sub-treasury, or a bank to which the Government treasury business has been made over, and includes the office of a banker

or person acting as a banker with whom the municipal fund is deposited under the provisions of sub-section (2) of section 54 of the Act;

(j) "Treasury Officer" means the officer in charge of a treasury, and includes a banker or person acting as a banker with whom the municipal fund is deposited under the provisions of sub-section (2) of section 54 of the Act.

I.3. Extension of time when the office is closed. - Wherever in these rules any act or proceeding is directed or allowed to be done or taken on a certain day, then, if the office is closed on that day, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day on which the office is open.

I.4. Powers of inspectors may be exercised by members and other specified officer. - The powers conferred by these rules on an inspector may be exercised by a member or by the Secretary or by an audit officer and by any other officer authorized by the committee in this behalf and, in the case of an octroi or terminal tax inspector, by the Octroi or Terminal Tax Superintendent.

I.5. Instructions of the Examiner Local Fund Accounts to be complied with in respect of details. - In the matter of details connected with accounts not provided for in these rules, the committee shall comply with the instructions of the Examiner, Local Fund Accounts, Punjab.

Examiner's Note

(1) The Municipal Account Code does not provide for maintenance of record of the amounts received by the cashier from time to time and their disposal. Recently a case has been noticed in which embezzlement took place and could not be detected by the disbursing officer for want of such a record. It is, therefore, hereby directed under rule 1.5 of the Municipal Account Code that a Cashier's Chest book should be kept by the Municipal Committees in the following form :-

Treasurer's Chest book										
Debit (Receipts)							Credit (Expenditure)			
Month and date	Number & Date of receipt or of voucher when cash is received for payment.	Amount Total	Month	Details of expenditure including remittances to the Treasury.	Amount	Total Daily balance in hand			Initial of the Secretary.	Rema
1	2	3	4	5	6	7	8	9	10	11
		Rs. np.	Rs. np.				Rs. np.	Rs. Ps.		

2. The Chest book should contain day-to-day record of the Cash received and disbursed by the Cashier. It will be the duty of the Secretary to ensure that all amounts received in the Municipal Office are noted in Cash Chest and disbursed to the parties concerned or deposited into the Municipal Fund. The chest book should be closed and balanced daily and initialled by the Secretary in token of his having accepted the accuracy of the amount of cash in the hands of the

Cashier. If there is no separate cashier, the Secretary and all the heads of offices acting as disbursing officers should maintain chest book for the cash handled by them.

3. The Chest book should be introduced with immediate effect.

(Examiner Circular Memo No. xix (32) 9/83.166, dated 6th September, 1957).

I.6. Unauthorised forms not to be used. - No forms other than those prescribed in these rules shall be used by the committee except with the sanction of the Examiner, Local Fund Accounts, Punjab [-].

I.7. The manner in which accounts are to be kept. - (1) Figures in the accounts shall be in English characters and, the case of receipts given for money, in vernacular characters also, and in all accounts and registers in the case of municipalities of the first class so far possible be kept in English throughout.

(2) Books of accounts and forms and registers shall be substantially bound and paged before being brought into use.

(3) No erasure shall be made in any account book register form, voucher or cheque, and if any correction has to be made, it shall be made neatly in red ink and attested by the dated initials of the head of the department or officer concerned, or, in the case of a cheque, by the signature of the officer signing the cheque, and, in the case of a voucher, by the payee also.

I.8. Destruction of records, etc. to be done in accordance with the schedule. - Vouchers, registers and other forms prescribed in these rules shall not be weeded or destroyed otherwise than in accordance with the directions as to the disposal of records contained in the schedule to these rules.

Examiner's Instructions. - Records should not be auctioned but should either be destroyed or should be torn out and sent to Shri Gopal Paper Mills Ltd. P.O. Jamna Nagar, Railway Station Jagadhri (District Ambala) who will pay for them at the rates approved by government from time to time.

(Examiner Local Fund Accounts Memo No. XIX (26)-54/2280, dated 24th July, 1955 addressed to President M.C. Moga).

CHAPTER II

Budget

II.1. Form of budget and date of submission. - The committee shall on or before the [15 day of January] each year submit in duplicate through the Deputy Commissioner to the Commissioner an estimate of its income and expenditure in the ensuing financial year (hereinafter called the budget) in Form G. 1.

[**Note.** - While submitting the budget for sanction in duplicate it shall be certified by the officer forwarding the budget in his forwarding note that extracts thereof relating to their respective departments had already been furnished to the heads of departments concerned, as provided in rule II.7.]

II.2. Preparation of the first edition of the budget by the Secretary. - The first edition of the budget shall be prepared by the Secretary in consultation with other heads of departments in accordance with the following instructions :-

(1) Columns 2, 3 and 4 (actual of the past year, sanctioned estimate of the current year and actuals of the first eight months of the current year) on both the income and expenditure sides of the form shall first be filled up.

(2) Column 5 (revised estimate of the current year) on both sides of the form shall then be filled up, and if the actuals of the first eight months (column 4) and the probabilities of the remaining four months indicate the likelihood of an excess or a deficit of income as compared with the amount of such income entered in column 3 on the income side of the form or a saving on the expenditure under any head entered in column 3 on the expenditure side of the form, the necessary adjustment shall be made in column 5 on both sides of the form so that the estimate of the balance with which the following year will open may be as correct as possible, but no sum shall be entered in column 5 on the expenditure side of the form in excess of the corresponding entry in column 3 unless the excess expenditure has already been sanctioned under the provisions of rule II.9.

(3) Column 6 (estimate of the next year) on both sides of the form shall then be filled up, and on the income side shall be entered such sums as the Secretary in consultation with other heads of departments may consider likely to be received;

Provided that -

(a) no sums shall be shown as a contribution from Government unless intimation of the probability of such a grant being made has been received, provided that the estimated unspent balance at the end of the year of any contribution received during the current year or in previous year shall be shown in its appropriate place in column 6, the total of such unspent balances being deducted, from the amount shown as "closing balance" in column 5 on the income side of the form for the purpose of arriving at the amount to be shown as "opening balance" in column 6 on that side of the form;

(b) no sum shall be shown as a receipt from a loan or from new taxation unless the raising of the loan or the imposition of the new taxation has actually been sanctioned.

(4) Details of the sanctioned establishment shall be shown in Budget Schedule I of Form G.

(5) All outstanding liabilities shall be entered in Budget Schedule-II of form G. 1.

II.3. Extract from the preliminary budget to be submitted to sub-committees. - (1) When the first edition of the budget has been prepared under the provisions of rule II.2, if sub-committees have been appointed by the committee, a copy of such portion of the budget as concerns it shall be submitted to each sub-committee, which shall, by a date to be fixed by the committee, return it with such remarks as it may deem necessary and with such proposals for new recurring and non-recurring expenditure as it may deem desirable.

(2) If a sub-committee has not been appointed in respect of any department, or if any sub-committee appointed in respect of any department fails to submit its proposals for new expenditure by the date fixed by the committee, the head of the department concerned shall submit his proposals to the Secretary.

II.4. Preliminary budget to be submitted to Finance Sub Committee. - When the remarks and proposals of sub-committees or heads of departments, as the case may be, have been received under the provisions of rule II.3, the first edition of the budget shall be laid before the Finance Sub-Committee, if any, or, if there is no Finance Sub-Committee, before the President, together a note showing -

(1) in respect of each department the amount by which the sum provisionally entered in column 6 on the expenditure side of the form under the provisions of clause (3) of rule II.2 exceeds or is less than the amount shown as the total income of that department in column 6 on the income side of the form;

(2) the sum available for meeting expenditure in excess of the sums provisionally so entered (i.e., the amount of the difference between the provisional total of column 6 on the expenditure side of the form and the total of column 6 on the income side of the form less the amount of the prescribed minimum balance);

(3) the remarks of each sub-committee and the proposals of each head of a department and sub-committee for expenditure in excess of the amount provisionally entered in column 6 on the expenditure side of the form

II.5. Passing of second edition of budget by Finance Sub-Committee. - (1) The Finance Sub Committee, after considering the remarks and proposals of the other sub-committees and heads of departments and after making any changes in the figures submitted to it which it may deem necessary, shall allocate the sum available for expenditure in excess of the sums provisionally entered in column 6 in such manner as it may deem fit, and a second edition of the budget embodying the decisions of the Finance Sub-Committee shall then be prepared, original works which the Finance Sub-Committee proposes should be undertaken in the coming year being entered in Budget Schedule III of Form G. 1., provided that nothing in this rule shall prevent the committee from drawing up a programme of expenditure over a period of years in accordance with which specified percentage of the available funds shall be allocated to the different departments each year; and, if such a programme has been drawn up, the Finance Sub-Committee shall be bound by it in allocating sums under the provisions of this rule.

(2) If there is no Finance Sub-Committee, the functions of such Sub- committee under the provisions of sub-rule (1), shall be performed by the President.

II.6. Passing of the final edition of the budget by the committee. - (1) The second edition of the budget shall in due course be laid before the committee by the Chairman of the Finance Sub-Committee or the President, as the case may be, who, after explaining the estimates of income and expenditure and the manner in which the sum available for expenditure over and above the sum required to meet sanctioned charges has been allocated, shall move separate resolutions for grants of the amounts required for expenditure in each department, whereupon any member may move an amendment to any such resolution for the purpose of reducing the amount of the grant demanded for any department, but no amendment shall be moved at this stage for the purpose of increasing the grant demanded for any department.

(2) When all resolutions and amendments moved under the provisions of sub-rule (1) have been decided, if any surplus is available for expenditure owing to reductions having been made in the amount of the grant demanded for any department, any member may move a resolution for the allocation of the whole or part of such surplus to any department of which the grant originally demanded has not been reduced; and, when all such resolutions have been decided, the

Chairman of the Finance Sub Committee or the President, as the case may be, shall move a resolution that the budget, as modified by the resolutions of the committee shall be passed.

(3) Nothing contained in this rule shall prevent the committee from having a general discussion of the budget before demands for grants are moved if the bye-laws of the committee made under section 31 of the Act provide for such a discussion.

II.7. Copies of extracts from the budget to be forwarded to Government departments. - As soon as the final edition of the budget has been passed by the committee, copies of such portions thereof as relate to their respective departments, together with a statement showing the opening balance, total income, total expenditure and closing balance of the coming financial year, shall be furnished to the Director, Health Services, [Director, Animal Husbandry] and Inspector of Schools, [through the District Inspectors of Schools] so that they may make to the [-] Commissioner of the Division in the case of a municipality of the first class and the Deputy Commissioner in case of a municipality of the second class any representation that they may deem fit with respect to the provision made for medical relief, public health or education.

II.8. [(a) Any head of a department, to whom a copy of the budget has been forwarded under the provisions of rule II.7, shall forward any representation that he may wish to make to the [Commissioner of the Division or the Deputy Commissioner as the case may be] by the twentieth day of February and the [Commissioner of the Division or the Deputy Commissioner as the case may be] shall, after considering such representations, sanction the budget and return it to the Committee by the twentieth day of March : provided that if the [Commissioner of the Division or the Deputy Commissioner as the case may be], after considering the representations, returns the whole budget, or reserves; any item thereof, for reconsideration by the Committee or is unable otherwise to sanction the budget in time he may authorise the Committee to incur expenditure within such limits as he may determine until such time as final sanction is given.]

[(b) When the Commissioner of the Division or the Deputy Commissioner as the case may be returns the budget or reserves certain items thereof for reconsideration, in the light of objections raised, the Committee shall consider the matter and either modify the estimates so as to remove the objections or, in case of disagreement, refer them through the [Deputy Commissioner to the Commissioner of the Division]. If the Commissioner of the Division concurs in the objections he shall make such modifications in the estimates as may in his judgment be necessary to remove the objections in whole or in part. If he does not concur in the objections he shall pass the estimate and his order shall be final and binding on the Committee.]

[(c) Whenever the Deputy Commissioner sanctions the budget under the preceding clauses, a copy of the same should be forwarded to Government for information and record.]

[**Note.** - [The Deputy Commissioner] is required to forward copies of the budget sanctioned by him to Government by the twentieth day of March, and in case the budget of any Committee is not sanctioned in time, he is required to intimate Government with the circumstances responsible for the delay.]

II.9. Expenditure in excess of budget provision. - (1) Expenditure in excess of the amount provided in the sanctioned budget under any head subordinate to a departmental head may be incurred with the sanction of the committee if the necessary funds can be provided by transfer from any other head subordinate to the same departmental head.

(2) Save as provided in sub-rule (1), no expenditure under any head in excess of the amount provided in the sanctioned budget under the head shall be incurred, except with the sanction of the [Commissioner of the Division or the Deputy Commissioner as the case may be], and such sanction shall not be given unless the committee has by resolution approved -

- (a) the transfer of sufficient funds from the grant under the head 8 - Reserve for Unforeseen Charges or the grant under some other departmental head; or
- (b) the revision of the estimate of the income under the departmental head concerned or of the surplus income available for allocation to departments :

provided that nothing contained in this sub-rule shall be deemed to authorize the committee to refuse to make any refund of octroi due under these rules even if the making of such refund will involve exceeding the budget provision for such refunds in anticipation of sanction.

[(3) When it is found after the close of the financial year that the budget provision under any departmental head has been exceeded the excess may be regularized with the sanction of the [Commissioner of the Division or the Deputy Commissioner as the case may be] [who should, when approached for sanction,] be also apprised of details of the excess disclosed after the close of the year under sub-heads subordinate to the departmental head.]

[(4) An application for additional funds required during the course of a financial year for a particular head of accounts shall be sanctioned by the [Commissioner of the Division or the Deputy Commissioner the case may be] of the division as supplementary or additional grant under the relevant head.]

Note. - The closing balance shall not be treated as head of accounts for this purpose.

II.10. Budget estimates of municipalities to which the Punjab Municipal (Executive Officer) Act, 1931, has been extended. - [In those Municipalities to which the Punjab Municipal (Executive Officer) Act, 1931, has been extended, the following procedure is to be observed :-]

The Executive Officer, in discharge of his responsibility for preparing and submitting to the Committee the annual estimates of income and expenditure, shall submit his proposals to the Committee on or before the [20th of December], each year and at the same time shall send a copy direct to the Deputy Commissioner. He shall inform the Deputy Commissioner of the final proposals of the Committee, provided that if the Committee has not framed final proposals on or before the [15th January], he shall at once inform the Deputy Commissioner accordingly, and at the same time shall communicate to him any modifications which the Finance Sub-Committee may have proposed and any modification which he may himself have proposed to the Committee. The Deputy Commissioner [in the case of a municipality of the first class] shall thereupon forward the budget and other communications received from the Executive Officer to the [Commissioner of the Division and the [Commissioner of the Division or the Deputy Commissioner as the case may be] shall have power to sanction as the budget for the ensuing year the budget as originally submitted by the Executive Officer or the budget as modified in such a manner as he shall deem fit:]

[Provided if the Committee has passed its budget on or before the [15th of January], the budget so passed shall be submitted to the Commissioner and the provisions of rule 11.8 shall apply.]

CHAPTER III

General Methods and Structure of Accounts

III.1. The General Cash book. - (1) All money received or spent by or on behalf of the committee shall without any reservation be brought to account in the General Cash-book to be maintained in Form G.2 under the direct supervision of the Secretary, sums received or disbursed at the committee's office being entered at the time when the payment is received or made, and receipts and payments made at subordinate offices being entered when intimation thereof is received at the committee's office.

(2) The General Cash-book (Form G. 2) shall each day be checked item by item, closed, balanced and signed by the Secretary, or, in his absence, by the Assistant Secretary, if any; or, if there is no Assistant Secretary, by a member, and at the end of each month it shall be compared and agreed with the treasury pass-book, every item of receipt and expenditure in which shall be checked with the entries in the General Cash-book; differences shall be explained and accounted for in the General-book in the manner indicated below :-

		Rs.
Balance as per cash-book
Add amount of cheques (detailed below) drawn, but not cashed
	Total	-----
Deduct money received too late for remittance to treasury
Balance as per pass-book
	Details of uncashed cheques	
Date	Number	Amount

(3) When the **General Cash-book** has been checked at the end of the month as prescribed in sub-rule (2), it shall be laid before the President, or, in his absence, a Vice-President, for review and signature.

(4) If, on comparison of the **General Cash-book** with the treasury pass-book, it appears, that any cheque has remained uncashed for an unduly long period, enquiries shall be made with regard to such cheque and, if it cannot be traced, payment of it shall be stopped by order of the drawing officer.

(5) All signatures on the **General Cash-book** shall be dated.

III.1A. A Chest book in Form G. 2-A shall be maintained by each head of department. It shall contain day to day record of the cash received and disbursed/credited by the cashier. It will be the duty of the Head of the Department to ensure that all amounts received in his Branch or noted in the Chest Book are disbursed to the parties concerned or deposited into the Municipal Fund. The chest book shall be closed and balanced daily and initialled by the Head of Department concerned in token of his having accepted the accuracy of the amount of cash in the hands of the cashier. If there is no separate cashier, the Secretary or the Head of Department acting as Disbursing/Collecting Officer should himself maintain the Chest book for the cash handled. (Vide Notification dated 1.5.1958. No. 2977-C-ICI-58/3441).

III.2. The Classified Abstract. - For the purposes of classifying the income and expenditure, a Classified Abstract shall be maintained in Form G. 3 in two volumes, one for income and one for expenditure, a separate page of which shall be assigned to each head of account under which

income or expenditure has been budgeted for, and the items appertaining to these heads shall be taken from the General Cash-book (Form G. 2) either as they occur or in the aggregate for the day and entered in the appropriate columns of the abstract, and at the end of each month the monthly and progressive totals shall be entered under each heads of the abstract.

III.3. Adjustment of advances, overpayments, refunds is of overcharges, etc. - When it is necessary to adjust the recovery of a portion of an advance payment which has been incurred or of an overpayment or the refund of money wrongly paid or received or any other such transaction, the receipt or payment of the amount involved shall be entered in the General Cash book (Form G. 2), in red ink, the head of account to be entered in column 4 or column 14, as the case may be, being the original head of account of expenditure or income as the case may be preceded by the word "deduct" and, when the amount is carried to the Classified Abstract (Form G. 3), it shall be entered in red ink under the appropriate head of account in the income or expenditure volume, as the case may be, and deducted from the daily total.

III.4. Correction of misclassified items. - When it is necessary to correct any misclassification of any item of income or expenditure, no entry shall be made in the General Cash book (Form G. 2), but the necessary "deduct" and "add" entries shall be made in red ink under the relevant heads of account in the Classified Abstract (Form G. 3), a note being made in the "Remarks" column giving the date of the original debit or credit in the General Cash book and the head of account to or from which the item has been transferred and the file number and page of the file on which the order sanctioning the correction has been recorded.

III.5. Record of inter-departmental book transfers. - (1) In cases where stocks of articles of stationery or other articles are bought wholesale for subsequent distribution among different departments, the expenditure shall be entered in the first instance both in the General Cash book (Form G. 2), and in the Classified Abstract (Form G. 3), under the head 9 Suspense Accounts A - Stationery and Printing or B - Stocks and Stores as the case may be, and subsequently, when a portion of the stock is distributed to a department, no entry shall be made in the General Cash book, but entries shall be made in the red ink in the income and expenditure volumes of the Classified Abstract under the appropriate detailed head under the head IX - Suspense Accounts and under the appropriate detailed head of the departmental head concerned, respectively, a note being made in the "Remarks" column, against the entry in the income volume, of the head of account which has been debited and of the number and page of the file on which the departmental requisition for supply has been recorded.

(2) In other cases not covered by the provision of sub-rule (1), when it is necessary to record any inter-departmental transaction giving credit to one department and raising a debit against another department though money does not actually change hands, no entry shall be made in the General Cash book (Form G. 2), but the necessary entries shall be made in red ink under the relevant heads in the income and expenditure volumes, respectively, of the Classified Abstract (Form G. 3), a note being made in the "Remarks" column giving the head of account which has been debited or credited, as the case may be, and the number and page of the file in which the order sanctioning book- transfer has been recorded.

III.6. The Monthly Account. - At the end of each month a Monthly Account in Form G. 4 shall be drawn up, and, after signature by the Secretary and the President, shall be laid before the committee, and if the [Commissioner of the Division in the case of a municipality of the first class and Deputy Commissioner in the case of a municipality of the second class] so directs, a copy shall be forwarded to him for information.

III.7. (1) At the end of the year an Annual Account in Form G. 5 shall be prepared, and after signature by the Secretary and the President, shall be laid before the committee for approval.

(2) The Annual Account shall be supported by a certificate signed by the Treasury Officer showing the amount at the credit of the committee in the treasury at the close of the year, and if, there is any difference between the amount shown in the certificate and the amount shown as the closing balance in the Annual Account, details shall be given, in the "Remarks" column on the last page of income side of the account, of the uncashed cheques or uncredited items of income to which the discrepancy is due.

(3) After the Annual Account (Form G. 5) has been approved by the committee and before the first day of August each year a copy of the account shall be forwarded to the [Commissioner of the Division in the case of a municipality of the first class and Deputy Commissioner in the case of municipality of the second class] through the proper channel.

Note. - (1) It should be noted that along with Annual Account (Form G. 5) is to be forwarded a Tax Collection Progress Statement (Form T.S. 10) for the last quarter of the financial year, and a statement showing the amount and nature of all investments recorded in the Register of Investments (Form G. 26), as required by rules VII. 14(1) and XVII.4(2), respectively.

(*Note* - (2) omitted by Punjab Government Notification No. 2581-S-G-37/1072B, dated 15th March, 1937).

III.8. Register of Government Grants to be maintained; and recovery of unspent grants. -

(1) Every committee shall maintain a Register of Government Grants in Form G. 6 in which shall be entered at the time of receipt details of every non-recurring Government grant received and of every payment made against each grant, and as soon as may be after the end of the year the committee shall cause a statement to be compiled in Form G. 6-A and forwarded through the proper channel to Government.

(2) In every case in which a work or service towards the cost of which a Government grant was received by the committee has been completed, Government may authorize the Accountant-General to require the Treasury Officer to transfer from the municipal fund and credit to Government under the appropriate head the amount, if any, shown in column 10 of the Annual Statement of Government Grants (Form G. 6-A) in respect of such work or service.

(3) If in any case a work or service towards the cost of which a Government grant was received by the committee is not commenced within one year of the receipt of such grant by the committee, Government may authorize the Accountant General to require the Treasury Officer to transfer from the municipal fund and credit to Government under the appropriate head the amount of such grant.

[(4) Treasury Officer/Manager or Agent of the Bank with which the committee conducts business, shall credit to Government on the authority of a requisition issued by the Examiner Local Fund Accounts, Punjab the balance of Government grants which remain unspent for more than three complete financial years including the year in which the grant is received.]

III.9. Register of Contract Work and Supply Orders. - A register of Contract Work and supply Orders [except those the cost of which does not exceed Rs. 50] shall be maintained in form G. 33 in the offices of all officers authorised to deal with contracts, work orders and orders for supply, and to make payments for the same, in order to ensure that no contract, work or supply for which an order has been given escapes notice or remains unpaid for any length of time. Whenever any contract, work or supply order, which shall be in Form M. W. 5 in the case of works and in form G. 34 in the case of supplies other than those required in connection with

works, is given, the necessary particulars relating to the contract work or supply order shall forthwith be entered in columns (a) to (e) of the register in Form G. 33, and this register shall be placed before the Head of the Department who shall affix his initials in column (f) thereof signing at the same time the contract, work or supply order. At the end of the month the Head of Department shall check the register to ensure :-

- (a) that every contract, work or supply order, for which an order has been given, has been carried out promptly, and
- (b) that when any contract, work or supply order has been completed, payment is made without unnecessary delay.

The register shall be scored through vertically with red pencil down to the oldest unpaid item.

Explanation should be made in the column of remarks with regard to any contract, work or supply order unduly delayed or any payment not made within fifteen days of the completion of the contract, work or supply order.

The date of completion shall be the date on which the Completion Certificate in the form M.W. 12 or a similar certificate has been signed by competent authority.]

III.10. Register of building application. - The committee shall maintain a register of building applications in form G. 35 in which shall be entered all building applications as soon as they are received. The record of various fees realized shall also be made in the respective column of the form if the committee collects any fees of the kind provided therein.]

CHAPTER IV

Receipts

IV.1. Methods by which money may be received and credited to the municipal fund. - Money may be received and credited to the municipal fund -

- (a) by book-transfer made by the Treasury Officer on receipt of intimation from the Accountant-General;
- (b) by direct payment into the treasury;
- (c) by payment to an official of a department of the committee and subsequent remittance by such official or the head of his department direct to the treasury; or
- (d) by payment to an official of the committee and subsequent remittance through the office of the committee to the treasury.

IV.2. Credit by book-transfer intimated by Accountant General. - When money is received by book transfer made by the Treasury Officer on receipt of intimation from the Accountant-General, the receipt shall be entered in the General Cash book (Form G. 2) in the ordinary way, the number and date of the Accountant General's letter intimating the transfer being quoted in column 5 of the form while column 6 shall remain blank and in column 9 the words "by book-transfer" shall be entered.

IV.3. Receipt of money by direct payment into the treasury. - (1) When money is to be paid direct into the treasury for credit to the municipal fund, the person making the payment shall be provided with a challan in Form G. 7 of which one part shall be retained by the Treasury Officer, the second part shall be handed as his receipt to the person making the payment and the third part shall be returned to the office of the committee where the receipt of money shall thereupon be entered in the General Cash book (Form G. 2), the number of the challan preceded by the capital letter C being entered in columns 6 and 9 of the form and the challan filed as a voucher for the entry in the General Cash book.

(2) The committee shall from time to time designate by resolution the officials who may remit money received by them for credit to the municipal fund direct to the treasury in the manner provided in sub-rule (1) and such remittances shall be made [at such intervals as the Committee may made deem fit.]

IV.4. Receipts to be granted for all moneys received. - (1) Except as otherwise provided in these rules, whenever money is received for credit to the municipal fund by any municipal official, a receipt in Form G. 8 shall be given to the person making the payment, the words "a cheque for" and the words "on realization" being struck out if the payment is not made by cheque.

(2) The committee shall from time to time designate by resolution the persons by whom receipt in Form G. 8 may be signed on behalf of the committee.

(3) Receipt shall be written with indelible pencil in duplicate by means of carbon paper, the carbon copy being retained by the official issuing the receipt and the original detached and handed to the person making the payment.

[Note. - No receipt shall be necessary for the fees, if any, realized for out-door patient and indoor patient tickets issued to the persons attending the medical or veterinary dispensaries. An account of the outdoor patient indoor and patients [and indoor patients tickets] should be kept in the expense book of the hospital in which the issues will be recorded daily.]

IV.4A. Receipt of money by the National Cash Register System. - (1) (a) Where the National Cash Register System is in force money presented for credit to the municipal fund shall be accompanied by the original bill. When any money is thus received by any municipal official, he shall satisfy himself that the payment is correct, put the cash or cheque into the cash box or drawer initial the bottom left hand corner of the bill form, add a receipt stamp, if necessary, in the appropriate space and pass the bill to the National Cash Register Operator. The Operator shall insert the bill in the National Cash Register where the receipt portion is typed. The receipt portion shall then be signed by the Operator and given to the person making payment. The words 'a cheque for' shall be struck out if payment is not made by cheque. The locked box containing the remaining portion of the bill automatically cut off by the Register shall be opened from time to time during the day for removing the bills so that the requisite entries may be made in the account register.

(b) At the end of each day the secret compartment of the National Cash Register in which the amounts received during the day are automatically entered and totalled on a slip shall be opened and the actual cash and cheques received during the day shall be checked with the totals on the slip. Any deficiency shall be made good by the official receiving the money and the slip shall then be intialled and posted in the general cash-book.

(2) The committee shall from time to time designate by resolution persons -

(a) who may receive the money and sign the receipts on behalf of the committee;

(b) who shall retain the key of the box containing the portion of the bill automatically cut off by the Register :

(c) Who shall retain the key of the secret compartment holding the slip on which the amounts received during the day are automatically entered and totalled and shall also check the accounts at the end of the day and initial the slip.]

IV.5. Receipt of money by an official elsewhere than at the head office and remittance to head office. - Except as otherwise provided in these rules, when money is received for credit to the municipal fund by a municipal official who has not been authorised to make remittances direct to the treasury under the provisions of sub-rule (2), of rule IV.3 elsewhere than at the office of the committee, he shall pay in such money at the office of the committee. [at such intervals as the Committee may deem fit] with a challan in Form G. 9, the foil of which shall be returned to him and pasted by him on the back of the counterfoil of the last receipt issued by him in Form G. 8 in respect of any portion of the sum remitted with the challan in Form G. 9.

IV.6. Receipt of money at head office. - Except as otherwise provided in these rules, when money is paid in at the office of the committee, it shall be accepted by the Secretary or other official appointed to receive municipal dues, and, when the receipt in Form G. 8 has been made out as required by rule IV.4, the money with the receipt and counterfoil shall be taken to the municipal treasurer, if any, or other officer authorised to receive money, [enter the amount in the Chest book in Form G-8A maintained under Rule III. 1-A] and sign the counterfoil in token of having done so; [and get the receipt signed by the officer authorised under the provisions of sub-rule (2) of rule IV-4 the foil of the receipt returned to the person making the payment. The counterfoil of the receipts issued during the day shall then be taken to the officer incharge of the General Cash book who shall enter separately the total amount received under each head specifying the nature of income in column 5; the number of receipt preceded by the letter R being entered in column 6 of the Cash book.]

Provided that, if the money is paid in under the provisions of rule IV-5, the challan in Form G. 9 shall be treated as a receipt in Form G. 8 for the purposes of this rule, the number of the challan preceded by a small letter 'c' being entered in column 6 of the General Cash-book when the receipt is entered therein.

[IV.6A. Receipt of money at head office where the National Cash Register is in force. - Except as otherwise provided in these rules, when money which must be accompanied by the original bill, is paid at the office of the committee where the National Cash Register System is in force, it shall be accepted by the Secretary or other officer appointed to receive money and the provisions of rule IV. 4-A shall apply.]

IV.7. Endorsement of cheques received. - When payment is received by means of a cheque drawn on the treasury, the cheque shall be endorsed by official of the committee in whose favour it is drawn with the words "Received payment by transfer credit to the municipal funds."

IV.8. Remittance to treasury. - At the end of each day, or if the treasury is closed, early on the first subsequent day on which it is open, the money received during the day at the office of the committee shall be remitted to the treasury with a challan in Form G. 9, particulars of which

shall be entered in columns 9 to 10 of the General Cash book (Form G-2), and, when the duplicate foil of the challan is received back from the treasury, the entries in the General Cash book shall be checked with such foil and initialled by the Secretary and such foil shall be used as a voucher for the remittance and shall be filed in a guard file.

IV.9. Vouchers to be filed in order of subsequence of entries in General Cash book. - The vouchers referred to in rules IV-3, IV-6 and IV-8 shall be filed together in consecutive order in the office of the committee according to the sequence of the entries to which they relate in the General Cash book (Form G. 2).

CHAPTER V

Octroi

V.1. Definitions. - In this chapter, unless there is anything repugnant in the subject or the context -

(a) "barrier" means a place appointed under the provision of rule V-3;

(b) "branch octroi office" means a branch of the head octroi office under the control of an Assistant Octroi Superintendent; [or Octroi Inspector];

[(c) carbon process means writing a document in duplicate by an indelible pencil by means of a double faced carbon paper];

[(d) "export" means export from the octroi limits];

(e) "import" means import within the octroi limits;

(f) "central barrier" means a barrier situated at the head octroi office or at a branch octroi office;

[(g) "octroi" means a cess on the entry into a municipality of goods for consumption, use or sale therein;]

(h) "railway barrier" means a barrier for the interception of traffic from railway premises, so described by public notice exhibited thereat;

(i) "refund" means a payment made in respect of goods exported of an amount equal to the octroi which would be payable if the goods were being imported.

[V.1A. Octroi with or without refunds. - Octroi can be imposed either with or without refunds. When it is imposed as octroi (with refunds) refunds shall be payable in the manner laid down in the rules herein below. When it is imposed as octroi (without refunds) no refund shall be payable.]

V.2. Establishment of a branch octroi office. - In a municipality, where such a course is desirable in the interest of trade by reason of the distance between the head octroi office and outpost or railway barriers, the committee may, with the previous sanction of the Deputy Commissioner, granted after consultation with the Examiner Local Fund Accounts, Punjab, establish [one or more branch octroi offices.]

V.3. Establishment of barriers. - The committee shall appoint a place or places near, or, with the consent of the railway administration, on the railway premises and places at any other points on, or in the immediate vicinity of, the octroi limits that may from time to time be determined as most suitable for intercepting import traffic for the assessment and collection of octroi, provided that nothing in this rule shall be deemed to prevent the assessment and collection of octroi at any other place in accordance with the provisions of these rules.

[Note. - All the barriers shall remain open for 24 hours of the day except a barrier established to control the import of the goods from Railway goods shed which shall remain open for such hours as the Committee may determine keeping in view the local conditions.]

V.4. The Octroi Superintendent. - (1) The committee shall appoint an officer to be Octroi Superintendent, who, in addition to discharging any other duties imposed upon him by these rules, shall be responsible generally for the assessment and collection of octroi in accordance with these rules and for the proper discharge of their duties by other inspecting, collecting or assessing officers, including the Assistant Octroi Superintendent, if any, appointed under the provisions of [rule V-5] or under sub-rule (2), of this rule.

[(2) In municipalities where octroi (without refunds) is in force the Committee may appoint one or more Assistant Octroi Superintendents [or Octroi Inspectors] and may with the previous sanction in writing of the [Deputy Commissioner] determine by resolution which functions and duties imposed by these rules upon the Octroi Superintendent may be discharged by such Assistant Octroi Superintendents [Octroi Inspectors.]

V.5. The Assistant Octroi Superintendent. - If a branch octroi office has been established under the provisions of rule V-2, the committee shall appoint an Assistant Octroi Superintendent [or Octroi Inspector] to be incharge thereof, and such Assistant Octroi Superintendent [Octroi Inspector] subject to the provisions of these rules, shall in respect of the branch octroi office and of the barriers subordinate to it, discharge all the functions and perform all the duties imposed upon the Octroi Superintendent in respect of the head octroi office and the working of barriers generally.

V.6. Octroi Inspector. - The committee shall appoint Octroi Inspectors who, in addition to discharging any other duties imposed upon them by these rules, shall supervise the working of the barriers, and shall see that the staffs of the barriers comply with the rules laid down for their observance.

V.7. The staff of barriers. - (1) The committee shall appoint to each barrier a staff of [officers incharge of the barriers] and peons for the assessment and collection of octroi, and it shall be the duty of such staff to see that all goods liable to octroi are stopped at the barrier and to deal with them according to these rules.

(2) No [officer incharge of the barrier] or peon appointed under the provisions of sub-rule (1) shall ordinarily be allowed to remain at the same barrier for a period of more than one month at a time.

[Provided that the [Examiner, Local Fund Accounts, Haryana], may extend the period of one month, to period not exceeding three months.]

[Provided further that the officer incharge of the central barrier may remain at the same barrier for not more than three months at a time.]

[V.8. Inspection of barriers by members and Secretary. - (1) It shall be the duty of the President, the Vice-President, the secretary, the octroi superintendent of the committee and, if there is an executive officer, of that officer also to visit the barriers and to inspect the registers and accounts there maintained in accordance with these rules.

(2) An inspection book shall be maintained at each barrier in Form O.1 and the officials mentioned in sub-rules (1) and (4) of this rule also the inspectors of the department inspecting the barriers shall note therein the results of their inspection, making their notes as full and detailed as possible.

(3) If in any such note any complaint is made as to the working of the barrier, a copy of the note shall at once be sent by the officer in-charge of the barrier through the octroi superintendent to the secretary with a view to suitable action being taken.

(4) The barriers may also be inspected by the Local Audit staff at any time. The Local Audit staff for this purpose may borrow from the octroi superintendent the key which opens the cash boxes after giving a written receipt to the octroi superintendent. This key shall be returned as soon as possible after the inspection is over.]

[V.9. Posting of octroi schedule, prices current and rules at barriers. - (1) A copy, in English and Vernacular, of the Octroi schedule, as sanctioned by Government and duly authenticated by the signatures of the Octroi Superintendent and of the Secretary a copy of the Committee's resolution duly attested by the Octroi Superintendent prescribing the method of assessment of articles *ad valorem* [-] and a copy in English and Vernacular, of the rules contained in this chapter shall be posted in a conspicuous place at each barrier.

(2) The functions of the Octroi Superintendent under the provisions of sub-rule (1) shall not be discharged by an Assistant Octroi Superintendent.]

V.10. Provision of scales and weights or weighing machines at barriers. - The committee shall provide at each barrier a suitable set of scales and weights, or a weighing machine which shall be kept in proper order by officer incharge of the barrier and shall be tested at intervals of not more than three months by the Octroi Superintendent or by any other officer or member of the committee as the committee may direct, and such Superintendent, officer or member shall record the result of each test in the Inspection Book (Form O.1).

V.11. Rule V.11 deleted by Punjab Government notification No. 6829-LB-II 4564, dated the 10th August, 1951.

[V.12. Method of assessment of articles ad valorem and limits of powers of officers incharge of octroi barrier. - (1) [-]

(2) The importer shall present to the officer-in-charge of the barrier an invoice or a cash memo or a declaration in the form prescribed by the Committee showing the price of articles liable to octroi to be assessed *ad valorem*.]

V.13. Declaration to be made of destination of goods at time of import. - (1) When goods liable to octroi are brought to a barrier for import, the officer-in-charge of the barrier shall call upon the person-in-charge of such goods to declare, and such person shall declare, whether such goods are intended -

- (a) for immediate export; or
- (b) for consumption, use or sale within the octroi limits; or
- (c) in municipalities in which a trade warehouse is maintained for temporary detention within the octroi limits and eventual export; or
- (d) where there is no trade warehouse, for temporary retention within the octroi limits and re-export under the Re-export Pass System prescribed in Rule V. 32A.

(2) If any person refuses to make a declaration as required by the provisions of sub-rule (1), he shall be deemed to have been guilty of a breach of that sub-rule, and it shall be deemed that the goods in respect of which the declaration should have been made have been declared to be intended for consumption, use or sale within the octroi limits.

V.14. Goods for immediate export to be dealt with under the Transit Pass System. - (1) When goods liable to octroi are declared to be intended for immediate export under the provisions of sub-rule (1) of rule V.13, they shall be dealt with under either the Transit Pass System. [-]

[-].

V.15. The Transit Pass System. - (1) In municipalities in which the Transit Pass System is in force, a person importing goods intended for immediate export after declaring them as such at the barrier of import, whether the railway barrier or any other barrier, shall specify the barrier through which they are to be exported, and the officer-in-charge of the barrier shall fill up a transit pass in Form O-2 and shall [on payment of such fee, if any, not exceeding [two rupee] as may be prescribed by the Committee send the goods under the escort of a peon to the barrier of export entered in column 9 of the pass, handing the foil of the pass [together with the acknowledgement coupon] to the peon and the coupon to the person-in-charge of the goods provided that, [if no peon can be sent] the foil of the pass [together with the acknowledgement coupon] also shall be handed over to such person after an acknowledgement of the receipt of the pass has been taken from such person on the reverse of the counter-foil; [provided further that no such fee shall be levied if the amount of the tax calculable on such articles in respect of which the pass is granted is less than [two rupee.]

[Provided further that transit pass for a loaded truck shall not be issued unless the driver thereof produces his driving licence before the officer incharge of the barrier for the purpose of recording necessary particulars in the transit pass and if the driver fails to produce driving licence, goods in the truck will not be allowed to pass the barrier without payment of octroi.]

[Provided further that motor vehicles loaded with material, subject to octroi, may not obtain transit pass at the entry point of the municipal limit, if they do not stop within the municipal limits. This exemption of not obtaining the transit pass shall be restricted only to National/State Highways. In case of default, the person importing goods shall be punishable under Section 91 of the Act.]

(2) when such goods are brought to a barrier for export, the peon or person- in-charge of them shall present the [pass] [with the acknowledgement coupon attached issued] to him under sub-rule (1) of this rule, and the officer-in- charge of the barrier shall note in column 12 of the pass

the time at which it was presented, and shall check the goods with the particulars given in columns 5, 6 and 7 of the pass and then -

(a) if the goods tally with the particulars entered in the pass, and the time of export entered in column 10 has not passed, shall allow the goods to pass out, and shall return the pass by the peon to the barrier of import, where it shall be pasted on the back of the counterfoil; or if there is no peon, shall retain the pass for submission to the head office; [and in either case shall hand over the acknowledgement coupon to the exporter duly signed]; or

(b) if the description or weight of the goods does not tally with the particulars entered to the pass, and there is any defect in the weight of any such goods as are ordinarily liable to octroi, or any of the goods are of description different from the description of the goods entered in the pass and are ordinarily liable to octroi, shall make a note of the discrepancy in column 14 of the pass and shall then proceed as if goods to the extent of such defect in weight or of such description were being imported for [consumption, use or sale within octroi limits]; or

(c) if the time entered in column 10 has passed before the pass is presented, shall proceed as if the consignment of goods was being imported for [consumption, use or sale within octroi limits].

(3) The committee shall fix in respect of every two barriers the period within which goods imported either of them for immediate export must be exported through the other, and a schedule of the periods so fixed shall be exhibited at every barrier, and the officer-in-charge of the barrier at which such goods are imported shall calculate and enter the time accordingly in column 10 of the Transit Pass in Form O.

[Provided, however, that in case of motor vehicle traffic, the period allowed shall not exceed one hour and for all other traffic two hours except in special circumstances with the previous sanction of Government.]

[(4) When such goods could not be exported within the period fixed by the Committee under sub-rule (3) and the tax thereon has been duly paid the person-in-charge of the goods may apply to the Secretary or, in Municipalities where there is an Executive Officer, to that officer for the refund of the tax paid. The Secretary or the Executive Officer, as the case may be, shall, if satisfied that the goods have been actually re-exported, and that the delay was due to circumstances over which the applicant had no control, grant a refund of the amount paid.]

(5) Officer-in-charge of barriers shall each day send to the head office the books of counter-foils of Transit Passes, and the Octroi Superintendent or Assistant Octroi Superintendent shall examine each counterfoil and shall place his dated initials thereon in token of his having done so; and if in any case the pass is not found pasted on the counterfoil by the evening of the second day following its issue, a special investigation shall at once be made by the Octroi Superintendent, and particulars of every such pass shall be entered in a register to be maintained in Form O-23.

[(6) The refunds allowed under sub-rule (4) shall be met in the ordinary manner by making payment by means of a contingent bill.]

Note. - If the exporter furnishes proof to the satisfaction of the committee that the goods were actually exported and the committee decides to forego recovery, this will be quite in order. (Examiner's memo No. LFE-5503- 651/1655 dated 5.11.1951 to the address of the President MC Dera Baba Nanak).

[V.15A. The Transit Refund System. - The Committee in order to exercise check over the verification of transit passes made by the [officer-in-charge barriers] at the export barriers, shall maintain a register of transit passes in form O-2A which shall be kept at all barriers and entries shall be made therein by the officer-in-charge at the time of allowing goods to be exported on a transit pass.]

V.16. [-]

[V.17. Agency and method of assessment. - (1) The octroi payable in respect of goods imported otherwise than by rail for consumption, use or sale within octroi limits shall be assessed -

(a) by the officer-in-charge of the barrier of import, if :-

(i) the octroi is leviable by weight or tale, or

(ii) the octroi is leviable *ad valorem* according to the provisions of rule V-12.

(b) by the Octroi Superintendent.]

[(2) When octroi liable *ad valorem* is to be assessed by an officer-in-charge of a barrier, he shall calculate their value on the information at his disposal with due regard to the invoice produced by the importer or the value declared by the importer.]

(3) When octroi leviable *ad valorem* is to be assessed by the Octroi Superintendent, he shall, if no invoice is presented with the goods, calculate the value of the goods on the information at his disposal with due regard to the value declared by the importer, and, if an invoice is presented calculate the value on the value entered in the invoice [plus] the cost of freight unless he has reason to suspect that the invoice is not genuine in which case he shall proceed as if no invoice had been presented.

V.18. Procedure at outpost barriers. - (1) When goods imported otherwise than by rail and intended for consumption, use or sale within octroi limits are brought to a barrier, the officer-in-charge of the barrier shall, if he is empowered to do so, assess the octroi payable in respect thereof and unless the person-in-charge of the goods disputes such assessment, shall fill up a receipt in duplicate by carbon process in Form O-4 together with the coupon appended thereto, and shall demand the amount of octroi payable from the person-in-charge of the goods, and on receipt of the amount shall forthwith drop it into the cash box and shall hand the receipt, with coupon attached, to such person :

[-] Proviso omitted vide Notification dated 2nd March, 1960, No. 474-CI-11 CI)60/7119.

[(2) If a person incharge of the goods disputes an assessment made by an officer-in-charge of a barrier under the provisions of sub-rule (1) the officer-in- charge of the barrier shall enter the details of the goods in a pass in Form O.5 of which he shall hand over the foil with the coupon attached duly filled up, to such person who shall forthwith take it with the goods to the Central Barrier.]

(3) A municipal committee may collect the octroi by means of monthly bills, instead of at the barriers, in case of articles imported into the municipality by Government departments.

[The bills should be issued by carbon process in form O.26.]

[(4) In the case of articles which are imported into a municipality by Government Department in respect of which the Committee collects octroi by means of monthly bills or are specially exempted from the payments of octroi the officer-in-charge of the barrier shall enter the details of the goods in a pass form O. 4-A, which he shall prepare in triplicate by means of carbon, one foil of this form shall be handed over to the importer, the second forwarded to the Head office for preparation of bills or comparison with counter-foil retained at the barrier and the third retained at the barrier.]

V.19. Face-value tickets for headloads. - Notwithstanding anything contained in rule V.18, the committee may, with the approval of the [Examiner, Local Fund Accounts Punjab], authorize the issue of face-value tickets in Form O.6, instead of receipts in Form O.4, in respect of octroi paid on head-loads of bhusa, fruit or vegetable; such tickets shall be printed on paper of different colours, and shall be of the values of one pie, one and a half pies, two pies, three pies, six pies and one anna.

V.20. Deleted Vide Notification dated 2nd March, 1960.

[V.21. When goods are brought to the [Central barrier under the provisions of sub-rule (2) of rule V.18, the Octroi Superintendent] [or Assistant Octroi Superintendent shall first see that the goods agree with the details entered in the pass in Form O.5 issued in respect of them at the import barrier, and shall then assess the amount of octroi payable], and note it on the back of the foil in Form O.5. He shall then hand it over to the person-in-charge of the goods who shall take it to the officer-in-charge of the central barrier, who on the receipt of the amount payable shall make out a receipt in Form O.4 by carbon process, fill in the coupon attached, note the number, and date of the receipt in Form O.4 on the back of the pass in Form O.5, sign and hand over, the original receipt Form O.4, with coupon attached, to the importer, dropping the money receipt and the pass in Form O.5 into his cash box.]

[V.22. **Imports of perishable goods by rail regulated by rules governing imports of goods otherwise than by rail.** - The assessment and collection of octroi payable in respect of imports by rail of fresh fruit, pan, fish, vegetables and similar other articles of perishable nature and of articles on which the octroi payable does not exceed two rupees shall be regulated by rules V. 17 to V. 21.]

V.23. Railway Receipt and Invoice Register to be maintained. - (1) Subject to the provisions of rule V. 22, when any person receives the railway receipt of goods consigned by rail, and intended for [consumption], use or sale within octroi limits, he shall, before taking delivery of such goods, take or send the railway receipt with the invoice; or in the absence of an invoice with a written declaration of the details of the consignment, to the head octroi officer [in the case of octroi (with refunds) and to the railway barrier in the case of octroi (without refunds) where] if the goods are found to be liable to octroi the receipt and the invoice or declaration shall be abstracted into a Railway Receipt and Invoice Register to be kept up in Form O. 7, the amount of the freight being added to the value of the consignment in column 11.

(2) The Octroi Superintendent shall check the entries in the Railway Receipt and Invoice Register with twenty-five per cent of the receipts issued under rule V. 24, and shall satisfy himself that the tax has been correctly assessed, and shall initial and date all entries and receipts checked.

V.24. Assessment and collection of octroi on imports by rail. - [The registration of the consignment under Rule V.23 having been completed, the officer-in-charge of the railway barrier shall determine the octroi leviable and the amount payable shall be demanded from the person presenting the Railways receipt, to whom, on payment of the amount, a receipt to be prepared in duplicate by carbon process shall be granted in Form O.8, of which the coupon and second foil shall be left blank, and the carbon copy retained, the railway receipt and invoice shall then be stamped with a Municipal Stamp and returned to such person and the declaration, if any, shall be stamped and filed.]

V.25. Procedure on removal of goods from railway premises. - Subject to the provisions of rule V. 22, all goods removed from the railway premises, and intended for [consumption, use or sale in octroi limits, shall if liable to octroi, be brought to the railway barrier, where the person in charge of the goods shall present the receipt, if any, obtained under rule V.24,] and the [officer-in-charge of the barrier], after satisfying himself that the goods agree with the details entered in the receipt, shall fill up the [second foil], of the receipt, tear it off and retain hand back the [first foil], with the coupon attached [duly filled up to the importer].

Provided that, if only a portion or the consignment covered by the receipt arrives at the railway barrier, the [officer-in-charge of the barrier] shall tear off the [first foil] and note the quantity imported, as well as the time and the date, on the reverse of the [first and second foils], repeating the operation as each subsequent instalment of the consignment is brought to the barrier, and in this case the [second foil shall not be sent to the head octroi office until the whole consignment has been imported.]

V.26. Rail-borne imports not covered by receipt in Form O.8. - Subject to the provisions of rule V.22, if goods liable to octroi, and intended for [consumption, use or sale within octroi limits, are brought to the railway barrier for import, and are not covered by a receipt in form O. 8 or do not tally with the description of the goods entered in the receipt purporting to cover them, they shall be dealt with in accordance with the procedure prescribed in sub-rule (2) of rule V. 18 and rule V. 21]; provided that, before goods, [in the case of octroi (with refunds) the Octroi Superintendent and in the case of octroi (without refunds) the officer-in-charge of the railway barrier shall cause particulars of the goods], together with the name of the importer, to be entered in a Register of Unregistered Rail borne Imports to be maintained in Form O.9.

V.27. Repayment of octroi on rail-borne goods in excess, of amount due on goods actually imported. - (1) If, for any reason such as short delivery of goods by the railway administration or diversion of goods to some other destination before import, the amount of goods actually imported is less than the amount in respect of which octroi has been paid under the provisions of rule V. 24, the officer-in-charge of the railway barrier shall note in red ink on the [first and second foils] and coupon of the receipt in Form O.8 the actual amount of goods imported, and the importer may, within seven days of the date of actual import or of the date of the import of the instalment of a consignment, present at the head octroi office a claim for a drawback of the amount of octroi paid in excess of the amount payable in respect of the goods actually imported; and, if the Octroi Superintendent is satisfied that such claim is correct, he shall pass the claim for payment out of his imprest by the officer-in-charge of the central barrier.

[Provided that in cases where goods are not actually received for one reason or the other, claim for refund of octroi already paid may be made within seven days from the date on which it is confirmed by the Railway authorities that the goods have not been received.]

(2) The amount of goods in respect of which a claim is passed under sub-rule (1) and the amount of octroi repaid shall be entered in the head office *jinswer* [in red ink under the total of the day from which the amount shall be deducted;] and the payment shall be dealt with in the accounts in accordance with the provisions of rule III.3.

(3) Claims for [drawbacks on account of excess payments of octroi owing to miscalculations or any other cause shall be dealt with so far as may be in accordance with the provisions of sub-rule (1) and (2)].

V.27A. Deleted by Punjab Government Notification No. 6829-C-51/11-4564 dated 10.8.1951.

V.28. The trade warehouse. - (1) A committee may maintain a trade warehouse for the convenience of wholesale traders in which there shall be a general store-room, separate rooms which may be rented by owners of goods deposited in the where house and accommodation for vehicles and animals.

(2) The committee may charge rent for the use of a separate room for the whole period of its occupation and for the use of a portion of the general store-room for any period after the first seventy-two hours during which such portion is occupied, and a table of the rents fixed by the committee for accommodation shall be posted up at the entrance to the warehouse and leviable shall be recovered by the officer-in-charge of the warehouse barrier when a trader finally removes his goods from the warehouse and at least once a month during his stay, a receipt being issued in Form G. 8, and the counterfoils of receipts issued and the amount of rent collected shall be remitted daily to the head octroi office, together with other collections.

(3) The committee shall establish at the gate of the warehouse a barrier the procedure at which shall be governed by the rules governing the procedure at outpost barriers.

V.29. Admission of goods to, and removal from warehouse. - In a municipality in which a trade warehouse is maintained, if goods brought to a barrier for import are declared to be intended for temporary detention within octroi limits and eventual export, they shall be treated as if they were goods intended for immediate export under the provisions of rule V.15 or rule V.16, as the case may be, save that for a barrier of export shall be substituted the warehouse barrier; and, when goods are removed from the warehouse, the warehouse barrier shall be considered a barrier of import and the goods shall be treated as goods intended for [consumption], use or sale within octroi limits or as goods intended for immediate export according to the declaration made at the warehouse barrier at the time of their removal.

[Provided that in cases where goods are not actually received for one reason or the other, claim for refund of octroi already paid may be made within seven days from the date on which it is confirmed by the railway authorities that the goods have not been received.]

V.30. Daily trading from a trade warehouse. - (1) Notwithstanding anything contained in rule V.29, the committee may allow a trader to use the warehouse as a convenience for conducting daily business in the town, permitting him from day to day to remove portions of the goods from the warehouse and to bring back such goods as may not be disposed of by a fixed hour in the evening.

(2) For every trader permitted to use the warehouse under the provisions of sub-rule (1) an account shall be kept in a Warehouse Ledger to be maintained in Form O.10, in which shall be entered all imports, removals and re-imports of goods as they occur, and each evening a balance shall be struck showing the goods remaining in the warehouse; and the trader shall be liable for octroi on the goods thus shown to have been disposed of during the day.

(3) Leader accounts, including warehouse rent, [entered in column 7 of the ledger shall be settled on the last day of each month], when the [officer-in-charge of the barrier] shall satisfy himself that the balance of goods shown in the accounts against each trader's name corresponds with the goods in the warehouse; or, if a trader removes his goods before the end of a month, accounts shall be settled when the trader finally removes his goods from the warehouse.

(4) The Octroi Superintendent shall from time to time verify the daily balances of goods shown in the ledger.

V.31. Extension of trade warehouse system to large mills, mandis, etc. - (1) In the case of large mills, *mandis* or other trading institutions to which the committee consider that the concession may safely be granted, a warehouse barrier may be set up on the premises if such a barrier can control all entrances thereto and exits therefrom, and in such cases the accounts of the barrier shall be kept strictly in the same form as those of an ordinary warehouse barrier, and the owner of the premises shall provide proper accommodation, and shall pay to the committee an annual sum equivalent to the whole cost of maintaining the barrier and its staff.

(2) The committee shall report on the first working day of January each year to the [Deputy Commissioner] or the Chief Administrator in the case of Faridabad Complex Administration, Faridabad as the case may be for approval the setting up of barriers under the provisions of sub-rule (1).

V.32. Warehouse to be used when importer is unable or unwilling to pay octroi at time of import. - In a municipality in which a trade warehouse is maintained, if any person importing goods liable to octroi is unable or unwilling to pay the octroi due at the import barrier, he shall take the goods under supervision to the warehouse, where they shall be treated as goods brought to the warehouse under the provisions of rule V.29.

V.32A. The Re-export Pass-System. - (1) In a municipality in which no trade warehouse is maintained and in which octroi (without refunds) is in force a person importing goods intended for temporary retention within octroi limits and eventual re-export may avail himself of the Re-export Pass System.

(2) No person shall be permitted to make use of the Re-export Pass System unless he has made a security deposit of [Rs. 1,000/-] in cash or in the form of a Post Office Saving Bank account, as security for due compliance with the provisions of these rules. This security shall be liable to confiscation in the event of any infringement of these rules.

[Provided that the State Government may waive the condition for the deposit of security in any case or class of cases.]

(3) The cash tendered under the foregoing sub-rule or the pass book presented in proof of the deposit in the Post Office Savings Bank shall be acknowledged in Form G. 8 or by means of a letter issued over the signature of the Octroi Superintendent, who shall maintain a list of all

such persons who have thus acquired the title to avail themselves of the Re-export Pass System. The list shall be kept corrected up to date and a copy thereof duly attested by the Octroi Superintendent supplied to and posted at each barrier.

(4) When a person wishes to import any goods at an outpost barrier on a Re-export Pass, he shall apply for it to the official incharge of the barrier and make a true declaration according to Rule V. 13 that the goods to be imported are not intended for consumption, use or sale, within the limits of the municipality but for temporary retention and re-export under Re-export Pass System. The official incharge after satisfying himself that the applicant's name is borne on his list and after referring to the receipt or letter, produced by the applicant in proof of his having made the necessary deposit, shall admit the goods, and after preparing a pass in duplicate in Form O. 24 by the carbon process shall hand over the original to the importer and forward the duplicate to the Head Octroi Office.

(5) The passes to be issues in Form O. 24 shall be bound in book form, each book containing a uniform number of leaves and each leaf bearing printed book number and serial number. A stock account of the pass books shall be maintained at the Head Octroi Office in Form G. 29 and no new book shall be issued unless the previous one has been completely used and returned.

(6) The pass issued under sub-rule (4) shall be valid for a period of one month, and may be renewed from time to time at the discretion of the committee, on receipt of an application from the person concerned at least 4 days before the expiry of the previous term, provided that the total period of the validity of such a pass shall not exceed one year.

(7) When the person concerned desires to re-export the goods in question, or a portion of them, he shall send an intimation to the Head Octroi Officer stating the date and time at which and the barrier through which he proposes to re-export them. He shall then fill up the 2nd foil of the pass in his possession stating the number, weight and description of the goods to be re-exported and submit the pass to the Head Octroi Office. The officer-in-charge of the Head Octroi Office shall then sign and return the pass and send intimation to the barrier in question of the date and time stated. The officer-in-charge of the barrier shall receive from the person concerned the pass in Form O.24, compare the details therein with the goods exported and record the result of his verification in the 3rd foil. He shall then send the pass to the Head Octroi Office, where the details of the 2nd and 3rd foils shall be copied into the corresponding foils of the duplicate pass kept at the Head Octroi Office and attested by the officer-in-charge. The original pass shall then be returned to the person concerned to enable him to re-export the rest of the consignment.

[Explanation. - The re-export pass system will also be applicable in cases where petrol or other motor spirit is imported and re-exported after it is mixed with power alcohol under the provisions of the Indian Powers Alcohol Act, 1946; provided that the person concerned shall have to pay octroi on difference of the quantity of petrol imported and the quantity of petrol exported after mixing with power alcohol.]

(8) For every person permitted to take advantage of the Re-export Pass System, a ledger account shall be opened in a register to be maintained in form O. 25 in which all imports and re-exports shall be entered as soon as intimation thereof is received at the Head Octroi Office under sub-rules (4) and (7) above. The entries of re-exports, in case the goods are removed from the octroi limits in more than one instalment, shall be so recorded as to appear against the

imports made on the same pass. For this purpose, sufficient space shall be left under each pass to provide for the entry of all re-exports made on it subsequent to the first.

[(9) On the expiry of the period of one month from the date of the issue of the pass or of the subsequent extended period a balance shall be struck in the register to ascertain the quantity of the un-exported goods, if any, lying with the pass-holder in respect of that particular pass.] [The duty on such goods shall then be calculated so that action may be taken to recover the amount due and to invoke the penal provisions of the rules in case they have been infringed.]

(10) On the application of a depositor for the refund of his security, or on the coming to light of circumstances disclosing any abuse of the pass, the account shall be closed, the total re-exports shall be set off against the total imports on all the passes issued from time to time and the balance of unexported goods with the pass-holder, if any, worked out in the case of a depositor who has applied for a refund, if no amount is found due from him and the rules have not been infringed, the deposit shall be refunded to him. In all other cases, action shall be taken as laid down in the last sentence of the preceding sub-rule.

[V.32B. Record of security deposits. - Security deposit made under sub-rule (2) of V.32A shall be entered in the Register of Deposit to be maintained in the form G-25 in the manner laid down in rule XVII.3.]

V.33. Power to demand passes and inspect goods. - (1) The Octroi Superintendent and any Octroi Inspector meeting a person with goods which he deems to have been imported, and to have been liable to octroi on import, may demand the receipt or pass covering such goods, and may verify the entries therein by inspection of the goods, and any person called upon for his receipt or pass under this sub-rule shall produce it and shall permit the officer demanding it to inspect the goods.

[(2) If, on checking the goods with the receipt or pass, the officer finds that all the items in the receipt or pass are correct, he shall sign the coupon attached to the receipt or pass; he shall tear the coupon off the receipt or pass and keep it for comparison with the counterfoil or the carbon copy, as the case may be, at the barrier, and shall then endorse his name on the back of the receipt and return it to the presenter.]

(3) If the person-in-charge of the goods has no receipt or pass, or, if the officer finds reason to believe that the full amount of octroi has not been paid on the goods or that the goods do not tally with the description entered in the receipt or pass, such officer may, and, if he finds that the second foil of a pass granted order rule V-24 has not been torn off, shall take such person to the head office, where the case shall be enquired into by the Octroi Superintendent; such person shall accompany such officer to the head office when called upon to do so under this rule, the Octroi Superintendent, if he is satisfied that the octroi payable on such goods has not been paid or has not been paid in full, shall assess the amount of tax payable, demand payment of the amount from the person-in-charge of the goods and, on receipt of the amount, shall fill up a receipt in duplicate by carbon process in Form O.4, retain the carbon copy and hand the original with the coupon attached duly filled up to the person-in-charge of the goods; the Octroi Superintendent shall subsequently report the case to the Secretary with a view to the orders of the committee being taken as to whether a prosecution should be instituted under section 78 of the Act.

[Provided however that in case of motor vehicle traffic the period allowed shall not exceed two hours and for other traffic three hours except in special circumstances with the previous sanction of the Government.]

(4) An officer obtaining coupons under sub-rule (2) of this rule shall take such coupons to the barriers or barrier from which they were issued and shall there verify the coupons with the counterfoils or carbon copies, as the case may be, and, if he finds that the entries are correct, shall initial the counterfoils or carbon copies, as the case may be, and drop the coupons into the barrier cash-box : if in any case a discrepancy is detected, he shall forward the coupon concerned under separate cover to the head office with a report.

V.34. Notice to be given of seizure of goods. - When any goods are seized in exercise of the power conferred by section 82 of the Act, the officer seizing them shall immediately give or send to the importer or exporter a notice in Form O.11.

V.35. Money to be dropped at once into the cash-box. - All money received at a barrier shall at once be dropped by the collecting officer receiving into the barrier cash-box of which the key shall be kept by the Octroi Superintendent [or] [Moharrirs in charge of the octroi Barriers; provided they have deposited adequate security in terms of rule XVII.2].

V.36. Progressive totals of receipts to be filled up at once. - Every collecting officer issuing a receipt or pass other than a transit pass [under any of these rules] shall fill up the progressive total of octroi received at the foot of the [carbon copy of the receipt or pass at the time of issue thereof, and the Octroi Superintendent, Octroi inspectors,] [-] or other officer inspecting a barrier shall see that progressive totals are thus filled up, and not postponed till the end of day; [carbon copies thus checked shall be initialled by the officer [-] making the inspection, who shall also record the date of his inspection.]

V.37. List of persons permitted to compound for octroi to be maintained payment of compensation to be in advance. - (1) Persons permitted under the provisions of clause (a) of sub-section (2) of section 70 of the Act to compound for octroi may either compound for the gross octroi payable in respect of all goods imported by them, obtaining refunds under the provisions of these rules in respect of goods subsequently re-exported, or compound for the net amount of octroi payable after deduction, from the gross amount payable in respect of goods imported, of the amount to be refunded in respect of goods re-exported, and the committee shall maintain a list in Form O. 12 of persons permitted so to compound in which shall be entered in separate parts the names of persons permitted to compound for the gross octroi payable by them and the names of persons permitted to compound for the net octroi payable by them, respectively, and such list shall be kept corrected up to date and a copy in English and vernacular of the entries in [columns 1 to 5] thereof, signed by the Secretary shall be posted at each barrier, and to every such person books of passes in Form O.13 shall be supplied.

(4) Every person permitted to compound for octroi shall pay the amount of the composition strictly in advance, and the expiry of the period of composition his name shall forthwith be struck off the list maintained under sub-rule (1) unless payment in respect of the following period has previously been made.

(3) The receipt of moneys in composition for octroi shall be acknowledged by a receipt in Form G. 8 to be issued at the municipal office, or, if he has been authorized in this behalf, by the Octroi Superintendent at the head office.

V.38. Procedure for import of goods covered by a composition pass. - Notwithstanding anything contained in these rules, when a person who has been permitted to compound for octroi wishes to import any goods on which octroi is leviable; he shall fill up a pass in Form O. 13 and send it to the barrier of import, where the officer in charge of the barrier shall see that the name of the person who has signed the pass is on his copy of the [list] maintained under the provisions of rule V. 37, and, if so, after satisfying himself that the goods to be imported agree with the details entered in the pass, shall fill up the certificate at the foot of the pass and the coupon, tear off the coupon and deliver it to the person who presented the pass, drop the pass into his cash-box and suffer the goods to pass the barrier.

V.39. Procedure on export of goods by person permitted to compound for net octroi. - Every person permitted to compound for the net octroi payable by him shall be provided with a book of Export Passes in Form O. 14, and, notwithstanding anything contained in these rules, when such a person wishes to export any goods on which octroi is leviable on import, he shall fill up a pass in Form and O. 14, send it with the goods to the barrier of export, when the officer-in-charge of the barrier shall see that the name of the person who has signed the pass is on his copy of the list of persons permitted to compound for the net octroi payable by them, and, if so, after satisfying himself that the goods to be exported agree with the details entered in the pass, shall fill up the certificate at the foot of the pass and the coupon, tear off the coupon and deliver it to the person who presented the pass, drop the pass into his cash-box and suffer the goods to pass out.

V.40. Passes to be filed and used for calculation of terms of composition. - When cash-boxes are received at the head octroi office, all passes in Form O. 13 or O. 14 found therein shall be examined with a view to ascertaining that the certificate at the foot cover the details of the passes, and such passes shall be filed separately under the name of each person permitted to compound for octroi and shall serve as a basis on which to calculate the terms on which composition should be allowed when such terms are next revised, consideration being had, in the case of a person permitted to compound for the net octroi payable by him, to the net amount of goods imported, after deducting from the total amount of goods imported as shown by the passes in Form O.13, the amount of goods exported, as shown by the passes in Form O.14, and no account being taken of exports not covered by a pass in Form O.14.

[V.41. Proceeding for closing the transaction of the day. - (1) At the close of each day, at the time to be fixed by the Committee the transactions of the day shall be closed; the officer-in-charge of each barrier shall have the progressive total of the money received for the day, taken upto the last carbon copy or counterfoil, as the case may be, used in each book of receipts or passes and entered thereon, and shall also have the receipts of the day classified in jinswars to be compiled in Form O.13 the classification being in accordance with the classification adopted in the sanctioned schedule of the tax; the items shall be entered one after the other, from the carbon copies of the day, the serial number of the receipt or pass being quoted in column 1 and the detail of the goods and the amount of octroi and the transit pass fee paid entered in the appropriate columns; the cash-box, receipt books and jinswars shall then be forwarded to the head office, together, with the second foils receipts retained under rule V. 25 and the foils of the passes presented under sub-rule (2) of rule V. 15 and rule V. 21.

(2) To prevent delay, and to ensure that all moneys as received by the collecting officer are immediately placed under lock and key, the committee shall provide a double set of books and two cash-boxes at each barrier so that while one set is at the head office, the other shall be available for use, the [jinswars] shall be on loose forms.]

[V.42. Opening of cash-boxes and counting of receipts. - The cash-boxes shall be opened and the money contained therein counted at the Head Office by the Octroi Superintendent in the presence of the municipal treasurer and where there is no treasurer, in the presence of the Secretary or a municipal official in receipt of pay of not less than rupees fifty a month. At places where the keys of such cash-boxes with the officer-in-charge of barriers he or the person through whom the cash-box is forwarded shall also be present].

V.43. Procedure after the contents of cash-boxes have been counted. - (1) After the money in each cash-box has been counted the amount shall be endorsed by the receiving officer at the foot of the last carbon copy of the day for the barriers concerned, as well as on the barrier [jinswars] the aggregate contents of all the cash-boxes shall then be brought to account as prescribed in rule V. 44.

(2) When the money in cash-box has been counted, the carbon copies received from the barrier concerned shall be examined by the Octroi Superintendent, who shall check at least two per cent of them in detail, initialling the checked carbon copies in proof of having done so, and shall see that the progressive totals in the books are correct; if the total for the day agrees with the total endorsed on the carbon copy and jinswars under sub-rule (1) of this rule, the last carbon copy on which the total for the day has been entered shall be signed by the Octroi Superintendent and [- -] official in whose presence the cash-box was opened.

(3) The coupons found in the boxes from the barriers shall be examined as a check on the work of the inspectors and then kept until the next audit of the accounts.

[(4) The foils of passes (Form 2) received under sub-rule (2) of rule V. 15 and those (Form O.5) under rule V. 21 and the second foils of receipts (Form O.8) retained under rule V.25 and forwarded to the head office under sub-rule (1) of rule V. 41 shall be pasted on their counterfoils or carbon copies, as the case may be; and if, when examining the counterfoils or carbon copies required by sub-rule (4) of rule V. 15 of the Octroi Superintendent finds any counterfoil dated two days previously on which the foil has not been pasted, he shall at once cause a special investigation to be made.]

(5) On completion of the procedure prescribed in sub-rules (1) to (4) of this rule, the cash-boxes and pass books shall be returned to the barriers without delay; the jinswars shall be retained in the head office.

V.44. Procedure for bringing the cash to account. - The cash shall be brought to account in the following manner -

(i) if the Secretary himself, or through the Municipal Treasurer, receives the collections, he shall bring them to account direct in his General Cash-book (Form G.2), and remit them to the treasury in the usual way;

(ii) if the Octroi Superintendent receives the collections, and if the head office is in the same building as the officers of the Secretary, the procedural shall be similar to that laid down in clause (i) of this rule; if the Octroi Superintendent receives the collections, and if the head office is at a distance from the office of the Secretary, he shall enter them under the appropriate heads in columns 1 to 4 of the cash-book to be kept up by him in Form O. 16; in column 5 he shall show the amounts remitted to the treasury or municipal office, as the practice may be, the book shall be closed daily and the money remitted with a challan in Form G. 7 or G. 9, as the case may be;

(iii) if the Octroi Superintendent remits the money direct to the treasury, one of the foils of the challan (Form G. 7) returned from the treasury shall be filed by him in a guard file as his receipt and the other shall be sent to the Secretary with a statement in Form O. 17; on receipt of the challan, the Secretary shall enter the amount shown there in his General Cash-book (Form G. 2);

(iv) if the Octroi Superintendent remits the money to the municipal office, he shall send it with a challan in Form G.9, and the Secretary shall receive it and bring it to account in his General/Cash-book (Form G. 2), one foil of the challan shall be returned to the Octroi Superintendent as a receipt, and the other kept by the Secretary as a voucher for his entry in the General Cash-book;

(v) if the Octroi Superintendent receives the collections under the latter part of clause (ii) of this rule, the Secretary shall check the Cash- book (Form O. 16) of such Superintendent once a month, and sign it in token of his having done so, adding the date of his signature.

V.45. Compilation of head office jinswars. - (1) The jinswars received from the barriers shall be arranged each day in a fixed order, and the total of all the barriers for the day and the progressive total of all the barriers carried on from the beginning of each month shall be entered at the foot of the jinswar of the last barrier.

(2) From these [jinswars] shall be compiled each day the head office jinswar in Form O. 17; the columns of this jinswar shall be totalled every month, and at the end of the year a statement showing the totals under each head of the jinswar for the whole year shall be prepared and submitted with other prescribed returns to the Deputy Commissioner.

V.46. Refund of octroi when payable. - (1) Subject to the provisions of rule V. 15, V. 39, V. 61A and V. 61B every person who exports goods, on which octroi (with refunds) is payable on import, shall be entitled to a refund in respect of such goods, provided that -

(a) when octroi (with funds) has been newly imposed in a municipality or any goods or the rates of octroi (with refunds) on any goods have been revised, a refund shall not be given in respect of such goods or shall be given at the old rates for such period after the imposition of the tax or the revision of the rates as the [State Government] may in each case prescribe;

[(aa) no refund shall be given in respect of goods which have been used [or sold] after import within octroi limits;]

(b) no refund of less than eight annas shall be given;

(c) the refund payable in respect of goods which have been manufactured within octroi limits from raw material on which octroi (with refunds) is payable on import shall not exceed the octroi payable on such raw material on import and no refund shall be payable in respect of goods produced within octroi limits or manufactured within octroi limits from raw material on which octroi is not payable on import.

[-]

V.47. Proof of previous payment of octroi not to be demanded except in certain cases. - No proof of the previous payment of octroi in respect of the goods to be exported shall be

demanded before a refund is given in respect of such goods, provided that such proof may be demanded and no refund shall be payable except on the production of such proof to the satisfaction of the committee -

(a) for such period as Government may prescribe after an area has newly been included within octroi limits, from any person resident or carrying on business in such area who claims a refund; or

(b) in respect of any of the following goods, namely -

- (i) Benares cloth;
- (ii) silk;
- (iii) silk or cotton lace;
- (iv) gold or silver lace;
- (v) foreign tobacco;
- (vi) cigars and cigarettes;
- (vii) fancy goods;
- (viii) scents;
- (ix) saffron, musk or ambar;
- (x) shawls and fine pashmina;
- (xi) gold or silver or electroplated goods;
- (xii) watches and clocks;
- (xiii) medicines;
- (xiv) small cardamoms;
- (xv) precious stones and pearls;
- (xvi) fine muslin;
- [(xvii) motor vehicles of every description;]

(xviii) any other goods in respect of which Government may by notification declare that a committee may demand such proof.

V.48. Claims for refunds to be dealt with promptly. - Claims for refunds shall be promptly dealt with, and when a claim has been admitted, shall be paid on demand even though the budget grant for refunds is thereby exceeded.

V.49. Notices as to the manner of obtaining refunds to be printed and posted. - The committee shall have notices printed and kept at the head octroi office for free distribution

showing the manner in which refunds may be obtained, and copies of such notices shall be posted at each barrier and at other public places.

V.50. Appointment of officer in charge of refunds. - The committee shall appoint an officer or member to be in charge of the payment of refunds, and such officer or member shall attend every day, excluding Sundays and other holidays, at the head octroi office for such hours as the committee may prescribe.

V.51. Permanent advance to be given for refunds. - The committee shall grant to the officer or member in charge of refunds a permanent advance for the payment of refunds of such amount as the committee may prescribe, provided that such amount shall ordinarily be equal to the average monthly amount of refunds paid.

V.52. Presentation of refund applications. - (1) Every person wishing to obtain a refund in respect of goods to be exported by him shall fill up columns 1 to 10 of an application in Form O. 18, which he may obtain free of charge from the head octroi, office, and, after signing and dating the application, shall present it at the head octroi office.

[(2) An [application (Form O. 18)] made under the provisions of sub-rule (1) shall be made by the exporter of the goods himself or by an agent duly authorized by a power of attorney and the applicant may nominate a representative to accept payment on his behalf by authority in writing in Form O. 18].

(3) No application made under the provisions of sub-rule (1) shall relate to more than one consignment of goods or to the goods of more than one person, but an application may be made in respect of more than one description of goods to be exported in one consignment, provided that goods of different descriptions shall be detailed separately in the application and no refund shall be payable in respect of goods of a single description on which the octroi payable on import is less than eight annas.

V.53. Verification of refund applications. - (1) The committee shall appoint one or more verifying officers, who shall be members or responsible officers, and not officer in charge of the barriers or clerks, for the verification of [applications] presented under rule V. 52; and when such an application is presented, the verifying officer shall satisfy himself that the goods to be exported agree with the details entered in the application, shall calculate the refund payable, and, after filling up columns 11 to 15 of the form, shall sign the certificate at the foot of the form, being careful to insert the exact hour and date of the examination and to record in words, as well as in figures, the amount of refund admissible.

(2) The goods to be exported need not necessarily be brought to the head octroi office for the purpose of the verification of the application under the provisions of sub-rule (1) if the committee can arrange otherwise, and in any case the verifying officer shall exercise discretion and good faith as to the nature and extent of examination necessary in the interests of committee, and shall cause no avoidable injury to the goods examined and no unreasonable delay to the exporter, and the committee shall take measures to ensure that the provisions of this sub-rule are duly complied with.

(3) If the proportion of goods exported by rail is sufficiently large to warrant such procedure, the committee shall require the verifying officer to attend daily at specified hours at the railway barrier.

(4) The committee shall not appoint to be a verifying officer the officer or member appointed under rule V. 50 to be in charge of the payment of refunds.

V.54. Details of application to be entered in Refund Register. - (1) When an application has been verified under the provisions of rule V. 53, a refund clerk shall enter details of the application in columns 1 to 5 of a Refund Ledger to be maintained in Form O.19 note the serial number in the places provided at the top of the application form and the coupon attached thereto, fill in the date and hour by which the goods must be exported in column 16 of the application form and hand the application to the exporter.

(2) The committee shall prescribe the interval not exceeding twelve hours within which goods must be exported after an application has been handed back to an exporter and may prescribe different intervals in respect of different barriers of export.

V.55. Procedure at export barrier. - (1) When an exporter has received back his [application] under the provisions of rule V. 54, he shall take or send it with the goods to be exported to the export barrier.

(2) If the application with the goods is presented at the export barrier before the time entered in column 16 of the form has passed, the officer-in-charge of the barrier, after seeing that the goods actually being exported agree with the details mentioned in the application, shall fill up and sign the certificate on the reverse of the application and of the coupon, shall tear the coupon, drop it into his cash box and return the application to the exporter; and, if the goods brought to the barrier for export do not agree with the details entered in the application, he shall make a note on the reverse of the application as to the goods actually brought to the barrier for export, and no refund shall be payable in respect of the consignment unless the exporter has the goods reverified in accordance with the provisions of rule V. 53.

(3) If the application with the goods is presented at the export barrier after the time entered in column 16 has passed, the officer-in-charge of the barrier shall enter on the reverse of the application the time at which the application with the goods was presented and no refund shall be payable in respect of the consignment unless the exporter has the goods reverified in accordance with the provisions of rule V.53.

(4) When goods are reverified as required by the provisions of sub-rule (2), or sub-rule (3) all entries made by the verifying officer or refund clerk on the form shall be made in red ink.

V.56. Payment of refund. - (1) When an application has been certified under the provisions of sub-rule (2) of rule V.55, and the goods to which it relates have been exported, the exporter or representative authorized on the application to receive payment of the refund shall, as soon as may be, and in any case not later than thirty days from the date of the registration of the application in the Refund Ledger (Form O.19) under the provisions of rule V. 54, present the application at the head octroi office, together with the railway receipt if the consignment has been exported by rail, or, if the goods are perishable goods, such as meat, fresh fruit, vegetables or pan, or have been exported as personal luggage accompanying the exporter a written declaration of the details of the consignment.

(2) When an [application] is presented under the provisions of sub-rule (1), a refund clerk shall check it with the entry relating thereto made in the Refund Ledger (Form O.19) under the provisions of sub-rule (1) of rule V. 54, shall take a copy of the railway receipt, if any, in a register to be maintained in Form O. 20, shall fill up and sign the report on the reverse of the

application and shall lay the application before the officer or members in charge of refunds, who shall pass an order for payment and make the refunds to the exporter or person authorized to receive payment, taking his acknowledgement in the space provided on the form, and stamping the application as "paid" and returning the railway receipt, if any, after stamping it with a municipal stamp.

(3) Details of each payment made under the provisions of sub-rule (2) shall be entered in the order in which it is made in columns 9 to 12 of the Refund Ledger (Form O.19), the date of payment being noted in column 7 of the ledger against the original entry; and, if for any reason the full amount claimed is not paid, the amount short paid shall be entered in column 13.

(4) If an [application] is not presented within thirty days from the date of its registration in the [Refund Ledger] under the provisions of rule V.54, it shall be deemed to have lapsed, and no refund shall be payable in respect of the goods to which it relates, and the necessary entries shall be made in columns 7 and 8 of the Refund Ledger; provided that, if an application has been lost, and intimation of the loss is given to the officer or member in charge of refunds within thirty days from the date of the registrations of the application in the Refund Ledger under the provisions of rule V.54, the refund may be paid if such officer or member is satisfied, by a reference to the Refund Ledger and the coupon detached from the application under the provisions of sub-rule (2) of rule V.55, that the goods to which it related have actually been exported; provided further that, if in such a case a refund is to be paid; a search fee of such percentage of the value of the refund as the committee may fix, but of not less than four annas, may be recovered from the applicant by deduction from the amount of refund payable.

V.57. Check of coupons at head octroi office. - (1) When coupons filled up under the provisions of sub-rule (2) of rule V.55 are received at the head octroi office, the details entered therein shall, if the [application] from which they have been detached have been received, or if the applications have not yet been received, when they are received, be checked with the applications, and the coupons shall thereafter be pasted upon the applications.

(2) If, when the details entered in a coupon are checked under the provisions of sub-rule (1) they are found not to agree with the [application], or if in any case a claim has been paid and the coupon relating thereto is not received from the barrier when the cash-boxes are received, a special investigation shall at once be made by the officer or member in charge of refunds.

V.58. Jinswar of refund payments to be maintained. - The refund payments made each day shall be compiled into a jinswar in Form O.15, a line being given to each application paid and daily and progressive totals being taken at the foot of the statements.

V.59. Closing of Refund Ledger. - (1) The Refund Ledger (Form O.19) shall be closed at the end of each month and signed by the Octroi Superintendent and by the officer or member in charge of refunds.

(2) The method of closing shall be as follows -

(a) columns 4, 12 and 13 shall be totalled;

(b) column 8 of the previous month's lapse shall be filled up and totalled, and shall be added to the total of columns 12 and 13 for the current month;

(c) the balance shall then be struck by deducting the total now arrived at, i.e., the aggregate of columns 12 and 13 of the current month and column 8 of the previous month, from the total of column 4 of the current month plus the opening balance; this balance will be the opening balance for the next months, and shall be proved in the Refund Ledger by noting the number and amount of each unpaid refund application, the aggregate of which should agree with the balance.

V.60. Recoupment of permanent advance for refunds. - (1) When the Refund Ledger is closed in the manner prescribed in rule V. 59 or at such intermediate periods as may be necessary, the permanent advance shall be recouped on a bill in Form G.13, supported by all the applications in hand which have been paid up to date, the total amount of the bill corresponding with the total payments up to date as entered in column 12 of the Ledger; the date and amount of the bill shall be entered in columns 15 and 16 of the Ledger, and on receipt of the cheque in payment of the bill the number and date of the cheque shall be entered in column 17.

(2) All bills paid under the provisions of sub-rule (1), together with the applications in support, shall be filed separately for audit purposes.

V.61. Extraordinary passes for goods exported and re-imported. - [(1) Notwithstanding anything contained in these rules, if any person wishes to export goods and subsequently reimport them free of octroi and in the case of octroi (with refunds) without obtaining a refund on export, he shall apply at the [Central barrier] for a pass in form O.21.]

(2) When a [pass] has been obtained under the provisions of sub-rule (1), the person in-charge of the goods shall take them under the supervision of a peon, if possible, to the barrier of export, where they shall be presented within such time as the committee may prescribe, having regard to the distance from the [Central barrier] to the barriers concerned, and the officer in charge of the barrier shall see that the goods tally with the details entered in the pass; and if they do so and the time by which the goods should have been presented has not passed, shall sign the certificates on the export coupon, return the pass to the person in-charge of the goods and send the coupon to the [Central barrier], where it shall be pasted on to the original counterfoil; or, if the goods do not tally with the details entered in the pass or the time by which they should have been presented has passed, shall refuse to sign the export coupon and shall return the pass to the [Central barrier.]

(3) When goods exported on a pass in Form O.21 under the provisions of sub-rules (1) and (2) are brought back for reimport the officer-in-charge of the barrier shall demand the pass, satisfy himself that the articles to be reimported are covered by the pass, and, if they are so covered, shall endorse the return coupon and tear it off for submission to the [Central barrier], where it shall be pasted on the counterfoil with the exit coupon, return the pass to the person-in-charge of the goods and suffer the goods to pass the barrier; and, if the goods do not appear to be covered by the pass, shall deal with them as if they were goods declared to be intended for [consumption], use of sale within octroi limits.

[In the case of articles which have undergone certain processing like dyeing, enameling, grinding or husking, etc., these should at the time of import be presented at the Central Barrier under the escort of a peon from the reimport barrier and an officer not below the rank of an Assistant Octroi Superintendent should verify the fact that the same articles which were exported have been reimported after processing. In the case of paddy exported and reimported in the form of rice adequate margin in weight shall be left for husk. The Committee shall prescribe a ratio

between paddy and rice as and when it thinks necessary. The articles thus exported should be reimported within a limit of one month. This limit may be extended up to three months in case of necessity by the Octroi Superintendent].

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[V.61A. Passes for wheat exported and reimported in the form of wheat flour. - (1) In a municipality in which the rate of octroi on wheat is not less than the rate of octroi on wheat flour of all kinds, any person who wishes to export wheat for purposes of having it ground and subsequently to reimport wheat flour without obtaining a refund on export and paying octroi on import may, on application to the officer in charge of the barrier by which the wheat is exported, if the quantity of such wheat is not more than one maund, or to the head octroi office if the amount of wheat exceeds one maund, obtain a pass in form O.21A, and [officer in charge of the barrier] or the official concerned at the head octroi office, as the case may be, shall fill up the counterfoil and columns 1 to 6 of the foil of the pass, tear off the foil, and give it to the exporter.

(2) When wheat exported on a pass in form O.21, under the provisions of sub-rule (1), is brought back in the form of wheat flour for reimport, the officer in charge of the barrier shall demand the pass, satisfy himself that the time by which wheat flour should have been presented for reimport at the barrier has not passed and that the weight of the flour does not exceed the weight of the wheat which was exported from the municipality on that pass and shall then fill up column 7 of the pass, place his signature in column in token of the wheat flour being covered by the pass, fill up the entrance coupon, tear it off, paste it on the relevant counterfoil, return the pass to the person in-charge of the wheat flour and suffer him to pass the barrier, and if the wheat flour does not appear to be covered by the pass or the time within which it should have been reimported has passed shall deal with it as if it was declared to be intended for use or consumption within octroi limits.

(3) The period within which wheat flour shall be imported free of octroi shall be prescribed by the Committee, having regard to the distance of the mill or mills at which wheat is usually ground and the barrier from which wheat is exported and the time taken to have wheat ground.

(4) This rule shall not apply to any municipality unless the committee has, by a resolution, agreed its extension.]

[V.61B. Passes of animals imported or exported for treatment at a veterinary hospital. - In a Municipality in which live animals are liable to octroi on import, any person who imports such animals into the octroi limits for the purpose of treatment at a Veterinary Hospital situated within such limits, or exports such animals from such limits for the same purpose if the Veterinary Hospital is situated outside such limits shall obtain a pass in form O.21-B free of charge. The officer in charge of the barrier shall fill in the first four columns of the pass and allow the animals to pass. When such animals are brought back to the barrier, the officer-in-charge shall verify whether the marks of identification tally with those shown in the pass and shall place his signatures in column 5. If, however, the animal imported for treatment in octroi limit dies in the hospital or in transit the owner shall export the dead body out of the octroi limits. The pass shall be valid for seven days after the day of issue only.]

V.61C. Extraordinary passes for goods imported for repair and to be re-exported. - (1) When goods liable to octroi are imported into a Municipality for repairs and subsequent export the importer shall obtain a pass in form O.21C. The [officer in charge of barrier] shall fill up the

counter foil and columns 1 to 8 of the foil of the pass, tear off the foil with the exit-coupon attached thereto and hand it over to the importer.

[*Explanation.* - For the purpose of this sub-rule a chasis when imported into a municipality for the fabrication of body shall be deemed to have been imported for repairs.]

(2) The goods after repairs shall be brought to the barrier of import and the [officer in charge of the barrier] shall, if the time covered by the pass has not expired and the goods tally with those entered in the pass, fill up the exit coupon, tear it off and hand back the pass to the importer. The exit coupon thus detached shall be pasted with the original counterfoil. If, however, the description of the goods does not tally with the particulars entered in the pass or the time of export has passed the [officer in charge of the barrier] shall make a note of the discrepancy in column 9 of the pass and shall then proceed to assess the goods as if the goods detailed in the pass were being imported for consumption, use or sale within octroi limits.

(3) The repair passes shall be examined by the Octroi Superintendent daily with a view to seeing that the [exit coupons] have been pasted in respect of all passes the term of which has expired.

(4) The record of passes to which the exit coupons have not been attached will be noted in the register of missing transit passes form O. 23. A special investigation shall than be started at once to realize or remit, under rule XVII. 13 of the Municipal Account Code, the octroi on the goods imported on the pass.

(5) The committee shall by a resolution fix a period not exceeding fifteen days within which goods of a particular description should be exported after repairs. The period so fixed shall be exhibited at every barrier and the officer-in-charge of the barrier at which such goods are imported shall enter the period accordingly in column 6 of the repair pass in form O.21C. The committee may by a resolution delegate to the Secretary or the Octroi Superintendent the powers to extend the period in cases of real necessity.

V.62. Passes for animals taken out daily to graze. - (1) In a municipality in which live animals are liable to octroi on import any person who sends such animals out to graze beyond octroi limits may, on application to the officer- in-charge of the barrier by which such animals are taken out, the [officer-in-charge of the barrier] shall fill up the first three columns of the pass, and on their return shall count them, and after seeing that the number agree with the number taken out in the morning, shall place his signature in column 4.

(2) Passes in Form O.22 are intended for daily use for a month or more, and shall be printed on stout paper and kept in the possession of the persons who take the animals out to graze.

V.63. Appeal from assessment of octroi by the Octroi Superintendent. - Any person dissatisfied with the assessment of octroi payable in respect of his goods when such assessment is made by the Octroi Superintendent, shall pay the amount of octroi assessed, but may within seven days from the date of such payment appeal to the committee against such assessment.

V.64. [Examiner, Local Fund Accounts, Punjab may authorize changes in details of procedure to suit local circumstances]. - [(1) If in any municipality local circumstances are such as to make changes in the details of the procedure prescribed in this chapter desirable for the convenience of traders or of the octroi administration, [Examiner, Local Fund Accounts, Punjab], may authorize such changes, provided that all such changes so authorized shall be

noted in the copies of the rules contained in this chapter which are posted at the barrier under the provisions of rule V. 9.]

[(2) Government may, if local circumstances in any municipality justify it, amend or abrogate any of these rules for that area.]

V.65. Penalties. - Any person who -

(a) commits a breach of sub-rule (1) of rule V.13; or

[(b) fails to present the goods along with the pass issued under the provisions of sub-rule (1) of rule V. 15 at the export barrier within the time allowed under rule V.15(3); or]

[(c) fails to take goods along with the pass with coupon attached to the Head Octroi Office as required by sub-rule 2 of Rule V. 18.]

(d) fails to take or send a railway receipt to the head octroi office as required by sub-rule (1) of rule V. 23; or

(e) [-]

(f) refuses to produce a pass or receipt demanded from him under the provisions of sub-rule (1) of rule V.33; or [refuses to accompany the Octroi Superintendent or the Octroi Inspector to the Central barrier when called upon to do so under sub-rule (3) of the said rule]; or

(g) fails to comply with the provisions of rule V. 38 or rule V. 39.

[(h) fails to present the goods along with the pass obtained under the provisions of sub-rule (1) of rule V. 61-C at the export barrier within the time allowed under sub-rule (5) of the said rule and noted in column 6 of the said pass.]

[(i) fails to present the pass in form O.21B, obtained under rule V.61-B, for import of animal with the animal (dead or alive) at the barrier within the time allowed under the said rule.]

shall on conviction by a magistrate, be punishable with fine which may extend to fifty rupees.

[V.66. Refund when octroi (without refunds) has been substituted for octroi (with refund.) - Any person who exports from the previous octroi limits of a municipality in which octroi (without refunds) has been substituted for octroi (with refunds) any goods on which octroi (with refunds) would have been leviable had the import of the goods taken place while the octroi (with refunds) was in force, shall at any time within six months from the date on which the octroi (without refunds) came into force be entitled to receive from the committee of the said municipality a refund of sum equivalent to the amount of octroi (with refunds) that would have been leviable on such goods, provided that -

(a) such refunds shall be subject to all the restrictions, stipulations and provisions with regards to the payment of refunds laid down in this Chapter; and

(b) if the amount of refund claimed is twenty rupees or more, or if the committee has reason to believe that the goods exported or to be exported or the raw material from

which they were manufactured had not been imported previously to the date from which the octroi (without refunds) came into force, no refund shall be payable by the committee, except on being proved to the satisfaction of the committee that octroi (with refunds) had actually been paid in respect of such goods.]

CHAPTER VI

[Terminal Tax]

VI.1. Definition and extent. - (1) In this chapter, unless there is anything repugnant in the subject or the context -

(a) "barrier" means a place appointed under the provisions of rule VI.2.;

[(b) "carbon process" means writing a document in duplicate by an indelible pencil by means of a double faced carbon paper];

(c) "railway barrier" means a barrier for the interception of traffic to and from railway premises, so described by public notice exhibited at such barrier.

(2) The rules in this chapter shall not apply in respect of the assessment or collection of terminal tax on goods imported or exported by rail in cases where the committee has arranged for the collection of terminal tax on such goods by a railway administration.

VI.2. The establishment of barriers. - The committee shall appoint a place, near, or, with the consent of the railway administration, on the railway premises and places at any other points, on or in the immediate vicinity of the limits of the municipality that may from time to time be determined as most suitable for intercepting import and export traffic, for assessing and collecting terminal tax.

VI.3. Posting of terminal Tax Schedule and results at barriers. - A copy, in English and vernacular, of the terminal tax schedule as sanctioned by Government, and duly authenticated by the signature of the Terminal Tax Superintendent and the Secretary, and a copy, in English and vernacular, of the rules contained in this chapter, shall be posted in a conspicuous place at each barrier.

VI.4. The Terminal Tax Superintendent and the Assistant Terminal Tax Superintendent. - (1) The committee shall appoint an officer to be Terminal Tax Superintendent who, in addition to discharging any other duties imposed upon him by these rules, shall be responsible generally for the assessment and collection of terminal tax in accordance with these rules and for the proper discharge of their duties by other assessing, collecting and inspecting officer.

(2) The committee may appoint one or more Assistant Terminal Tax Superintendents, and may, with the previous sanction in writing of the [Deputy Commissioner], determine by resolution which functions and duties imposed by these rules upon the Terminal Tax Superintendent may be discharged by such Assistant Terminal Tax Superintendents.

VI.5. Terminal Tax Inspectors. - The committee shall appoint, Terminal Tax Inspectors who in addition to discharging any other duties imposed upon them by these rules, shall supervise the working of the barriers, and shall see that the staffs of the barriers comply with the rules laid down for their observance.

VI.6. The staff of barriers. - The committee shall appoint to each barrier a staff of muharrirs and peons for the assessment and collection of terminal tax, and it shall be the duty of such staff to see that all goods liable to terminal tax stopped at the barrier; and to deal with them according to these rules.

[VI.7. Inspection of barriers. - (1) It shall be duty of the president, the vice president, the secretary, the terminal tax superintendent of the committee and if there is an executive officer, of that officer also to visit the barriers and to inspect the registers and accounts there maintained in accordance with these rules.

(2) An inspection book shall be maintained at each barrier in Form [T.1], and the officials mentioned in sub-rules (1) and (4) of this rule and also the inspectors of the department inspecting the barriers shall note therein the results of their inspection making their notes as full and detailed as possible.

(3) If in any such note any complaint is made as to the working of the barrier, a copy of the note shall at once be sent by the officer-in-charge of the barrier through the terminal tax superintendent to the secretary with a view to suitable action being taken.

(4) The barriers may also be inspected by the Local Audit staff at any time. The Local Audit staff for this purpose may borrow from the terminal tax superintendent the key which opens the cash boxes after giving a written receipt to the terminal tax superintendent. This key shall be returned as soon as possible after the inspection is over.]

VI.8. Scales and weights to be provided at each barrier. - The committee shall provide at each barrier a suitable set of scales and weights or a weighing machine which shall be kept in proper working order by the muharrir or other officer-in-charge of barrier, and shall be tested at intervals of not [more] than three months by the Terminal Tax Superintendent or by another officer or a member as the committee may direct, who shall record the result of each test in the [Inspection Book].

[VI.8A. (1) When goods liable to terminal tax are declared to be intended for immediate export they shall be dealt with under either the Transit Pass System or the Transit Refund System.

(2) The Transit Refund System shall not be adopted by a committee, except on the recommendation of the [Examiner, Local Fund Accounts, Punjab,] and with the sanction of the [Deputy Commissioner].]

VI.9. Procedure in respect of goods for immediate export. - (1) [In municipalities in which the Transit Pass System is in force when goods ordinarily liable to terminal tax on import or export [are to exported immediately after import], a person importing such goods shall declare them as such at the barrier of import, and shall specify the barrier through which they are to be exported;] the officer incharge of the barrier shall then fill up a Transit Pass in Form T-2, and [shall on payment of such fee], if any not exceeding two annas, as may be prescribed by the Committee, hand the foil, [both coupons attached to the person incharge of the goods, who shall forthwith take such goods to the barrier of export entered in column 9 of the pass] :

[Provided that no such fee shall be levied in any case in which the amount of the tax leviable on articles in respect of which the pass is granted is less than two annas].

(2) When such goods are brought to a barrier for export, the person in charge of them shall present the [pass] [with the acknowledgement coupon attached issued to him under sub-rule (1) of this rule and the officer-in-charge of the barrier shall note in column 12 of the pass the time at which it is presented], and shall check the goods with the particulars given in column 5 to 7 of the pass; then -

(a) if the goods tally with the particulars entered in the pass, and time of export entered in column 10 has not passed, the officer in charge of the barrier shall allow the goods to pass out, retaining the pass [for submission to the head office] [and shall hand over the acknowledgement coupon to the exporter duly signed]; or

(b) if the description or weight of the goods does not tally with the particulars entered in the pass, and there is any defect in the weight of any such goods as are ordinarily liable to taxation on import, or any excess in the weight of such goods as are ordinarily liable to taxation on export, or if any of the goods are of a description different from the description of the goods entered in the pass and are ordinarily liable to taxation on import or export, the officer in charge of the barrier shall make a note of the discrepancy in column 14 of the pass, and shall demand payment of the amount of tax payable in respect of such weight in defect or excess or in respect of the goods of such description, and shall thereafter proceed as if the charge was a charge on account of goods imported or exported in the ordinary way, or

(c) if the time entered in column 10 has passed before the pass is presented, the officer-in-charge of the barrier shall demand the full amount of tax ordinarily payable on the goods on import or export as the case may be, and thereafter shall proceed as if the charge was a charge on account of goods imported or exported in the ordinary way.

(3) The committee shall, for the purposes of this rule, fix in respect of every two barriers the period within which goods imported through one of them for immediate export must be exported through the other, a schedule of the periods so fixed shall be exhibited at every barrier, and the officer-in-charge of the barrier through which goods are imported shall calculate and enter the time accordingly in column 10 of the pass in Form T-2.

[(4) When such goods could not be exported within the period fixed by the committee under sub-rule (3) and the tax thereon has been duly paid the person-in-charge of the goods may apply to the Secretary or, in municipalities where there is an Executive Officer, to that officer for the refund of the tax paid. The Secretary or the Executive Officer, as the case may be, shall, if satisfied that the goods have been actually exported, and that the delay was due to circumstances over which the applicant had no control, grant a refund of the amount paid.]

(5) The officer-in-charge of the barrier of import shall each day send the counterfoil book to the head office, where the Terminal Tax Superintendent shall examine each counterfoil and initial it in token of having done so.

(6) Nothing contained in rules VI-10 to VI-15 shall apply to goods imported for immediate export, except in the circumstances provided for in clauses (b) and (c) of sub-rule (2) of this rule.

[(7) The refunds allowed under sub-rule (4) shall be paid and adjusted in the accounts in the manner laid down in sub-rule (8) of rule VI.9A.]

[VI.9A. - (1) In municipalities in which the Transit Refund System is in force when goods ordinarily liable to terminal tax on import or export are to be exported immediately after import a person importing such goods shall declare them as such at the barrier of import and shall specify the barrier through which they are to be exported, the officer in charge of the barrier shall assess and collect the terminal tax payable in respect of such goods as if such goods were intended for consumption or use within terminal tax limits, but shall endorse the reverse of the both receipt in form T.8 and its carbon copy with a stamp or slip in form T.8-A of which he shall fill up the columns and shall then hand the receipt with its endorsement to such person and suffer the goods to pass.

(2) When such goods are brought to a barrier for export the person-in-charge of them shall present the receipt with endorsement issued to him under the provision of sub-rule (1) and the officer-in-charge of the barrier shall note on the endorsement the time at which the goods are presented, and shall check the goods with the particulars entered in the receipt, and shall then -

(a) if the goods tally with particulars entered in the receipt the time of export entered in column 4 of endorsement has not passed, take an acknowledgement from the person in-charge of the goods on the place provided on the endorsement form (form T.8-A) of the receipt of a refund of the amount of terminal tax entered in column 7 of the receipt and shall then pay such amount to such person out of his imprest and suffer the goods to pass; or

(b) if the goods do not tally with the particulars entered in the receipt, or the time of export entered in column 4 of the endorsement has passed before the receipt is presented, the officer-in-charge of the barrier shall refuse to pay any refund and shall send a report of the circumstances to the head office.

(3) The periods fixed under the provisions of sub-rule (3) of rule VI.9, shall be deemed to have been fixed for the purposes of this rule also.

(4) When such goods could not exported within the period fixed by the committee under sub-rule (3) the person-in-charge of the goods may apply to the Secretary or in Municipalities where there is an Executive Officer, to that officer, for refund of the tax paid. The Secretary or the Executive Officer as the case may be, shall, if satisfied that the goods have been actually re-exported, and that the delay was due to circumstances over which the applicant had no control, grant a refund of the amount paid.

(5) The endorsement to be made under the provisions of sub-rule (1) shall be numbered serially for each receipt book and shall be independent of the numbers on the face of the carbon copies.

(6) For the payment of refunds under this system officers-in-charge of barrier shall be given small imprests by the Secretary or the officer-in-charge of such refunds out of his permanent advance; and at the end of each day shall verify their imprests by seeing that the cash in hand plus the value of endorsed receipts is equal to the total amount of the imprest, and shall then drop the receipts into the cash box with a covering memorandum.

(7) When the cash boxes are received at the head office, the officers authorised to open them shall take out the endorsed receipts, check them with carbon copies in the receipt books forwarded from the import barriers, and place his dated initials on such carbon copy in token of his having carried out the check, and shall then send to each barrier muharrir an amount equal

to the total amount of terminal tax shown as refunded on the endorsed receipts received from the barrier.

(8) (i) The refund payments made each day by each barrier muharrir shall be compiled into a *jinswar* in from T.11, a line being given to each item of refund.

(ii) The total of the amounts shown as refunded on the endorsed receipts received from all barriers shall be entered in the head office *jinswar* (form T.13) in red ink under the totals of the day. From these totals the amounts of refunds shall be deducted and dealt with in the accounts in accordance with the provisions of rule III.3.

(iii) The officer-in-charge of refunds shall keep the account of the permanent advance given to him for this purpose in a register in form G.12. The advance shall be recouped in the manner prescribed in rule XII.6 of the Code.]

VI.10. Railway receipts of imports to be registered. - (1) When any person receives the railway receipts of goods consigned by railway, he [shall] before taking delivery of such goods, take or send the railway receipt with the invoice, or in the absence of an invoice, with a written declaration of the details of the consignment to the railway barrier where, if the goods are found to be liable to terminal tax, the receipt and the invoice in or declaration shall be abstracted into a Railway Receipt and Invoice Register of Imports to be kept up in Form T.3, the entries in which shall be checked and verified personally by the officer-in-charge of the railway barrier.

(2) The Terminal Tax Superintendent shall check the entries in the Railway Receipt and Invoice Register of Imports with twenty-five per cent of the passes issued under rule VI.11 or VI.13, and shall satisfy himself that the tax has been correctly assessed and he shall initial all entries and passes checked and add the date of his check.

[(3) The Committee may with the previous sanction of the [Deputy Commissioner], appoint, an auditor, or auditors periodically to examine the railway receipt and Invoice Register, and to compare with the entries made therein the declarations, if any, filed under rule VI.11 and the entries in the Register and declarations checked shall be initialled by the auditor or auditors making the examinations.]

VI.11. Payment of Tax on rail-borne goods and grant of import pass. - The registration of the consignment under rule VI.10 having been completed, the officer-in-charge of the railway barrier shall calculate the terminal-tax payable, shall demand payment of the amount so calculated from the presenter of the railway receipt; and on receipt of the amount shall return the railway receipt and the invoice, if any, stamped with a municipal stamp, to the presenter; the declaration, if any, received under rule VI.10 shall be stamped and filed; a pass shall then be filled up in duplicate by carbon process in Form T.4, its coupon and second foil being left blank; the carbon copy shall be retained and the original pass with its coupon and second foil handed over to the presenter of the railway receipt.

VI.12. Presentation of rail-borne goods at the railway barrier. - Subject to the provisions of rule VI.14, all goods removed from the railway premises shall be brought to the railway barrier where the person in-charge of the goods shall present the [pass] if any, obtained under rule VI.11 the muharrir, having satisfied himself that the goods agree with the details entered in the pass, shall fill up the second foil of the pass, tear it off and retain it, and hand back the original copy of the pass, with the coupon attached, duly filled up to the person in-charge of the goods.

VI.13. Payment of tax on goods not covered by an import pass. - Subject to the provisions of rule VI.14, if the goods brought to the railway barrier do not agree with the details entered in the pass, or if goods are brought in respect of which terminal tax is payable, but no pass has been obtained, the officer-in-charge of the railway barrier shall assess the amount of terminal tax payable on such goods, fill up a pass in duplicate, by carbon process, in Form T.4, demand the amount so assessed from the person in-charge of the goods and on receipt of the amount hand the said person the original with the coupon attached duly filled up, retaining the carbon copy and second foil; particulars of the goods so taxed together with the name of the importer and the amount of tax paid, shall then be entered in register of Unregistered Rail-borne Imports to be kept up in Form T.5 and a note shall be made in column 5 of the carbon copy of the pass of the number of the entry in that register, instead of the number of the entry in the Railway Receipt and Invoice Register.

VI.14. Repayment of terminal tax on rail-borne goods in excess of amount due on goods actually imported. - (1) Notwithstanding anything contained in rule V.12 or rule VI.13 if for any reason, such as short delivery of goods by the railway administration or diversion of goods to some other destination before import, the amount of goods actually imported is less than the amount in respect of which terminal tax has been paid under the provisions of rule VI.11, the officer-in-charge of the railway barrier shall note in red ink on the first and second foils and coupon of the pass in Form T.4 the actual amount of goods imported, and the importer may, within seven days from the date of actual import or from the date of the import of the last instalment of a consignment, present at the head terminal tax office a claim for a drawback of the amount of terminal tax paid in excess of the amount payable in respect of the goods actually imported, and, if the Terminal Tax Superintendent is satisfied that such claim is correct, he shall pass the claim for payment out of his imprest.

(2) The amount of goods in respect of which a claim is passed under sub-rule (1) and the amount of terminal tax repaid shall be entered in the head office *jinswar* in red ink under the totals of the pay, from which the amounts shall be deducted, and the payment shall be dealt with in the accounts in accordance with the provisions of rule III.3.

(3) Claims for refunds on account of excess payments of terminal tax owing to miscalculations or any other cause shall be dealt with so far as may be in accordance with the provisions of sub-rules (1) and (2).

VI.15. Payment of tax on goods exported by rail and grant of an export pass. - (1) Every person intending to export by rail goods on which terminal tax is leviable on export shall take such goods to the railway barrier, the officer in charge of which shall calculate the amount of tax payable in respect of such goods, shall demand the amount so calculated and on receipt of the amount shall fill up a pass in duplicate by carbon process in Form T.6, retain the carbon copy and hand the original with the coupon attached duly filled up to the exporter.

(2) The exporter having despatched the goods shall return to the railway barrier with the railway receipt, which shall be abstracted into a Railway Receipt Register of Exports in Form T-3 attached to these rules, the number of the entry in such register being noted in column 7 of the carbon copy of the [pass issued under sub-rule (1) of this rule], the railway receipt shall then be returned to the exporter.

VI.16. Payment of tax on goods at barriers other than the railway barrier. - (1) When goods liable to terminal tax on import or export are brought to any barrier other than the railway

barrier, the officer in charge of such barrier shall assess the terminal tax payable on such goods, shall demand the amount to be assessed from the person in-charge of the goods, and on receipt of the amount shall fill up a pass in duplicate carbon process in Form T-8, retain the carbon copy and hand the original with the coupon attached duly filled up to the person in-charge of the goods, as the case may be.

(2) When the tax has been imposed both on goods imported and on goods exported, separate books of passes shall be used in respect of goods imported and goods exported respectively.

(3) A municipal committee may collect the tax by means of monthly bills instead of at the barrier in case of articles imported into, or exported from, the municipality by Government Departments [(The bills should be issued by carbon process in Form T-15)].

[(4) In the case of articles which are imported into or exported from a municipality by Government Departments in respect of which the committee collects the tax by means of monthly bills or are specially exempted from the payment of tax, the officer in charge of the barrier shall enter the details of the goods in a pass form T.8-B which he shall prepare in triplicate by means of carbon. One foil of this form shall be handed over to the importer or exporter, the second forwarded to the Head Office for preparation of bills for comparison with the counterfoil retained at the barrier and the third retained at the barrier.]

[VI.16A. - When under any of the rules contained in this Chapter assessment of terminal tax is required to be made by the Terminal Tax Superintendent himself, such assessment shall be made and the amount thus realized, acknowledged and brought to account in the same manner as in the case of assessment and collection made at outpost barriers.]

[VI.17. Power to demand passes and inspect goods. - (1) The Terminal Tax Superintendent and any Terminal Tax Inspector meeting a person in-charge of goods, which such officer deems to have been imported or to be about to be exported and to have been liable to terminal tax on import or export, may demand the import, export or transit pass and may verify the entries therein by inspection of the goods, and any person who is called upon for his pass under this sub-rule shall produce it and shall permit the officer demanding it to inspect his goods.

(2) If on checking the goods with the pass the officer finds that all the items in the pass are correct, he shall sign the coupon attached to the pass, and shall then tear the coupon off the pass and keep it for comparison with the counterfoil or carbon copy, as the case may be, at the barrier, and shall endorse his name on the back of the pass and return it to the presenter.

(3) If the person-in-charge of the goods has no pass, or if the officer finds reason to believe that the full amount of terminal tax has not been paid on the goods or that the goods do not tally with the description entered in the pass, such officer may, and if he finds that the second foil of a pass granted under rule VI.11 has not been torn off, shall take such person to the head terminal tax office, where the case shall be enquired into by the Terminal Tax Superintendent; such person shall accompany such officer to the head office when called upon to do so under this rule; the Terminal Tax Superintendent, if he is satisfied that the terminal-tax payable on such goods has not been paid or has not been paid in full, shall assess the amount, of tax payable, demand payment of the amount from the person in-charge of the goods, and on receipt of the amount; shall fill up a pass in duplicate by carbon process in Form T.8, retain the carbon copy and hand the original with the coupon attached duly fill up to the person-in-charge of the goods; the Terminal Tax Superintendent shall subsequently report the case to the

Secretary with a view to the orders of the committee being taken as to whether a prosecution shall be instituted under section 78 of the Act.

(4) An officer obtaining coupons under sub-rule (2) of this rule shall take them to the barrier or barriers from which they issued, and shall then verify the coupons with the counterfoils or the carbon copies, as the case may be; and if he finds that the entries are correct, shall initial and date the counterfoils or the carbon copies, as the case may be, and drop the coupons into the barrier cash-box; and if in any case a discrepancy is detected, he shall forward the coupon concerned under separate cover to the head office with a report.]

VI.18. Note to be given of seizure of goods. - When any goods are seized in exercise of the power conferred by section 82 of the Act, the officer seizing them shall immediately give or send to the importer or exporter a notice in Form T.9.

VI.19. Money to be dropped at once into the cash box. - All money received at a barrier shall at once be dropped by the collecting officer receiving it into the barrier cash-box, of which the key shall be kept by the Terminal Tax Superintendent.

VI.20. Progressive totals of receipts to be filled up at once. - Every officer issuing a pass other than a transit pass or an extraordinary pass under any of these rules shall fill up the progressive total of terminal tax received at the foot of the [carbon copy of the pass at the time of issue of the pass, and the Terminal Tax Superintendent, Terminal Tax Inspectors,] [-] or other officers inspecting a barrier shall see that the progressive totals are thus filled up, and not postponed till the end of the day and [carbon copies thus checked shall be initialled by the officer [-] making the inspection, who shall add the date of his inspection].

VI.21. Extraordinary passes for goods exported and to be re-imported. - (1) Notwithstanding anything contained in these rules, with the sanction of the [Deputy Commissioner] which shall only be accorded after consultation with the [Examiner, Local Fund Accounts, Punjab], the committee may and in the case of Government property shall permit goods ordinarily liable to terminal tax on export to be exported free of tax or goods ordinarily liable to terminal tax on import to be re-imported free of tax, if such goods are declared at the time of export to be intended for re-import, within such period as the committee may determine for such goods in general or for a particular class or classes of such goods;

Provided that in the case of export or re-import of Government property, the sanction of the [Deputy Commissioner] shall not be necessary.

(2) If any person wishes to export and subsequently re-import goods free of terminal tax under the provisions of sub-rule (1), he shall apply at the head office for a pass in Form T.10, and after obtaining such a pass, shall take such goods under the supervision of a peon, if possible, to the barrier of export, where they shall be presented within such time as the committee may prescribe, having regard to the distance from the head office to the barrier concerned and the officer in charge of the barrier shall see that the goods tally with the details entered in the pass; and, if they do so, and the time by which the goods should have been presented has not passed shall sign the certificate on the export coupon, return the pass to the person in-charge of the goods and send the coupon to the head office, where it shall be pasted on the original counterfoil; or, if the goods do not tally with the details entered in the pass or the time by which they should have been presented has passed, shall refuse to sign the export coupon and shall return the pass to the head office, and, if the goods are liable to terminal tax on export, shall not

suffer them to pass, except on payment of the amount of terminal tax due and after issue of a pass in Form T.8 under the provisions of rule VI.16.

(3) When goods exported on a pass in Form T.10 under the provisions of sub-rule (2) are brought back for re-import, the officer-in-charge of the barrier shall demand the pass, satisfy himself that the articles to be reimported are covered by the pass, and, if they are so covered, shall endorse the return of the goods on the reverse of the pass, fill up the import coupon and tear it off for submission to the head office, where it shall be pasted on the counter-foil, with the export coupon, return the pass to the person-in-charge of the goods and suffer the goods pass to the barrier, and, if the goods do not appear to be covered by the pass shall deal with them as if they were goods brought for import in the ordinary way, forwarding a report as to the circumstances of the case to the head office.

(4) If, in any case a person has exported goods ordinarily liable to terminal tax on export on a pass in Form T.10, and does not re-import them within the period determined by the committee under the provisions of such rule (1), the Terminal Tax Superintendent shall by notice call upon such person to pay the amount of terminal tax which would have been payable in respect of the goods if they had not been declared as for re-import; and such person shall forthwith pay such amount,

VI.22. Passes for animals taken out daily to graze. - In a municipality in which live animals are liable to terminal tax on export or import any person who sends such animals out daily to graze beyond terminal tax limits, may, on application to the officer-in-charge of the barrier by which such animals are sent out, obtain a pass in Form O. 22, and, when such animals are taken out, the barrier moharrier shall fill up the first three columns of the pass, and, on their return shall count them, and, after seeing that the number agrees with the number taken out in the morning shall place his signature in column 4, and no terminal tax shall be payable in respect of such animals either on export or on import.

[VI.22A. Extraordinary passes for the goods imported for repairs and to be re-exported. -

(1) When goods liable to terminal-tax on import on export are imported into a Municipality for repairs and subsequent export the importer shall obtain a pass in Form T.10-A. The barrier moharrier shall fill up the counterfoil and columns 1 to 8 of the foil of the pass, tear off the foil with the exit coupon attached thereto and hand it over to the importer.

(2) The goods after repairs shall be brought to the barrier of import and the barrier moharrier shall, if the time covered by the pass has not expired and the goods tally with those entered in the pass, fill up the exit coupon, tear it off and hand back the pass to the importer. The exit coupon thus detached shall be pasted with the original counterfoil. If, however, the description of the goods does not tally with the particulars entered in the pass or the time of export has passed, the barrier moharrier shall make a note of the discrepancy in column 9 of the pass and shall then proceed to assess the goods as if the goods detailed in the pass were being imported for consumption, use, or sale within terminal tax limits.

(3) The repair passes shall be examined by the Terminal-Tax Superintendent daily with a view to see that the [exit coupons] have been pasted in respect of all passes the term of which has expired.

(4) The record of passes to which the exit coupons have not been attached will be noted in the register of missing transit passes form [T.14]. A special investigation shall then be started at

once to realize or remit, under rule XVII.13 of the Municipal Account Code, the terminal tax on the goods imported on the pass.

(5) The committee shall by a resolution fix a period not exceeding fifteen days within which goods of a particular description should be exported after repairs. The period so fixed shall be exhibited at every barrier and the officer in charge of the barrier at which such goods are imported shall enter the period accordingly in column 6 of the repair pass in form T.10-A. The committee may by a resolution delegate to the Secretary or the Terminal-tax Superintendent the powers to extend the period in cases of real necessity.]

VI.23. Procedure for closing the transactions of the day. - (1) At the close of each day, at a time to be fixed by the committee, the transactions of the day shall be closed; the officer in charge of each barrier shall have the progressive total of the money received during the day taken up to the last carbon copy or counterfoil as the case may be used in each book of passes and entered thereon, and shall also have the receipts of the day classified in *jinswars* to be compiled in Form T.11, the classification being in accordance with the classification adopted in the sanctioned schedule of the tax and separate *jinswars*, being compiled in respect of goods imported by rail, goods imported by road or river, goods exported by rail and goods exported by road or river respectively, the items shall be entered, one after the other, from the [carbon copies of the day, the serial number of the pass, the weight of goods and the amount the terminal tax and the transit pass fee paid being entered in the appropriate columns]; the cash-box, pass-books and *jinswars* shall then be forwarded to the head office, together with the foils of passes presented under sub-rule (2) of the rule VI.9, and the [second foils] of passes retained under rule VI.12 or rule VI.13.

(2) To prevent delay, and to ensure that all moneys as received by the collecting officer are immediately placed under lock and key, the committee shall provide a double set of books and two cash-boxes for each barrier, so that, while one set is at the head office the other shall be available for use at the barrier; the *jinswars* [shall] be on loose forms.

VI.24. Opening of cash-boxes and counting of receipts. - The cash-boxes shall be opened and the money contained therein counted at the head office, in the presence of a member of the committee or of a municipal official in receipt of a pay of not less than fifty rupees a month, by the Secretary; or, if the committee so direct by the Terminal Tax Superintendent; or, in places where there is a Municipal Treasurer, by that officer, in the presence also of the Terminal Tax Superintendent, provided that in municipalities of the first class the duties of the Terminal Tax Superintendent under this rule may be performed by the Assistant Terminal Tax Superintendent if the committee by resolution so directs.

VI.25. Procedure after contents of cash boxes have been counted. - (1) After the money in each cash-box has been counted the amount shall be recorded by the counting officer at the foot of the last [carbon copy of the day for the barrier concerned], as well as the barrier *jinswars* and the aggregate contents of all the cash boxes shall then be brought to account as prescribed in rule VI. 26.

(2) When the money in a cash-box has been counted, the [carbon copies received from the barrier concerned shall be examined by the Terminal Tax Superintendent], who shall check at least two per cent of them in detail, initialling and dating the checked [carbon copies in proof of having done so, and shall see that the progressive totals in the books are correct;] if the total for the day agrees with the total recorded on the [carbon copy and *jinswars* under sub-rule (1)], the

last carbon copy on which the total for the day has been recorded shall be signed by the Terminal Tax Superintendent and by the member or official in whose presence the cash-box was opened.

(3) The coupons found in the boxes from the barriers shall be examined as a check on the work of the Inspectors and then kept until the next audit of the accounts of the committee.

(4) The foils of passes received under sub rule (2) of rule VI.9 and the second foils of passes retained under rule VI.12 or rule VI.13. and forwarded to the head officer under sub-rule (1) of rule VI.23 shall be pasted on their counterfoils or carbon copies as the case may be; and if, when examining the counterfoils, [or carbon copies, as the case may be, as required by sub-rule (4) of rule VI.19], the Terminal Tax Superintendent finds that any counterfoil [or carbon copy, dated two days previously on which the foil has not been pasted,] he shall at once cause a special investigation to be made. [Particular of every such foil shall be entered in a register to be maintained in Form T.14].

(5) On completion of the procedure prescribed in sub-rules (1) to (4) of this rule, the cash-boxes and books of passes shall be returned to the barriers without delay, the [jinswars] being retained in the head office.

VI.26. Procedure of bringing the cash to account. - The cash shall be brought to account in the following manner :-

(a) if the Secretary himself, or through the Municipal Treasurer, receives the collections, he shall bring them to account direct in the General Cash-book (Form G.2), and remit them to the treasury in the usual way.

(b) if the Terminal Tax Superintendent receives the collections, and if the head office is in the same building as the office of the Secretary, the procedure shall be similar to that laid down in clause (a) of this rule if the Terminal Tax Superintendent receives the collections and the head office is at a distance from the office of the Secretary, he shall enter them under the appropriate heads in columns 1 to 4 of the cash-book to be kept up by him in Form T.12, in column 5 of which he shall show the amounts remitted to the treasury or municipal office, as the practice may be; the book shall be closed daily and the money remitted with a *challan* in Form G.7 or G.9 as the case may be :

(c) if the Terminal Tax Superintendent remits the money direct to the treasury, one of the foils of the *challan* (Form G.7) returned from the treasury shall be filed by him in a guard file as his receipt and the other shall be sent to the Secretary with a statement in Form T.13 on receipt of the *challan*, the Secretary shall enter the amount shown therein in his General Cash-book (Form G.2);

(d) if the Terminal Tax Superintendent remits the money to the municipal office, he shall send it with a *challan* in Form G.9, and the Secretary shall receive it and bring it to account in his General Cash-book (Form G.2); one foil of the *challan* [shall] be returned to the Terminal Tax Superintendent as a receipt, and the other kept by the Secretary as a voucher for his entry in the General Cash book;

(e) if the Terminal Tax Superintendent, receives the collections under the latter part of clause (b) of this rule, the Secretary shall check the Cash-book (Form T.12) of such Superintendent once a month, and sign it in token of his having done so.

VI.27. Compilation of head office jinswars. - (1) The [jinswars] received from the barriers shall be arranged each day in a fixed order, and the total of all the barriers for the day and the progressive total of all the barriers carried on from the beginning of each month shall be entered at the foot of the [jinswar] of the last barrier.

(2) From these [jinswars] shall be compiled each day the head office *jinswar* in Form T.13, the columns of which shall be totalled every month, and at the end of the year a statement showing the totals under each head of the [jinswar] for the whole year shall be prepared and submitted with other prescribed returns to the Deputy Commissioner.

VI.28. Appeals against assessments. - Any person dissatisfied with the assessment of terminal tax payable on his goods made under any of these rules may require that the matter shall be referred to the Terminal Tax Superintendent for decision; in such a case the officer-in-charge of the barrier shall forward the goods to the head office, under the escort of a peon, together with a brief report, of which he shall keep a copy in a memorandum book, for the decision of the Terminal Tax Superintendent; if such person is dissatisfied with the decision of the Terminal Tax Superintendent, he shall pay the terminal tax, but may appeal to the committee against such decision, provided that he lodges his appeal within seven days from the date of such payment.

VI.28A. Examiner, Local Fund Accounts, Punjab may authorise changes in details of procedure to suit local circumstances. - If in any municipality local circumstances are such as to make changes in the details of the procedure prescribed in this chapter desirable for the convenience of traders or of the terminal tax administration, the Examiner, Local Fund Accounts, Punjab may authorize such changes, provided that all such changes so authorized shall be noted in the copies of the rules contained in this chapter which are pasted at the barriers under the provisions of rule VI.3.

VI.29. Penalties. - Any person -

- (a) who fails forthwith to take any goods to the barrier of export as required by sub-rule (1) of rule VI.9, or
- (b) who fails to take or send a railway receipt to the railway barrier as required by rule VI.10, or
- (c) who fails to bring the goods to the railway barrier, or refuses to present his pass as required by rule VI. 12, or
- (d) who fails to return to the railway barrier with the railway receipt as required by sub-rule (2) of rule VI.15, or
- (e) who refuses to produce his import or export or transit pass or to permit his goods to be inspected, when required to do so under sub-rule (1) of rule VI.17, or
- (f) who refuses to accompany an officer to the head office when called upon to do so under sub-rule 3 of rule VI.17, or
- (g) who, subject to the conditions of rule VI.28, fails to pay on demand the terminal tax assessed on his goods under any of these rules.
- (h) fails to export the goods in respect of which pass has been obtained under the provisions of sub-rule (1) of rule VI.22-A.

shall, on conviction by a magistrate; be punishable with fine which may extend to fifty rupees.

VI.30. Refunds when tax has been substituted for octroi. - Any person who exports from the previous octroi limits of municipality in which terminal tax has been substituted for octroi, any goods on which octroi would have been leviable had the import of the goods taken place while the octroi tax was in force, shall at any time within six months from the date on which the terminal tax came into force be entitled to receive from the committee of the said municipality a refund of a sum equivalent to the amount of octroi that would have been leviable on such goods, provided that-

(a) such refund shall be subject to all the restrictions, stipulations and provisions with regard to the payment of refunds of octroi laid down in Chapter V, and

(b) if the amount of refund claimed is twenty rupees or more or if the committee has reason to believe that the goods exported or to be exported or the raw material from which they were manufactured had not been imported previously to the date from which the terminal tax came into force, no refund shall be payable by the committee, except on being proved to the satisfaction of the committee that octroi had actually been paid in respect of such goods.

VI.31. At the close of each month the Committee shall obtain from the Superintendent of a jail within its terminal tax limits a statement showing the manufactures sold by the jail to the public and the amount of dutiable materials used in the articles so sold during the month. The Terminal Tax Superintendent shall then assess the amount of terminal tax payable in respect of such materials and demand the same from the Superintendent of the Jail by means of monthly bills. The Terminal Tax Superintendent shall, on receipt of the amount, fill up a pass in duplicate by carbon process in form T.8, retain the carbon copy and send the original with the coupon attached duly filled up to the Superintendent of the Jail.

CHAPTER VII

Other Taxes

VII.1. Appointment and duties of tax Superintendent, Tax Inspectors, etc. - [Every committee of a municipality in which any tax other than octroi or terminal tax or a tax in the nature of a toll is imposed shall employ a tax superintendent and may appoint one or more assistant tax superintendents and such number of tax inspectors, tax muharrirs and tax collectors as may be necessary for the assessment and collection of such tax, provided that nothing in this rule shall be deemed to prevent the committee from appointing to discharge the duties of tax superintendent, the secretary or assistant secretary or to discharge the duties of assistant tax superintendents, tax inspectors, tax muharrirs or tax collectors, any other employees of the committee except sanitary inspectors.]

(2) The Tax Superintendent, in addition to any other duties imposed upon him by these rules, shall be responsible generally for the assessment and collection in accordance with these rules of all taxes other than octroi and terminal tax and of such other fees and dues as the committee may direct and for the proper discharge of their duties by [assistant tax superintendent] Tax Inspectors, Tax Muharrirs and Tax Collectors.

[(3) The assistant tax superintendent shall exercise such functions and duties as may be entrusted to him by the committee except that the duties imposed upon the superintendent, - vide rules VII.2(1) and VII.5(3) shall not be allotted to him.]

(4) The tax Inspectors, in addition to any other duties imposed upon them by these rules, shall be responsible for the proper discharge of their duties by the Tax Muharrirs and Tax Collectors attached to their respective circles, and it shall be their duty to see that all persons liable to a tax by reason of their residence or ownership or occupancy of property within their respective circles are assessed for payment of such tax, and to report to the Tax Superintendent all cases in which such persons have escaped assessment or have been under-assessed and all changes of ownership or occupation of property, new construction or alterations of buildings or fresh acquisitions of animals or vehicles affecting the liability of such persons to taxation.

VII.2. Preparation of Assessment Register and Assessment List. - (1) In a municipality in which a tax is imposed upon buildings or lands of which an assessment list has to be prepared under the provisions of section [76] of the Act the Tax Superintendent shall, as soon as may be after the date on which the tax comes into force, cause to be entered in columns 1 to 7 of an Assessment Register in Form T.S. 1 particulars of all buildings of lands liable to tax, together with the name and addresses of the owners or occupiers thereof, the annual value, area or frontage thereof according to the nature of the tax and the amount of tax payable thereon; and when the necessary entries have been posted in the register, shall lay it before the sub-committee, if any, empowered to deal with the matter; or if there is no such sub-committee, before the committee; and if the tax is to be assessed on the annual value of buildings or lands, shall at the same time lay before the sub-committee or committees, as the case may be, full notes showing with reference to sub-clauses (a), (b) or (c) of clause (1) of section 3 of the Act precisely how the annual value of each building or plot of land has been calculated.

(2) The recommendations of the sub-committee, if any, empowered to deal with the matter and the orders of the committee, with regard to the assessment to be made in each case shall be recorded in columns 8 and 9 and 10 and 11, respectively, of the Assessment Register (Form T.S. 1) and the assessment list of which the preparation and publication are required by sections [76 and 77], respectively of the Act shall take the form of a copy of the entries in columns 1 to 5 and 10 and 11 of the Assessment Register.

VII.3. Recording of assessment objections and of the orders thereon. - After an assessment list has been published as required by section 77 of the Act particulars of every objection received under the provisions of section 78 of the Act, whether such objections are received in time or not, shall be entered in a Register of Assessment Objections to be maintained in Form T.S. 2 : and after such objections have been disposed of by the committee an abstract of the order of the committee in each case shall be entered in column 5 of the register and the necessary entries shall be made in columns 12 to 14 of the Assessment Register (Form T.S. 1), and the necessary amendments made in the list published under the provisions of section 77 of the Act as required by section 79 of the Act.

VII.4. Preparation of Tax Registers in other cases. - In a municipality in which any tax other than octroi terminal tax or a tax upon buildings or land or a tax in the nature of a toll is imposed, the Tax Superintendent shall, as soon as may be after the date on which the tax comes into force, cause to be prepared a register in Form T.S. 3 of persons liable for payment of the tax and for this purpose may, if duly authorized by the committee in this behalf under the provisions of sub-section (1) of section 86 of the Act, issue to any person a demand in Form T.S.

4 for such information as may be necessary in order to ascertain whether such person is liable to pay the tax.

VII.5. Posting of Tax Demand and Collection Registers. - When an assessment list in respect of a tax upon buildings or lands has been finally confirmed by the committee or when the Tax Register in Form T.S. 3 in respect of any other tax has been prepared under the provisions of rule VI. 4, columns 1 to 7 of a Tax Demand and Collection Register in Form T.S. 5 shall be posted from the Assessment Register in Form T.S. 1 or the Tax Register in Form T.S. 3, as the case may be.

(2) In order to prevent confusion, separate portions of the Tax Demand and Collection Register (Form T.S. 5) shall, in the case of a tax upon buildings or lands, be set apart for assesseees who are owners and assesseees who are occupiers, respectively.

(3) When the necessary entries have been posted in the Tax Demand and Collection Register (Form T.S. 5), the Tax Superintendent shall certify below the last entry in that register that the entries therein have been correctly brought from the Assessment Register (Form T.S. 1) or the Tax Register (T.S. 3), as the case may be, that the total demand agrees with the total in the Assessment Register or Tax Register and in subsequent years, that all arrears due on account of previous year have been included in the Tax Demand and Collection Register of the current year.

VII.6. Correction of Assessment and Tax Demand and Collection Registers. - When any amendment is made in an assessment list under the provisions of section 70 of the Act, or if the amount of any tax is reduced under the provisions of clause (b) of sub-section (2) of section 83 of Act, or any person or class of persons or any property or description of property is exempted under the provisions of clause (c) of that sub-section, or if the assessment or levy of any tax is cancelled or modified as the result of an appeal under provisions of section 99 of the Act, the necessary corrections shall be made in red ink in the Assessment Register (Form T.S. 1) or the Tax and Collection Register (Form T.S. 5), and a note shall be made in the "Remarks" column of each such register giving the authority for the correction.

(2) When any person is exempted from the payment of a tax under the provision of sub-section (1) of section 83 of the Act, or any remission is granted under the provisions of section 85 of the Act, no correction shall be made in the [Assessment Register] or [Tax Register], but the authority for the exemption or remission and the amount of tax in respect of which such exemption or remission is granted shall be entered in the appropriate places in columns 45 and 46 of the Tax Demand and Collection Register Form (T.S. 5).

VII.7. Opening of fresh Demand and Collection Register each year. - At the beginning of each year a fresh Tax Demand and [Collection Register] shall be opened in which shall first be entered the names of all assesseees against whom arrears are shown as due on account of the previous years in column 47 of the register of the previous year, together with the amount of such arrears, after which the entries relating to the demand of the current year shall be posted, the word "arrears" being written in red ink in the "Remarks" column against the name of any person in the list of the current year whose names is also entered in the list of persons from whom arrears are due.

VII.8. Issue of bills for taxes. - (1) When columns 1 to 7 of the Tax Demand and Collection Register (Form T.S. 5) have been posted, [a bill in Form T.S. 6 in duplicate shall be raised. One copy of bill shall be delivered to each assessee and one copy shall be kept in the record of the municipality :-]

Provided that in Municipalities which have introduced the National Cash Register for collection of municipal dues the form of bill to be used will be approved by the Examiner Local Fund Accounts, Punjab, under rule 1.6 of the Code.

(2) Assesseees may make payment of bills in Form T.S. 6 either direct at the office of the Tax Superintendent or, in large municipalities where a staff of Tax Collector is maintained, to a member of such staff.

VII.9. Collection of taxes through tax Collectors. - (1) In municipalities in which a staff of Tax Collectors is maintained, the Tax Superintendent shall distribute the bills for collection to the Tax Collectors, details of the bills distributed being first entered in columns 1 to 3 of a Tax Bill-Book to be maintained in respect of each tax in Form T.S. 7, and the signature of each Tax Collector being taken at the time of the distribution of the bills.

(2) Every Tax Collector to whom bills are distributed shall present the bills to the assesseees for payment, and on receipt of the amount shall make an entry of the payment in a Collection Challan in Form T.S. 8 and issue a receipt in Form G. 8 to the person who makes the payment, provided that, if any assessee to whom a bill is presented wishes to make payment thereof direct at the office of the Tax Superintendent, the bill shall be handed over to him after an acknowledgement of receipt of the bill has been taken from him on the counterfoil of the bill.

[If an assessee is absent or refuses to accept or acknowledge the bill, the bill shall be issued to him by the Tax Superintendent by post under postal certificate.]

(3) Every Tax Collector shall pay in his collections daily at the office of the Tax Superintendent where his Collection Challan (Form T.S. 8) shall be totalled; and if the total agrees with the cash produced, the Challan shall be signed by the Tax Superintendent and a receipt for the amount shall be given to the Tax Collector in a receipt book in Form T.S. 9 to be kept in his possession.

(4) The Tax Muharrir in charge of the Tax Demand and Collection Register (Form T.S. 5), after checking the realizations shown in the Challan (Form T.S. 8) with the counterfoils of the bills paid, and having initialled the counterfoils, shall post each item from the Challan into its proper place in the register and shall then file the Challans in a guard file to be kept for the purposes of audit.

(5) After the realisations have been posted in the Tax Demand and Collection Register (Form T.S. 5), columns 5 to 8 of the Bill-book (Form T.S. 7) shall be posted by or under the direct supervision of the Tax Superintendent, the letter 'P' and the date of payment being entered in column 5 against each bill paid, while if the Tax Superintendent decides for any reason not to re-issue a bill returned unpaid the letter 'C' and the date of cancellation shall be entered in column 5 and the bill and its counterfoil shall be enfaced 'cancelled' over the signature of the Tax Superintendent, who shall take such steps with regard to the cancellation as may be within his power or report the matter to the committee for orders the action taken in either case being noted in column 8 of the Bill Book (Form T.S. 7); in the case of bills retained by assesseees for direct payment at the office of the Tax Superintendent, the letter 'D' and the date of presentation of the bill shall be entered in column 5 of the bill-book.

(6) At the end of each month the outstanding bills in each Bill-book shall be verified with the bills actually in the hands of the Tax Collector and a certificate of verification shall be signed by the Tax Superintendent on the Bill book of each Tax Collector in the following form :-

"Certified that out of bills for sum amounting to Rs. _____, issued to Tax Collector _____, bills for Rs. _____ have been paid or cancelled, or retained by assesseees and bills for the balance, Rs. _____, remain with the Tax Collector and have been verified by me."

(7) When the period on account of which the tax was due has expired, each Bill-book shall be formally closed and balanced over the signature of the Tax Superintendent, the outstanding bills being verified with those in the hands of the Tax Collector and brought forward in detail on a fresh page.

VII.10. Direct payment of bills for taxes at the office of the Tax Superintendent. - An assessee wishing to make payment of bill in Form T.S. 6 shall take or send by hand or by post the amount of the bill in money or by cheque to the office of the Tax Superintendent and a receipt in [Form G.8] shall be issued for the amount received and the receipt shall be posted in the Tax Demand and Collection Register (Form T.S. 5) ; and if the bill is one which was presented by a Tax Collector and retained by the assessee under the provisions of sub-rule (2) of rule VII-9, a note shall subsequently be made in red ink against the relevant entry in the [Bill-book] of Tax Collector concerned.

VII.11. Progressive totals to be noted on counterfoils of bills. - Separate books of bills in Form T.S. 6 shall be used in respect of each tax in force and daily progressive totals of amounts received shall be filled in on the counterfoils of the forms as issued.

VII.12. Record of recovery of arrears of tax through Collector or Magistrate. - When the arrears of any tax are recovered through the Collector or a magistrate under the provisions of section 80 or section 81 of the Act, a remark to his effect shall be made in column 49 of the Tax Demand and Collection Register (Form T.S. 5) and the amount of any notice, fee or costs recovered shall be shown as a 'Deduct' entry against the cost of the collection of the tax under the provisions of rule III.3.

VII.13. Proving of demand and Collection Register. - At the end of each year the Demand and Collection Register (Form T.S. 5) shall be proved by deducting the totals of columns 44 and 46 from the total of column 6, when the balance should agree with the total of column 47.

[VII.14. Tax Collection Progress Statement to be submitted every quarter. - (1) To enable the committee to watch the progress of collections of taxes, Tax Collection Progress Statements in Form T.S. 10, T.S. 10(A), T.S. 10(B), shall be laid before the committee once a quarter [and, if the Deputy Commissioner so directs, a copy of the statement shall be forwarded to him].

The forms in T.S. 10(A) shall be prepared separately for each year for which unrecovered demands are outstanding.

These statements need not be prepared for octroi and terminal tax demands which are ordinarily recovered on the spot. A brief statement in form T.S. 10(B), however, shall be prepared and laid before the Committee.

Similar progress statements shall be prepared and laid before the committee for all other municipal dues, such as rents of buildings, lands, etc., licence fees rents and fees, for the occupation of public lands under the bye-laws dealing with such occupations demands for the services rendered by municipal agency including the sale of sullage water, market rents, charges for the sale of water, charges for the demolition of dangerous and unsanctioned buildings,

education, medical and veterinary fees and demands in connection with municipal gardens and arboriculture :

Provided that if any arrears demand is due from any member or official of the committee, the name of such personnel shall be shown separately in the statement and the amount due from such person shall also be shown against his name :]

[Provided further that when an arrear has been outstanding for more than three months the Secretary of the Committee shall proceed against the defaulter under section 95(1) of the Act.]

(2) In column 1 of the [statement] the total of column 6 of the Tax Demand and Collection Register (Form T.S. 5), shall be entered in column 2 no entry shall be made in the part of the statement relating to arrears but in the part of the statement relating to the current demand the portion of the annual demand which is due up to the date of the statement shall be entered; in columns 3 and 5 shall be entered the total amounts collected or remitted, respectively, since the date of the last statement and in columns 4 and 6 the totals of columns 44 and 46, respectively, of the Tax Demand and Collection Register; the entry in column 8 should correspond with the entry in column 47 of the Tax Demand and Collection Register.

VII.15. Collection of tolls. - (1) In a municipality in which a tax is imposed in the form of a toll on animals or vehicles of a particular class or classes entering municipal limits, if octroi or a terminal tax on goods imported into or exported from the municipality by road has been imposed, the toll shall be collected at the octroi or a terminal tax barrier by the octroi or terminal tax staff, or if octroi or terminal tax on such goods has not been imposed, the committee shall establish toll-bars at such places as it may deem best suited to intercept such animals or vehicles when entering the municipality, and may appoint such Toll Inspectors and Toll Maharrirs as may be necessary for the collection of the toll.

(2) A copy, in English and Vernacular, of the sanctioned schedule of toll rates signed by the Secretary, shall be posted in a conspicuous place at each octroi or terminal tax barrier of toll-bar, as the case may be.

(3) The person collecting The Toll shall fill up a receipt in duplicate by carbon process in Form T.S. 11, together with the coupon appended thereto and shall demand the amount of toll from the person-in-charge of the goods, and on receipt of the amount shall forthwith drop it into the cash box and shall hand over the receipt with coupon attached to such person. Due regard to the rules for the collection of Octroi or terminal tax on goods imported for consumption within octroi limits shall also be given for the collection of the toll.

[VII.16. **Octroi tax on animals.** - The rules contained in Chapter V of the Code will apply *mutatis mutandis* to a tax imposed in a Municipality on animals in the form of Octroi (with or without refunds.)]

CHAPTER VIII

Water Rate

VIII.1. Forms of water-rate chargeable. - Water-rates chargeable under the provisions of section 109 of the Act may take the form of lump sum charges varying with the number of taps or the size of the ferrule or both and payable in advance or charges varying with the amount of

water consumed, provided that in a municipality in which water tax has been imposed a water-rate only in the form of a charge varying with the amount of water consumed shall be charged.

VIII.2. Register of water connections to be maintained. - In a municipality in which a water-rate is charged under the provision of section 109 of the Act, a Register of Water -connections shall be maintained in Form W.1, in the officer of the Secretary or, if the committee so directs, of the Tax Superintendent, the information necessary for the posting of the Register being supplied by the Water-work Engineer as soon as a connection is sanctioned and opened.

VIII.3. Water-rate Demand and Collection Register. - From the Register of Water connections (Form W.1) shall be posted in columns 1 to 12 of a Water-rate Demand and Collection Register in Form W.2. provided that when the water-rate takes the form of a charge varying with the amount of water consumed the entries in column 6-8 shall be made on receipt each month from the Water Work Engineer of the meter-reading of connections.

VIII.4. Miscellaneous demand in connection with water-supply to be entered in Water-rate Demand and Collection Register. - Miscellaneous demands in connection with the supply of water, such as demands on account of the rent of meters, fees for opening connections, on the cost of fittings, repairs and renewals shall also be entered in columns 13 to 16 of the water-rate Demand and Collection Register (Form W.2).

VIII.5. Issue of bills for water-rate etc., and collection of dues. - (1) Bills for the collection of water-rates and miscellaneous demands and connected with the water-supply shall be issued in Form W.3 and payment thereof may be made either directly at the office from which they are issued or, in large municipalities where a special staff is entertained for the collection of such dues, to member of such staff :

Provided that in Municipalities which have introduced the National Cash Register for collection of municipal dues the form of bill to be used will be approved by the Examiner, Local Funds Accounts, Punjab under rule 1.6 of the Code.

(3) Rule VII.9 to VII.14 governing the collection of taxes shall apply *mutatis mutandis* to the collection of water-rate and other demands in connection with water-supply.

[VII.5A. In Municipal Committee where water-rate is levied according to the actual consumption of water, the reading of the meter provided in the consumers' premises shall be recorded in Form W.2-A.]

VIII.6. Plan of mains and pipes to be maintained. - In a municipality in which there is a piped water-supply with connections in private houses, the committee shall cause to be prepared and to be kept up to date a plan showing the location and size of all mains and pipes and the dates on which they were laid.

CHAPTER IX

Licenses

IX.1. Appointment and duties of Licensing Officer and Licensing Inspectors. - (1) For the purpose of the rules in this chapter the committee shall, in all cases in which provision is made not for the appointment of a Licensing Officer in by-laws regulating the grant of licenses, appoint one of its members or some other suitable person to be Licensing Officer and may appoint such License Inspectors and License Muharrirs as may be necessary.

(2) A Licensing Officer, in addition to any other duties imposed upon him by these rules, shall be responsible generally for the issue of licenses and for the proper discharge of their duties by License Inspectors, and License Muharrirs.

(3) License Inspectors, in addition to any other duties, imposed upon them by these rules, shall be responsible for reporting to the Licensing Officer all cases in which persons resident in their respective circles have failed to apply for or to obtain licenses required to be taken out.

IX.2. Application and issue of licenses. - (1) Every person required to take out a license under the provisions of the Act or of any by-laws made thereunder or desiring to take out a license issuable under any such provisions, shall apply for a license to the Licensing Officer.

(2) On receipt of an application under sub-rule (1) the Licensing Officer shall cause the details of the application to be entered in columns 1 to 4 of a Register of License Applications to be maintained in Form L. 1, and if he is himself empowered to dispose of the application, shall, after such enquiry, if any, as may be necessary, record his order sanctioning or refusing the issue of a license in columns 8 and 9 of the Register, or if he is not so empowered, shall submit the application to the authority so empowered, and when the application has been disposed of by such authority shall record the order of such authority in columns 8 and 9 of the Register.

(3) When any application for a license is refused the reasons for such refusal shall be communicated to the applicant and shall be recorded briefly in column 9 of the Register of License Applications (Form L.1).

(4) When an application for a license has been sanctioned, the applicant shall be called upon to pay the prescribed fee, if any, and on receipt of the amount of the fee, if any, and not otherwise, the Licensing Officer shall cause a licence to be issued in the prescribed form and shall enter the details of the license in a Register of Licenses to be maintained in Form L.2, separate parts or volumes of which shall be set apart for each kind of license and so arranged that the names of licensees shall be grouped alphabetically, provided that if an applicant fails to pay the prescribed fee within one month from the date on which intimation is sent to him that his application has been sanctioned no license shall be issued to him except in pursuance of a fresh application and his original application shall be deemed to have been refused.

IX.3. General provision as to period, forms, renewals, etc. of licenses. - (1) No license shall be issued for a period of more than one year or less than one month, but subject to these limitations licenses shall be issued for such periods as the applicants may desire, provided that in no case shall a license be issued which will be valid beyond the thirty-first day of March next following the date of issue or such other date as the committee may, by by-law, appoint in regard to any class of licenses.

[Note. - The restriction laid down in the above rule will not apply to licenses issued in March for the next financial year or in the month following which fresh licensing year commences.]

(2) Every license issued shall, unless any other form is prescribed by by-laws regulating the grant of the license, be in Form L.3. or L.4. according to the nature of the license, and on the reverse of every license shall be printed the conditions on which it is granted, and such conditions shall contain a provision that the license may, at any time, after due notice has been given to the licensee, be cancelled for the breach of any condition on which it was granted, and that in the event of such cancellation the licensee shall not be entitled to any refund of any portion of the license fee.

(3) No license shall be transferable, and on the transfer of occupation, possession, or ownership as the case may be, of any premises, vehicle or animal in respect of which a license has been issued, the licensee shall report such transfer and shall surrender his license for cancellation, and the transferee shall apply for a fresh license, provided that when a license is surrendered for cancellation under this sub-rule, the committee shall refund to the licensee such portion of the fee as may be deemed to cover the unexpired period of the license.

(4) No license, except a license issued under [section 128 of the Haryana Municipal Act, 1973], shall be re-issued when its term has expired or be endorsed for a continuance of the term, but the licensee shall on the expiry of the period for which the license was granted, if he still requires a license, surrender his old license and apply for a new license, and the surrendered license shall be stamped or endorsed as cancelled.

IX.4. Check of licenses. - At the end of each month the Licensing Officer shall examine the Register of Licenses (Form L.2) and shall take such action as may be within his power with regard to every person whose license may have expired up to date, and if after enquiry it appears that any person whose license has expired or any other person requires a license for which he has not applied or after his application has been refused is guilty of a breach or any provision of the Act or of any bye-laws made thereunder by reason of not having a license he shall report the case to the authority empowered to sanction prosecution in such case.

CHAPTER X

Pounds

X.1. Pound Registers to be maintained. - (1) On the admission of an animal to a pound, the pound-keeper shall fill up columns 1 to 8 of a Pound Register to be maintained in Form P.1 taking the signature or thumb-mark of the person impounding the animal in column 7, and shall then issue a receipt for the impounded animal in Form P.2.

(2) If more than one animal is admitted at a time, each animal shall be entered on a separate line in the Pound Register (Form P.1).

X.2. Procedure on release of animals from pound. - (1) When the owner of an impounded animal or his agent appears to demand the release of his animal, the pound-keeper shall make the necessary entries in columns 9 to 17 of the Pound Register (Form P.1) and fill up a Release Pass with its counterfoil in Form P.3 : he shall then demand the fines and charges due on account of the impounded animal and on their receipt shall take the signature or thumb-mark of the owner or his agent in column 20 of the Pound Register and the signature or thumb-mark of some person who can identify the person claiming the animal as the owner thereof or his agent in column 21, and shall then release the impounded animal.

(2) The progressive total of the sums received shall be entered at the foot of each counterfoil of the [Release Passes] at the time when the counterfoil is filled up and the pass issued, and the entering of the totals shall not be deferred till the end of the day.

X.3. Sales to be conducted under supervision. - When a pound is directly managed by the committee every sale of impounded animals shall be conducted under the direct supervision of a member or of the Secretary or such other responsible officer as the committee may direct or with the consent of the [District Magistrate, or Sub-Divisional Magistrate] within his jurisdiction, as the case may be, or a responsible Government official.

X.4. Pound-keeper to attend sale unless exempted. - The pound-keeper shall attend every sale of impounded animals unless exempt from such attendance by general or special order of the committee on the ground that his absence would prejudice his other duties : he shall take with him his [Pound Register] and his counterfoil book of Receipts for the Purchasers of Impounded Animals sold to be kept in Form P.4.

[X.5. Sale-proceeds to be remitted to the treasury and memorandum to be sent to pound-keeper if not present at sale. - When under the provisions of rule X. 4 the pound-keeper does not attend a sale the officer conducting the sale shall give to the purchaser of impounded animals a receipt in Form P.4 and shall remit to the treasury with a *challan* in Form G. 7 the amount of the sale-proceeds, if any, and shall send to the pound-keeper -

(a) the two foils of the *challan* received back from the treasury duly signed to be dealt with as provided for in rule X. 10 and

(b) a memorandum showing -

(i) the number and description of animals sold;

(ii) the date on which sold;

(iii) the name and address of the purchaser;

(iv) the amount for which sold; and

(v) the number of animals, if any, returned unsold :

Provided that if the animals sold have been impounded otherwise than under Chapter III of the Cattle Trespass Act, 1871, the officer conducting the sale shall not remit the amount in respect of such animals to the treasury but shall send it to the pound-keeper, together with the memorandum specified in clause (b) of this rule.]

[X.6. Receipt to be issued to Purchaser of animals. - When impounded animals are sold the pound-keeper shall, if he has attended the sale, enter the details of the sale in the pound register (Form P.1) and give to the purchaser of such animals a receipt in Form P.4.]

X.7. Memorandum showing disposal of proceeds of sale. - When impounded animals have been sold under the authority of section 14 or section 16 of the Cattle Trespass Act, 1871, the account to be delivered to the owner, as required by the latter section, shall be drawn up by the pound-keeper in the form of a memorandum in Form P.5, and the receipt prescribed by the final clause of that section shall be taken in the last column of the counterfoil.

X.8. Net sale proceeds to be sent to court. - When animals impounded otherwise than under Chapter III of the Cattle Trespass Act, 1871, have been sold, the pound-keeper shall fill up a memorandum in the manner prescribed in rule X. 7; but the sale-proceeds, after deduction of the fines leviable, the expenses of feeding and watering and the expenses of sale, if any, shall be made over to the court or officer under whose authority the sale was ordered, the words 'authorizing officer or his agent' being substituted for the words 'owner' wherever the latter occurs in the memorandum in Form P.5.

[X.9. Sums received on behalf of committee to be entered on counter-foils of release passes. - The pound-keeper shall, immediately on receipt, add to the last progressive total entered in the

counterfoil of release pass (Form P.3) all sums received by him on behalf of the committee on account of impounded cattle sold and also the amounts, remitted direct to the treasury by the officer conducting the sale in accordance with the provisions of rule X.5.

Explanation. - Charges for feeding and watering appropriated by the pound-keeper, the "balance of the purchase money" under section 16 of the Cattle Trespass Act, and the net sale-proceeds under rule X. 8 are not received on behalf of the committee.

Note (i). - See section 17 of the Cattle Trespass Act, 1871.

Note (ii). - The balance of the purchase money should be noted separately in red ink below the progressive total and carried forward till the collections are remitted to the treasury.]

X.10. Remittance of pound collections to treasury. - (1) At such times as may be fixed by the committee, but at least once a week, the pound-keeper shall remit his collections to the Treasury, with a *challan* in Form G.7 : of the two foils of the *challan* received back from the Treasury duly signed, one shall be returned to the pound-keeper, who shall paste it in his [Release Pass-Book] as evidence of the remittance having been made, and the other shall be sent to the Secretary to enable him to enter the amount to his General Cash book.

(2) The *challan* submitted under sub-rule (1) shall specify -

(a) net sale-proceeds of unclaimed cattle;

(b) other receipts.

[(3) The collections shall be accounted for by the Committee in its monthly account (Form G.4) under head "Suspense" and credited to the provincial revenues under head [0875-Miscellaneous/General Services/other receipts/Miscellaneous receipts], at the expiry of three months after deducting the amount paid, if any, to the owner of impounded cattle under section 17 of the Cattle Trespass Act, 1871.]

Explanation. - The amount shown under head (a) shall be the sums entered in column 18, Form P.1 as 'Surplus credited to the account'.

X.11. Claims for sale-proceeds of unclaimed animals. - (1) When a claim is preferred under section 17 of the Cattle Trespass Act, 1871, to any sum credited as the net sale-proceeds of unclaimed cattle, the original credit shall be traced in the [Pound Register] and if on investigation, the claim is established amount repayable shall be paid under the written orders of the President or of a Vice-President, and the payment shall be brought to account direct in the General Cash book (Form G. 2); the fact of the payment, and the number and date of the payment voucher shall be noted in the remarks column of the Pound Register against the entry of the original credit.

[(2) No claim for refund of the sale-proceeds or part thereof in respect of unclaimed animals shall be entertained if it is not preferred within six months from the date of deposit of the sale proceeds.]

(3) When an investigation into a claim cannot be undertaken by the committee, it may at the request of the committee be made through the district magistrate.

X.12. Feed and watering of animals. - (1) The committee may give an advance, not exceeding ten rupees, to the pound-keeper for the purpose of feeding impounding animals.

(2) The charges for feeding and watering different classes of animals shall be fixed by the committee, from time to time, at such rates that the receipts from this source do not exceed the actual cost of feeding and watering, provided that half the daily charge for feeding shall be recovered when an animal has been in the pound for less than eight hours.

[Provided further that no feeding charges shall be recovered from the owner of an animal which is impounded after the hour fixed for feeding and is released before the next.]

X.13. Inspection of pounds. - A pound directly managed by the committee shall be open to inspection by any member of the committee or of the District or Audit Staff, and so far as possible it shall be inspected once a quarter and the results of the inspection shall be recorded in an inspection book to be kept up at the pound, and any irregularity in its accounts shall at once be brought to the notice of the President [or the Executive Officer where such an officer has been appointed.]

X.14. Pounds Ledger to be maintained. - A Pounds Ledger shall be maintained in the accounts office of the committee in Form P.6, a separate page being assigned to each pound, in which shall be shown all expenditure on each pound and all income received from each pound, at the end of the shown all year a statement shall be compiled by the Secretary and laid before the committee showing the net loss or gain to the committee during the year from each pound.

CHAPTER XI

Other Revenue

XI.1. Register of immovable property to be maintained. - (1) [The Committee shall maintain separate Registers of Immovable Property in Form R.I./Form R.I.B., in which shall be entered details of all immovable property/all the trees within the jurisdiction, of the Committee (excluding forest areas attaining a girth of about one feet six inches, two volumes of the Register in Form R.I being maintained, in volume 1 of which shall be entered all property vested in or owned or leased by the Committee, and in volume II all nazul or other property of Government placed under the management of the Committee.)]

(2) In volume I of the register [property] leased by the committee shall be entered separately from property vested in or owned by the committee.

(3) In volume II of the register the [property] shall be entered under one or other of the headings -

- (a) lands with buildings attached,
- (b) building sites, or
- (c) other plots,

and each piece of property shall be entered on a separate page with a plan of the property on the opposite page.

(4) The committee shall periodically and not less than once a year cause the Register of Immovable Property to be examined and the examining officer or member shall certify the record to be correct; volume II of the register shall also be compared annually with the *nazul* register maintained by the Deputy Commissioner.

XI.1A. Register of encroachment on immovable property to be maintained. - The committee shall maintain a Register of Encroachment on immovable property in Form R.I-A in which shall be entered the details of all encroachments which may come or are brought to the notice of the committee. Two volumes of the register shall be maintained, in volume I shall be entered the details of encroachments on immovable property vested in or owned or leased by the committee and in volume II those on all nazul and other property of Government placed under the management of the committee.

XI.2. Appointment and duties of Lands Officer, Rent Inspectors, etc. - (1) The committee shall employ a Lands Officer and such number of Rent Inspectors, Rent Muharrirs and Rent Collectors as may be necessary for the collection of rents of immovable property of the committee let on lease, provided that nothing in this rule shall be deemed to prevent the committee from appointing to discharge the duties of Lands Officer, the Secretary, Assistant Secretary, Tax Superintendent or Licensing Officer, or to discharge the duties of Rent Inspectors, Rent Muharrirs or Rent Collectors and other employees of the committee except Sanitary Inspectors.

(2) The Lands Officer, in addition to any other duties imposed upon him by these rules, shall be responsible generally for the collection in accordance with these rules of all rents, fees and other dues in respect of immovable property of the committee and for the proper discharge of their duties by Rent Inspectors, Rent Muharrirs and Rent Collectors, and further it shall be his duty on each occasion when the lease of any property is about to expire to submit a report to the committee reviewing the rent hitherto charged with a view to its enhancement if conditions so permit or, if it appears to him that such property might more profitably be sold or otherwise put to more advantageous use, making recommendations accordingly.

(3) The Rent Inspectors, in addition to any other duties imposed upon them by these rules, shall be responsible for the proper discharge of their duties by the Rent Muharrirs and Rent Collectors attached to their respective circles, and it shall be their duty to see that no immovable property of the committee is occupied by any person except with the permission of the committee, and that the rents, if any, charged by the committee for the occupation of such property are promptly realized, and to report to the Lands Officer all cases in which any such property within their respective circles is occupied without authority.

XI.3. Rent Demand and Collection Register. - (1) The Lands Officer shall maintain a Rent Demand and Collection Register in Form 2 in which shall be entered details of every lease of any property entered in the Register of Immovable Property (Form R.1) as soon as it is sanctioned by the committee.

(2) At the beginning of each year fresh Rent Demand and Collection Register (Form R.2) shall be opened in which shall first be entered the names of all lessees against whom arrears are shown as due on account of the previous year or years in column 74 of the Register of the previous year together with the amount of such arrears, after which the entries relating to the demand of the current year shall be posted, the word "arrears" being written in red ink in the "Remarks"

column against the name of any person in the list of the current year whose name is also entered in the list of persons from whom arrears are due.

(3) When in accordance with a resolution of the committee the rate of rent in any case is altered the necessary correction shall be made in red ink in the Rent Demand and Collection Register (Form R.2), a note being made in the "Remarks" column giving the authority for the correction, and when any rent is remitted by the committee, no correction shall be made in the register, but the authority for the remission and the amount of the rent remitted shall be entered in the appropriate places in columns 45 and 46 of the register.

XI.4. Bills for, and collection of rents. - (1) Bills for the collection of rents of immovable property shall be issued in Form R.3, any payment thereof may be made either directly at the office from which they are issued, or, in large municipalities where a special staff is entertained for the collection of such dues, to a member of such staff.

(2) Rules VII.9 to VII.14 governing the collection of taxes shall apply *mutatis mutandis* to the collection of rents.

XI.5. Sale of immovable property. - When any property entered in the Register of Immovable Property (Form R.1) is sold the necessary entry shall be made in column 18 of the register, and if the sale money is realized on the payment, the amount shall be brought to account direct in the General Cash Book (Form G.2), but if the sale money is to be paid by instalments, the transaction shall be entered in a separate portion of the Rent Demand and Collection Register (Form R.2), the instalments being treated as rent due at stated intervals.

Note. - The following rules, published with Punjab Government Notification No. 13981, dated 16th July, 1918, 21286, dated 26th July, 1926, and 30031, dated 23rd November, 1927, govern the alienation of municipal properties :-

1. No land, the property of a municipal committee, shall be alienated permanently or for a term exceeding ten years except with the previous sanction of the Commissioner of the Division or in exercise of powers specially conferred upon a committee by these rules or any other authority of the State Government.

2. (1) Every municipal committee in charge of Nazul properties of Government shall maintain a register in Form 34 prescribed by rule 188 of the Punjab Municipal Account Code (now Form R.1) prescribed by rule XI.1 of the Municipal Account Code, 1930), and if the amount of such properties is large shall also maintain a large scale map with index showing the position of such properties.

(2) No municipal committee shall lease Nazul properties of Government in its charge for a term exceeding five years without the previous sanction of the Deputy Commissioner or for a term exceeding ten years without the previous sanction of the Commissioner.

(3) No municipal committee shall sell Nazul properties of Government in its charge without the previous sanction of Government. Application for such sanction should be submitted to Government through the Deputy Commissioner and Commissioner in the form appended to this rule, accompanied when necessary by a rough plan. When the sale has been completed the same statement should be re-submitted to Government, for confirmation of the sale, with the result of the sale detailed on the reverse, provided that if the property is sold by auction and the price realized is not less than 75 per cent of the price accepted by Government when the proposals for sale were submitted for sanction, the sale may be confirmed by the Commissioner.

3. (Relates to staging bungalows).

4. (1) Every committee to which any property of Government has been transferred for management, shall keep a proforma account of the income derived from such property including any grant received from Government in respect thereof and of the expenditure thereon, and shall be responsible for the annual repairs required for such property and for special repairs to the amount of the balance, if any, of income over expenditure since the property was transferred as shown in the proforma account.

(2) No committee to whom any property of Government has been transferred for management shall cause any repairs or alterations to such property to be carried out in a style differing from that of the original work without the consent of the State Government in the Public Works Department.

(3) No committee in whom any land of Government vests or to whom any land of Government has been transferred for management shall cause or suffer any buildings of a permanent nature to be construed on such land, or shall cause or suffer such land to be diverted permanently from its existing use, without the consent of the State Government.

STATEMENT OF NAZUL PROPERTY PROPOSED TO BE SOLD IN MUNICIPALITY							
Serial No. of the property in the Nazul register	Description, details, and situation of the property and how and when it became Nazul	Present income, if any, from the property.	Estimated present value of the property	Reasons for which sale is proposed	Special conditions, if any, of the sale	Remarks and reserve price proposed by the Deputy Commissioner	Remarks and reserve price proposed by the Deputy Commissioner

[Note]

The restriction laid down in the above rule will not apply to a tahbazari ticket issued in March for the next financial year.

Reverse

Statement of Sale of Nazul Property Forwarded to the Commissioner _____ for Confirmation
State Government

Serial No. of the property in the Nazul register	Name of property to correspond with the name given in column 2 on the reverse	Hour, date and place of the sale and name of officer who conducted the sale	Names of bidders	Amounts of bids	Remarks of the Deputy Commissioner	Remarks or orders of the Commissioner	Remarks or orders of the Commissioner

XI.6. Plots for temporary occupation to be scheduled and dues collected by Tehbazari tickets. - The Lands Officer shall from time to time prepare a schedule showing the plots of land available for temporary occupation by shopkeepers, pedlars and other such persons and the rates at which such plots and portions of the public streets may be [allotted in accordance with the rules or bye-laws framed under the Act] and shall cause copies of such schedule to be posted at the office of the committee and at conspicuous places throughout the municipality and notwithstanding anything contained in rule XI.3 or XI.4 the rent, fees or other dues payable in respect of the occupation of any such plot or of a portion of any public street shall be collected by means of a tehbazari ticket in Form R.4.

XI.7. Rent Collectors to see the Tehbazari tickets are taken out. - Tehbazari tickets shall ordinarily be valid for the day of issue only, and it shall be the duty of the Rent Collectors, appointed under the provisions of rule XI.2 constantly to patrol the municipality and to see that every person in occupation of any plot scheduled under the provisions of rule XI.6 or of any portion of a public street takes out a ticket, provided that if any person wishes to occupy any such plot or portion of a public street for a week or longer period he may, unless such occupation is not permitted by the committee, take out a ticket for a week or such longer period as may desire, provided further that in no case shall a ticket be issued which will be valid beyond the thirty-first day of March following its issue.

XI.8. Collection of Tehbazari dues. - (1) Every Rent Collector shall be furnished with a book of Tehbazari Tickets in form R. 4. On receipt of the amount due on account of Tehbazari fee, he shall issue the ticket and blank coupon attached after filling up the counterfoil and after entering, at the foot thereof, the progressive total of amount received during the day.

(2) If a ticket is taken out for a period of a week or more the Rent Collector shall before the issue thereof make the necessary entries in a Tehbazari Register to be maintained by him in Form R.5, noting carefully in column 6 of the register the date of the expiry of the ticket and leaving sufficient space in the case of each person to provide for the entry of future tickets in case they are taken out after the expiry of the current ticket.

(3) Every Rent Collector shall examine his [Tehbazari Register] each morning and take steps to see that a fresh [ticket] is forthwith taken out in place of one that has expired or that the plot of land or portion of a public street in respect of which it was issued is vacated.

[(4) Every Rent Collector shall pay his collections daily to the Land Officer, if there is any, or at the municipal office where the progressive total of all the counterfoils of receipt (Form R.4) in respect of the collections of the day shall be checked with the cash produced; the last progressive total shall be signed by the Lands Officer or the Secretary, as the case may be, and a receipt for the amount shall be given in a receipt book in form T.S. 9 to be kept in his possession.]

XI.9. Lands Officer and Rent Inspectors to check the work of Rent Collectors. - It shall be the duty of the Rent Inspectors, if any, appointed under the provisions of rule XI.2 to check the work of Rent Collectors by making periodical rounds in the course of which they shall demand to examine the Tehbazari tickets of persons found in occupation of scheduled plots of land or portions of public streets, and in such cases after such examination as they may think necessary they shall fill up and tear off the coupons attached to the tickets and keep them for comparison with the counterfoils in the books of the Rent Collectors, and after such comparison shall [bring them to the notice of the Lands Officer or the Secretary as the case may be who shall retain them till the subsequent audit of the accounts of the committee and may order them to be destroyed thereafter] they shall also see that Rent Collectors comply with the provisions of rule XI.8 as to the filling up of progressive totals on the counterfoils of tickets as issued and as to the maintenance and daily examination of the [Tehbazari Register].

XI.10. Fees at Fairs. - (1) When a committee collects fees for permission to set up shops or stalls at a fair, the fees shall be collected as if they were Tehbazari dues.

[(2) At conspicuous places at every fair where fees are collected, tables of the sanctioned rates shall be posted in English and Vernacular, together with notices requesting the public to demand a receipt from the official in charge for every payment made, in respect of the animal or animals sold or where a committee has so provided under [section 199 of the Haryana Municipal Act, 1973], for animals brought for sale.

Such fees shall be collected by means of receipts in Form R.6 which shall be written with an indelible pencil and prepared in triplicate by means of carbon paper, the second carbon copy being retained and the original along with the first carbon copy detached and handed over to the payer.

The payer, on demand by an Inspector or any other person authorised in this behalf, shall produce for inspection the original and the carbon copy of the receipt granted to him. Such

officer shall then verify the entries in the original receipt with those in the carbon copy as well as the number of cattle, etc., and on satisfaction shall sign the original receipt before returning it to the payer.

The carbon copy which shall be retained by the Inspecting Officer, shall, before it is finally filed, be also checked with the office copy of the receipt in Form R.6.]

XI.11. Slaughter-house fees. - (1) The fees leviable at a municipal slaughter-house shall be entered in a schedule of which a copy shall be posted at the entrance to the slaughter house premises.

(2) The committee shall appoint a muharrir or other officer for the collection of such fees who shall be provided with a locked cash-box of which the key shall remain with the Secretary or some other responsible officer as the committee may direct, and the muharrir or other officer so appointed shall immediately and without reservation drop into his cash-box all fees received; and when issuing tickets shall enter on the counterfoil of each ticket issued the progressive total of fees received during the day.

(3) If such fees are levied at so much per head on the animals brought for slaughter they shall be collected by means of tickets in Form R.7 and if they are levied from each butcher using the slaughter-house as payment for use of the slaughter-house they shall be collected by means of tickets in Form R.4 with the heading changed to 'Slaughter-house Ticket', and tickets in Form Rule 7 shall be available only for the animals specified therein and tickets in Form R.4 shall not be transferable and tickets in both forms shall be valid only for the day of issue and shall not be renewable.

(4) At the end of the day the muharrir or other officer appointed for the collection of slaughter-house fees shall send his cash-box to the Secretary or other officer by whom the key is retained in accordance with the directions of the committee, and the Secretary or such other officer shall deal with the cash as nearly as may be in the manner prescribed in sub-rule (4) of rule XI. 8.

(5) The Secretary or other inspecting officer appointed by the committee in this behalf shall check the work of the muharrir or other officer appointed for the collection of fees by demanding from such butchers, he may think fit the tickets in Form R.7 or R.4 issued to them and such butchers shall produce such tickets on such demand, and after such examination as he may think necessary, the inspecting officer shall fill up the coupons and detach them for the purpose of comparison with the counterfoils in the book of tickets and shall return the tickets to the butchers after initialling them and after the comparison has been made shall drop the coupons in the cash-box of the muharrir or other officer.

XI.12. Garden Accounts. - (1) In a municipality in which the committee possesses a garden from which an annual normal income of five hundred rupees or more is realised by the sale of garden produce to private customers, the officer in charge of the garden shall maintain a Garden Order Book in Form R.8 in two parts, in the first of which shall be entered all standing orders for garden produce from regular customers and in the second all casual orders received from time to time and not accompanied by the price of the produce ordered and when any produce is supplied which is not paid for in advance or at the time an entry shall be made in the account of the purchaser in a Garden Ledger to be maintained in Form R.9 and such ledger shall be closed and accounts rendered once a month.

(2) The officer in charge of the garden shall maintain a Garden Cash Book in Form R.10 in which shall be entered as it occurs every payment received for produce supplied and the amounts so received shall at such intervals as the committee may determine be remitted to the municipal office in accordance with the provisions of rule IV.5 and shall not be used for expenditure, for which the officer in charge of the garden shall be given a Permanent Advance from which payments shall be made in accordance with the provisions of rules XI.5 and XII.6.

XI.13. Fines. - (1) Courts realizing [arrears of municipal taxes], are required to forward to the committee a monthly statement in Form Rule 11 but the amount of such [arrears shall be brought to account in the General Cash Book (Form G.2)] direct from the Treasury Pass Book before the General Cash Book is closed for the month even if no statement in Form Rule 11 has been received in respect thereof, and when the statement is received it shall be checked with the Pass Book and the General Cash Book.

(2) [-]

XI.14. Collection of ferry-tolls, saraj dues etc. - [(1) If a committee collects ferry-tolls or fees for the use of a *parao sarai* rest house or other such institution direct, such tolls or fees shall be collected by means of tickets in Form R.4 with the heading altered appropriately in each case, and the provisions of rule XI. 8 shall apply *mutatis mutandis* to the collection of such dues.]

[(2) The collections from farriers shall be accounted for and credited to the provincial revenues in the manner prescribed in rule X.10(3).]

XI.15. Miscellaneous demands. - For demands not otherwise provided for in these rules, the Secretary shall maintain a Miscellaneous Demand and Collection Register in Form R. 12 and the provisions of rules XI.3 and VII.9 to VII.14 shall apply *mutatis murandis* to the maintenance of such register and the collection of such demands.

XI.16. Saving of committee's right to farm dues. - Nothing contained in these rules shall be deemed to prevent any committee from leasing to any person the right to collect any rents, fees or other dues of the committee, and if in any case such a lease is given it shall be dealt with as a lease of immovable property in accordance with the provisions of these rules.

CHAPTER XII

Payments

XII.1. No payment to be made out of receipts and cheques to be drawn only for immediate disbursement. - No payment shall be made from the municipal fund except in the manner provided in these rules and in particular no payment shall be made out of cash received for credit to the municipal fund, and no cheques shall be drawn except for immediate disbursement or to recoup a permanent advance.

[XII.2. No payment to be made except on the written order of the competent authority. - Except in the cases provided for in rule XII.5, no payment shall be made except on written orders of the Executive Officer and in the event of supersession of any Municipal Committee the Administrator or the Executive Officer as may be authorised by the Administrator. The Executive Officer shall not, however, sign pay order on the Travelling Allowance Bills unless they are countersigned by the President under rule 11.10(3) of the Municipal Account Code. But in Municipalities where no such officer has been appointed such a written order should be made

by an officer authorised to do so by a bye-law made by the Committee under section 31 of the Act. In all cases, including payments under Rule XII.5, the officer concerned shall not make such an order until he has satisfied himself that the budget allotment under the relative head will not thereby be exceeded and unless the sanction of the Committee exists for the charge, provided that -]

[(1) in emergencies subject to any bye-law made by the committee under section 31 of the Act, the president or the executive officer or, in the absence of the president, the vice-presidents, may sanction the payment of charges for which no sanction of the committee exists, all such payments being reported at the next subsequent meeting of the committee;

(2) the officials holding permanent advances may, on their own responsibility and without obtaining the requisite sanction of the competent authority, incur petty emergent expenditure therefrom provided that the sub-vouchers are, at the time of the recoument of such permanent advances, countersigned by such authority;

(3) the price of vaccine lymph supplied by the Punjab Vaccine Institute and materials and equipment supplied by the Punjab Public Health Equipment Depot shall in cases in which the municipal fund is deposited in the treasury, be paid by means of a book transfer from the municipal fund made by the Treasury Officer on the requisition of the Assistant Director of Public Health, Punjab (Technical) Vaccination or the Superintendent, Public Health Equipment Depot, as the case may be.]

[(4) Quotations shall be obtained in all cases where the purchase exceeds -

(i) Rs. 500/- but does not exceed Rs. 3000/- in case of Municipal Council;

(ii) Rs. 500/- but does not exceed Rs. 2000/- in case of Municipal Committees.

However, if the amount involved exceeds Rs. 3000/- in case of Municipal Councils and Rs. 2000/- in case of Municipal Committees, tender shall be invited. When the lowest quotation or tender, as the case may be, is not accepted, the reasons for rejection shall be recorded before accepting the higher quotation or tender. Quotations or tenders need not be invited when purchases are to be made from Government Department/Government Depot or a Government Industrial Centre or such firms of repute as may be specified by Government from time to time. Earnest money shall be obtained from the tenders other than sole manufacturers, Government Institution and such other firms of repute as may specified by Government from time to time.]

[XII.2A. Payment of contribution due to Government. - If a committee fails to pay contribution due to Government within the period specified for the purpose, it shall be credited to the Provincial Revenues by means of a book transfer from the municipal fund made by the Treasury Officer on a requisition addressed to him by the appropriate authority of the department concerned.

(2) In cases where the municipal fund is not kept in a treasury, but is deposited in any bank or with a person acting as a banker, the Deputy Commissioner [or Sub-Divisional Officer within his jurisdiction as the case may be] on a requisition made to him by the department concerned shall direct the bank or the person having the custody of the balance of the municipal fund to pay the

amount due or so much thereof as may from time to time be possible from that balance, in priority to all other charges against the same.]

[XII.2AA. The amount payable by the committee as contribution towards the cost of maintenance of provincialised institutions or such sanitary or water works as have been made over the Public Health Circle of Government or as [fees] for the inspection of its sanitary or water-works shall be paid from the municipal fund by means of a book transfer to be made by the Treasury Officer on the requisition of the Head of Department concerned through the Accountant General, Punjab :

Provided that the amount so transferred shall not be more than the amount standing to the credit of the committee in such fund on the date of the transfer :

Provided further that in the case of committees which have deposited their funds under sub-section (2) of section 59 of the Act, with a bank or person acting as a banker or a bank other than the bank to which the Government treasury business has been made over, the committee shall arrange to pay the necessary amount to Government as a first charge in accordance with the provisions of sub-section (2) of section 57 of the Act.]

[XII.2B. - When an attachment order issued by a civil court against a municipal committee is received for execution by a treasury or sub-treasury officer maintaining the accounts of the committee the amount in question shall be charged forthwith to the funds of the committee intimation being sent by the Treasury or Sub-Treasury Officer to the committee.]

[XII.3. Payments of sums under Rs. 50 to be made from permanent advance; other than by cheque. - All sums of less than fifty rupees in the cases of first class Committee and thirty rupees in the case of other Committees payable from the Municipal Fund shall ordinarily be paid in cash from the permanent advance of the head of the department or other official concerned; sums of fifty rupees and over in the case of first class committees and thirty rupees and over in the case other committees shall ordinarily be paid by cheque.]

[XII.3A. Receipts for cheques issued. - A receipt, stamped, if necessary, shall be obtained for all cheques issued otherwise than by post from the Municipal office. When a cheque is sent by post it shall first be crossed and then posted. The payee shall be required to send the receipt by return of post. [When crossed cheque is sent by post and intimation of its encashment is received from the treasury or the bank on which the cheque was drawn], the payee's receipt may not be insisted upon.]

XII.4. Cheque books. - (1) Cheque books, which are to be obtained on payment from the [Master, Security Printing, India, Nasik Road, Great Indian Peninsula Railway, and are printed in fugitive ink, shall be kept under lock and key in the personal custody of the Secretary], who shall notify to the treasury upon which he draws the number of the cheque book which he from time to time brings into use.

[(1-A) All cheques shall be jointly signed by the President and Executive Officer of the Council. If the Executive Officer, appointed in Municipal Council is not functioning, the Secretary of the Municipal Council shall sign the cheques. In the case of Municipal Committees, cheques shall be jointly signed by the President and Secretary of the Committee. If the President is away, then in his place Vice-President and Executive Officer/Secretary, as the case may be, shall jointly sign the cheques. In case both President and Executive Officer/Secretary are not present, then Vice-President and Accountant shall jointly sign the cheques.]

Provided that in the event of dissolution of the Committee, the cheques shall be signed by the Officer appointed by the Government under clause (b) of sub-section (2) of section 254 of the Act.]

[(1B) Whenever under these rules any specific duty is assigned to, or power conferred on, the Executive Officer that duty may be performed and power exercised by the President or in the absence of the President by the vice-President during the period of suspension of the Executive Officer for so long as another person is not appointed to officiate as Executive Officer under sub-section (7) of section 3 of the Punjab Municipal (Executive Officer) Act, 1931 or under sub-section (4) of section 2 of the Patiala Municipal (Executive Officers) Act, 2033 BK as the case may be.]

(2) When the Secretary receives a cheque book he shall cause the cheques to be counted and a note to be recorded on the cover of it stating the number of cheques it contains.

[(3) All cheques should have written across them in words at right angles to the type a sum a little in excess of that for which they are granted thus "under thirty rupees" will mean that the cheque is for a sum not less than rupees 20, but less than rupees 30, and similarly "under eight hundred rupees" will mean that it is less than rupees 800 but not less than rupees 700.]

(4) All cheques shall be written and signed with the special "Registration Ink" obtainable from the [Controller of Printing and Stationery, Punjab.]

[(5) A cheque issued by a Committee which is not cashed within three month exclusive of the month of issue shall not be re-issued by altering the date. The drawer should cancel it and draw a new cheque in lieu of it. The fact of the cancellation and the number and date of the new cheque should be recorded in the General Cash book against the original transaction and on the counterfoil of the old cheque and the number and the date of the older cheque that is cancelled should be entered on the counterfoil of the new one. The fact of the new cheque having been issued should be entered in red ink in the General Cash Book on the date of issue but not in the column of payment. These recordings will in no way affect the accounts and no further entries shall be made.]

(6) When a signed cheque is cancelled it shall be enfaced or stamped "Cancelled" by the drawing officer : the fact of cancellation shall be noted in red ink over the dated initials of the drawer of the cheque upon the counterfoil, and also across the order of payment which has been enfaced upon the voucher.

(7) When a cheque is cancelled before the General Cash Book (Form G.2) has been closed on the date of issue of the cheque, the entry in the Cash Book, and also in the Classified Abstract (Form G.3), shall be struck out in red ink over the initials of the Secretary : when the cheque is cancelled after the General Cash Book has been closed, the cancellation of the cheque shall be treated as a refund of an overpayment and shall be dealt with in accordance with the provisions of rule III.3.

(8) Cancelled cheques shall be carefully retained until the accounts for the period to which they relate have been audited when they shall be destroyed by, or in the presence of, the audit officer who shall certify upon the counterfoils that the cheques have been so destroyed.

[(9) If an issued cheque is lost and cannot be presented for payment, after ascertaining that it has not been cashed an intimation shall at once be sent to the Treasury Officer that the original

cheque No. _____ dated _____, be considered as cancelled and be not cashed, if if presented. A duplicate cheque shall then be issued : at the top of the counterfoil of the duplicate cheque shall be written in red ink, "Duplicate of Cheque No. _____, dated _____(quoting the number and date of the original cheque) and on the counterfoil of the original cheque shall be written in red ink "Duplicate cheque No. _____, dated _____ issued" : A note shall also be made in red ink in column 17 of the General Cash Book (Form G.2) against the item concerned giving the number and the date of the duplicate cheque issued.]

XII.5. Payment from a permanent advance. - (1) Where a payment is to be made from a permanent advance, a payment order shall be made by the officer holding the advance on the sub-voucher relating to the charge by means of a a rubber stamp in Form G.10, the amount of the payment and the head of account chargeable being inserted in ink.

(2) When a payment order has been made under sub-rule (1) the amount of the charge shall be paid to the payee whose receipt shall at once be taken : the sub-voucher shall then be stamped with a rubber stamp in Form G.11, and details of the payment shall be entered on the expenditure side of a Permanent Advance Account in Form G.12 which shall be maintained by every officer holding a permanent advance.

XII.6. Recoupment of a permanent advance. - When the balance of a permanent advance is running low, and in any case on the last working day of each month, columns 4 to 10 on the expenditure side of the Permanent Advance Account (Form G.12) shall be totalled and the totals posted into a contingent bill in Form G.13 : a line shall then be drawn right across both sides of the Account and the bill supported by the relevant sub-vouchers shall be laid before the officer holding the advance, who after comparing the entries in the bill with the Account shall place his initials against each entry in column 10 of the Account and sign the bill : the bill shall then be sent to the committee's Accounts Officer for payment, then number of the bill, the date of its despatch and the amount having been entered in columns 11 and 12 on the income side of the Account : on receipt of a cheque in payment of the bill the necessary entries shall be made in columns 13 and 14 on the income side of the Account.

XII.7. Establishment Check Register (1) The whole establishment to be recorded in the register. - (1) In order to facilitate the check of establishment bills and to ensure that no charge is paid twice over, an Establishment Check Register shall be maintained in Form G.14, in which the whole establishment of the committee shall be recorded, every fresh appointment, abolition of an appointment or revision of establishment being entered as soon as made together with the number and date of the committee's resolution or of the order of a sub-committee or officer to whom a power of making appointments has been delegated under section 33 of the Act, changes due to revision of establishment shall be entered in red ink [leaving the original entry intact] [entries relating to total net charge of each section or sub-section of each Department noted at each page in the beginning of the year and entries due to revision of establishment made during the course of the year, shall be initialled by the Secretary.]

(2) **Separate pages to be assigned to sections and sub-sections.** - (2) A separate page of the [register] shall be set apart for each section or, if there are sub-sections, for each sub-section of each department, the different sub-sections or section being entered consecutively in the order of the major heads of account and a page for the total charge of the department being reserved immediately after them when number of sections exceeds one.

Explanation. - (a) By a "section of a department" is meant the establishment relating to a major head of account of that department; by a "sub-section of department" is meant the establishment relating to a minor head of account of that department, e.g., the establishment connected with dak bungalows and sarais is a sub-section of the department of General Departments, while the Municipal Engineer's establishment is a section of the department of Municipal Works.

(b) For the purposes of this rule an officer whose pay is under sub-rule (2) of rule XII.8 drawn on a bill in Form G.15 shall be considered to be a sub-section of his department and a separate page of the Establishment Check Register (Form G.14) shall be assigned to him.

(3) Entry of temporary establishment. - (3) Temporary establishment shall be entered in the establishment Check Register (Form G.14) at the end of the space allotted to the permanent establishment and shall not be mixed up with it : the period for which the temporary establishment is sanctioned shall be distinctly specified in the second column below the details of the appointments sanctioned and lines shall be drawn across the columns of the months previous and subsequent to such period so as to prevent admission, by oversight, of pay for a period in excess of that sanctioned.

(4) Fly-leaf for details of sections. - (4) When the space in column 2 of the Establishment Check Register (Form G.14) is insufficient for all the details of a section, they shall be recorded on a fly-leaf in the following form, which shall be inserted between the pages of the register :

	Minimum	Maximum	Actual on 1st April	Income Tax	Remarks
	Rs.	Rs.	Rs.	Rs.	
Head Clerk	...	150	200	170	..
Second Clerk	...	80	120	96	...
Thid Clerk	...	35	50	44	...
Daftri	8	8
Two Peons	12	...
Total	330	...

The minimum and maximum columns in the fly-leaf shall be used only when the pay, or part of it, is progressive; and in this case each increment, as it is admitted, shall be added to the total of the "actual" column, and the pay of the appointment affected shall be altered in red ink, a note in each case being made in the remarks column of the month with effect from which the increment is granted; corresponding alterations shall also be made in the register itself (Form G.14) in column 3 for the sanctioned pay of the section, the order sanctioning the increment being quoted in column 1.

(5) Other recurring charges to be recorded in the register. - (5) Recurring charges on account of scholarships, contributions, rents, etc., shall also be recorded in the Establishment Check Register (Form G.14), a separate page being assigned to each minor or major head of each department concerned.

XII.8. Preparation of Establishment Bills. - (1) Except in the case of employees who have been dismissed or transferred or have resigned or died the pay of no employee of the committee shall be drawn before the first working day of the month following that in respect of which the pay has been earned.

[Provided that if the first two days of the month of April following that in respect of which the pay has been earned are holidays the committee may order the drawal of pay on the last working day of the month in respect of which the pay has been earned.]

Bills for Secretary and other special officers. - (2) In the case of a municipality of the first class the salaries of the Secretary, the Municipal Engineer, the Medical Officer of Health, and, with the approval of the [Deputy Commissioner] of any other officer of the committee in receipt of a salary of not less than three hundred rupees a month shall be paid by means of bills in Form G.15, and the [Deputy Commissioner] may permit similar arrangements to be made in the case of officers of similar status in municipalities of the second class.

(3) Form of bill for rest of establishment. - (a) The pay of all other establishment shall be paid by means of bills in Form G.16 a separate bill being prepared for each department in which each section or sub-section of the department shall be shown separately.

Establishment to be shown by sections and sub-sections and full details to be given. - (b) Full details of names shall be given in these bills and in column 3 shall be shown separately the salary or leave allowance claimed for each person for the month, whether drawn or not, any amount not drawn but held over for subsequent payment being shown in column 4 while in column 7 shall be entered the amount actually drawn for each section or sub-section, the sections and sub-sections being marked off and the total of each entered in red ink : when salary is drawn for a portion of a month only, the rate at which it is drawn and the number of days (with date) for which it is claimed shall be stated either against the name of the person concerned in the body of the bill or in a note at the foot of the page.

Pay of temporary establishment to be drawn on a separate bill. - (c) The pay of all temporary employees other than those appointed in leave vacancies shall be billed for separately in the same form, the sanction for their employment being quoted.

Names of employees on Rs. 20 or less may be omitted. - (d) The names of employees whose pay does not exceed twenty rupees a month and who do not subscribe to the municipal provident fund may be omitted from the bill provided the certificate in clause 3 of Form G. 16 is duly signed.

Absentee Statement. - (e) Employees on leave or deputation shall be clearly shown as such in the monthly pay bills which shall be supported by an Absentee Statement in Form G. 17 : any acting arrangements that have been made shall also clearly be noted in the bill.

(f) Arrears to be drawn on separate bills. - Arrears pay shall be drawn not on the ordinary monthly bill but on a separate bill in which reference shall be made to the bill from which the charge was omitted or withheld or on which it was refunded by deduction or to any special order granting a new allowance.

[(g) Where an employee decides to take advantage of salary savings scheme introduced by the Life Insurance Corporation of India and signs a request authorising the committee to deduct regularly a specified amount from his salary, the committee shall deduct the amount specified at source and remit it to the Corporation by means of a crossed cheque.]

[(h) Where an employee decides to take advantage of Thrift and Credit Scheme introduced by the Municipal Employees Co-operative Thrift and Credit Society, Limited and signs a request authorising the Committee to deduct regularly a specified amount from his salary the

committee shall deduct the amount specified at source and remit it to the President by means of a crossed cheque.]

XII.9. Check of Establishment bill. - (1) When an establishment bill has been prepared it shall be checked in the accounts branch of the committee's office, particular attention being directed to the Absentee Statement (Form G.17) prescribed by clause (e) of sub-rule (3) of rule XII.8 in order that no inadmissible charge may be included in consequence of any absence on leave.

(2) From the bill thus checked the Establishment Check Register (Form G.14) shall then be posted, the amount shown in the column "Net charge for each section" in the bill being entered against each section : below this shall be written in red ink any amount due, but remaining undrawn by reason of absence, for the purpose of checking bills for arrears of pay subsequently submitted : the amount of fines shown in the bill shall similarly be noted in red ink, to allow of check in the case of bills for refunds of fines subsequently remitted : a subsequent claim not covered by the last two entries shall not be admitted without full explanation of the circumstance in which it was omitted from the monthly bill, which is expected to exhibit the full claim for the month; the number and month of the bill shall be quoted in the entry as shortly as possible : thus "4-7" will indicate Bill No. 4 of July.

(3) When the payments have recorded against the sections the amounts entered shall be totalled, and agreed with the total of the bill which shall then be posted, without detailing the sections again, on the page reserved in accordance with sub-rule (2) of rule XII.7 for the total charge of the department and the page of the [register] on which the charge of each section has been recorded shall be noted against the total of that section in the bill.

(4) The order for payment of the bill shall then be written and the bill together with the Establishment Check Register (Form G.14) laid before the Secretary who shall check the totals, make such comparison of the bill with the register as he may deem necessary, pass the order of payment for the signature of the authorised officer and initial the register adding the date of his initials.

(5) A bill for arrears of pay shall be dealt with in the manner prescribed above : the amount shall be checked with the relevant red ink entry made under sub-rule (2) above and the payment noted in the same column below it, care being taken to see that the aggregate total of the column does not exceed the sanctioned pay of the section or sub-section shown in column 3 of the Establishment Check Register (Form G.14).

XII.10. Payment of Travelling Allowance Bill. - (1) **Form of Travelling Allowance Bill.** - (1) Payment of travelling allowance to members and employees of the committee shall be effected by means of bills in Form G.18 which shall invariably be submitted early in the month following that to which they relate.

(2) **Travelling Allowance Check Register.** - As a check on such [bills] a Travelling Allowance Check Register shall be maintained in Form G.19 in which all travelling allowance bills shall be recorded when presented for payment; separate pages shall be assigned to the bills of each section or sub-section a single line being sufficient for each bill.

[(3) **Check and record of travelling allowance bills.** - When a Travelling Allowance Bill has been prepared it shall be checked and otherwise dealt with as near as may be in the manner prescribed for establishment bills by Rule XII.9, care being taken to see that it has been countersigned by the President.]

(4) Rates of travelling allowance for members. - Travelling allowance may be paid to a member of the committee other than a whole-time salaried servant of Government, required to undertake a journey on municipal business, provided that -

[(a) the members and Presidents of Municipal Committees shall draw travelling and daily allowance at the rates admissible to Punjab Government servants noted against each -]

	(i) Ist Class Municipal Committees
(a) Presidents	Grade I Officer drawing pay more than Rs. 2000 but less than Rs. 2250 per mensem.
(b) Members	Grade I Officer drawing pay Rs. 1001 per mensem
	(ii) IInd Class Municipal Committees
(a) Presidents	Grade 1st Officer drawing pay more than Rs. 750 but not exceeding Rs. 1000 per mensem.
(b) Members	Grade II Officer drawing pay more than Rs. 700 but less than Rs. 750 per mensem.
	(iii) IIIrd Class Municipal Committees.
(a) Presidents	Grade II Officer drawing pay Rs. 750 per mensem.
(b) Members	Grade II Officer drawing pay more than Rs. 700 but less than Rs. 750 per mensem;

(b) in the case of a journey performed within the district in which the municipality is situated or of a journey to a place outside such district the travelling allowance payable in respect of which does not exceed fifty rupees, the committee has passed a resolution sanctioning the undertaking of such journey, or, in the case of any other journey, the previous sanction of the Deputy Commissioner had been obtained for such journey to be undertaken.

[(c) the daily allowance payable to the Presidents of first class municipalities shall not exceed the amount that would have been payable had such person been a Government servant of Grade I, subject to the maximum of Rs. 6-4-0. Members of all municipalities including the Presidents of 2nd class municipalities shall draw daily allowance at Rs. 5 per diem.]

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[(5) No journey within or outside the District in which a municipality is situated shall be undertaken by the Executive Officer of a Committee without the previous sanction of the Committee. If in any emergent case journey has to be performed immediately, the Executive Officer shall obtain the approval of the President or of the Vice-President if the former is out of station, before leaving the station and the committee's approval for such journey shall be obtained in their next meeting.]

[(6) Rates of travelling allowance for employees. - No travelling allowance shall, without the sanction of Government, be paid to any employee of the committee at a rate in excess of the rate to which he would be entitled if he were a Government servant of the same status drawing the same pay.]

Explanation. - For the purpose of this sub-rule a head of a department drawing [Rs. two hundred per mensem] and over shall be deemed to be of the status of a [Provincial Service Officer in Government service].

XII.11. Payment of other charges. - Payment of charges other than charges for the payment of which special forms of bill have been prescribed elsewhere in these rules shall be effected by means of bills in Form G.13, a payment order having first been made by the authorised officer on the sub-voucher concerned by means of a rubber stamp in Form G.20.

[XII.11A. A claim against the Committee, which is barred by time under any provisions of law relating to limitation shall ordinarily be refused and no such time-barred claim or part thereof shall be accepted without the special sanction of the Committee. The onus to establish grounds for special treatment for a time-barred claim shall be on the claimant and the authority to whom such a claim is preferred shall refuse the claim unless a case for special treatment is made out. As a rule, all petty time-barred claims should be rejected outright and only exceptional time-barred claims considered by the executive authority concerned in the matter before submitting the claim to the Committee for sanction.]

XII.12. Procedure of payment of bills. - When the payment order on any bill prepared under these rules has been signed, a cheque shall be prepared for the amount of the bill, and when this has been signed by the authorised officer the bill shall be stamped with a rubber-stamp in Form G.21, every sub-voucher in the case of a bill in Form G.13 being also stamped with a rubber stamp in Form G.22; details of the payment shall then be entered in the General Cash Book (Form G.2) and the Classified Abstract (Form G.3).

XII.13. Disbursement of pay of establishment. - (1) From every establishment [bill] an Acquittance Roll in Form G.23 shall be prepared, and, when the pay is distributed to the establishment, an acknowledgement of receipt shall be taken from each person in column 6, the receipt stamp required for amounts in excess of twenty rupees being affixed to the roll where necessary, and all the thumb-impressions of payees being attested by the disbursing officer.

[Note. - The record of the amounts received for disbursement and actually disbursed shall be kept in the chest book in form G.2-A.]

(2) The officer signing an establishment [bill] or the disbursing officer where any such officer has been appointed by a committee of the first class shall be personally responsible for every salary drawn thereon until he has paid it to the person entitled to receive it and has had the Acquittance Roll (Form G.23) signed, and if necessary stamped by such person : if any payee does not present himself before the end of the month, the amount drawn for him shall be refunded by short drawal in the next bill, payment of arrears due being made subsequently in accordance with the provisions of clause (f) of sub-rule (3) of rule XII. 8; in no circumstances shall may be kept in deposit beyond the end of the month in which it is drawn.

(3) The committee shall fix dates by which they pay of each section and sub-section of each department must be disbursed, and it shall be the duty of the Finance Sub-Committee, or, if there is no sub sub-committee, of the President or of a Vice-President, as the committee may direct, to satisfy itself or himself that the pay of the whole establishment was disbursed by the due dates, or if it was not so disbursed, to enquire into the reasons for the delay. [In a municipality for which an Executive Officer has been appointed this duty will be discharged by the Executive Officer.]

(4) Every officer responsible for the distribution of pay to members of an establishment shall at the time of such distribution warn the members of the establishment that the payment of any part of their wages to a superior officer as commission or *dasturi* for their continued employment or any other such purpose is prohibited, and that any such payment will render both the person who makes it and the person who receives it liable to dismissal.

XII.14. Strength and pay of establishments not to be varied without sanction. - (1) When the entertainment or new establishment or any change, temporary or permanent, in any existing establishment is proposed, a note shall be submitted by the head of the department concerned to the authority empowered to sanction such entertainment or change, and such note shall set out -

- (a) the present cost either of the sub-sections affected or of the total establishment as the circumstances of the case may indicate to be necessary;
- (b) the cost after revision; and
- (c) details of the number and pay of the appointments which it is proposed to add or modify.

(2) The head of a department shall not make adjustments in the pay of establishments by allowing one employee more and another employee less than the sanctioned pay of their respective appointments, provided that, if the pay of an establishment is fixed in various grades, the authority empowered to make appointments may make an extra appointment in an inferior grade and leave unfilled an appointment in a higher grade, but not so as to increase the total number of appointments on the establishment.

[XII.15. Income under Capital Receipts shall be earmarked for capital expenditure, and shall not be utilized for current expenditure without the sanction of the [Commissioner] of the Division in the case of a first class municipality and the Deputy Commissioner in the case of a second class municipality.]

CHAPTER XIII

[Municipal Works]

XIII.1. Works not to be executed except on a sanctioned estimate or an accepted report on a requisition. - (1) No work shall be executed by a committee until a detailed estimate of its cost has been prepared in Form M.W. 1, together with the necessary plans, and has been sanctioned by the committee :

Provided that -

[(a) If a petty work cost one thousand and five hundred or less is of an urgent nature (urgency to be specified) a petty works requisition only in Form M.W. 2 need be prepared and the work executed on acceptance by an officer to whom power to sanction the execution of the work has been delegated under section 33 of the Act of a report made on part II of Form M.W. 2 in compliance with a requisition made on Part I of such form by such officer. If the petty work referred to above is not of an urgent nature is should be kept pending till sufficient petty estimates have been collected for preparing a list of minor works, when regular tenders should be invited, in accordance with the provisions of rule XIII.2; and]

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(2) The committee shall from time to time at intervals of not more than one year sanction a schedule of rates for municipal works, and every estimate shall be framed according to those rates unless in any particular case the Municipal Engineer is of opinion that such rates are not sufficient or are too high, when a detailed report shall be submitted, along with the estimate, as to the reasons for preparing the estimate at rates higher or lower than the rates in the sanctioned schedule, as the case may be.

[In case, the committee has not framed its own Schedule of rates, the PWD Common Schedule of Rates shall be applicable. The committee shall not allow premium at a rate higher than the one approved by the Direction Committee of Chief Engineer in the Department of Public Works on Common Schedule of Rates except with the sanction of the Deputy Commissioner or Chief Administrator in the case of of Faridabad Complex Administration, Faridabad as the case may be.]

(3) If at any time before the completion of work, it appears that the sanctioned estimate is likely to be exceeded by more than five per cent either owing to the rates being found insufficient or for any other cause, the Municipal Engineer shall submit for sanction a revised estimate in Form M.W. 1-A, together with a comparative statement giving a full explanation of the causes which have led to the variations, either in quantities or in rates, between the sanctioned and the revised estimates : provided that if a revised estimate is not likely to be sanctioned before the work is finished, a statement in Form M.W. 1-B shall be submitted by the Municipal Engineer together with the comparative statement referred to in this sub-rule.

XIII.2. Tenders to be called for in case of works to be executed on sanctioned estimates. -

When a work is to be started for which an estimate has been sanctioned as required under the provisions of rule XIII.1, the Municipal Engineer shall, unless the work is to be executed [departmentally or] through the agency of the Public Works Department of Government or of the District Board, by notice published in such manner as the committee may direct, call for tenders for the execution of the whole work or of separate parts of the work or for the supply of materials in connection with the work, to be submitted in Form M.W. 3 or Form M.W. 4, as the case may be, by a date to be specified in the notice.

(2) Every notice published under the provisions of sub-rule (1) shall comply with paragraph 1 of the general rules and directions for the guidance of contractors printed on the first page of Form M.W. 4, and shall contain the remaining paragraphs of those rules and directions.

XIII.3. Provisions as to tenders. - (1) No tender submitted in response to a notice issued under the provisions of rule XIII.2 shall be deemed to be a valid tender unless-

(a) in the case of tender submitted by a firm, it is signed by each member of the firm or a person holding a power of attorney on his behalf;

(b) it is sealed;

(c) it is accompanied by a deposit of earnest-money in cash or currency [notes] or Bankers deposit at call Receipt in favour of the Committee or in Government Promissory Notes Government Securities equal in value at the market rate of the day to the amount of -

(i) fifty rupees, if the amount of the tender does not exceed two thousand rupees, or

(ii) one hundred rupees, if the amount of the tender exceeds two thousand rupees, but does not exceed five thousand rupees, or

(iii) two hundred rupees if the amount of the tender exceeds five thousand rupees, but does not exceed ten thousand rupees, or

(iv) two hundred rupees for the first ten thousand rupees of the amount of tender *plus* one hundred rupees for every five thousand rupees, or portion of five thousand rupees in excess of ten thousand rupees, if the amount of the tender exceeds ten thousand rupees.

(2) All sums received under the provisions of sub-rule (1) shall be treated as deposits received by the committee and shall be brought to account in the manner provided in rule IV. 6 : [Provided that the Committee may, with the sanction of the Local Government, allow such sums of money to remain in the custody of an official authorised by it in this behalf and in that case only the sum forwarded by contractors, whose tenders have been accepted, shall eventually be brought to account in the manner provided in rule IV.6].

[(3) A Register of Tenders shall be maintained by the Municipal Engineer in Form M.W. 3-A, in which shall be entered details to all Tenders received in response to notices published under sub-rule (1) of rule XIII.2.]

XIII.4. Acceptance of tenders. - All tenders shall be opened by the Municipal Engineer at the time and place specified in the notice issued under the provisions of rule XIII.2 in the presence of the President or a Vice-President of the committee, and the Municipal Engineer shall thereafter submit to the President or other officer or sub-committee authorised by the committee in this behalf all the valid tenders received by that date, together with his recommendation as to which tender should be accepted and the President, other officer or Chairman of the sub-committee shall sign the tender or tenders which he or it considers should be accepted, in token of such acceptance.

[(2) In case no suitable rates are received by the Committee, the contract may be given by auction but this procedure should be resorted to only when the tenders called for are considered as too high in comparison with the current market rates.]

XIII.5. Treatment of earnest money. - When a tender has been accepted under the provisions of rule XIII.4 the earnest money forwarded by contractors whose tenders have not been accepted shall forthwith be repaid to them on return for the receipts granted under rule IV.6.

XIII.6. Security for performance of contractors. - (1) When a tender has been accepted under the provisions of rule XIII.4, the contractor shall be required to deposit, within ten days of the receipt of intimation that his tender has been accepted, in cash or currency notes or Government securities such sum as together with his earnest-money which will make up a sum equal to one-tenth of the amount of his tender, as security for the due performance of his contract, provided that all securities so deposited shall be formally pledged to the committee, and the committee may in the case of any work or any class of work require that, instead of the security money being deposited in advance, one-tenth of the amount of every running bill payable to the contractor during the course of the execution of the work may be deducted and

retained by the committee until the amounts so deducted and the earnest-money deposited under the provisions of rule XIII.3 together make up a sum equal to one-tenth of the amount of the contractor's tender.

(2) The security deposited under the provisions of sub-rule (1) shall, if it is cash or currency notes, be deposited in the name of the committee along with the earnest-money deposited under the provisions of rule XIII.3. by the contractor in question in the Post Office Savings Bank, or in such other bank as the committee, with the approval of the [Deputy Commissioner] [or Sub-Divisional Officer within his jurisdiction as the case may be, in respect of a Municipal Committee of the second class or third class, as the case may be], may direct and such security and any sum deducted under the provisions of sub-rule (1) shall be retained by the committee for six months after completion of the work, and shall then be returned to the contractor, together with any interest that may have accrued thereon, unless in the meantime the work has been found to be defective or not up to specification and the contractor has not remedied such defect or failure to comply with the specification, in which case such security or sum deducted shall be retained until such defect or failure has been remedied.

[Provided that the security for the supply of sand, cement, gift, etc., may be refunded three months after the completion of the contract for supply.]

(3) In no circumstances shall an advance be made to a contractor for any work to be executed for a committee.

[XIII.6A. Refund of security. - Notwithstanding anything contained in the foregoing rules the security deposited by the contractor for the supply of material in connection with a work to be executed by the Committee departmentally or otherwise, as mentioned in rule XIII.2 shall be refunded forthwith after the contractor completes the supply strictly in accordance with the conditions of the contract and the supply is accepted as such by the Municipal Engineer and taken on his books.]

XIII.7. Work Orders. - When a report on a requisition in Form M.W. 2 has been accepted under the provisions of rule XIII.1, the Municipal Engineer shall issue a Work Order in Form M.W. 5 for the execution of the work to such contractor as he may deem fit unless the work is of a class which in accordance with a resolution of the committee is to be executed departmentally by the Municipal Engineer.

XIII.8. Muster roll. - (1) In the case of a work carried out departmentally by daily labour, the officer or member-in-charge of the work shall maintain a muster roll in Form M.W. 6, paying the amount due on the roll out of his permanent advance which he shall recoup in the manner prescribed in rule XII.6, supporting the bill with the muster roll; and notwithstanding anything contained in rule XII.13, no acquittance roll shall be required in respect of the payment of such establishment.

(2) One or more muster rolls shall be kept for each work, provided that one muster roll may be used for several small works in cases in which no harm can result if the total unpaid wages are regarded as relating only to the largest work in the group.

(3) [Muster-rolls] shall never be prepared in duplicate.

(4) Labourers may be paid more than once a month, but separate rolls shall be prepared for each period of payment.

(5) Their daily attendances and absences of labourers and the fines inflicted on them shall be recorded daily in Part I of the [muster-roll] in such a way as to facilitate the correct calculation of the net wages of each labourer for the period of payment to render it difficult to tamper with or make unauthorised additions to, or alterations in, entries once made and to facilitate the correct classification of the cost of labour by works and sub-heads of works where necessary.

(6) After a muster-roll has been passed by the officer-in-charge of the work, payment thereon shall be made as soon as possible, and each payment shall be made or witnessed by the official of highest standing available, who shall certify to the payments individually or by groups at the same time specifying both in words and in figures, at the foot of the muster-roll, the total amount paid on each date; and if any items remain unpaid, the details thereof shall be recorded in Part II of the muster-roll before the memorandum at the foot of Part I is completed by the person who made the payment.

(7) Unpaid items shall be carried forward from muster-roll to muster-roll until they are paid, the payments being recorded and certified in Part II in the same way as current items, provided that, if any item has remained unpaid for three months, a report shall be made to the Municipal Engineer, who shall decide whether the liability should continue to be borne in the accounts of the work concerned.

(8) The progress of work done by the labour shown on a [muster-roll] shall be recorded in Part III if the work is susceptible of measurement; and if it is not so susceptible, a remark to that effect shall be recorded.

It was held in LFE No. 5044-B-51/8280, dated 18th September, 1951 to the address of President NAC Guruhar Sahai, that committees are - Competent to get the work executed departmentally under rule XIII.8 after resorting to the provisions of rule XIII.2 and 4(2) *ibid*.

XIII.9. Measurement Books. - (1) Details of every work executed, including works executed departmentally, shall be entered up in a Measurement Book to be maintained in Form M.W. 7 by overseer or other officer or member in direct charge of the work, and shall be checked periodically by the Municipal Engineer, who shall initial the entries checked by him and enter the date of his check and no payment shall be made to any contractor in respect of any work unless such measurement has been done.

(2) All entries in the 'Contents or Area' column of the [Measurement Book] shall invariably be made in ink and all other entries shall also, if possible, be made in ink; and, if any entries have to be made in pencil such entries shall not subsequently be inked over.

(3) The final measurement of a work shall be taken and recorded within ten days of receipt of contractor's report of the completion of the work and in cases where the provision of this sub-rule cannot be complied with, the Municipal Engineer shall record the reasons for the delay.

(4) When a payment is made for the work measured, each page of the [book] recording measurement shall be scored out by diagonal red ink lines and an endorsement shall be made in red ink, on every abstract of measurement giving a reference to the number and date of the payment voucher.

(5) When a [Measurement Book] has been filled up, it shall be returned to the Secretary. [-].

(6) [Measurement Books] shall be numbered serially and the Secretary shall maintain a stock register in respect of them in Form M.W. 7-A in which shall also be entered particulars as to their issue and return.

XIII.10. Forms of Bills for payment for works. - (1) Payment for a work shall be made by means of -

(a) a First and Final Bill in form M.W. 8 in all cases when the work has been executed on a Work Order issued under the provisions of rule XIII.7 and in other cases when a single payment only is to be made on completion of a work or for material supplied for a work; or

(b) a Running Bill in Form M.W. 9 when payment is to be made during the progress of a work for a portion of the work executed or a portion of the material contracted or supplied; or

(c) a Final Bill in Form M.W. 10 when final payment is to be made in respect of a work or a contract for the supply of material completed, payments in respect of which have previously been made on Running Bills.

(2) In order to ensure prompt payment of final [bills], every contractor shall be requested to submit a written report as to the completion of a work not later than the day after such completion.

XIII.11. Work-charged Establishment Pay Bill. - Notwithstanding anything contained in rule XII.8, when any establishment is engaged for the purposes of a particular work, and the cost of such establishment is to be charged against such work, the pay of such establishment shall be paid by means of a Work-charged Establishment Pay Bill in Form M.W. 11.

XIII.12. Completion Certificates. - No [First and Final Bill] and no [Final Bills] shall be paid in respect of any work until a Completion Report and Completion Certificate in Form M.W. 12 [and in the case of petty works of urgent nature, referred to in rule XIII.1, in form M.W. 2] have been submitted by the [Municipal Engineer] or where there is no Municipal Engineer by any person appointed by the [Deputy Commissioner] under Rule 9 of the Municipal Works Rules provided that, with the sanction of the [Deputy Commissioner], [the committee may be resolution permit the submission of Completion Certificates in respect of works costing not more than by a specified amount officers subordinate to the Municipal Engineer.

XIII.13. Statement of Receipts, Issue and Balances of Road Metal. - If supplies of road metal or paving stones or, sets for the repair of roads are maintained or when separate contracts are made for the supply of metal or paving stones or sets for, and the consolidation or paving of, a road to be newly metalled or paved or to be re-metalled or re-paved, statements of receipts, issues and balances of road metal shall be maintained in Form M.W. 13 by the Municipal Engineer or by officers in charge of circles subordinate to the Municipal Engineer, and such officers shall at the beginning of each month, submit a copy of the statement for the previous month to the Municipal Engineer.

XIII.14. The Register of Municipal Works. - (a) A Register of Municipal Works shall be maintained in the accounts office of the committee in Form M.W. 14 in which shall be entered the amount of every estimate for a work sanctioned by the committee and details with regard

to every payment made in connection with the work, a separate page being assigned in the register to each work.

(b) Register of Contracts, Work and Supply Orders. - The Municipal Engineer shall also maintain a register of Contracts, Work and Supply Orders in Form G.33, as required by Rule III.9.

XIII.15. The Contractor's Ledger. - A Contractor's Ledger shall be maintained in the accounts office of the committee in Form M.W. 15, in which shall be entered details of all transactions with contractors in connection with works.

XIII.16. The Register of Aided and Loan Works. - A Register of Aided and Loan Works shall be maintained in the accounts office of the committee in Form M.W. 16, in which shall be kept a *pro forma* account in connection with every work to the cost of which a grant-in-aid has been contributed from provincial revenues or for which a loan has been raised.

XIII.17. Water Works Engineer to perform duties of Municipal Engineer in respect of water-supply works. - The rules contained in this Chapter shall apply to all works undertaken by a committee in connection with water supply or drainage, provided that, if a committee has appointed a separate engineer to be in charge of such works, the powers conferred and duties imposed upon the Municipal Engineer by the provisions of these rules shall be exercised and performed in respect of such works by such separate engineer.

XIII.18. Workshops. - If the committee maintains a workshop, the officer-in-charge thereof, in addition to maintaining a Stock Register (Form G.29) as required by rule XVII.7, shall maintain a Workshop Work Register in Form M.W. 17 and [muster-rolls] of the workmen employed in accordance with the provisions of rule XIII.8, and the Municipal Engineer or other head of department concerned shall not less than once a month examine the [Stock Register] and [Workshop Work Register] and sign them in token on having done so and shall check the muster-rolls on frequent and unexpected occasions.

XIII.19. Lighting. - (1) In a municipality in which street lamps burning oil are used, in order that a check may be exercised over the quantity of oil consumed the committee shall cause to be prepared a table showing the quantities of oil consumed in a given time by lamps of the different patterns in use, and a copy of this table shall be posted in each oil godown and the officer or member in charge of lighting shall periodically check the consumption of oil by comparison with this scale.

(2) If the lighting is done by contract the contract deed, in addition to containing any other provisions that may be required, shall specify -

- (a) the description and quality of the articles to be supplied by the contractor;
- (b) the rates at which such articles are to be supplied unless the contract provides for a lump sum payment; and
- (c) the hours during which the lamps are to be kept alight.

CHAPTER XIV

School Accounts

XIV.1. Receipts on account of school fees and fines. - Notwithstanding anything contained in these rules it shall not be necessary for a receipt to be given in acknowledgement of the payment of school fees or fines, the receipt of which is recorded in the School Attendance Register under the provisions of the Punjab Education Code, and only the totals of the fees and fines respectively received during the months shall be entered in a *challan* in Form G.9 and the amount remitted to the municipal office on the last working day of each month or at such more frequent intervals as the committee may direct.

XIV.2. Preparation and payment of scholarship bills. - (1) Bills for scholarships shall be prepared by the headmasters of schools in Form S.I. and shall be forwarded alongwith the *challan* of receipts prescribed in rule XIV. 1.

(2) If a scholarship is payable in respect of any portion of the month to any pupil who at the time of the preparation of the *bill* has left the school or is absent from the school owing to sickness or any other cause and is not likely to return before the end of the month in which the bill is paid, the amount of such scholarship, the period for which it is payable and the name of pupil shall be entered in red ink in the bill and a deduction of the amount in question shall be made from the total of the bill, and any amount so deducted shall only be paid subsequently on a separate bill in which reference shall be made to the bill from which the charge was deducted.

(3) When a *bill for scholarships* is received in the accounts office of the committee, it shall be dealt with as nearly as may be in the manner prescribed in connection with establishment bills in rule XII.9.

(4) When the amount of a *scholarship bill* is received, it shall be disbursed at once by the headmaster, who shall take the thumb-mark of each scholar in the column provided for the purpose in the Scholarship Acquittance Roll which shall be prepared in Form S. 2 at the time when the pupil is paid.

(5) If during the month in which the bill is paid it is not possible to disburse the amount due to any scholar, such amount shall be shown as receipts by way of refund in the *challan* of receipts (Form G.9) submitted at the end of the month under the provisions of rule XIV. 1.

XIV.3. [-]

CHAPTER XV

Hospitals and Dispensary Accounts

XV.1. Hospital subscriptions and donations. - (1) The medical officer-in-charge of every municipal hospital or dispensary shall maintain a Hospital Subscriptions Cash Book in Form H.1 on the Receipts side of which he shall enter as received all subscriptions and donations to the hospital or dispensary, provided that if in any case a large number of subscriptions is received regularly every month, a register of such subscriptions may be maintained in Form H.2 and only the total amount of subscriptions received during the month shall be entered in the Hospital Subscriptions Cash Book on the last day of each month.

(2) On the last working day of each month the amounts received by way of subscriptions or donations shall be remitted to the municipal office with a *challan* in Form G. 9.

(3) When the medical officer-in-charge of a municipal hospital or dispensary wishes to make any payment out of the money received by way or subscriptions or donations he shall fill up and

forward to the Civil Surgeon a Hospital Subscriptions Bill in Form H.3 and if the Civil Surgeon approves of the object of the proposed expenditure he shall countersign the bill and forward it to the municipal office for payment, provided that if payment is to be made by cheque to a supplier the Civil Surgeon shall forward the bill of such supplier together with the [Hospital Subscriptions Bill]

[Provided further that the medical officer may incur expenditure on his own authority in accordance with the wishes of a donor up to the extent of Rs. 50 out of the permanent advance (to be recouped subsequently by drawing bills in form No. H.3) subject to the condition that he certifies that the expenditure is not in excess of the balance of the donation and is in accordance with the wishes of the donor.]

(4) A Hospital Subscription Ledger in Form H.4 shall be maintained in the municipal office with a separate page for each hospital or dispensary and in it shall be entered the amounts remitted each month under provisions of sub-rule (2), and when any bill countersigned and forwarded by the Civil Surgeon under the provisions of sub-rule (3) is received, the amount of the bill shall be paid if the balance standing to the credit of the hospital subscriptions fund concerned is sufficient to cover the amount of the bill, and the payment shall be entered in the [Hospital Subscriptions Ledger] and the cheque in payment of the bill forwarded to the Civil Surgeon for transmission to the medical officer-in-charge of the hospital or dispensary, provided that if payment is to be made to a supplier, the cheque in payment of the bill shall be drawn in favour of such supplier and shall be forwarded to the Civil Surgeon for transmission to such supplier; and the Civil Surgeon shall intimate to the medical officer-in-charge of the hospital or dispensary the number and date of the cheque.

(5) Every payment made by the Medical officer-in-charge of a hospital or dispensary out of the amount received in payment of a [Hospital Subscriptions Bill] shall be entered on the Payments side of the Hospital Subscriptions Cash-Book (Form H.1) and vouchers for the amounts of such payments shall be forwarded by the medical officer through the Civil Surgeon to the municipal officer, and when intimation is received by the medical officer from the Civil Surgeon of the payment of a Hospital Subscriptions Bill by means of a cheque drawn in favour of a supplier the medical officer shall enter such payment in the Hospital Subscriptions Cash Book (Form H.1) in red ink.

(6) If in any case any money received by way of a donation or bequest to a hospital or dispensary has been invested, the amount of interest received from time to time in respect of such investment shall be entered on the Receipts side of the Hospital Subscriptions Ledger (Form H.4) and intimation of the credit shall be forwarded through the Civil Surgeon to the medical officer-in-charge of the hospital or dispensary who shall enter such amount on the Receipts side of the Hospital Subscriptions Cash-Book (Form H.1) in red ink : no such investment shall be realized except with the sanction of Government which will be given only if the money is required for new buildings or extensive repairs to existing buildings or for expensive new permanent equipment.

(7) Receipts and payments in respect of hospital subscriptions funds shall be entered in the committee's accounts under the heads IX Suspense Accounts, C - Advances, and Deposits and 9 - Suspense Accounts, [C - Advances] and Deposits, respectively.

[XV.2. Inspection of Municipal hospitals and dispensary. - Every Municipal hospital and dispensary shall be inspected by the Civil Surgeon at such intervals as the Inspector-General of

Civil Hospitals may direct, and the Civil Surgeon on the occasion of each such inspection shall satisfy himself that the Hospitals Subscriptions Cash-Book (Form H.1) is properly maintained as well as all the registers prescribed in paragraph 543 of the Punjab Medical Manual.]

Note. - Forms G. 12, G. 28, G. 29, G. 30 and G. 31 of the Municipal Account Code, 1930, shall not be used in the case of dispensaries and hospitals.

XV.3. Hospital ledger to be maintained and annual statement of debit and credit to be forwarded to be Civil Surgeon. - (1) A hospital ledger shall be maintained in the municipal office in Form H.5 in which an account showing credit and debit for each hospital or dispensary maintained by the committee shall be kept on separate page in the following manner :-

On the credit side there shall be entered -

(a) on the 1st day of April, in each year, the amount allotted to the hospital or dispensary by the local body during the year; and

(b) from time to time, as they may be paid into or credited to the municipal fund, the amounts of all contributions to the hospital or dispensary received from other local bodies, or from State funds and all amounts realised by the sale of securities or other property appertaining to the hospital or dispensary or by the sale of medicines or otherwise on account of the hospital or dispensary.

(2) On the debit side there shall be entered from time to time as they are disbursed from the municipal fund, all sums expended on the hospital or dispensary.

(3) On the 31st day of March in each year, the unexpended budget allotment which has lapsed to the committee shall be shown in red ink on the debit side and the balance of the account shall be struck and carried forward to the account of the following year.

(4) At the end of each calendar year a statement shall be prepared from the above ledger and forwarded by the committee to the civil surgeon showing the total income and expenditure received or incurred under each head in respect of each hospital or dispensary during the calendar year.

XV.4. Hospital investment Register to be maintained. - A Hospital Investments Register shall be maintained in the municipal office in Form H.6, in which the acquisition and disposal of the investments, if any, each municipal hospital or dispensary shall be recorded on a separate page, and at the end of each year a statement showing totals of the transactions of the year as recorded in the Register shall be forwarded by the committee to the Civil Surgeon.

XV.5. - Omitted by Punjab Government Notification No. 4799-LG-38/35014, dated 21st October, 1938.

CHAPTER XVI

[Provident Funds]

XVI.1. Definitions. - In this Chapter, unless there is anything repugnant in the subject or the context -

(a) "committee" means a committee which, in exercise of the power conferred by clause (c) of sub-section (2) of section 43 of the Act, has by resolution decided to establish and maintain a provident fund;

[(aa) "Family" means a subscriber's husband and wife, legitimate children, and step-children, parents, sisters and minor brothers residing with and wholly dependant on the subscriber, and the widow and children of a deceased son of the subscriber;]

Note. - Where the personal law of the subscriber allows adoption, an adopted child shall be treated as a natural child.

(b) "interest" means interest accrued on the balance at credit of subscriber to a provident fund calculated as if such balance were a deposit in the Post Office Saving Bank : [or the amount of interest received from investments under rule XVI (2);]

[(c) "Pay" means the amount drawn monthly by a servant of a Municipal Committee as -

(i) the pay other than the special pay or pay granted in view his personal qualifications, which has been sanctioned for a post held by him substantively or in an officiating capacity or to which he is entitled by reason of his position in a cadre; and

(ii) overseas pay, technical pay, special pay and personal pay; and

(iii) any other emoluments which may be specially classed as pay by the competent authority.]

[(d) "savings bank" means Saving Banks of the Post Office or any other Scheduled Bank.]

[(e) "Servant" includes every employee of a Committee who holds a permanent post substantively under the committee or is officiating in a permanent post or temporary post on regular basis and have put in at least one year's continuous service in the committee or local body which maintains a provident fund, but does not include a Government servant employed by a Committee.]

(f) "subscriber" means a servant who is required or permitted to subscribe to a provident fund.

[XVI.2. Servants who shall or may contribute to the provident fund. - Every servant appointed or promoted, on or after the date of the committee's resolution to establish and maintain a provident fund to an office of which the [pay] exceeds twenty rupees shall be required to subscribe to such provident fund at the rate of six and one quarter per cent of his [pay] and any servant appointed or promoted to such an office before the date of such resolution may subscribe to such fund if the Committee so permits, provided that the Committee may allow any servant appointed or promoted to an office of which the [pay] is twenty rupees or less to subscribe to the provident fund in accordance with the rules contained in this Chapter.]

[Provided that if a subscriber so desires he may contribute to the Provident Fund at a higher rate but not exceeding twelve-and-a-half per cent of his pay.]

XVI.3. Recovery of subscriptions. - (1) Every subscription to a provident fund shall be recovered by means of a deduction of amount of such subscription from each [pay] bill of the

subscriber provided that in calculating the deduction to be made fraction of a rupee of [pay] shall be disregarded.

(2) Notwithstanding anything contained in rule XVI.2 or in sub-rule (1) of this rule no servant shall be required or permitted to subscribe to the provident fund while he is absent on leave except during the first four months of leave on average [pay], or, in the case of a servant who is entitled under order previously in force to privilege leave, during such privilege leave on the first occasion when leave is taken under the provisions of the Fundamental Rules.

[Note. - In the case of municipal employee governed by the Civil Service Regulation or the Revised Leave Rules, 1936, the term "leave on average pay" occurring in sub-rule (2) means the privilege leave on full [pay] of the earned leave as the case may be.]

XVI.4. Committee's contributions to the provident fund. - The committee shall contribute to the provident fund of each subscriber [at the rate of six and-a-quarter per cent] of his [pay].

[Provided that if the subscriber, who is required or permitted to subscribe, to the provident fund, resigns, within five years of the commencement of his service, except on account of illness or any other cause, which the committee may determine to be a sufficient cause, or has been dismissed from service of the committee, the committee may deduct from the sum standing to his credit in the provident fund, the whole or any part of the contributions made by it to his provident fund and the interest thereon :]

Provided further that with the sanction of Government a committee may contribute to the provident fund of each subscriber an amount equal to less than the amount of his subscription.

[Note. - If a subscriber is transferred otherwise than as a temporary measure to Government service at his own request, he shall be treated as having resigned from the service of the Municipal Committee. If he is transferred to Government service departmentally, his service under the Committee will be considered to have ceased without a resignation.]

XVI.5. Ledger account subscribers. - (1) The committee shall maintain a Provident Fund Ledger in Form P.F.I., of which separate portions shall be assigned to each subscriber, and there shall be entered therein each month the amount of each subscription, the amount of the committee's contribution and the monthly balance on which interest is to be calculated.

[(2) (a) The committee shall maintain a Provident Fund Liabilities Account in Form PFI-A, which shall be posted upon every day on which accounts are credited or debited to the accounts (Form PF.I.) of the subscribers.

(b) The amount of interest accrued on the balance at the credit of a subscriber shall be calculated at the end of the year or when the account is closed to the nearest pie on the lowest balance, excluding fractions of a rupee, at the credit of the subscriber between the close of the fourth day and the last day of each month.]

[Provided that no interest shall be credited to the Account of a Muslim subscriber, if he informs the committee in writing that he does not wish to receive the interest and that the committee may utilize it on any subject of general public interest :

Provided further that if the subscriber subsequently ask for interest it shall be credited to his account with effect from the first day of the year in which he asks for it.]

(3) At the end of each year the committee shall furnish each subscriber with a statement in Form PF 2, showing the balance at credit of his account at the beginning of the year, the

amounts added thereto by way of subscriptions and contributions and the interest accrued during the year and the balance at credit of his account at the end of the year.

XVI.6. Payment of subscriptions and contributions to be made monthly to the Post Office Savings Bank. - (1) Every committee shall open an account, to be called The _____ Municipal Provident Fund Account, with the Savings Bank, and as soon as may be at the beginning of each month and if possible, before the fourth day of each month shall pay into such account the amount of all subscriptions recovered under the provisions of rule XVI.3 and of the contributions payable under the provisions of XVI. 4.

[The Executive Officer of the Municipal Committee or where there is no such Executive Officer the Secretary may operate the Municipal Provident Fund Account.]

(2) Before a cheque is drawn for payment of subscriptions and contributions as required by sub-rule (1), a bill shall be prepared in Form PF 3 and submitted with the relevant salary and establishment bills in Form G. 15 and G. 16 for signature to the authorized officer as required by rule XII. 11, provided that the committee may make payment of the subscriptions and contributions on a single bill and by means of a single cheque in respect of all subscribers or on separate bills and by means of separate cheques in respect of subscribers of different departments.

(3) All cheques drawn under the provisions of sub-rule (2) shall be drawn in favour of the Postmaster.

XVI.7. General rule as to withdrawals. - (1) No sum shall be withdrawn from the provident fund account with the Savings Bank except -

(a) under the provisions of sub-rule (1) of rule XVI. 8 for the purpose of investment or placement; or

(b) under the provisions of sub-rule (1) of rule XVI. 9 for the purpose of making an advance to a subscriber's; or

(c) Under the provisions of Rule XVI. 10 when a subscriber's account is to be closed for payment to the subscriber or his heirs.

(d) under the proviso to sub-rule (2) of rule XVI. 5 for the purpose of utilising the interest on subject of general public interests.

(2) Whenever a sum is withdrawn from the provident fund account with the Savings Bank such sum shall forthwith be credited to the Municipal fund under the head IX - Suspense Accounts, C - Advances and Deposits and payments shall be made therefrom for the purpose for which the sum was withdrawn by means of a separate cheque on a bill in Form G.13 and such payment shall be debited to the head 9 - Suspense Accounts, C - Advances and Deposits, provided that if any portion of a sum withdrawn is to remain credited to the municipal fund under the provisions of any rule such portion of such sum shall be credited by book transfer under the head I General Departments - A - General, (vi) Miscellaneous Unclassified Receipts, a corresponding debit being shown under the head 9 - Suspense Accounts, C - Advances and Deposits.

[XVI.8. Investment of provident fund moneys. - (1) [Save as provided in rule XVI.8.A] with the previous sanction of the [(Deputy Commissioner)] [(or Sub-Divisional Officer within his jurisdiction as the case may be in respect of a Municipal Committee of the second or third class, as the case may be)] a committee may from time to time withdraw any sum from the provident fund account with the Savings Bank and may invest or place such sum subject to the conditions and restrictions applicable to the investment or placement of a portion of the municipal fund under sub-section (1) of section 55 of the Act.

(2) The interest obtained by the investment or placement of any sum under sub-rule (1) shall be deposited in the Savings Bank to the credit of the Municipal Provident Fund Account subject to the following conditions :]

Conditions

1. The committee shall establish a Provident Fund Investments Depreciation Fund, hereinafter in these conditions referred to as "the fund" which shall be deposited in the Post Office Savings Bank or in the [Imperial Bank of India] Savings Bank, under the General Account of the General Provident Fund Account.

2. There shall be credited to the fund immediately on accrual :-

(a) all interest accruing on the amount of the fund from time to time, and

(b) one per cent per annum of the sum invested under sub-rule (1), provided that the interest received from investments and available for distribution amongst the subscribers should not be less than the interest obtainable from the Post Office Savings Bank.

(3) After deducting from the interest obtained by the committee on any sum invested under sub-rule (1) the amount referred to in condition 2 (b) above, the remainder of the said interest shall be deposited in the Savings Bank to the credit of the Municipal Provident Fund.

(4) At the end of each year immediately after the account of each subscriber has been credited with interest in accordance with the provisions of sub-rule (2) of rule XVI the Secretary of the committee shall lay before the committee a statement showing :-

(a) the total amount of interest accrued to the Municipal Provident Fund Savings Bank Account during the year just closed either earned in the Savings Bank itself or credited thereto in accordance with the provisions of condition above; and

(b) the total amount of interest credited to subscriber's account under the provisions of sub-rule (2) of rule XVI. 5.

5. At the close of five years after the institution of the fund and at regular intervals of five years thereafter the committee shall furnish to the Commissioner for scrutiny a statement showing the total amount of Provident Fund investment held by the committee and a statement showing the total amount at the credit of the fund.

6. If the [(Deputy Commissioner)] [(or Sub Divisional Officer with in his jurisdiction as the case may be, in respect of Municipal Committee of the second or third class, as the case may be)], is satisfied at any quinquennial scrutiny that any of the investments held by the committee out of the Provident Fund have depreciated in value, he may direct that an amount not exceeding the

amount of such depreciation shall be drawn by the committee from the fund and credited to the Provident Fund Savings Bank Account.

7. If the [(Deputy Commissioner)] [(or Sub Divisional Officer within his jurisdiction as the case may be,)] is satisfied at any quinquennial scrutiny that the balance in the fund after the withdrawal, if any, of any sum in accordance with condition 6 is sufficient to cover any depreciation likely to occur during the next following period of five years in regard to any of the investments held by the committee as part of the Provident Fund, the [Deputy Commissioner] [or Sub Divisional Officer within his jurisdiction as the case may be, in respect of a Municipal Committee of the second or third class, as the case may be], may direct that for the next five years the amounts to be deposited in the fund in accordance with clause (b) of condition 2 shall be reduced to such sum as he may prescribe, or shall be discontinued for such period not exceeding five years as he may direct.

8. If any reduction or discontinuance of the periodical payments into the fund has been ordered by the [Deputy Commissioner] [or Sub Divisional Officer within his jurisdiction as the case may be], in respect of a Municipal Committee of the second or third class, as the case may be under the provisions of condition 7, he may at any subsequent quinquennial scrutiny direct that the payments be restored to the original figures or to any portion thereof as he may deem fit.

(9) (a) [The cost of making any investment under the provisions of sub-rule (1) shall be met out of the depreciation fund.]

(b) When any such investment is realised and the net price obtained after payment of any brokerage and other incidental charges is less than the amount originally invested, the difference shall be made good from the depreciation fund, and if such net price is greater than the amount originally invested, the difference shall be credited to the fund.

[(9) If there is sufficient balance in the fund and there is no likelihood of its being utilised in accordance with condition No. 6 due to investment in the Government securities, such as National Saving Certificates, National Defence Saving Certificate, Government Loan, Treasury Deposit Certificates, etc. the committee may with the previous sanction of the Deputy Commissioner transfer to the municipal fund part of the balance of the fund not exceeding 75 per cent.]

[XVI.8A. Investment of provident fund moneys in National Saving Certificate. - (1) At the option of a subscriber, the whole or part of the amount at his credit in the provident fund account should be invested by the Committee in National Savings Certificates in accordance with the Post Office National Savings Certificate Rules, 1944, [or Defence Deposit Certificates or if possible in any other Government security or scheme approved by the Government.]

(2) The entire interest accrued on such investment should be credited by the Committee to the account of the subscriber who has invested the money. The incidental charges in connection with making or realizing of such investment should be debited to the account of the subscriber.

(3) The National Savings Certificate, like insurance policies, should be pledged to the President of the Committee. These certificates will remain in the custody of the Secretary of the Committee until their maturity or retirement or death of the subscriber, whichever event occurs earlier, so that if circumstances require the withholding of the Committee's contribution under rule XVI.4 or deduction of any amount under rule XVI.11 of the Code, it may be made, and the certificates may be cashed before the due date of their maturity.]

[XVI.9. Advances. - (1) With the sanction of the Deputy Commissioner, [or Sub-Divisional Officer within his jurisdiction as the case may be, in respect of a Municipal Committee of the second or third class, as the case may be], any subscriber may, out of his own share of the amount shown at credit of his account [in column 5-A] of the Provident Fund Ledger, be granted an advance from his provident fund of an amount not exceeding three times the amount of his [pay] for the following purposes and for no other purposes;

(a) to pay expenses incurred in connection with the illness of the subscriber or a member of his family; or

(b) to pay expenses in connection with marriages, funeral or other ceremonies which by the religion of the subscriber it is incumbent upon him to perform and in connection with which it is obligatory that expenditure should be incurred :

Provided that no such advance shall be sanctioned unless the pecuniary circumstances of the subscriber are such that the expense, is, in the opinion of the Deputy Commissioner, absolutely necessary :

Provided further that when an advance has already been granted to a subscriber, a subsequent advance shall not be granted to him until at least twelve months after the final repayment of all previous advances together with interest thereon except for very special reasons to be recorded in writing by the sanctioning authority.

(2) The amount of an advance shall be repayable in not more than twenty-four equal instalments as may be fixed [by the Deputy Commissioner], when sanctioning the advance and such instalments shall be recovered as if they were subscriptions in the manner provided in rule XVI.3.

(3) The amount of an advance shall be recorded in column 5 of the Provident Fund Ledger (Form P.F. 1) and a note shall be made in column 8 as to the number of instalments by which the advance is recoverable, and each month the amount of the advance repaid shall be recorded in red ink in column 2 of the ledger in column 7 shall be entered the amount of the balance of the advance outstanding, and the amount of interest lost on the monthly outstanding balances shall be recovered from the subscriber in the month following the month in which the last instalment of the advance is recovered, and at the end of the year shall be added to the interest calculated on the monthly balance shown in column 6.

[Provided that Muslim subscriber whose deposit in the fund carry no interest shall not be required to pay any interest.]

(4) If under the provisions of [-] first proviso to rule XVI.4 the whole or any portion of a committee's contribution is to be withheld when a subscriber's account is closed, and if when such account is closed any portion of an advance made to such subscriber is still outstanding the amount of the advance outstanding plus the amount of interest lost calculated on the monthly outstanding balances of the advance shall be added to the amount shown at credit of the account, in [Column 5-A] for the purpose of calculating the committee's share of the total credit of account.]

[XVI.9A. - (1) Each subscriber shall, as soon after he joins the Provident Fund, as possible be called upon by the committee to furnish a declaration in Form P.F. 7, in favour of one or more

members of his family in such proportions as he may like showing what he wished to be done with the provident fund money at his credit in the event of his death.

Declaration in form P.F. 7 by subscriber. - (2) A subscriber, who has no family, may nominate any other person or persons instead, provided that such a nomination shall be deemed to have been duly made in accordance with these rules only for as long as the subscriber has no family.

(3) If a subscriber at any time acquires a family or remarries, any declaration already made under sub-rule (1) or (2) above, as the case may be, shall forthwith become null and void and unless a revised declaration is received by the committee the amount of his accumulations shall be dealt with under clause (a) or (b) of sub-rule (1) XVI.10, as the case may be.

(4) A nomination may be cancelled by a subscriber and replaced by any nomination which is permitted to be made under this rule.]

[XVI.9B. Payment of insurance premia out of provident fund. - Payments towards a policy of insurance may at the option of subscribers, be substituted for or deducted from subscriptions to the provident fund, subject to the following conditions :-

(i) Only the amount of subscription with interest thereon standing at the credit of a subscriber in the provident fund may be withdrawn to meet the payment of premia.

(ii) If the total amount of any subscription or payment substituted under rule XVI.9B is less than the amount of subscription payable to the fund under rule XVI.2, the difference shall be paid by the subscriber as subscription to the fund.

(iii) The policy to be financed from the provident fund shall be the one effected by the subscriber himself on his own life except a "Pure Endowment" policy, which involves no element of risk on life. The policy shall be such as is legally assignable to the President of the Committee.

Notes. - 1. A guarantee policy which ensures the payment of the sum assured in the event of the policy holder being retired by the Medical Board shall be accepted for the purposes of this rule.

A contingent annuity, which, in the event of his death, ensures a certain income to the insurant's wife or children or both shall also be accepted for the purposes of this rule.

2. If a policy of insurance is effected by a subscriber on his own life for the benefit of a sole beneficiary specifically named therein a formal assignment by both insured and the sole beneficiary shall be permissible. An assignment of a policy effected by subscriber on his own life for the benefit of more than one beneficiary whether existent or not at the date of the policy shall not, in view of the attendant legal difficulties, be permissible under this rule.

[(iv) The policy shall not be effected for the benefit of any person/persons other than that/those who is/are entitled to receive the amount of the provident fund from which the policy is financed].

(v) The President/Executive Officer shall not make any payments on behalf of the subscribers to Insurance Companies nor shall he take steps to keep the policy alive. If a subscriber certifies every month at the time of preparation of the pay bill that the monthly premium payable by him to the Insurance company is not less than amount of his Provident subscription under rule XVI.2, the President/Executive Officer shall accept the same. He can, however, demand and scrutinize, at any time, the premium receipts or certified copies thereof showing that such payments have actually been made to the

Insurance Company. In the event of the insurant's not furnishing the same, the President/Executive Officer shall make the necessary deductions from the subscriber's pay for deposit in his provident fund. Should the subscriber prefer to do so, he may apply for an advance from the provident fund, for payments of his quarterly, half-quarterly or yearly premia.

(vi) Any sums already at the credit of the subscriber in the fund may be withdrawn for the payment of premia or for the purchase of a single payment of life policy, or at the discretion of the President for the payment of single premium but the utilization of sums already at credit shall not relieve the subscriber from continuing to make the usual deduction from his current salary within the limits prescribed in rule XVI.2 of these rules whether the amount is to be paid into the funds or towards an insurance policy except when the subscriber is on leave other than leave on average pay.

Note 1. - The amount which may be withdrawn under this clause for payment of a single premium is the amount required to a single premium which on receipts by the insurance company at once becomes the property of the company. A subscriber shall not withdraw an amount from the fund for deposit with the insurance company for adjustments towards payments of future premia on his policy. Withdrawals are permissible to finance single payment endowment policies and not merely whole life policies and there should be no objection to the acceptance of a policy on the joint lives of a subscriber and his wife.

[Note 2. - (1) When a subscriber proposes to convert a policy which has been assigned to the President into a paid-up policy, it should first be ascertained whether the insurance Company intends to issue a new document. If it does, the policy should be reassigned to the subscriber in the following form, namely :-

"I _____ the President of the _____ Municipal Committee, hereby assign unto _____ the within policy of assurance."

The new policy should be assigned to the President, and handed over to him.

If the company proposes to convert the policy into a paid-up one by means of an endorsement thereon to that effect, the policy should either be handed over to the subscriber for transmission to the Insurance Company, or be sent direct by the President but in either case with a request that the policy when so endorsed by the Company may be returned direct to the President. If there is thereby a radical change in the benefits derivable under the policy, a memorandum that may be required to be endorsed and signed by the President as well as the subscriber acknowledging the altered position.

(2) In the case of paid-up policies it is necessary to see that the paid-up value of the policy is not less than the amount of the premia diverted from the Fund. The amount of interest which would have accrued on such premia had they been left in the Fund should not be taken into account in the calculation. If the paid-up value is less than the total of the sums withdrawn from the Fund for premium payments, not including interest, the subscriber should forthwith be required to pay the difference into the Fund. Any profits stated by Company to have accrued on policy upto the date of its conversion should, however, be taken into account calculating the difference, only if the Company is prepared to guarantee the profits by making an entry in the policy.

(3) In the case of a policy assigned to the President which a subscriber wants to surrender, the policy may be reassigned to the subscriber for the purpose of the surrender on the condition that he pays the surrender value of the policy into the Fund Account and, if the surrender value be less than the total of the sums diverted from the Fund for premium payments, and interest, thereon that he also pays the difference into the Fund. In other words, such cases should be treated like those of lapsed policies and the Fund Account has to be restored to what it would have been, had the premia not been paid out of it.

(4) In cases both of paid-up and surrendered policies in which it is considered that the recovery in a single instalment of the difference to be paid into the Fund Account will cause hardship to the individual concerned, recovery should be effected in such number of instalment, not exceeding 24, as the Deputy Commissioner may decide. If recovery is made by instalments, interest will not be charged in the case of paid-up policies even for the period of actual recovery, but interest at the usual rate will be charged for this period in the case of surrendered policies.

Note. 3. - The provisions of note 2 above cover cases for final surrender of policies and not of exchange of policies. Accordingly, a holder of a policy assigned to the President who desires to improve his position by replacing one policy by a better one should be permitted to do so, subject to the following conditions being observed, namely :-

(1) The new policy should carry the same or a larger amount of insurance.

(2) The premium in respect of the new policy should not be more than the premium paid in respect of the old policy.

(3) The new policy should mature within the same year as the old policy.

(4) The new policy should be in force on the date on which the original policy is surrendered.

Note. 4. - The provisions of note 3 above contemplate the surrender of a policy or the substitution of a better policy in another office. In many cases in which it is to the advantage of a policy holder to replace his policy by a policy in another and better office, the policy which is to be replaced may not be entirely surrendered. Insurance companies allow, as an alternative to the surrender of the existing policy, a fully paid-up policy for a reduced sum insured as a *quid pro quo* for premiums paid prior to discontinuance of further premiums. The existing policy remains in force as a paid up policy, and constitutes part insurance cover in addition to the sum insured under the new policy. Thus, as a result of the replacement transaction, the policy holders hold insurance in two offices partly in the old and partly in the new office. If the total amount of insurance cover given by the two policies be the same or larger than the amount of insurance given by the old policy prior to the discontinuance of the premium thereunder, the first of the conditions set out in the note referred to above should be regarded as satisfied.]

(vii) A policy shall not be rejected, if -

(1) there is a difference between the amount payable at maturity and death if it occurs earlier; or

(2) the assured is unable to say what amount precisely will be payable at maturity; or

(3) the insurant has not been required to be medically examined by the company; or

(4) the amount withdrawn is to meet the premium due for one or more policies, provided they are otherwise acceptable.

(viii) (a) If a policy assigned to the President matures before the subscriber quits the service the President shall, save as provided in sub-rule (c) proceed as follows :

If the amount assured together with the amount of any accrued bonuses is greater than the whole of the amount withheld or withdrawn from the fund in respect of the policy with interest thereon, the President shall reassign the policy to the subscriber and make it over to him and he (the subscriber) shall pay to the fund, the whole of any amount withheld or withdrawn with interest accrued thereon.

If the amount assured together with the amount of any accrued bonuses is less than the whole of the amount withheld or withdrawn, with interest, the President shall realize the amount assured together with any accrued bonuses and shall place the amount so realized to the credit of the subscriber in the fund.

(b) the bonuses which accrue on any policy may be allowed to accumulate with the policy until it matures, but if it is incumbent on the policy holder to withdraw them as they fall due, the amount shall be credited to the subscriber's account in the fund.

(ix) A policy, the payment or payments for any premia on which shall, under this rule, be substituted for subscriptions to the fund or withdrawn from the sum at the credit of a subscriber for the same purpose, and which has not already been assigned to the President of the Committee and delivered to him under this rule, shall within 3 months of such payment or withdrawal be so assigned and delivered as security for the payment contingently of the sum which in the event of lapse, of the policy or any assignment, charge or encumbrance thereof or thereon becomes payable by the subscriber to the fund. No payment so made by a subscriber shall be considered as in substitution for any subscription by him to the fund unless and until the life policy shall have been so assigned and in default of such assignment within three months after such payment or withdrawal, as the case may be, the amount so paid or withdrawn shall forthwith be paid or repaid by the subscriber concerned to the President or shall in default be deducted from such subscriber's pay.

(x) (a) The assignment of a policy under this rule shall be endorsed on the policy and shall be in the following form :-

"I, A.B. ofhereby assigned unto the President of theMunicipal Committee the within policy of assurance as security for payment of all sums which under rule XVI.2 of the rules for the management of municipal provident funds may hereafter become liable to pay to the committee's provident fund" or in the case of policies of insurance effected by the subscriber for the benefit of a sole beneficiary as follows :

"We, A.B. (the subscriber) ofand C.D. (the sole beneficiary of the policy) of..... in consideration of the President of theMunicipal Committee agreeing at our request to accept payments towards the within policy of assurance in substitution for the subscription payable by me, the said A.B. to the Committee's provident fund (or as the case may be, to accept the withdrawal of the sum of rupees _____ from the sum to the credit of the said A.B. in the provident fund for payment of the premium of the within policy of assurance), hereby jointly and severally assign unto the said President the within policy of assurance as security for payments of all sums which the said A.B. may hereafter become liable to pay to that fund.

[(b) Save as provided in the clause X(c) the policy shall be reassigned to the subscriber and handed back to him on quitting his service or on his refunding with the full interest thereon any advances taken from the provident fund for the purpose of paying premia thereon and in the event of his death, before quitting the service, unless the Policy is already effected for the benefit of the beneficiary stipulated in sub-rule (v) above, reassignment shall be executed in favour of, and the policy be handed to, the legal representative of his estate as determined by a civil court having competence to pass orders in this respect. Notice of a reassignment shall be sent to the insurance company by the President of the committee. In the case of a sole beneficiary having been already appointed by the policy-holder during his life time and registered by the insurance company the reassignment shall be effected in favour of such beneficiary].

(c) If notice has been received by the President of any assignment or attachment of, or encumbrance on the policy he shall not execute a re-assignment of the policy in favour of the subscriber or in the event of his death of the legal representative of his estate as

determined by a civil court having competence to pass orders in this respect, until he shall have obtained the orders of the [Deputy Commissioner] [or Sub Divisional Officer within his jurisdiction as the case may be, in respect of a Municipal Committee of the second or third class, as the case may be.]

(xi) The following procedure shall be observed in regard to the assignment and re-assignment of life policies :-

(a) When the assigned policy is delivered to the President under clause (ix) it shall be accompanied by a certificate from the subscriber to the effect that no prior assignment of the policy exists. The President shall satisfy himself independently that this is the case by direct reference to the insurance company.

(b) Notice of the assignment of policy shall be given by the subscriber to the insurance company and acknowledgement of the notice of the insurance company shall be sent by the subscriber to the President within three months of the date of assignment.]

XVI.10. Withdrawal on closing of account. - (1) When a subscriber dies the amount shown to the credit of his account in [column 5-A] of the Provident Fund Ledger (Form PF 1) plus interest accrued to date shall be withdrawn from the Savings Bank, and payment of such amount shall be made -

[(a) When the subscriber leaves a family. - (i) If a nomination made by the subscriber in accordance with the provisions of rule XVI.9-A in favour of member or members of his family subsists, the amount standing to his credit in the fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the portion specified in the nomination.

(ii) If no such nomination subsists or such nomination relates only to a part of the amount standing to the credit of the subscriber, the whole amount or the part not covered by the nomination shall, notwithstanding any nomination purporting to be in favour of any person other than a member of the subscriber's family become payable as to one moiety to the husband or the widow (or in equal shares to the widows) as the case may be, and as to the other moiety in equal shares to the children of the subscriber :

Provided that if one or more of his sons have died leaving behind their widows or sons or both, the respective shares of each such deceased son shall be payable in equal shares amongst their sons or widows or both :

Provided further that if the subscriber has left only a husband or widow or widows, as the case may be, the amount shall become payable to such husband or widow or in equal shares to such widows as the case may be, or if the subscriber has left only children, the whole of the amount shall become payable to such children in equal shares subject to proviso (1) above or failing both children and widow or widows or husband, as the case may be, in equal shares among other members of the family;

Provided further that no share shall be payable to -

(i) married daughters whose husbands are alive; and

(ii) married daughters of a deceased son whose husbands are alive;

if there is any member of the family other than those specified in clauses (1) and (2) above.]

[(b) When the subscriber leaves no family. - (i) If a nomination made by him in accordance with the provisions of rule XVI. 9-A in favour of any person or persons subsists the amounts standing to his credit or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nomination.

(ii) Or if no nomination is made by him in accordance with the provisions or rule XVI.9-A subsists, or if such nomination relates only to a part o the amount standing to his credit in the fund, the whole amount or the part thereof to which the nomination does not relate, shall be payable to his legal heirs.]

Explanation. - (1) For the purposes of this sub-rule a subscriber's posthumous child shall be considered to be a member of his family at the time of his death and, if born alive, shall be treated in the same way as a surviving child born before the subscriber's death.

(2) The case of a posthumous child already born when the case is taken up by the disbursing officer will present no difficulty. For the rest if the possibility of the birth of a posthumous child is brought to the notice of the disbursing officer, the amount which will be due to the child in the event of its being born alive, should be retained, and the balance distributed in the normal way under the sub-rule referred to above. If the child is born alive, payment of the amount retained should be made as in the case of a minor child; but if no child is born or the child is still-born, the amount retained should be distributed among the family in accordance with the sub-rule cited above.

(2) Subject to the provisions of rule XVI.4, when a subscriber ceases to be a servant of the committee the amount shown to the credit of his account in [column 5-A] of the Provident Fund Ledger (Form P.F. I) plus interest accrued to-date shall be withdrawn and shall, be paid to him :

Provided that -

(a) if he is transferred otherwise than temporarily to the service of another local body which maintains a provident fund, or when having been transferred temporarily from the service of another local body he reverts to such service the amount withdrawn shall be paid to such other local body for credit to his provident fund account with such local body; and

(b) if he is transferred temporarily to the service of another local body [or Government], the amount shown to the credit of his account in column 6 of the Provident Fund Ledger shall not be withdrawn, but shall remain to the credit of his account.

(3) when a subscriber -

(a) has proceeded on leave preparatory to retirement, or

(b) while on leave, has been permitted to retire or declared by the competent authority to be unfit for further service the amount shown at the credit of his account in column 5-A of the Provident Fund Ledger (Form PF 1) shall upon application made by him in that behalf, become payable to him, subject to the provisions of Rule XVI 4 :

Provided that the subscriber, if he returns to duty, shall, if required to do so by the Committee, repay to the Provident Fund for credit to his account, the whole or part of any amount paid to

him from the provident fund in pursuance of this sub-rule with interest thereon in cash or securities or partly in cash or partly in securities by instalments or otherwise, by recovery from his salary or otherwise as the committee may direct.

[(4) Notwithstanding anything contained in [sub-rule (1), (2) or (3) no amount shall be withdrawn for payment to a subscriber or his heirs under the provisions of those sub-rules such payment can be made immediately]; provided that if such payment cannot be made within one year if the amount at credit of the subscriber's provident fund account is ten rupees or less, or within three years if such amount is more than ten rupees the committee shall withdraw such amount and credit it to the municipal fund under the head 1 - General Departments - A General, [(v) *] Miscellaneous Unclassified Receipts; and no payment shall thereafter be made to the subscriber or his heirs except under the orders of the [Deputy Commissioner.]

(5) When an account is closed under the provisions of this rule a line shall be drawn in red ink across the page below the last entry in the Provident Fund Ledger Account and the number and date of the *challan* with which the amount at credit of the account is remitted to the treasury shall be recorded below the line together with the number, date and amount of the bill or bills on which payments of the amount are subsequently made, and if the amount is withdrawn under the provisions of sub-rule (3) the words "Dead Account" shall be added.]

XVI.11. Amounts to be withheld when account is closed. - Notwithstanding anything contained in rule XVI.10 if any sum is due from a subscriber to the committee at the time when his account is closed the committee may deduct the amount of such sum [but not exceeding in any case the total amount of its contributions credited to the account of the subscriber and interest accrued thereon] before making payment under rule XVI.10 of the amount at the credit of his provident fund account.

[XVI.12. General accounts to be maintained by the Committee. - Every committee shall maintain -

(1) a Provident Fund Account in Form P.F. 4.

(2) a Provident Fund Investments Account in Form P.F. 5.

(3) a Provident Fund Investments Interest Account in Form P.F. 6 or if a Provident Fund Investment Depreciation Fund is maintained a Provident Fund Investment Interest Account in Form P.F. 6-A and a Provident Fund Investment Depreciation Fund Account in P.F. 6-B; and

(4) an account in Form P.F. 8, showing the amount available for payment of insurance premia of the Provident Fund subscribers].

[(5) a register in Form P.F. 9 for keeping a list of investors of and the account of investments in the National Savings Certificates.]

CHAPTER XVII

Miscellaneous

[XVII.1. Service books and Service rolls to be maintained for municipal employees. - Service books shall be maintained for all permanent employees of the Committee other than Malis, Beldars, Pound-Keepers Herdsmen, Cartmen, Khansamas, Sweepers and Bhishtis. The book shall

be obtained at the cost of the employees from the treasury and shall be maintained in accordance with rule 12.2 and 12.8 of the Civil Service Rules (Punjab), Volume I, Part I. A service rolls in form Miscellaneous I shall be maintained for every other class of municipal servants for whom no service book is necessary.]

[XVII.1A. Alteration of date of birth of an employee in the service book. - No alteration in the entry relating to the date of birth of an employee of the Committee in his service book shall be made unless the resolution of the Committee permitting the alteration to be made has been confirmed by the [Deputy Commissioner] [or the Sub Divisional Officer] within his jurisdiction as the case may be, in respect of a Municipal Committee of the Second or third class as the case may be.]

[XVII.1B. Character rolls for permanent employees in superior service. - Character rolls shall be maintained for all permanent employees in superior service of the committee as defined in Article 396, Civil Service Regulations.]

[XVII.2. Security to be furnished by certain employees. - (1) Every employee of the Committee other than an Honorary Secretary or Medical Officer of Health, or a police constable in charge of a cattle pound, or, if the [Deputy Commissioner] [or Sub-Divisional Officer] within his jurisdiction as the case may be, in respect of a Municipal Committee of the second or third class, as the case may be, so directs, an Executive Officer, a paid Secretary, Municipal Engineer, Electrical Engineer, Medical Officer, who is a Government servant, Health Visitor or Headmaster of Secondary School or, if the Government so directs any other employee of the Committee shall if entrusted with the receipt, disbursement of custody of money or property of the Committee be required to furnish security, to an amount to be fixed in each case by the Committee.]

Provided that -

(1) the amount of security shall be fixed by the Municipal Committee with the approval of [the Sub-Divisional Officers in the case of second class Municipal Committees and the Additional General Assistant to the Deputy Commissioner, or the District Development and Panchayat Officer at the district headquarters in the case of third class municipal committee] and with the approval of the Commissioner in the case of first class municipal committees with due regard to the responsibility of the officer and the value of cash or property usually handled by him;

(2) in exceptional cases the Deputy Commissioner, [-] may allow payment of the required security by monthly deductions not exceeding 20 per cent from the salary of the employee concerned, subject to the condition that the amount of the security shall be made up in a period not exceeding three years and that personal securities shall be obtained until the full amount has been recovered;

[(3) In case where cash security is taken the amount shall be deposited in a bank or post office so as to earn a reasonable rate of interest, the amount of interest, when added by the Bank or Post Office, may be paid to the official concerned, if claimed by him.]

[(2) Such security may be cash, Government paper or other stocks or a bond hypothecating property or a Fidelity Guarantee Policy or a personal security with two sureties. A security bond in Form G.24 shall be executed on property stamped paper in all cases except in the case of Fidelity Guarantee Policy.]

Note. - [The right denomination of stamp to be used for these security bonds is non-judicial as distinguished from judicial or Court-fee stamp. An impressed sheet (obtainable from stamps vendors) or an impressed label (affixed or impressed by the office of the Financial Commissioner's Punjab, should be used for these security bonds. Where the bond is typed or printed it should be sent to the office of the Financial Commissioner, Punjab for affixing the required stamps. When impressed sheets are purchased from stamp vendors it should be seen that they are of the proper value, as prescribed in Article 57 of Schedule 1-A of the Stamp Act.]

(3) Securities shall be examined and verified by the first day of April each year, and certificate to the effect that this has been done shall be signed by the Secretary against each item in the "Remarks" column of the Register of Deposit in which details with regard to such securities are to be recorded under rule XVII.3.

Note. - [The Fidelity Guarantee Policy shall be examined and verified by the Secretary once a quarter to see that the employee concerned has actually renewed it by payment of prima, the receipt for which should be attached to the policy and a certificate to this effect shall be furnished to the President/Executive Officer for his information.]

[XVII.2A. Security by a banker. - Security by a banker under section 54 of the Punjab Municipal Act, 1911, shall be furnished in Form G. 24, the amount to be fixed by the (Deputy Commissioner) in each case.]

XVII.3. Register of Deposits to be maintained. - Details with regard to all deposits made with the committee whether in the form of cash, Government paper or other stock or in the form of security bonds shall be entered from time to time as occasion arises in a Register of Deposits to be maintained in Form G. 25 separate pages being assigned to different classes of deposits : in the case of bonds, if property is hypothecated, a brief description of the property shall be entered in the "Remarks" column of the register and the heading of column 10 shall be changed to "Name of Depositor".

(2) A fresh Register of Deposits [*] shall be opened at the beginning of each year in which details of all deposits which have not lapsed or been returned during the previous year shall first be re-entered.

[XVII.3A. Lapse of Security. - A security deposited under rules XIII.6 and XVII. 2 [or deposited under the provisions of any other rules or bye-laws of the Committee] shall lapse and shall be credited to the committee if it remains unclaimed for more than three complete account years after it has been become due. A security thus lapsed to the committee shall not be repaid unless the committee is satisfied that the item was really received, was carried to credit as lapsed and is now claimed by the person who might have drawn it at any time before the lapse. The repayment of the security shall be recorded in the remarks column of the Register of Deposits (Form G. 25) in order to ensure that a lapsed deposit is not paid more than once.]

XVII.4. Register of Investment to be maintained. - (1) Details with regard to all investments made by the committee, including fixed deposits placed with a bank but excluding investments made from provident fund balances, and hospital or dispensary investments shall be entered from time to time as occasion arises in a Register of Investment to be maintained in Form G. 26, in which every entry made shall be initialled by the Secretary.

(2) A statement showing the amount and nature of all investments recorded in the [Register] shall be forwarded each year with the annual account in Form G.5.

XVII.5. Register of Loans to be maintained. - Details with regard to all loans raised by a committee shall be recorded in a Register of Loans to be maintained in Form G. 27, each portion

of a loan as it is taken being recorded in column 4 : each loan shall be recorded on a separate page of the register and every entry made in the register shall be attested by the Secretary.

XVII.6. Register of Stamps to be maintained. - (1) Every officer or employee of the committee in charge of stamps for postage or receipts shall maintain a Register of Stamps in Form G.28, in which the receipts and issue of all stamps shall be recorded as they occur.

(2) Service stamps shall not be used by a Government servant conducting correspondence on behalf of a committee.

[(3) (a) All reference by municipal servants on personal matters, such as leave, leave salary, pay increments, fund subscription, house rent, postings etc. must be submitted in covers, the postage charges of which should be borne by the said municipal servant and not by the employer committee. When, however, references are forwarded officially by a superior officer the letter may be treated like any other official communication.

(b) All telegraphic message regarding personal matter referred to in (a) above or other analogous matters must be paid for by the persons sending them. When a telegraphic reply is required on any such matter the reply should be always prepaid.

(c) these instructions are also applicable to the use of telephone for trunk-calls.

(d) When it comes to the notice of audit that a letter, telegram or trunk-call has been made at municipal expense instead of at the expense of the officers concerned, recovery should be made from the next pay bill of the servant who should be informed of the reasons for the recovery. If the servant wishes to object to the recovery, he must take the matter up with the Examiner, Local Fund Accounts, Punjab through his Controlling Officer, who may, if he desires obtain the orders of Government.]

XVII.7. Stock Register to be maintained. - (1) Every officer or employee of the committee in charge of stocks or articles or materials kept for issue other than stamps shall maintain a Stock Register in form G.29, in which shall be entered from time to time as occasion arises every transaction affecting such stocks : postage pages of the register shall be assigned to different classes of stocks.

(2) If any particular class of articles kept in stock is issued frequently during the day, e.g., coal, the issues shall be noted as they occurring a Store keeper's Day-book to be maintained in Form G.30, and at the end of the day the daily totals shall be taken and carried into the Stock [Register].

XVII.8. Register of Movable Property to be maintained. - Every officer or employee of the committee in charge of movable property of the committee other than stamps or stocks of articles or material kept for issue shall maintain a Register of Movable Property in Form G.31.

XVII.9. Register of Suits to be maintained. - (1) The committee shall maintain a Register of Suits in Form G.32, in two volumes, one for suits in which the committee is the plaintiff and one for suits in which the committee is the defendant, and a separate page of the register shall be allotted to each suit.

(2) In the volume of the register of [suits] in which the committee is the defendant the amount paid in satisfaction of a decree given against the committee and the date of payment shall be noted in the "Remarks" column.

[(3) The committee shall also maintain a register in form G.32-A in respect of process-fees. A statement showing the expenditure incurred in his behalf shall be submitted by the committee in Form G-32-B, at the end of each month to the Deputy Commissioner of the district for the use of the Stamp Auditor.]

[XVII.9A. Maintenance of a register of Composition offences. - The committee shall maintain a register of composition of offences under section 229 of the Punjab Municipal Act, 1911, in the following Form :-

Register of composition of offences under section 229 of the Municipal Act.]

Serial No.	Date of entry	Name and address of the offender	Nature of offence and reference to relevant section of Act or Rule	Date of commission of offence or report	Amount payable if any according to rates fixed by the committee or value of damage if any assessed.	Date of application or signature or thumb-impression of the offender desiring the offence to be compounded	Sum of money fixed by the compounding officer by way of composition
1	2	3	4	5	6	7	8

[XVII.10. Custody of Government Promissory notes. - Government promissory notes shall, if they are not likely to be returned within twelve months, be sent for safe custody to the Treasury Officer of the nearest Government treasury : in all other cases valuables belonging to the committee shall, if there is a branch of the [*] Imperial Bank of India situated within the municipality concerned or at the headquarters of the district, be kept in that bank, and if there is no such bank, be kept in the Government treasury in a strong box to be deposited in the double lock room, and the keys of such strong box shall remain with such person as the committee may direct : provided that securities endorsed in favour of any person acting as a banker or any bank other than the Imperial Bank of India, and fixed deposit receipts of such persons or banks, other than the Imperial Bank of India, shall be deposited in the Government Treasury.]

XVII.11. Check of Registers by heads of departments. - Every head of department shall from time to time examine the [Stamp Registers], [Stock Registers] and [Registers] of Movable Property maintained by employees of his department and shall verify the existence of the balances of stamps, stocks or property shown in the registers; at the end of each quarter he shall submit a report to the President showing the dates on which such registers were last examined.

XVII.12. Triennial verification of Committee's properties. - (1) The whole of the property of the committee, moveable and immovable including investments, shall be verified at least once in three years by a member or members of the committee specially appointed : provided that the same member or members shall not be appointed for this purpose on two consecutive

occasions : provided further that with the sanction of the [Deputy Commissioner] the committee may employ a professional auditor for the purpose of this verification.

[(2) Notwithstanding anything contained in sub-rule (1) the said verification of the meters, heaters, and boilers, if any, and other parts of the electric installation belonging to the municipal committees of Simla and Amritsar shall be made by a person or persons specially appointed by the committee in this behalf.]

[XVII.13. Writing off irrecoverable and other dues of losses. - Whenever it is found that any amount due to the Committee is irrecoverable or should be remitted, or whenever any loss of municipal money or stores or other property occurs through the fraud or negligence of any person or for any other cause and such property or money is found to be irrecoverable the fact shall be reported to the Committee, and the Committee may order the amount or value of the property to be written off as loss, irrecoverable or remitted, as the case may be, provided that, if in any case the amount due or the value of such property is in excess of five hundred rupees in case of A class Committee, three hundred rupees in case of B class Committee and two hundred rupees in case of C class Committee, such order shall not take effect without the approval of the Deputy Commissioner. The Deputy Commissioner shall exercise the powers of writing off the losses upto rupees one thousand in respect of Committees of A, B and C Class. The cases of more than one thousand rupees shall be referred to Government for approval.]

XVII.14. Advances. - (1) When an advance of any sort whether a permanent advance under the direct supervision of the Secretary who shall sign the entry, as a demand in the Miscellaneous Demand and Collection Register (Form R.12), and when the advance is adjusted, the particulars of the transaction shall be entered on the collection side of the register, a note being made in the "Remarks" column showing how the adjustment was made.

(2) The amount of the advances outstanding at the end of each half-year shall be abstracted on to a list of outstanding showing the original amount advanced and the date on which the advance was made and the list shall be laid before the committee.

(3) Every officer to whom a permanent advance is given shall on receipt of the money and on the first day of April each year sign an acknowledgement that the amount is due from and to be accounted for by himself, and in the case of the transfer of the charge of an office a similar acknowledgement for the full amount shall be signed by the relieving officer, and all such acknowledgements shall be kept on a guard file in the office of the committee.

(4) No permanent advance of an amount exceeding five hundred rupees shall be made to any officer, member or servant of the committee without the sanction of the [Deputy Commissioner.]

[(5) No advance of any amount shall be made to the President, Vice-President or a member of a committee without the previous approval of the Municipal Committee; provided that -

(i) at the time of passing such a resolution the committee shall satisfy itself that no previous advance is outstanding against the person concerned without good and sufficient reasons; and

(ii) the committee shall prescribe a time limit on the expiry of which the advance shall be accounted for or refunded.]

XVII.15. Office Order-book. - An Office-book shall be maintained by the Secretary in which shall be noted all appointments, promotions, leave, suspensions, fines and office arrangements and other order generally; provided that if the committee so directs separate Order-books may be maintained in different departments by the heads of departments.

[XVII.16. Opening of Bank Account and Minimum Balance. - (i) The Municipalities shall open Salary and Wages Account in the local branch of the Haryana State Co-operative Bank for all the receipts on account of tax and non-tax revenue. The municipalities shall also open another bank account called Loan and Grants Accounts.

(ii) The municipalities shall maintain minimum balance in the Salary and Wages Account equal to one month salary and wages to be declared by the Executive Officer or Secretary, as the case may be, in the beginning of each financial year:

Provided that the municipal councils and municipal committees may draw a sum of rupees thirty thousand and rupees fifteen thousand respectively out of the minimum balance, in a month, as contingent expenses :

Provided further that authorised officer to operate the bank account shall mark the word 'against minimum balance' on each cheque drawn for salary or for the contingent expenses :

Provided further that a register for all such declarations and withdrawals from the salary and wages account shall be maintained by the Accountant/Accounts Clerk of the municipalities under the attestation of Executive Officer or Secretary, as the case may be.]

XVII.17. Audit and accounts. - [(1)(a) Subject to the control of the Secretary to Government Punjab, Finance Department, who will be the final audit authority the accounts of the committee shall be audited, so far as possible once a year or half yearly as the government may direct, by or under the orders of the Examiner, Local Fund Accounts, Punjab. The State Government may, however, direct that the accounts of a specified committee be audited from day to day by one or more resident auditors on the establishment of the Examiner, Local Fund Accounts, Punjab.]

[(b) In addition to the ordinary audit against statute rules and orders, higher audit will be conducted with reference to the canons of financial propriety reproduced below :-

(1) Every Public Officer should exercise the same vigilance in respect of expenditure incurred from Government revenues or other public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

(2) Money borrowed on the security of allocated revenues should be expended on those objects only for which, as provided by rules made under the Act, money may be so borrowed.

If the money is utilized on works which are not productive, arrangements should be made for the amortization of the debt.

(3) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly to its own advantage.

(4) Government revenues of public funds should not be utilized for the benefit of a particular person or section of the community unless :-

- (i) the amount of expenditure involved is significant, or
- (ii) a claim for the amount could be enforced in a court of law, or
- (iii) the expenditure is in pursuance of recognised policy or custom.

(5) The amount of allowances, such as travelling allowance granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole sources of profit to the recipients.]

Without prejudice to the other audit functions, a list of the more important matters that may be taken up in higher audit is given below :-

- (1) Examination of administration reports dealing with the public expenditure.
- (2) Scrutiny of order delegating financial authority.
- (3) Scrutiny of Rules and Orders affecting expenditure and other transactions subject to audit.
- (4) Scrutiny of the financial position and suggestions for increasing income or reducing expenditure for maintaining financial equilibrium.
- (5) Scrutiny of outstanding realisations and collection of information from the assesseees to ensure the correctness of the arrears.
- (6) Scrutiny of refunds of rates and taxes to ensure that there is no leakage of revenue.
- (7) Scrutiny of expenditure with a view to see that it is necessary and to make suggestions designed to stop extravagant expenditure.
- (8) In order to see that the travelling allowance bills are not made a source of profit:-
 - (i) scrutiny of bills of Heads of Department and other officers who countersign their own bills with special regard to the necessity and frequency of journeys and halts to see if they show any special features which cannot be objected to in the ordinary audit;
 - (ii) scrutiny of all travelling allowance bills particularly of journeys by motor with a view to checking excessive demands;
 - (iii) scrutiny of countersignatures on bills to show if the controlling officer is not showing undue laxity;
 - (iv) suggestion for transfer of headquarters in order to effect economy in travelling allowance charges and to facilitate the work of officers concerned;
 - (v) scrutiny of actual expenses on account of hire of conveyances and other charges with a view to fixing a suitable monthly allowance;
 - (vi) scrutiny of frequent bills for short journeys.

(9) Scrutiny of bills for pay and allowances with a view to see that the allowances or scale of pay are not excessive in comparison with that of similar posts under Government or in adjoining local bodies.

(10) As regards works and supplies and services -

(i) the instance or calls for tenders being made before contracts are given and on comparison of local rates with those at important trade centres before placing orders;

(ii) comparison of rates in the neighbouring localities for work done in the supply made;

(iii) scrutiny of lump sum contracts in various departments for similar work with a view to reduction in expenditure;

(iv) scrutiny of public works staff with a view to see that the proportion of cost of establishment to work is not too high in comparison with local bodies similarly constituted;

(v) scrutiny of contributions recovered for services rendered with a view to see that the contribution covers the present cost;

(vi) in cases of water and electric supplies and other similar works the comparison of the quantity of the work done with the consumption of fuel.

(11) *Contingencies*. - Scrutiny of water-supply electric and other contingent charges with a view to suggesting the possibility of effecting economy.

2. It has been decided by Government to levy audit fee on daily rate basis in the case of Municipal Committee in Patiala Division also.

[(2) The Committee shall pay to Government an audit fee calculated, according to the number of auditors engaged on auditing the accounts of the committee as follows:-]

[(a) in the case of one Junior Auditor, at the rate of fifteen rupees for every day or part of a day;]

(b) in the case of Senior Auditor, at the rate of forty rupees for every day or part of a day;

(c) in the case of a party of one Senior and one Junior Auditors, fifty-five rupees for every day or part of a day;

(d) in the case of a party of one Senior Auditor and two Junior Auditors, at the rate of seventy rupees for every day or part of a day;

Provided that the Punjab Government may in the case of any specified committee prescribe rates other than those specified above.

The above rates will remain in force for a period of three years with effect from the 1st April, 1945 [*]

Explanation. - (1) The decision of the [Examiner, Local Fund Accounts, Punjab], whether an auditor is a junior auditor or a senior auditor, shall be final.

(2) For the purpose of this sub-rule, "day" shall mean working day, that is, any day on which the audit staff is actually engaged on auditing the accounts of the committee.

(3) The audit fee payable under the provisions of sub-rule (2) shall be paid by means of a book transfer from the municipal fund made by the Treasury Officer on the requisition of the auditor conducting the audit.

(4) The committee shall produce at the time of audit all such accounts, registers, documents and papers as may be required by the audit officer for the purpose of the audit.

(5) It shall be open to an audit officer by public notice or otherwise to invite the public to assist in his audit by the production of receipts, passes or other documents issued by employees of the committee in acknowledgement of moneys paid to the committee.

(6) After each audit of its accounts the committee shall deal promptly with the objection statement and audit note sent by the audit officers, and shall as soon as possible decide upon the action to be taken on the objections and suggestions made by the audit officer the action so taken shall be indicated on an interleaved copy of the audit note, and one copy of such annotated copy of the audit note shall be produced for the information of inspecting officers at their next visit, one copy shall be forwarded to the Examiner, Local Fund Accounts, Punjab and one copy to the Deputy Commissioner for transmission to the Commissioner of the Division.

[(e) The Committee shall deal promptly with the audit note. It shall, within a month of the receipt thereof, convene a special meeting of the committee to consider the objections and suggestions made by the Auditor and to decide upon the action to be taken in regard thereto and the decision so taken shall be indicated on an interleaved copy which shall be sent to the Examiner, Local Fund Accounts, Punjab, within three months of the date of the receipt of the audit note. A copy with two spare copies shall at the same time be sent to the Deputy Commissioner. A similar copy should be kept in the office of the Committee and shall be placed before the Inspecting Officers at their next visit.]

[Note. - In municipalities in which resident auditors are appointed the municipal committee will be required to pay the cost of the establishment employed as determined under Fundamental Rule 117 or such smaller sum as the Punjab Government may determine.]

XVII.18. Embezzlements. - (1) Whenever an embezzlement of municipal moneys or property is discovered, an enquiry shall at once be instituted by the President [or the Executive Officer where such an officer has been appointed] and the fact of the embezzlement shall immediately be reported by him direct to the [Examiner, Local Fund Accounts, Punjab], who may if he thinks fit, investigate the matter, and intimation shall also be sent through the Deputy Commissioner to the Commissioner of the Division. [Cases involving embezzlement in excess of Rs. 10 shall be reported to the Police after the Examiner, Local Fund Accounts, Punjab, has inquired into the matter and is satisfied that there does exist a *prima facie* case of embezzlement.]

(2) Whenever in any circumstances an irregularity likely to be connected with an embezzlement or the fraudulent loss of money or property is discovered, a report shall at once be sent to the Examiner, Local Fund Accounts, Punjab and also to the Deputy Commissioner, who may, if he thinks fit, apprise the Commissioner of the Division of it.

[XVII.19. Leave allowance. - The Committee may grant leave allowances to any of its employees, provided that no allowance shall exceed the sum of to which under the rules for the time being governing the conditions of service the employee would be entitled if the service had been service under the Government.]

Explanation. - Register of books purchased for library. - For the purpose of this rule a head of a department drawing rupees two hundred per mensem or over shall be deemed to be of the status of a Provincial Service Officer in Government Service.

[XVII.20. Details with regard to all books, purchased by the Committee and kept in the Library for public use, shall be entered by the Librarian, as the occasion arises, in a register to be maintained in form M.L.I., in which every shall be initialled by the Secretary."]

[XVII.21. **Sub-Divisional officer, Kulu.** - For the purposes of the foregoing rules the Divisional Officer, Kulu, shall exercise, perform or discharge all the powers, functions or duties of the Deputy Commissioner over in respect of any municipal committee within the limits of his jurisdiction.]

"From T.S. 6

(See rule VII-8)

Book No.-----Municipal Council/Committee----- No. -----Municipal Council/Committee-----
Date of Issue-----

Building and Land Tax Bill

The amount specified below is due from -----

Name and address of assessee-----

Number of demand in Demand and Collection Register, Period in respect of which the amount is due, Particulars of person(s) or property in respect of which the tax is due, Amount

House No. ----- Block No. -----

(a) Tax for the year----- on above property is Rs. -----

(b) Actual payable amount with 10% rebate if payment is made within due date of 30 days from the receipt of the Bill Rs.-----

(c) Actual payable amount with 10% penalty if payment is not made within due date-----

(d) Interest amount @ 1% per month is Rs.-----

(e) Arrears of tax, if any-----

(f) Fire Tax @ ½% of the Annual Value of the residential buildings and @ 1% of the Annual Value of all other buildings-----

(g) Arrears of Fire Tax, if any -----

Gross Total :-----

Signature of Tax Superintendent

"From T.S. 6

(See rule VII-8)

Book No.-----Municipal Council/Committee----- No. -----Municipal Council/Committee-----

Date of Issue-----

Building and Land Tax Bill

The amount specified below is due from -----

Name and address of assessee-----

Number of demand in Demand and Collection Register, Period in respect of which the amount is due, Particulars of person(s) or property in respect of which the tax is due, Amount

House No. ----- Block No. -----

(a) Tax for the year----- on above property is Rs. -----

(b) Actual payable amount with 10% rebate if payment is made within due date of 30 days from the receipt of the Bill Rs.-----

(c) Actual payable amount with 10% penalty if payment is not made within due date-----

(d) Interest amount @ 1% per month is Rs.-----

(e) Arrears of tax, if any-----

(f) Fire Tax @ ½% of the Annual Value of the residential buildings and @ 1% of the Annual Value of all other buildings-----

(g) Arrears of Fire Tax, if any -----

Gross Total :-----

Signature of Tax Superintendent