

Office of Controller General of Accounts  
Government of India

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# COMPENDIUM OF ACCOUNTING PROCEDURES



## PREFACE

The Government of India, through its accounting framework, strives to ensure fiscal transparency, accountability, and sound financial management in all its operations. Accounting procedures and their consistent application are crucial for achieving these objectives, allowing for the efficient and effective management of public funds.

The Controller General of Accounts (CGA) plays a pivotal role in overseeing the establishment and maintenance of accounting systems within the Government of India. As part of this responsibility, the CGA has been entrusted with ensuring that the accounting procedures followed across various Ministries and Departments align with established standards, rules, and regulations.

This Compendium of Accounting Procedures is intended to serve as a comprehensive reference guide for the Government of India's financial management practices. It consolidates the accounting rules, procedures, and guidelines laid down by the Ministry of Finance, and ensures their harmonized implementation across various government entities. The aim is to streamline the accounting process and provide uniformity in the preparation, maintenance, and reporting of public accounts.

The procedures outlined in this compilation are designed to support the principles of effective financial management. These procedures also emphasize the need for compliance with the statutory norms that underpin the Government's financial reporting.

This document is intended to be a living resource, updated regularly to reflect new policies. The CGA will continue to work towards improving the accounting framework, fostering a culture of accountability and efficiency in government financial operations.

I am hopeful that this compilation will serve as a valuable reference for all Government of India officials and entities involved in the management and oversight of public funds, contributing to the achievement of the Government's goals for fiscal discipline and effective service delivery to the citizens of India.



Shri S. S. Dubey

Controller General of Accounts

## **Introduction**

This document entails the details of accounting procedures formulated under various laws, rules and provisions of Government of India.

The document is issued by Office of Controller General of Accounts for public welfare and awareness of various government offices regarding accounting procedure related to these accounts.

### **ACCOUNTING OF TRANSACTIONS UNDER RESERVES AND RESERVE FUNDS**

1. Any device to render the grants non-lapsing by withdrawing such amounts to a Fund is contrary to the strict principles of sound budgetary and financial controls. However, such a course is adopted in certain cases with the cognizance and approval of the competent authority (Cabinet/Parliament etc.) to constitute a specific Reserve or Reserve Fund. These Reserves or Reserve Funds may be classified under the following three categories according to the sources from which they are funded:
  - (i) Funds accumulated from grants made by another Government and at times aided by public contribution, e.g., Fund formed from subvention from the Central Road and Infrastructure Fund; Fund for Economic Development and Improvement of Rural Areas;
  - (ii) Funds accumulated from sums set aside by the Union or State Governments from the CFI or the Consolidated Fund of the State, as the case may be, to provide reserves for expenditure to be incurred by themselves on particular purposes, e.g., the various Depreciation or Renewals Reserve Funds created in respect of commercial departments and undertakings;
  - (iii) Funds accumulated from contributions made by outside agencies to the Union or State Governments, e.g. Deposit Account of grants made by the Indian Council of Agricultural Research; deposit account of grants made by the Indian Central Cotton Committee.
2. The main principles which would govern the procedure for accounting of expenditure met from Reserves or Reserve Funds and its exhibition in estimates and accounts are set out below:-

(i) A grant to the Union or State Government by another Government should be treated as ordinary revenue of the recipient Government irrespective of whether the grantor Government retains control over the expenditure from the grant or not.

(ii) A grant from an outside agency to the Union or a State Government made without reserving control over the expenditure there from should also be treated as ordinary revenue of Government.

(iii) Where reserves are created out of the grants mentioned in sub-  
paras (i) and (ii) above or out of moneys set aside by the Union or State Government from the CFI or the State, as the case may be, the transfers to and the expenditure from the reserves are required to be through appropriation by the Parliament/ Legislature.

**3. The method of accounting applied to the Reserve Funds should be as follows, and in keeping with the aforementioned principles: -**

The grants from outside agencies that do not retain control over the expenditure met there from and the grants from other Government will, in the first instance, be taken to the relevant receipt head of account of the Government. Simultaneously, an amount equivalent to the grant received and credited to the receipt head will be transferred to the relevant head in the Reserve Fund/Deposit section of accounts by debit to the service major head concerned. In the case of Fund referred to in

(ii) of para 2.12.1 above, the amounts set aside by the Union/State Government from the CFI/State to provide reserves for expenditure to be incurred by themselves on particular purposes should likewise be taken to the Reserve Fund head opened for the purpose. In both cases, in order to bring the expenditure from the Fund into the Appropriation Accounts, the expenditure should be accounted for under the relevant service head of expenditure under which provision of Funds has been made and an equivalent amount will be credited to the service head concerned by transfer from the Reserve Fund/Deposit Head concerned and shown as a deduct entry there under. Provisions contained in para 3.4 of General Directions to the LMMHA may be referred for the accounting procedure relating to Reserve Funds.

4. The principles and procedure prescribed in this paragraph do not apply to certain transactions for example those pertaining to Famine Relief Funds and Sinking Funds for loans, which are governed by special arrangements. In the case of Regulatory Bodies, different procedure has been adopted, whereby the receipts of the regulatory bodies are being credited directly to the Fund, without routing it through CFI. However, for the expenditure the procedure remains unchanged and is required to be budgeted, unless specifically exempted.
5. Contributions towards share capital in non-departmental commercial and Industrial undertakings will be recorded under the concerned Programme Minor Heads below relevant functional Major Head of Account. Loans paid to these undertakings will be classified similarly under the concerned Programme Minor Heads below the relevant functional Loan Major Head of Account.

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**Ministry of Finance**  
**Department of Expenditure**  
**Office of the Controller General of Accounts**  
**Mahalekha Niyantrak Bhawan**  
**E Block, GPO Complex, INA**  
**New Delhi-110023**

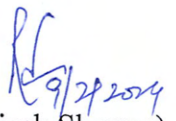
**Subject: Accounting procedure for constitution of 'Agriculture Infrastructure and Development Fund' in Public Account.**

Office of the Chief Controller of Accounts, Ministry of Finance may please refer to this office UO no. 9(4)2022/TA/e-11863/22 dated 04.01.2024 and 9(4)2022/TA/e-11863/45 dated 18.01.2024 forwarding therewith draft accounting procedure for constitution of Agriculture Infrastructure and Development Fund (AIDC) to O/o CAG for their advice.

2. They may find enclosed herewith O/o CAG's UO No. 115/GA-60/MH-510/AIDC/2021 dated 07.02.2024 conveying their advice thereon. Compliance to the same may please be ensured .

3. They are also requested to provide a copy of the Notification for accounting procedure for constitution of 'Agriculture Infrastructure and Development Fund' to this office for onward submission to O/o C&AG as desired by them.

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(Rajesh Sharma)  
Senior Accounts Officer

Chief Controller of Accounts, Ministry of Finance, North Block, New Delhi

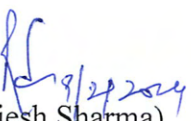
U. O. No. 9(4)/2022/TA/e-11863/ 92-100

Dated: 09 /02/2024

Copy to:

1. Chief Controller of Accounts, M/o Agriculture and Farmer's Welfare.
2. Chief Controller of Accounts, M/o Rural Development
3. Chief Controller of Accounts, M/o Food Processing Industry
4. CCA, M/o Finance, D/o Expenditure, New Delhi
5. Controller of Accounts, M/o Jal Shakti
6. Dy Director (Budget), D/o Economic Affairs, M/o Finance, New Delhi.
6. Sr. AO (Acc. Pro.I), O/o CAG, 10, Bahadur Shah Zafar Marg, New Delhi- 02
7. Sr.AO, Code Section, O/o CGA, New Delhi

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(Rajesh Sharma)  
Senior Accounts Officer

**Accounting procedure for operation of Agriculture Infrastructure and Development Fund in Public Account.**

1 The Section 124(1) of the Finance Act, 2021 provides for levy and collection of a duty of Customs to be called Agriculture Infrastructure and Development Cess on the goods imported into India for the purposes of financing the agriculture infrastructure and other development expenditure. Similarly, Section 125(1) of the Act ibid provides for levy and collection of additional duty of excise called Agriculture Infrastructure and Development Cess on the goods manufactured or produced for the same purpose.

2 The receipts from 'Agriculture Infrastructure and Development Cess (AIDC)' are classified under the Minor Head '510- Agriculture Infrastructure and Development Cess' below the Major Head '0037- Customs' and under the minor head '508 – Agriculture Infrastructure and Development Cess' below the sub- Major Head '03- Non-Shareable Duties' under the Major Head '0038-Union Excise Duties'.

3. Department of Expenditure has vide its OM No. 00(07)/PFC-I/2020 dated 17.11.2021 prescribed the distribution of receipts from AIDC in the following manner:

Sl. No.	Name of the Ministry/Department	Allocation percentage
1	Ministry of Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare	80%
2	Ministry of Jal Shakti, Department of Water Resources, River Development and Ganga Rejuvenation	10%
3	Ministry of Rural Development, Department of Land Resources	5%
4	Ministry of Food Processing Industries	5%

4. A new minor head with the nomenclature '**Agriculture Infrastructure and Development Fund**'(AIDF) under the Major Head '8235- General and other Reserve Funds' in the non-interest bearing section of the Public Account will be opened into which the total proceeds of Agriculture Infrastructure and Development Cess will be transferred. **Agriculture Infrastructure and Development Fund** will be maintained and administered by the Ministry of Finance, D/o Economic Affairs, Budget Division.

5. Respective Ministries implementing the schemes to be funded by AIDF shall make provision for transfer to and amount met from AIDF along with scheme expenditure in their Detailed Demand for Grant (DDG). Accounting entries for transactions relating to AIDF by respective PAOs are as follow:

I. Transfers in respect of different segments of the Agriculture and Infrastructure Development Fund will be made as under:

A. Ministry of Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare

i. Dr. MH 2401 Crop Husbandry

00.797- Transfers to Reserve Fund/Deposit Account

yy – Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund- Crop Husbandry

63- Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Crop Husbandry

Cr

ii. Dr MH 2416 – Agricultural Financial Institutions

00.797- Transfers to Reserve Fund/Deposit Account

yy – Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund-Agricultural Financial Institutions

63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

00.xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Agricultural Financial Institutions

cr

iii. Dr. MH 2435 Other Agricultural Programmes

00.797- Transfers to Reserve Fund/Deposit Account

yy – Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund- Other Agricultural Programmes



To 63– Inter Account Transfer

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Other Agricultural  
 Programmes cr

iv. Dr. MH 3601 Grants-in-aid to State Governments

06 - Centrally Sponsored Schemes  
 797- Transfers to Reserve Fund/Deposit Account  
 yy – Transfers to Agriculture Infrastructure and Development Fund  
 Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
 to State Governments  
 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to  
 State Governments cr

v. Dr. MH 3602 Grants-in-aid to Union Territory Governments with Legislature

06 - Centrally Sponsored Schemes  
 797- Transfers to Reserve Fund/Deposit Account  
 yy – Transfers to Agriculture Infrastructure and Development Fund  
 Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
 to Union Territory Governments with Legislature  
 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to Union  
 Territory Governments with Legislature Cr

**B. Ministry of Food Processing Industries**

i. Dr. MH 2408 Food, Storage and Warehousing  
 01- Food

797- Transfers to Reserve Fund/Deposit Account

yy – Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund- Food, Storage and Warehousing

63- Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Food, Storage and Warehousing Cr

C. **Ministry of Jal Shakti**

i. Dr. MH 2700 Major Irrigation

80 - General

797- Transfers to Reserve Fund/Deposit Account

yy - Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund- Major Irrigation

63- Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Major Irrigation Cr

ii. Dr. MH 3435-Ecology and Environment

04- Prevention and Control of Pollution

797- Transfers to Reserve Fund/Deposit Account

yy - Transfers to Agriculture Infrastructure and Development Fund

Xx - Transfers to Agriculture Infrastructure and Development Fund- Ecology and Environment

63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Ecology and  
 Environment Cr

iii.

Dr MH 3601-Grants-in-aid to State Governments  
 06 - Centrally Sponsored Schemes  
 797- Transfers to Reserve Fund/Deposit Account  
 yy – Transfers to Agriculture Infrastructure and Development Fund  
 Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
 to State Governments  
 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to  
 State Governments Cr

iv. Dr. MH 3602 Grants-in-aid to Union Territory Governments with Legislature

06 - Centrally Sponsored Schemes  
 797- Transfers to Reserve Fund/Deposit Account  
 yy – Transfers to Agriculture Infrastructure and Development Fund  
 Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
 to Union Territory Governments with Legislature  
 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to Union  
 Territory Governments with Legislature Cr

**D. Ministry of Rural Development, Department of Land Resources:**

- i. Dr. MH 2501 Special Programmes for rural Development
- 05–Waste Land Development
- 797- Transfers to Reserve Fund/Deposit Account
- yy – Transfers to Agriculture Infrastructure and Development Fund
- Xx - Transfers to Agriculture Infrastructure and Development Fund- Special Programmes for rural Development
- 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Special Programmes for rural Development Cr

- ii. Dr. MH 3054 Roads and Bridges
- 04–District and Other Roads
- 797- Transfers to Reserve Fund/Deposit Account
- yy – Transfers to Agriculture Infrastructure and Development Fund
- Xx - Transfers to Agriculture Infrastructure and Development Fund- Special Programmes for rural Development
- 63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds

00.xxx - Agriculture Infrastructure and Development Fund

yy - Agriculture Infrastructure and Development Fund- Roads and Bridges Cr



- ii. Dr MH 3601-Grants-in-aid to State Governments  
       06 - Centrally Sponsored Schemes  
       797- Transfers to Reserve Fund/Deposit Account  
       yy – Transfers to Agriculture Infrastructure and Development Fund  
       Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
       to State Governments  
       63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to  
 State Governments Cr

- iii. Dr. MH 3602 Grants-in-aid to Union Territory Governments with Legislature  
       06 - Centrally Sponsored Schemes  
       797- Transfers to Reserve Fund/Deposit Account  
       yy – Transfers to Agriculture Infrastructure and Development Fund  
       Xx - Transfers to Agriculture Infrastructure and Development Fund- Grants-in-aid  
       to Union Territory Governments with Legislature  
       63– Inter Account Transfer

To

Major Head 8235- General and other Reserve Funds  
 00. xxx - Agriculture Infrastructure and Development Fund  
 yy - Agriculture Infrastructure and Development Fund- Grants-in-aid to Union  
 Territory Governments with Legislature Cr

**II. Amounts to be financed from Agriculture and Infrastructure Development Fund will be met as per Para 7 of the Accounting procedure.**

6. With reference to the availability of funds under the Agriculture and Infrastructure Development Fund and subject to their allocated percentage, the respective Ministries shall make necessary budget provisions under relevant functional Major Heads of the schemes/programmes being run by them. While incurring expenditure on a specific scheme, the concerned PAO will debit the relevant functional head as follow:

- i. **Ministry of Agriculture and Farmers Welfare**

Name of Scheme	Head of Accounts at Minor Head Level
Pradhan Mantri Fasal Bima Yojana	1. 2401.00.110 2. 2401.00.789 3. 2401.00.796
Modified Interest Subvention Scheme	1. 2416.00.102 2. 2416.00.789 3. 2416.00.796
Pradhan Mantri Kisan Samman Nidhi Yojana	1. 2401.00.130 2. 2401.00.789 3. 2401.00.796
Rashtriya Krishi Vikas Yojana	1. 2435.60.103 2. 2435.60.789 3. 2435.60.796 4. 3601.06.101 5. 3601.06.789 6. 3601.06.796 7. 3602.06.101 8. 3602.06.789 9. 3602.06.796

ii. Ministry of Food Processing Industries

Pradhan Mantri Kisan Sampada Yojana (PMKSY)	Mega Food Parks	2408.01.103.19.01
	Infrastructure for Agro-processing Clusters	2408.01.103.19.02
	Integrated Cold Chain and Value Addition Infrastructure	2408.01.103.19.03
	Creation/Expansion of Food Processing & Preservation Capacities	2408.01.103.19.04
	Creation of Backward and Forward Linkages	2408.01.103.19.05
	Food Safety and Quality Assurance Infrastructure	2408.01.103.19.06
	Human Resources and Institutions	2408.01.103.19.07
	Operation Greens	2408.01.103.19.09

## iii. Ministry of Jal Shakti

Sl. No.	Schemes	Head of Accounts Existing	
		Head of the Account	Nomenclature
1	Interlinking of Rivers	2700	Major Irrigation
		2700.80	General
		2700.80.190	Assistance to Public Sector and Other Undertakings
2	National Ganga Plan (Non-EAP)	3435	Ecology and Environment
		3435.04	Prevention and Control of Pollution
		3435.04.101	Prevention of Pollution of National Rivers
3	Accelerated Irrigation Benefit Programme and National/Special Projects (part of PMKSY)	3601	Grants-in-aid to State Govts.
		3601.06	Centrally sponsored Scheme
		3601.06.101	Central Assistance/Share
		3601.06.796	Tribal Area Sub-Plan
		3602	Grants-in-aid to Union Territory Governments with Legislature
		3602.06	Centrally sponsored Scheme
		3602.06.101	Central Assistance/Share

## iv. Ministry of Rural Development, Department of Land Resources

1	Grant-in-aid General	3601.06.101.53.00.31	3601 Grants-in-aid to State Governments (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 06.101 Central Assistance / Share (Minor Head) 53 Pradhan Mantri Krishi Sinchayee Yojana-Watershed Development Component 53.00.31 Grant-in-Aid General
2	Schedule Casts Component	3601.06.789.45.00.31	3601 Grants-in-aid to State Governments (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 789 Special Component Plan for Scheduled Caste 45 Pradhan Mantri Krishi Sinchayee Yojana -Watershed Development Component



			45.00.31 Grants-in-Aid General
3	Schedule Tribe Component	3601.06.796.47.00.31	3601 Grants-in-aid to State Governments (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 796 Tribal Area Sub Plan (Minor Head) 47 Pradhan Mantri Krishi Sinchayi Yojana - Watershed Development Component 47.00.31 Grants-in-Aid General
4	Grant-in-aid General	3602.06.103.01.00.31	3602 Grants-in-aid to Union Territory Governments with Legislature (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 103 Waste Land Development - National Waste Land Development Programme (Minor Head) 01 Pradhan Mantri Krishi Sinchayi Yojana - Watershed Development Component 01.00.31 Grants-in-Aid General
5	Schedule Casts Component	3602.06.789.15.00.31	3602 Grants-in-aid to Union Territory Governments with Legislature (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 789 Special Component Plan for Scheduled Caste 15 Pradhan Mantri Krishi Sinchayi Yojana - Watershed Development Component 15.00.31 Grants-in-Aid General
6	Schedule Tribe Component	3602.06.796.04.00.31	3602 Grants-in-aid to Union Territory Governments with Legislature (Major Head) 06 Centrally Sponsored Scheme (sub-Major Head) 796 Tribal Area Sub Plan (Minor Head) 04 Pradhan Mantri Krishi Sinchayi Yojana - Watershed Development Component 04.00.31 Grants-in-Aid General
7	Ladakh (Grant-in-aid General)	2501.05.101.11.03.31	2501 : Special Programmes for Rural Development (Major Head) 05 Waste Land Development (Sub-Major Head) 05.101 National Waste Land Development Programme (Minor Head) 11.03 UT of Ladakh (without Legislature) 11.03.31 Grants-in-aid General
8	Ladakh (ST Component)	2501.05.796.02.01.31	2501 : Special Programmes for Rural Development (Major Head) 05 Waste Land Development (Sub-Major Head) 796 Tribal Area Sub Plan (Minor Head) 02 Pradhan Mantri Krishi Sinchayi Yojana - Watershed Development 01 UT of Ladakh (Detailed Head) 02.01.31 Grants-in-aid General

3054- ROADS AND BRIDGES	04- District and Other Roads	338- PRADHAN MANTRI GRAM SADAK YOJANA
3601- GRANTS-IN-AID TO STATE GOVERNMENTS	06- CENTRALLY SPONSORED SCHEMES	101- CENTRAL ASSISTANCE/SHARE
3602-	06-	101-

Grants-in-aid Union Territory Governments Legislature	to with	CENTRALLY SCHEMES	SPONSORED	CENTRAL ASSISTANCE/SHARE
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7. Simultaneously, on incurring expenditure on a specific scheme as stated at point 6, the expenditure to be met from the AIDF under functional heads will be booked by PAO concerned by passing the following entries: -

Debit	Major Head 8235- General and other Reserve Funds
	00.xxx - Agriculture Infrastructure and Development Fund
	Xx -Agriculture Infrastructure and Development Fund - ..... <b>(Corresponding Functional Head concerned)</b>
	To
(-) Debit	Functional Major/sub- Major Heads concerned
	9xx- Deduct amount met from Agriculture Infrastructure and Development Fund
	xx - Amount met from Agriculture Infrastructure and Development Fund
	.....(corresponding Functional Head concerned)
	00.70- Deduct Recovery

8. The PAOs utilizing the AIDF shall intimate O/o CCA(Finance) amount transferred to AIDF and expenditure incurred there against through a statement on monthly basis to enable them to maintain a Broadsheet. The PAO (Sectt) DEA shall maintain the broadsheet relating to 'Agriculture Infrastructure and Development Fund' indicating the opening balance, amount transferred to the Fund in Public Account during the year, expenditure incurred during the year, net balance available for carry forward to the next financial year. The PAO (Sectt) DEA shall submit a statement, indicating the expenditure and un-utilized amounts under 'Agriculture Infrastructure and Development Fund' to the Budget Division after close of the financial year.

9. O/o CCA, M/o Finance shall intimate to Budget Division, D/o Economic Affairs through a statement showing expenditure incurred from 'Agriculture Infrastructure and Development Fund' by respective PAO on monthly basis.

10. The expenditure incurred out of the 'Agriculture Infrastructure and Development Fund' shall be subject to Internal Audit by O/o CCA (Finance) and Statutory Audit by O/o C&AG.

Ministry of Finance  
Department of Expenditure  
O/o the Controller General of Accounts  
Mahalekha Niyantrak Bhawan  
E-Block, GPO Complex  
INA, New Delhi

Subject: Setting up of Krishi Kalyan Kosh (KKK) and formulation of accounting and operational guidelines to administer the corpus fund.

Office of CCA (Agriculture) may please refer to this office UO No. 9(4)/2016/TA/37-40 dated 13.02.2017 forwarding therewith the draft accounting procedure for the operation of Krishi Kalyan Kosh. They may also refer to CCA (Agriculture) letter No. Pr.Comp/2-21/G.No.1/KKK/2015-16/637-38 dated 22.03.2017. Office of C&AG has concurred to the accounting procedure vide their UO No. 262/Government Accounts/34-2017 dated 28.03.2017 (copy enclosed) subject to incorporating 'Cess collected to be fully transferred to the Fund and utilized as per guidelines of Fund to be issued by the Department'.

Office of CCA (Agriculture) may please ensure strict compliance of the accounting procedure.



(Shailendra Kumar)  
Deputy Controller General of Accounts

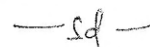
Shri Deepak Das, Chief Controller of Accounts, M/o Agriculture, Krishi Bhawan, New Delhi

CGA's UO No. 9(4)/2016/TA/

Dated: 28/03/2017

Copy for information to :-

1. Director (Budget), Budget Division, Department of Economic Affairs, New Delhi.
2. Sr. Administrative Officer, O/o C&AG, New Delhi
3. Sr. Accounts Officer (Monthly Accounts Section), O/o CGA, New Delhi
4. Sr. Accounts Officer (Codes), O/o CGA, New Delhi



(Rajesh Sharma)  
Sr. Accounts Officer

Accounting Procedure of Krishi Kalyan Kosh

1. The Krishi Kalyan Cess levied and collected by the Government is being accounted for in the Consolidated Fund of India by CCA, CBEC (0044.00.507 Krishi Kalyan Cess) and CCA, CBDT (028.00.507 Krishi Kalyan Cess).

2. CCA, CBEC and CCA, CBDT will provide the receipts on account of Krishi Kalyan Cess to CCA, M/o Agriculture to enable Ministry of Agriculture to make suitable provisions under the Minor head 2401.00.797 under the Demand for Grants of the Ministry of Agriculture to facilitate transfer of proceeds of Krishi Kalyan Cess to Krishi Kalyan Kosh.

3. The PAO (Ministry of Agriculture) shall transfer on monthly basis the budgeted amount on receipt of sanction of the competent authority by passing/proposing the following entry in the government account with the appropriate amount sanctioned:-

Dr	2401	Crop Husbandry	
	00.797	Transfer to Reserve Fund/Deposit Account	
		To	
	8235	General and other Reserve Funds	
	00.***	Krishi Kalyan Kosh (Minor Head to be opened)	Cr

4. With reference to the availability of funds under Krishi Kalyan Kosh, the Ministry of Agriculture shall make necessary Budget provisions under relevant functional Major Heads of the schemes/programmes being run by them i.e.

a.	2401	Crop Husbandry	
	00.110	Crop Insurance (Minor Head)	
	13	Pradhan Mantri Fasal Bima Yojna (Sub Head)	
b.	2435	Other Agricultural Programmes	
	01	Marketing and Quality Control (Sub Major Head)	
	101	Marketing Facilities (Minor Head)	
	13	Integrated Scheme on Agriculture Marketing (Sub Head)	
c.	2416	Agricultural Financial Institution	
	00.102	Reserve Bank of India	
	02	Interest Subsidy for Short Term Credit to Farmers	

5. Budget provision to the extent of funds to be met from KRISHI KALYAN KOSH will also be provided in the Detailed Demand for grants under the following heads of accounts:-

a.	2401	Crop Husbandry	
	9**	Deduct amount met from Krishi Kalyan Kosh (to be opened)	
	00.70	Deduct Recovery	



- b. 2435 Other Agricultural Programmes  
9\*\* Deduct amount met from Krishi Kalyan Kosh (to be opened)  
00.70 Deduct Recovery
- c. 2416 Agricultural Financial Institution  
9\*\* Deduct amount met from Krishi Kalyan Kosh (to be opened)  
00.70 Deduct Recovery

6. Concerned PAO of Ministry of Agriculture shall debit the functional Major Head concerned while incurring expenditure on the schemes i.e.

- a. 2401 Crop Husbandry  
00.110 Crop Insurance (Minor Head)  
13 Pradhan Mantri Fasal Bima Yojna (Sub Head)
- b. 2435 Other Agricultural Programmes  
01 Marketing and Quality Control (Sub Major Head)  
101 Marketing Facilities (Minor Head)  
13 Integrated Scheme on Agriculture Marketing (Sub Head)
- c. 2416 Agricultural Financial Institution  
00.102 Reserve Bank of India  
02 Interest Subsidy for Short Term Credit to Farmers

7. An amount equivalent to the above debited amount shall be then met from KRISHI KALYAN KOSH by minus debiting the below heads, where the expenditure stands debited.

- Dr** 8235 General and other Reserve Funds  
00.\*\*\* Krishi Kalyan Kosh (Minor Head to be opened)
- To**
- 2401 Crop Husbandry  
9\*\* Deduct amount met from Krishi Kalyan Kosh (to be opened)  
00.70 Deduct Recovery -Dr.
- OR**
- 2435 Other Agricultural Programmes  
9\*\* Deduct amount met from Krishi Kalyan Kosh (to be opened)  
00.70 Deduct Recovery -Dr.
- OR**
- 2416 Agricultural Financial Institution  
9\*\* Deduct amount met from Krishi Kalyan Kosh (to be opened)  
00.70 Deduct Recovery -Dr.

8. CCA Ministry of Agriculture shall intimate to Director (Budget) through a statement showing expenditure incurred from Krishi Kalyan Kosh by PAO (Agriculture) monthly, for record.



9. The PAO Ministry Of Agriculture, shall maintain the broadsheet of Krishi Kalyan Kosh indicating the opening balance, amount transferred under the Krishi Kalyan Kosh in Public Account during the year, expenditure incurred during the year , net balance available for carry forward the same to the next financial year. The PAO Ministry of Agriculture shall submit a statement, indicating the expenditure and un-utilized amounts under Krishi Kalyan Kosh to the Secretary, Ministry of Agriculture through FA, Ministry of Agriculture after close of the financial year.
10. The expenditure incurred out of the Krishi Kalyan Kosh shall be subject to Internal Audit by O/o CCA (Agriculture) and Statutory Audit by O/o C&AG.

**(C) Accounting Procedure relating to Price stabilization Fund Scheme.**

The Price Stabilization Fund will be placed under the MH 8121- General and Other Reserve Fund – Price Stabilization Fund ( new minor head to be opened).

**(1) Receipt of Grower's Contribution.**

The eligible growers will deposit a cheque / demand draft in favour of the respective Commodity Board for the PSF Corpus. The Commodity Boards in turn will deposit the same in their accounts and will issue a consolidated bank draft in favour of the Pay and Accounts Officer - Department of Commerce drawn at New Delhi on any bank.

On receipt of the bank draft the PAO will enter the details of bank draft in the Register of Valuables ( Form CAM-16) and remit the same with a credit slip to the bank for credit to Government account with a credit slip.

On receipt of the bank scroll from the bank, the PAO will verify the same with the Valuable Register and classify the receipt transactions under the relevant head as mentioned below :-

**0407 –Plantations**

01-Tea -- 800 – Other receipts ---- Contributions by farmers towards  
Price Stabilization Fund Scheme ( new sub  
head to be opened )  
02-Coffee -- 800 - Other receipts -- ( do )  
03- Rubber -- 800 - Other Receipts -- ( do )  
60-Others (Tobacco – a new minor head to be opened) - ( do )

and corresponding debit to MH 8658– Suspense Accounts –PSB Suspense. On receipt of the monthly Statement (CAS 122) from RBI, CAS, Nagpur, the balances under the head 8658 will be cleared by minus debit by contra debit to MH 8675-Deposits with Reserve Bank.

(2) Transfer of Governments Contribution and Grower's Contribution to the corpus.

Initially the farmers' contribution will be accounted for under the receipt head as stated in Para (1) above and then transferred to the Reserve Fund. Budget Provision for the total amount (Govt's Contribution and grower's contribution) will be made below the MH 2407 – Plantations – 60-others – 797 – Transfer to Price Stabilization Fund – Price Stabilization Fund - Inter Account transfer under the Demand for Grants of the Department of Commerce in the years 2003-04 (Rs 250 cr) and 2004-05 (Rs 250 cr) under the Demand No 12.

After the notification of the PSF Scheme is issued and the PSF Trust is set up, the administrative division with the concurrence of Integrated Finance Division of the Deptt. of Commerce will issue financial sanction. The amount will be transferred to MH 8121 – General and Other Reserve Funds – Price Stabilization Fund (new minor head) – Price Stabilization Fund – corpus (a new sub head to be opened) by contra debit to the expenditure head mentioned in previous sub Para.

(3) Interest on PSF Scheme Deposit.

(i) The PSF Scheme deposit in the Public Account will bear interest at the rate applicable to the GPF, SDF and other similar funds. The rate of interest effective from 1.4.2003 is 8% p.a and the rate of interest will be the same as applicable to the GPF from time to time.

(ii) The interest estimates on the deposit will be made by the CEO, Price Stabilization Fund Trust during the month of Sept /Oct every year and submit it to the Pr.AO (Commerce) through the administrative division of Deptt. of Commerce for inclusion of the interest payment estimates of the composite demand of M/o Finance.

PAO, Department of Commerce may provide the estimates of interest payable on the fund to the Budget Division by 21<sup>st</sup> October each year for incorporation in composite Appropriation – Interest Payments

(iii) The interest calculation will be done at the end of year. But it will be calculated by the Ministry on the closing balance of each month. In the case of credits received after the 5<sup>th</sup>

of the month , no interest will be allowed for that month on the credit. After the calculation, the administrative division in the Deptt of Commerce will issue a financial sanction for payment of interest on the balances, with the concurrence of IFD, before the close of financial year.

(iv) On receipt of the sanction the PAO (Commerce) will debit the interest payments to the head 2049 – Interest Payment – 05 – Interest on Reserve Funds – 105- Interest on General and Other Reserve Funds – Interest on PSF Scheme ( New sub head to be opened) by contra credit to MH 8121- General and Other Reserve Funds– Price Stabilization Fund – Interest on Price Stabilization Fund ( a new sub head to be opened )

(4) Payment out of the Fund to the Trust

(i) The administrative Division of the Ministry of Commerce will issue a financial sanction for full or part of the interest income as may be decided by the Deptt. of Commerce for release of funds to the PSF trust.

(ii) On receipt of the bill along-with the financial sanction it will be checked by the PAO with reference to the checks mentioned in the Civil Accounts Manual and issue a cheque. Any payment out of the fund to the Trust will be routed through expenditure head under Consolidate Fund of India . On receipt of the bill along-with the sanction PAO will classify the transactions as under

Dr 2407-Plantations—01-Tea	--	800-Other exp. - Payment to PSF Trust	
			Under PSFS (new sub
			head to be opened
02-Coffee	--	800-Other expenditure. -	-do-
03-Rubber	--	800- Other expenditure -	-do-
60 – Others	--	New Minor head -	do
		(Tobacco)	

To 8670- Cheques and bills.

The MH 8670-cheques and Bills will be cleared by the PAO after obtaining the payment scroll from the bank along-with the paid cheques.

**(5) Recoupment to the Fund**

The amount will be recouped by showing the amount as a deduct entry under the functional major head i.e MH 2407 under a distinct minor head 902- Deduct – Amount met from Price Stabilization Fund to be opened below the Sub major head s viz. 01-Tea, 02-Coffee, 03 –Rubber , 60-Others (Tobacco) and corresponding debit is given to MH 8121-General and Other Reserve Fund – Price stabilization Fund.

(6)The balance in the PSF would lapse to the Government and the balance with the PSF Trust would either be transferred to a similar trust or to the Central Government in the event of closure of the scheme

**(D) Records to be maintained by the CEO, PSF**

The office of CEO, PSF Trust would maintain a register indicating all the transactions of receipt, expenditure, interest etc. for the purpose of reconciliation with the PAO.

**(E) Reconciliation between PAO and the Department**

At the end of each month , the PAO shall submit a statement of receipts and payments made out of the Public Account to the CEO, PSF trust. The CEO will verify the monthly transactions and confirm the correctness of the monthly transactions to the PAO through the Administrative division in the Department of Commerce. In case of any discrepancy, it will be taken up with the PAO for necessary corrections.

**(F) Audit of the Public account**

The internal audit/statutory audit can ask for any record relating to this account for check up.

**(G) Review of Balance**

At the close of the financial year, the Pay and Accounts Officer shall review and verify the balance under the Reserve Fund and obtain acceptance of correctness of balance form the CEO , PSF, Trust through Administrative Division.

**(H)** The Ministry of Commerce would review the requirements of the PSF Trust based on the number of growers who join the scheme and take appropriate action accordingly in consultation with the Budget Division

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**Sub: Development Fund for Tea Sector – Formulation of Accounting Procedure – reg.**

**(A) Introduction**

The Government of India has decided to establish a fund for development modernization and rehabilitation of tea plantation of sector.

- (i) Development Fund for Tea Sector will be established with a corpus of Rs.250.00 crores under the Public Account.
- (ii) The fund will be created over a period of 4 years during the 10<sup>th</sup> five-year Plan.
- (iii) The funds will be provided by the Government through the budget under the Demands for Grants for the Department of Commerce.

**(B) The Salient features of the scheme:**

- (i) The scheme commences from the year 2003-04 for the benefit of the tea industry.
- (ii) The Fund will be created by way of imposing additional duty of excise of Re.1.00 per Kg. on tea production in the country after leaving out the exempted categories like export, bought leaf factories etc.
- (iii) The Fund will be a non-Interest-bearing fund.
- (iv) The fund would be utilized for the following activities:
  - (a) Revival and rehabilitation packages for the closed/abandoned tea gardens, which are otherwise potentially viable and can be revived on the basis of packages to be approved by Commercial Banks/Financial Institutions.
  - (b) Incentives to the manufacturers for production of Orthodox type of tea for catering to the International Markets.
  - (c) Generic promotion of tea in India.
  - (d) Assistance to the two Research & Development Institutions viz. Tea Research Association (TRA) at Toklai (Assam) and United Planting Association for Southern India – Tea Research Foundation (UPASI – TRF in Tamil Nadu) – 80% of the cost for a period of five years.
  - (e) Financing part of the social sector costs in tea plantations (Yet to be decided by the Government)



- (f) Administrative cost of the fund.

**(C) Accounting Procedure:-**

**(i) Additional Excise Duty on Tea:**

- (i) The additional Excise Duty on Tea at the rate of Rs.1.00 per Kg. has been imposed in the Union Budget 2003-04. The same will be credited in the Major Head 0038 – Union Excise Duties – 03 – Non Sharable Duties – Additional Excise Duties on Tea and Tea Waste (New Minor head to be opened)

**(ii) Provision in the Budget**

The amount will be provided in the Demand for Grants of the Deptt. of Commerce from the year 2003-2004. The amount will be provided as a Plan outlay below:

Major Head '2407' – Plantations

01 – Tea (Sub Major Head)

797 – Transfer to Reserve Fund

- Development Fund for Tea sector (Sub head)

63 - Inter Account transfer

under the Demand for Grants of the Department of Commerce.

The administrative Division with the Concurrence of Integrated Finance Division of the Deptt. of Commerce, will issue financial sanction. The amount will be transferred to the

Major Head '8229 – Development and Welfare Fund

-Development Fund for Tea Sector

(New Minor head)

by contra debit to the expenditure head mentioned in previous Para.

**(iii) Payment out of the Reserve Fund:**

- (a) The estimated expenditure on the approved activities by the Expenditure Finance Committee (EFC)/CCEA will be prepared by the Administrative division for the current year and the following year and submitted to the Budget Division of the Department of Commerce before 21<sup>st</sup> October each year for inclusion in the Statement of Budget Estimates and Detailed Demand for Grants of the Deptt. The budget provision will be shown under the following head of accounts:

Major Head "2407" – Plantations

01- Tea

800 – Other Expenditure

- Payment to Tea Board under Development Fund  
for Tea sector (New sub head to be opened)

00.31-Grants in aid

**(b) Issue of Financial Sanctions: -**

The Administrative division in consultation with IFD of the Deptt. of commerce will issue a financial sanction for the payment to Tea Board (Nodal Agency) to implement the schemes.

**(c) Action by PAO:**

On receipt of the bill along with the financial sanction it will be checked by the PAO with reference to the checks mentioned in the Civil Accounts Manual (CAM) and issue a cheque. Any payment out of the Fund to the Tea Board will be routed through the expenditure head. On receipt of the bill, PAO will debit the expenditure head mentioned at (a) above and credit to the Major head "8670" – Cheques & Bills.

The Major Head 8670 – Cheques & Bills will be cleared by the PAO after obtaining the payment scroll from the bank along with the paid cheques. Payment should not be made in excess of the balances under the Reserve Fund resulting in minus figures.

**(d) Recoupment of the Fund**

The amount will be recouped by showing the amount as a deduct entry under the functional

Major Head i.e. "2407" – Plantations under the distinct

Minor head – 902 – Deduct – Amount met from the Development Fund for Tea Sector (to be opened by ministry) below the

Sub-Major Head – 01 – Tea and Corresponding debits to the

Major Head – 8229 – Development and Welfare Fund-Development Fund for Tea sector.

**(e) Unutilized Amount in the Fund:**

The unutilized amount lying outstanding in the Reserve Fund at the end of the scheme will rest with the Central Government.



**(D) Records to be maintained by the administrative division:**

The Administrative Division would maintain a register indicating all the transactions of receipt, expenditure for the purpose of reconciliation with the PAO

**(E) Reconciliation between PAO and the Deptt.**

At the end of each month, the PAO should submit a statement of receipt and payments made out of the Public Account to the administrative division. The administrative division will verify the monthly transactions and confirm the correctness of the Monthly transactions to the PAO.

The internal audit/statutory audit can ask for any record relating to this account for check up.

**(F) Audit of the Reserve Fund:**

The expenditure from the Reserve Fund will be reflected by the TEA Board in their annual accounts which will be subject to audit by the C&AG of India.

**(G) Review of Balance:**

At the close of the financial year, the PAO should review and verify the balance under the Development Fund for Tea Sector and obtain acceptance of the correctness of balance from the administrative division.

**Accounting Procedure for payment of customs duty through Scrips of RoDTEP/ROSCTL/ SEIS and other schemes**

**1. Background**

In accordance with the Gazette Notification No. 14/26/2016-IT(Vol-II), dated 7<sup>th</sup> March, 2019, the erstwhile “Rebate on State levies Scheme” (ROSL) to support Apparel and made-ups sectors was discontinued and replaced with a new Scheme called “Scheme for Rebate of State and Central Taxes and Levies” on Export of Garments and Made-ups (referred to as RoSCTL Scheme). The objective of the Scheme is to provide for rebate of State and Central Taxes and Levies in addition to the Duty Drawback Scheme on Export of Garments and Made-ups at notified rates and value caps.

Under the RoSCTL Scheme, the benefits are being given to the exporters by DGFT in the form of Merchandise Export from India (MEIS) type duty credit scrips. The validity of such scrips is 24 months from the date of issue. Such scrips can be utilized towards discharging the tax liability of the exporter viz. Custom Duty. The provision of issue of the rebate under the scrip-based system by the DGFT is for the exports made in the financial year 2019-20 onwards. The Authorization of budget for issue of scrips was done by Department of Revenue.

Subsequently, vide OM F. No. 1(5)-B(AC)/2019 dated 17<sup>th</sup> December, 2020, issued by the Department of Economic Affairs (Budget Division), it has been communicated that the RoSCTL (Remission of State and Central Taxes and Levies) Scheme shall be subsumed in RoDTEP Scheme (Remission of Duties and Taxes on Exported Products), with effect from 1<sup>st</sup> January, 2021, with an aim to extend the benefits of the Scheme to all export goods. The accounting entries along with the budgetary and accounting mechanism has been prescribed by the Department, based on which this Accounting Procedure has been drawn for operationalizing the RoDTEP Scheme.

**2. Procedure for Accounting of Issue and Utilization of Scrips towards Payment of Customs Duty.**

The issue of scrips to exporters and its utilization has so far been treated only as revenue foregone. However, the Government has now decided that there should be a budgetary control over the issue and discharge of scrips towards payment of Customs Duty. Accordingly, the Budget Division has provided an accounting process (as detailed below) to be followed in the budgetary route of issue of scrips and its discharge through the Consolidated Fund of India and Public account.

- i. A suitable budget provision will be made annually under the new Minor Heads below the Major Head “2037”, indicating the maximum amount up to which the scrips will be issued. Addition or reduction to the budget allocated will be made as per requirement as done for all expenditures.



- ii. At the time of issue of scrips to the exporters, an amount equivalent to the scrips issued will be transferred from the new minor heads under '2037- Customs' to Public Account, under new minor heads below the Major Head "8012- Special Deposits and Accounts".
- iii. As and when scrips are utilized for payment of Custom Duty, the Public Account will get debited and an equal amount credited under the concerned Minor Head relating to the liability on account of customs duty discharged below the Major Head "0037- Customs".
- iv. While calculating the net proceeds assignable to States, the entire cost of collection along with the amount booked under "MH2037-Customs" towards issue of scrips will be deducted from total collection for arriving at the 'Net Proceeds' for the purpose of devolution of State's share from Central Taxes.
- v. The scrips issued under other schemes like MEIS (Merchandise exports from India Scheme), SEIS (Service Exports of India Scheme) will also follow the same process as describe above

### **3.Accounting entries under the Proposed Budgetary and Accounting Procedure for payment of Customs Duty through scrips under the RoDTEP/ROSCTL and other Scheme.**

#### **(i). At the time of issue of scrips to the exporters:**

<b>DEBIT</b>	2037-Customs
	109- Remission of Duties and Taxes on Exported Products (RoDTEP)
	01- Issue of Scrips under Remission of Duties and Taxes on Export Products (RoDTEP)
<b>Scheme</b>	
	110- Rebate of State and Central Taxes and Levies (RoSCTL)
	01- Issue of Scrips under Rebate of State and Central Taxes and Levies(RoSCTL) Scheme
	111- Rebate under Merchandise Export from India Scheme (MEIS)
	01- Issue of Scrips under Merchandise Export from India Scheme (MEIS)
	112- Rebate under Service Exports from India Scheme (SEIS)
	01- Issue of Scrips under Service Exports from India Scheme (SEIS)
	113-Rebate/Incentive under Target Plus Scheme
	01- Issue of Scrips under Target Plus Scheme
	114- Rebate under Other Schemes
	01- Issue of Scrips under Rebate on State Levies Scheme (ROSL)
	02- Issue of Scrips under 2% Additional Ad hoc incentive for Mobile Phones
	03 Issue of Scrips under Focus Product Scheme and Market Linked Focus Product
<b>Scheme.</b>	
	04- Issue of Scrips under Focus Market Scheme
	05- Issue of Scrips under Vishesh Krishi and Gram Udyog Yojana
	06- Issue of Scrips under Status Holders Incentive Scheme (SHIS)

07-Issue of Scrips under Annual Incremental Export Incentivization Scheme  
 08 Issue of Scrips under litigation for Served from India Scheme (SFIS) at Supreme Court

To

8012- Special Deposits and Accounts  
 130- *Remission of Duties and Taxes on Exported Products* (RoDTEP) Scrips Deposit  
     **01 – Scrips issued**  
 131- *Rebate on State and Central Taxes and Levies* (RoSCTL) Scrips Deposit  
     **01 – Scrips issued**  
 132- *Merchandise Export from India Scheme* (MEIS) Scrips Deposit  
     **01 – Scrips issued**  
 133- *Service Exports from India Scheme* (SEIS) Scrips Deposit  
     **01 – Scrips issued**  
 134-Target Plus Scheme Scrips Deposit  
     **01– Scrips issued**  
 135- Other Scrips Deposit  
 01-*Rebate on State Leives* (RoSL) Scrips Deposit  
     **01 – Scrips issued**  
 02-2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit  
     **01 – Scrips issued**  
 03- Focus Product Scheme and Market Linked Focus Product Scheme Scrips Deposit.  
     **01 – Scrips issued**  
 04- Focus Market Scheme Scrips Deposit  
     **01 – Scrips issued**  
 05- Vishesh Krishi and Gram Udyog Yojana Scrips Deposit  
     **01 – Scrips issued**  
 06- Status Holders Incentive Scheme (SHIS) Scrips Deposit  
     **01 – Scrips issued**  
 07- Annual Incremental Export Incentivization Scheme Scrips Deposit  
     **01–Scrips issued**  
 08- Litigation for *Served from India Scheme* (SFIS) at Supreme Court Scrips Deposit  
     **01 – Scrips issued**

**CREDIT**

**(ii). At the time of Utilization of scrips by exporters for payment of Custom Duty: -**

**DEBIT**

8012- Special Deposits and Accounts  
  
 130- *Remission of Duties and Taxes on Exported Products* (RoDTEP) Scrips Deposit  
     **01 – Scrips issued**  
 131- *Rebate on State and Central Taxes and Levies* (RoSCTL) Scrips Deposit  
     **01 – Scrips issued**



132- *Merchandise Export from India Scheme*(MEIS)Scrips Deposit

**01 – Scrips issued**

133- *Service Exports from India Scheme*(SEIS)Scrips Deposit

**01 – Scrips issued**

134-Target Plus Scheme Scrips Deposit

**01 – Scrips issued**

135- Other Scrips Deposit

01 -*Rebate on State Leives*(RoSL) Scrips Deposit

**01 – Scrips issued**

02- 2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit

**01 – Scrips issued**

03- Focus Product Scheme and Market Linked Focus Product Scheme Scrips Deposit.

**01 – Scrips issued**

04- Focus Market Scheme Scrips Deposit

**01 – Scrips issued**

05- Vishesh Krishi and Gram Udyog Yojana Scrips Deposit

**01 – Scrips issued**

06- Status Holders Incentive Scheme (SHIS) Scrips Deposit

**01 – Scrips issued**

07- Annual Incremental Export Incentivization Scheme Scrips Deposit

**01 – Scrips issued**

08- Litigation for *Served from India Scheme* (SFIS) at Supreme Court Scrips Deposit

**01 – Scrips issued**

To

**0037- Customs**

**Concerned Minor Head relating to custom duty discharged through Scrips.**

**CREDIT**

**(iii). At the time of expiry of the validity of scrips**

The scrips issued are valid for a period of one/ two year(s) from the date of issue. On expiry of validity of unused scrip(s) **within the same year**, the corresponding balance lying in the public account shall be credited back to the original budgetary head under 'MH 2037 Customs' as under:

**(-) CREDIT 8012– Special Deposits and Accounts**

130- *Remission of Duties and Taxes on Exported Products*(RoDTEP) Scrips Deposit

01-Scrips issued

131- *Rebate on State and Central Taxes and Levies*(RoSCTL) Scrips Deposit

01-Scrips issued

132- *Merchandise Export from India Scheme*(MEIS) Scrips Deposit

01-Scrips issued

133- *Service Exports from India Scheme*(SEIS)Scrips Deposit

01-Scrips issued

134-Target Plus SchemeScrips Deposit

01-Scrips issued

135-Other Scrips Deposit

01 -*Rebate on State Leives*(RoSL) Scrips Deposit

01-Scrips issued

02-2% Additional Ad hoc incentive for Mobile Phones Scrips Deposit

01-Scrips issued

03- Focus Product Scheme and Market Linked Focus ProductScheme Scrips Deposit.

01-Scrips issued

04- Focus Market Scheme Scrips Deposit

01-Scrips issued

05- Vishesh Krishi and Gram Udyog Yojana Scrips Deposit

01-Scrips issued

06- Status Holders Incentive Scheme Scrips Deposit

01-Scrips issued

07- Annual Incremental Export Incentivization Scrips Deposit

01-Scrips issued

08- Litigation of *Served from India Scheme* (SFIS) at Supreme Court Scrips Deposit

01-Scrips issued

To

2037-Customs

109- Remission of Duties and Taxes on Exported Products (RoDTEP)

01- Issue of Scrips under Remission of Duties and Taxes on Export Products (RoDTEP)

Scheme

110- Rebate of State and Central Taxes and Levies (RoSCTL)

01- Issue of Scrips under Rebate of State and Central Taxes and Levies(RoSCTL) Scheme

111- Rebate underMerchandise Export from India Scheme (MEIS)

01-Issue of Scrips under Merchandise Export from India Scheme (MEIS)

112- Rebate under Service Exports from India Scheme (SEIS)

01- Issue of Scrips under Service Exports from India Scheme (SEIS)

113-Rebate/Incentive under Target Plus Scheme

01- Issue of Scrips under Target Plus Scheme

114- Rebate under Other Schemes

01-Issue of Scrips under Rebate on State Levise Scheme (ROSL)

02- Issue of Scrips under 2% Additional Ad hoc incentive for Mobile Phones

03-Issue of Scrips under Focus Product Scheme and Market Linked Focus Product Scheme.

04- Issue of Scrips under Focus Market Scheme

05- Issue of Scrips under Vishesh Krishi and Gram Udyog Yojana

06- Issue of Scrips under Status Holders Incentive Scheme (SHIS)

07-Issue of Scrips under Annual Incremental Export Incentivization Scheme

08 Issue of Scrips under litigation for Served from India Scheme (SFIS) at Supreme Court

**(-) DEBIT**

In case, validity of the scrips expire in the succeeding financial years, the balances lying under the concerned minor heads below 'MH 8012 Special Deposits and Accounts' shall be written back to the distinct 'Minor Head 911 Deduct- Recoveries of Overpayments' under the 'MH 2037- Customs' in terms of General Direction 3.10 of LMMHA.

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[TO BE PUBLISHED IN THE OFFICIAL GAZETTE OF INDIA, EXTRAORDINARY]

**PART-II SECTION 3, SUB SECTION (II)**

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

DEPARTMENT OF POSTS

NEW DELHI DATED THE....., 2010.

**NOTIFICATION**

SO.....(E) – The Post Office Insurance Fund (Custody and Investment) Regulations, 2010 made by the President in exercise of the powers conferred by Rule 10 of the Post Office Insurance Fund Rules, 1985, are hereby published for general information.

[F. NO.....]

(.....)

Chief General Manager, Postal Life Insurance

**PREAMBLE**

In exercise of the powers conferred by Rule 10 of the Post office Insurance Fund Rules, 1985, the President hereby makes the following regulations regulating the custody of the Post Office Insurance Fund, the payment of moneys into such Funds, the withdrawal of moneys there from, the custody of public moneys other than those credited to such Fund received by or on behalf of the Government of India, their payment into the Public Account of India and the withdrawal of money from such account and other matters connected therewith or ancillary thereto, namely – the Post Office Insurance Fund (Custody and Investment) Regulations, 2010.



## **PART I – INTRODUCTORY**

1. **Short title and commencement-** (1) These regulations may be called the Post Office Insurance Fund (Custody and Investment) Regulations, 2010.  
  
(2) These regulations shall come into force on the 1<sup>st</sup> day of November, 2009.
2. **Definitions-** In these regulations, unless the context otherwise requires,-
  - (a) **"Bank Account"**, means the accounts opened with any scheduled commercial bank(s) in the name of the Client and maintained and operated by the Portfolio/Fund Manager on behalf of the Client, which shall exclusively deal with the funds of the client as laid down in the agreement;
  - (b) **"Chief Investment Officer (CIO)"**, means the Officer heading the Investment Division; in so far as his interaction with portfolio/fund manager is concerned, the duly appointed nominee of the Client (Department of Posts);
  - (c) **"Client"**, means the Department of Posts of the Central Government, through its Secretary/Director General(Posts), Member (Postal Services Board, Chief General Manager (Postal Life Insurance) or any other authority/person/nominee, authorized in this behalf;
  - (d) **"Custodian"** means a person/institution who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996 and where the custodian accounts of the Post Office Insurance Fund, its Sub Funds, namely: (i) Postal Life Insurance Fund, and (ii) Rural Postal Life Insurance Fund shall be operated / maintained;
  - (e) **"Depository Account"**, means the account opened, maintained and operated by the Portfolio/Fund Managers in the name of the Post Office Insurance Fund with any Depository or Depository Participant registered under the **SEBI** (Depositories and Participants) Regulations, 1996, which shall exclusively deal with the Portfolio of the Client;

- (f) **Director General (Posts)**", means the Director General, Department of Posts, of the Central Government who is also the Chairperson of the Postal Services Board and Ex-officio Secretary to the Government of India;
- (g) **"Investment Board"**, means the apex body constituted for the purpose of laying down the policy guidelines and investment strategy for the management of the Post Office Insurance Fund;
- (h) **"Investment Division"**, means the Investment Division of the Postal Life Insurance Directorate of the Department of Posts;
- (i) **"Insurance Policy"** means the written document containing the contract in respect of an insurance under various schemes under Postal Life Insurance and Rural Postal Life Insurance Schemes;
- (j) **"Net accretions"** means from the 1<sup>st</sup> day of November, 2009 onwards, the amounts/sums arrived at by deducting all the amount of payments/withdrawals made from the Post Office Insurance Fund, from the amounts deposited into the Fund under the Post Office Life Insurance and Rural Postal Life Insurance schemes separately at the end of the day, at all Head Post Offices in the country, premium recoveries received through book adjustments from various Ministries/Departments of the Central Government, amounts received from various Public Sector Undertakings, Accountants General of various States through Director, PLI, Kolkata, premium recoveries from the personnel of Army Postal Services through Director of Postal Accounts, Nagpur, sums received in the Fund as a result of trading/investment activities of the Investment Division, etc.
- (k) **"Net Asset Value" (NAV)**, means the market value of assets in the portfolio consisting of equity, debt, cash and cash equivalent. The valuation norms of each of these types of Securities and/or Funds have been defined in **para-19**.
- (l) **"Net Corpus"**, means the total of the amounts of premiums, standing at credit under Major Head: 8011-Insurance and Pension Funds.00.101-Postal Insurance and Life Annuity Fund, at the close of the 31<sup>st</sup> day of October, 2009;
- (m) **"Portfolio/Fund Manager"**, means the company and/or agency appointed to render non-discretionary portfolio/Fund management services for management of the Fund as per laid down terms and conditions;

- (n) **"Postal Services Board**, means the highest decision making body of the Department of Posts, which will oversee the functioning of the Investment Board;
- (o) **"Postal Life Insurance (PLI) Directorate"**, means the Office of the Chief General Manager, Postal Life Insurance, New Delhi,
- (p) **"Public Account of India"** means the public account of India referred to in clause (2) of Article 266 of the Constitution,
- (q) **"Policy Holder"** means the person to whom a policy has been issued under various schemes formulated under the Post Office Insurance Fund Rules, 1985,
- (r) **"Sub Fund"**, means the two sub funds , namely **Postal Life Insurance Fund (PLIF) consisting of Civil and Military PLI Schemes and Rural Postal Life Insurance Fund (RPLIF) consisting of Rural Postal Life Insurance Schemes**,
- (s) **The words/phrases "Postal Life Insurance", "Civil PLI" and/or "PLIF"** wherever occurred in these regulations, shall include the Military PLI (MPLI) schemes, also,
3. **Constitution of the Post Office Insurance Fund.-** There shall be constituted a Fund to be called the Post Office Insurance Fund (hereinafter referred to as "the Fund") to which shall be credited all collections under the Postal Life Insurance and Rural Postal Life Insurance Funds/Schemes in the public account of India.
4. **Postal Services Board** of the Department of Posts shall oversee the functioning of the Investment Board through a pre-determined mechanism.
5. (1) **Investment Board** has been constituted as the apex body for the purpose of laying down the policy guidelines and investment strategy, which will set the frame work for the day to day decisions on investments. Member (Postal Life Insurance) of the Postal Services Board shall function as Chairman of the Investment Board with three Financial Experts to be drawn from outside, one Joint Secretary from the Ministry of Finance, Department of Disinvestment (to be nominated by Ministry of Finance), Joint Secretary & Financial Advisor, Department of Posts, Chief General Manager, Postal Life Insurance, Department of Posts,

Chief Investment Officer of POIF Investment Division and the Actuary for Post Office Insurance Fund, as its members. Chief Investment Officer shall function as Convener Member of the Investment Board.

- (2) The Portfolio/Fund Manager(s) shall be permanent invitee(s) to meetings of the Investment Board.
  - (3) The Investment Board while deciding the Policy guidelines and investment strategy, will give due consideration to the professional opinion of the Portfolio/Fund Manager(s).
  - (4) The Financial Experts from outside to be included in the Investment Board will be selected by the other members of the Investment Board in consultation with the Ministry of Finance. The selection will be approved by the Postal Services Board and appointed by the Minister of Communications and Information Technology.
- 6. (1) Investment Division** shall be headed by a Chief Investment Officer (**CIO**) in the rank of a Higher Administrative Grade (**HAG**) officer of the Government of India who will execute the policy framework and structure of investments as per decisions of the Investment Board.
- (2) In the absence of the Chief Investment Officer, the Chief General Manager (PLI) or an officer (not below the rank of Senior Administrative Grade), nominated by the competent authority of the Department of Posts, shall discharge the functions of the Chief Investment Officer.
  - (3) The Chief Investment Officer (**CIO**) shall be directing the Fund Managers on a day to day basis for various types of investments of the Fund. He will have powers to accept, reject, or take any other decision, as deemed fit by him, on the recommendations of the Portfolio/Fund Manager(s).
  - (4) The Chief Investment Officer (**CIO**) will initially be appointed on deputation/contract basis from amongst the expert persons from any of the public sector banks and Financial Institutions, until sufficient in-house expertise is available within the Department.

- (b) Investments made in various types of securities, loans, debentures, equity shares, etc.;
- (c) Bonus payable to the policy holders under Postal Life Insurance and Rural Postal Life Insurance schemes;
- (d) Incidental expenditure towards management of Postal Life Insurance and Rural Postal Life Insurance schemes, viz: Establishment related expenditure, expenditure on promotion and marketing, professional services, payment of various taxes, levies, etc.
- (e) The Incidental expenditure as mentioned under (d) above, shall initially be provided for and charged under relevant heads of accounts under Major Head: 3201-Postal Services against the sanctioned grants for the purpose; the same shall be transferred to the relevant heads of accounts (as detailed in the Part-III of these regulations) under Post Office Insurance Fund in the public account of India, at the end of the financial year,

## **PART II – OPERATIONS OF THE FUND**

12. **Repayments etc., Bonus payments:** - Deposits into, repayments on account of maturity, paid-up, surrender values, etc., and payment of bonus to the policy holders under Postal Life Insurance (**PLI**) and Rural Postal Life Insurance (**RPLI**) schemes shall be regulated in accordance with the provisions of the relevant rules and procedures governing them as may be in force from time to time.
13. **Accounting-** All transactions relating to the Postal Life Insurance (including Military **PLI**) and Rural Postal Life Insurance (**RPLI**) schemes shall be accounted for under the public account of India as specified here in these regulations. However, these transactions shall be disclosed in the Annual Budget Documents, Appropriation Accounts as well as in the Union Finance Accounts, in order to ensure greater transparency and accountability.
14. **Investments of Net Corpus.**-(1) Net corpus under Postal Life Insurance including Military Postal Life Insurance (**PLI**) and Rural Postal Life Insurance (**RPLI**) schemes standing at credit of the policy holders under Major Head: 8011-Insurance and Pension Funds.00.101-Postal Insurance and Life Annuity Fund, at the close of the 31<sup>st</sup> day of October, 2009, shall

be frozen and converted into dated securities offering a mix of maturities, separately in respect of **PLI** and **RPLI** Schemes, to be decided as per advice of the Ministry of Finance (Department of Economic Affairs) over a period of three years;

- (2) The amount in the Net Corpus shall continue to be deemed as deposits under Special Deposit Scheme and, therefore, shall continue to earn interest at the rate applicable to the deposits under Special Deposit Scheme of the Department of Economic Affairs, Ministry of Finance of the Central Government until its conversion into/investment in the dated securities.

- 15. Investments of Net accretions-** (1) Net Accretions in the Fund (separately in respect of **PLI** and **RPLI**) from the 1<sup>st</sup> day of November, 2009 onwards shall be invested in government securities or other approved securities, Infrastructure & Social Sector, others to be governed by Exposure norms, etc., as specified in the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended from time to time;

**NOTE:** "A suitable amount of net accretions shall be kept as cash balance/reserve in the Fund in order to meet the current liabilities".

- (2) **Net accretions** in the Fund from the 1<sup>st</sup> day of November, 2009 onwards, shall be arrived at by subtracting all kinds of payments/withdrawals from the total receipts in the Fund at the end of a day in all Head Post Offices in the country, plus the amounts of premium recoveries received through book adjustments from various Ministries and Departments of the Central Government through the Controller General of Accounts (Ministry of Finance), plus the amounts received from Public Sector Undertakings, Accountants General of various States, etc., through cheques/ demand drafts, in the Office of Director of Postal Life Insurance, Kolkata, and the amounts of premium recovered from Army Postal Service Personnel, received in the office of Director of Accounts (Postal), Nagpur, plus the amounts received in the Fund as a result of operations/investment activities of the Investment Division, through cheques or otherwise.
- (3) All Head Post Offices, Director of Postal Life Insurance, Kolkata and Director of Accounts (Postal) Nagpur, shall render the information about the total receipts, payments and net accretions on account of Postal Life Insurance and Rural Postal Life Insurance transactions separately to the **PLI Directorate**, New Delhi, electronically on a daily basis through a secured system, in addition to the information being sent by them to all concerned in normal



course. **PLI Directorate**, in turn, will compile the entire data, arrive at the accurate figure or net accretions under both the Sub Funds (**PLI & RPLI**) separately and transmit the same to the Investment Division with a copy to the Director of Accounts (Postal), Nagpur, Director Mumbai GPO and Director of Postal Life Insurance, Kolkata.

- (3-A) Postal Accounts Wing of Postal Directorate will furnish information in respect of receipts, payments/net accretions received through book adjustments from various Central Government Departments through Controller General of Accounts, on a monthly basis, in respect of **PLI and RPLI** separately to Postal Life Insurance Directorate to enable them to take into account the figures for arriving at correct net accretions under these funds and to reconcile the discrepancy, if any.
- (4) Detailed procedure/guidelines in respect of reporting of transactions shall be circulated by Postal Life Insurance Directorate in consultation with Finance and PAF Wings of Postal Directorate (Department of Posts), from time to time.
- (5) All the Postal Accounts Offices shall be made available by the Postal Life Insurance Directorate, the Head Post Office-wise monthly net accretion reports, for cross checking/reconciliation. All the Postal Accounts Offices and the office of Director (PLI), Kolkata shall be enabled daily access to the data/reports on net accretions under PLI/RPLI by logging on to the system through User ID and Passwords to be supplied by PLI Directorate.
- (6) The Postal Accounts Offices shall check, verify and reconcile the figures of daily net accretions reported to Postal Life Insurance Directorate in respect of the Head Post Offices under their jurisdiction with reference to the figures reported by them to PLI Directorate with those reported to the PAO concerned in the Head Office cash accounts, accounts of Director of PLI, Kolkata as well as accounts of the Investment Division.
- (7) In case of any discrepancy, the same shall be noted down in the relevant Objection Book/Register in the Postal Accounts Office concerned and taken up with Postal Life Insurance Directorate and Head Post Office concerned and pursued for immediate settlement, under intimation to Director of Accounts Postal, Nagpur.



- (8) Postal Accounts Wing of Postal Directorate shall send a monthly statement of the figures booked under the Post Office Insurance Fund (Major heads: 8014-Postal Life Insurance Schemes, 8015-Investments of Post Office Insurance Fund as well as 8016-Income and Expenditure of POIF), to Postal Life Insurance Directorate for their record, reconciliation of their accounts/data, etc.

- 16. Sanctions of Funds for investment-** (1) The Director General/Secretary, Department of Posts, Ministry of Communications and Information Technology, of the Central Government or an officer authorized by him/her shall issue necessary sanction indicating the name of the Fund, the amount of advance for the investment to be made, the head of account: i.e. **Major Head:** 8553-Postal Advances. **Sub Major Head:02-** Special Post Office Insurance Fund Advances. ~~101-Postal Life Insurance Fund Advances/~~ 102-Rural Postal Life Insurance Fund Advances (as the case may be), 01-Advances to Post Office Insurance Fund Investment Division for investments in accordance with these regulations, as and when necessary, in favour of any of the Portfolio Managers/Custodian Bank(s) accounts.

**NOTE:- Separate sanction orders shall be issued in respect of Postal Life Insurance and Rural Postal Life Insurance Funds in this regard.**

- (2) On receipt of the sanction order referred to in sub-Para (1) above, The Director, Mumbai GPO, shall issue instructions for electronic funds transfer (using RTGS/NEFT/EFT) to the Reserve Bank of India clearly stating the beneficiary account, account number and custodian Bank, etc., under intimation to the Investment Division and Director of Accounts (Postal), Nagpur. Alternatively a crossed cheque for the sanctioned amount in favour of the designated account in the Custodian Bank in the name of the Fund Manager (e.g. Postal Life Insurance Fund) A/C Fund/Portfolio Manager (UTI AMC/SBI MFL) concerned may be issued by Director Mumbai GPO and handed over to the Authorized person of the Post Office Insurance Fund Investment Division for onward disposal classifying the same as per sub Para (1) above", under intimation to all concerned.
- (3) The cheques to be issued by the Investment Division shall bear signatures of two officers i.e. the Officer in Junior Administrative Grade (JAG), In-charge of the "Accounts and Treasury" and the Head of Office/Drawing and Disbursing Officer of the Investment Division, when the Investment Division is declared as a Drawing and Disbursement Office, drawing

Funds directly from the Reserve Bank of India. In absence of any of these Officers, their link officers shall discharge the function.

- (4) Investment Division shall maintain Cash Book(s) and adequate accounts records/registers/General ledgers/ Subsidiary General ledgers, etc., exclusively for maintenance of accounts of the investment related transactions/activities pertaining to the POIF, in order to record and keep track of each and every financial transaction (including various receipts on account of interest, bonus, dividends, price differentials, etc.) under both the PLIF as well as RPLIF separately, being carried out by the Division.
  - (5) The amounts of advances drawn from Mumbai GPO, directly transferred to the custodian accounts maintained by the portfolio managers by either mode, shall be reflected on receipt side in the Investment Division's cash book under appropriate head of account. Similarly, the transactions pertaining to investments shall be shown under the relevant head on payment side of the cash book.
  - (6) Whenever an investment is made by the Investment Division, the same shall be classified under **"Major Head: 8015-Investments of Post Office Insurance Fund"** and other subordinate heads in accordance with Part III- Accounting Procedure of these regulations by per contra credit to the Major Head: i.e. **Major Head: 8553-Postal Advances-02- Special Post Office Insurance Fund Advances.101-Advance paid to SBI Funds Management Company Ltd. for investment of Postal Life Insurance Funds or 102-Advance Paid to SBI Funds Management Company Ltd. for investment of Rural Postal Life Insurance Funds (as the case may be).01-Advances to Investment Division for investments, thereby clearing the amount of advance.**
  - (7) **Investment Division of the Post Office Insurance Fund shall furnish fortnightly as well as monthly classified accounts to the office of Director of Accounts (Postal), Nagpur with a copy to DPLI Kolkata and PLI Directorate.**
- 17.(1) Chief Investment Officer** shall issue necessary directions to the Portfolio/Fund Managers for investments under both the **PLIF** and **RPLIF** in accordance with the IRDA (Investment) Regulations, 2000, the Investment Policy laid down by the Investment Board.

- (2) Each of the Portfolio/Fund Managers and Custodian bank(s) shall render authenticated statements of transactions with supported vouchers, documents, etc., to the Investment Division and the Director of Accounts (POSTAL), NAGPUR, and Director, Postal Life Insurance, Kolkata under PLIF and RPLIF separately, on a day to day basis. Director of Accounts (Postal) shall test check the information received from the Portfolio/Fund Managers and Custodian bank(s) with the classified accounts submitted by Investment Division. The Statements for the previous day shall invariably be submitted latest by the next day forenoon.

**18. Interest, dividends, bonus, price differentials and other incomes on investments-**

On receipt of Various Incomes on investments of the Post Office Insurance Fund either directly or through the Fund Managers, Custodian Bank, etc., **the following actions shall be taken by Investment Division.** Director of Accounts Postal, Nagpur shall randomly test check the figures furnished by Investment Division with copies of the vouchers/papers received from Fund Managers, Custodian Bank, etc.:-

- (1) **Interest** income on balance funds under Net Corpus, due to be received from Ministry of Finance through book adjustments, shall be credited to the:

**"Major Head: 8016-** Incomes and Expenditure of Post Office Insurance Fund.

**Sub Major Head: 01-**Incomes on Investments of **PLI** Funds/ or

**Sub Major Head: 02-**Incomes on Investments of **RPLI** Funds (as the case may be)

**Minor Head: 101-**Interest Income on balance **PLI/RPLI** funds from Central Government. "

*Corpus as on 31.10.2009*

**by per contra debit** to the:

**"Major Head: 2049-Interest Payments**

**Sub Major Head: 03: Interest** payments on small savings & provident Funds, Etc.

**Minor Head: 108:** Interest on Insurance and Pension Funds.

**Sub/Detailed/Object heads: 00.01.45: Interest on Postal Life Insurance and Life Annuity Fund (Postal).**

- (2) All the incomes received from the investments made in respect of POIF shall be reinvested on the same day by the Fund Managers through whom the income was received by the

Investment i.e. no amounts of income received by way of interest, dividend, discharge, price differentials etc. shall be kept idle.

In the event of reinvestment of the income on the same day of receipt, the following entries shall be made in the Cash Book of the Investment Division.

(A) On receipt of **interest** on "investments of net corpus in dated securities", the Investment Division shall **credit** the same as under:

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 01-Incomes on Investments of **PLI** Funds/ or**

**Sub Major Head: 02-Incomes on Investments of **RPLI** Funds (as the case may be)**

**Minor Head: 102-Interest Income on Investments from Net **PLI/RPLI** Corpus**

**by per contra debit to the:**

**"Major Head: 8015-Investments of Post Office Insurance Fund.**

**Sub Major Heads 01- Investments of net Corpus as on 31<sup>st</sup> October 2009, in dated securities,**

**Minor Head 101- Investment of Postal Life Insurance Fund (**PLIF**) Corpus as on 31<sup>st</sup> October 2009 in dated securities, or**

**102- Investment of Rural Postal Life Insurance Fund (**PLIF**) Corpus as on 31<sup>st</sup> October 2009 in dated securities,**

(B) On receipt of **interest** on investments of net accretions in various securities /debt instruments, the Investment Division shall credit the same as under:

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 01-Incomes on Investments of **PLI** Funds/ or**

**Sub Major Head: 02-Incomes on Investments of **RPLI** Funds (as the case may be)**

**Minor Head 103- under Interest Income on Investments from the accretions **PLI/RPLI** from the 1<sup>st</sup> day of November, 2009 onwards**

**by per contra debit to the:**

**"Major Head: 8015-Investments of Post Office Insurance Fund (**PLIF**)**

**Sub Major Head: 02-Investment of Postal Life Insurance Fund (**PLIF**) of net accretions from 1<sup>st</sup> day of November 2009**

**OR**

**Sub Major Head: 03-Investments of net Rural Postal Life Insurance Fund (RPLIF)**

Accretions from 1<sup>st</sup> day of November, 2009 onwards

**Minor Heads: 101-Investments made through "SBI Funds Management Company Ltd.**

**OR**

**Minor Heads: 102-Investments made through the UTI Asset Management Company Ltd.**

**OR**

**Minor Heads: 103-Investments in Fixed and Term Deposits made directly by DoP**

**OR**

**Minor Heads: 104-Other Investments**

(C)**Interest receipts on Loans** granted to the policy holders shall be **credited** under

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 01-Incomes on Investments of PLI Funds/ or**

**Sub Major Head: 02-Incomes on Investments of RPLI Funds (as the case may be)**

**Minor Heads: 104-Interest Income on Loans to the PLI/RPLI policy holders.**

**By various Postal Accounts Offices and Department of Posts (Postal Accounts Wing)**

(D) On receipt of **Dividend** in respect of the investments in equity shares, the Investment Division shall credit the same under:

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 01-Incomes on Investments of PLI Funds/ or**

**Sub Major Head: 02-Incomes on Investments of RPLI Funds (as the case may be)**

**Minor Heads: 105-Dividend income on Investments of PLI/RPLI funds in Equity Shares**

**by per contra debit to the:**

**"Major Head: 8015-Investments of Post Office Insurance Fund (PLIF)**

**Sub Major Head: 02-Investment of Postal Life Insurance Fund (PLIF) of net accretions from 1<sup>st</sup> day of November 2009**

**OR**

**Sub Major Head: 03-Investments of net Rural Postal Life Insurance Fund (RPLIF)**

accretions from 1<sup>st</sup> day of November, 2009 onwards

**Minor Heads: 101-Investments made through "SBI Funds Management Pvt. Ltd.**

**OR**



**Minor Heads: 102-**Investments made through the UTI Asset Management Company Ltd.

**OR**

**Minor Heads: 103-**Investments in Fixed and Term Deposits made directly by DoP

**OR**

**Minor Heads: 104-**Other Investments

(E) The **price differentials** [purchase price (-) sale price] in respect of sale /purchase activities in various securities/ investments, the Investment Division shall **credit/debit** the same under:

**"Major Head: 8016-**Incomes and Expenditure of Post Office Insurance Fund

**Sub Major Head: 01-**Incomes on Investments of **PLI** Funds/ or

**Sub Major Head: 02-**Incomes on Investments of **RPLI** Funds (as the case may be)

**Minor Heads: 106-**Profit on sale /discharge/redemption/disposal of various securities.

**Minor Heads: 107-** Loss on sale discharge/redemption/disposal of various securities.

**by per contra debit(Profit)/minus debit(Loss) to the:**

**"Major Head: 8015-Investments of Post Office Insurance Fund (PLIF)**

**Sub Major Head: 02-**Investment of Postal Life Insurance Fund (PLIF) of net accretions from 1<sup>st</sup> day of November 2009

**OR**

**Sub Major Head: 03-**Investments of net Rural Postal Life Insurance Fund (**RPLIF**) accretions from 1<sup>st</sup> day of November, 2009 onwards

**Minor Heads: 101-**Investments made through "SBI Funds Management Pvt. Ltd.

**OR**

**Minor Heads: 102-**Investments made through the UTI Asset Management Company Ltd.

**OR**

**Minor Heads: 103-**Investments in Fixed and Term Deposits made directly by DoP

**OR**

**Minor Heads: 104-**Other Investments

(F) On receipt of Bonus Shares against the equity Shares held in the name of the Fund, the Investment Division shall **credit** the same (**face value**) under:

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 01-Incomes on Investments of PLI Funds/ or**

**Sub Major Head: 02-Incomes on Investments of RPLI Funds (as the case may be)**

**Minor Heads: 108-Receipts on account of Bonus Shares (face value) on investments**

~~from PLIF or RPLIF~~ *received against shares acquired from RPLI funds.*

**by per contra debit to the:**

**"Major Head: 8015-Investments of Post Office Insurance Fund (PLIF)**

**Sub Major Head: 02-Investment of Net Postal Life Insurance Fund (PLIF) of accretions**  
from 1<sup>st</sup> day of November 2009 onwards.

**OR**

**03-Investments of net Rural Postal Life Insurance Fund (RPLIF)**  
accretions from 1<sup>st</sup> day of November, 2009 onwards

**Minor Heads: 101-Investments made through "SBI Funds Management Company Ltd.**

**OR**

**102-Investments through the UTI Asset Management Company Ltd.**

(G)(I) The miscellaneous/ petty incomes as a result of operations of the Fund and various PLI/RPLI schemes, shall be credited to

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund**

**Sub Major Head: 03-Other Incomes of Post Office Insurance Fund.**

**Minor Head: 101-Other Income in respect of PLIF.**

**102- Other Income in respect of RPLIF.**

(ii) In case of Investment Division, these receipts shall be deposited at Mumbai GPO immediately where the same shall be reflected as Other Incomes of (PLIF/RPLIF) POI Fund in the HO Cash Book/ Cash Account and classified in Postal Accounts Office, Nagpur accordingly.

**(H) Redemptions.-** On redemption, discharge, sale, disposal, etc., of the securities, shares and various other kinds of investments, deposits, etc., the following action shall be taken:-

- (1) In the **Investment Division**, the sums (the **face value or the purchase value as the case may be**) realised shall be credited under the relevant heads of accounts (where the same were booked/debited at the time of acquisition/purchase) under "**Major Head: 8015-Investments of Post Office Insurance Fund** and relevant **Sub Major/Minor/Sub Heads, etc. by per contra debit to the**

**"Major Head: 8553-Postal Advances.**

**Sub Major Head: 02- Special Post Office Insurance Fund Advances.**

**Minor Head: 101.... OR 102.... (as the case may be).  
in their Books.**

- (ii) On remittance of the amount to the Government's account (at **Mumbai GPO**), the same shall be credited, in the books of Investment Division, to the same transitory "**Major Head: 8553-Postal Advances and other subordinate heads**, in order to clear the advance created on receipt. Mumbai GPO shall reflect the amount in their cash book/cash account as **remittance received from Investment Division. Director of Accounts (Postal), Nagpur**, shall also classify the same accordingly.

- (I) The miscellaneous/ petty incomes as a result of operations of the Fund and **various PLI/RPLI** schemes, shall be credited to -

**"Major Head: 8016-Incomes and Expenditure of Post Office Insurance Fund.**

**Sub Major Head: 03-Other Incomes of Post Office Insurance Fund.**

**Minor Head: 101-Other Income in respect of PLIF.**

**102- Other Income in respect of RPLIF.**

- (3) In the event of, the amounts received in the Fund, on account of incomes of various kind and also the redemption values/sale prices/discharge values etc. of various investments/securities/shares etc., are reinvested in any kind of investment on the same day (i.e., on the day of receipt itself), the same shall be debited under the appropriate heads of account under Major Head 8015-Investment of POIF, the credit being booked under appropriate heads of account under M.H. 8016-Incomes & Expenditures of the POIF. As prescribed in

**Part-III- Accounting Procedure of these Regulations. The transit/advances 02-Special P.O.I.F. Advances etc. shall not be required to invoked in such situation.**

**(4) In the event of, the amounts received in the Fund, on account of incomes of various kind and also the redemption values/sale prices/discharge values etc. of various investments/securities/shares etc., are not reinvested in any kind of investment on the same day (i.e., on the day of receipt itself), the same shall be debited under the appropriate heads of account under Major Head 8553-Postal Advances as under:**

**Major Head: 8553-Postal Advances**

**Sub Major Head: 02-Special Post Office Insurance Fund Advance**

**Minor Head: 101-Advance paid to SBI Funds Management Company Ltd. for investment of Postal Life Insurance Funds**

**OR**

**Minor Head: 102- Advance paid to SBI Funds Management Company Ltd. for investment of Rural Postal Life Insurance Funds**

**OR**

**Minor Head: 103- Advance paid to UTI Asset Management Company Ltd. for investment of Postal Life Insurance Funds**

**OR**

**Minor Head: 104 - Advance paid to UTI Asset Management Company Ltd. for investment of Rural Postal Life Insurance Funds, as the case may be,**

**the credit being booked under appropriate heads of accounts under M.H. 8016 Incomes & Expenditures of the P.O.I.F. as prescribed in part III-Accounting Procedure of these Regulations. The transit/advances 02-Special P.O.I.F. Advances etc. shall be required to invoked in such situation in their books.**

**On the date of reinvestment of the amount, the same shall be debited under the appropriate heads of account under Major Head 8015-Investment of POIF by giving contra credit to the same sub heads under "Major Head : 8553, Sub Major Head 02.....,in order to clear advance created on receipt.**

**(5) On remittance of the amounts of Incomes to the Government's account (at Mumbai GPO), the same shall be credited, in the Investment Division, to the same sub-heads under 'MH: 8553-Sub-Major Head 02..... in order to clear the advance created on receipt. Mumbai GPO shall reflect the amount in their cash book/cash account as remittance**

received from Investment Division. Director of Accounts (Postal), Nagpur, shall also classify the same accordingly.

(6) In the case of transfer of funds from one P/f Manager to the other, the same shall not be transferred directly. The funds balance if any, with and /or required to be shifted from one P/f Manager to another shall first be remitted to Govt. account showing POIF remittances and be sanctioned and drawn in favour of the respective F.M. as per usual procedure as is done in case of advances drawn in favour of Govt. account against Net Accretions of PLI/RPLI. The transfer shall not be made by issuance of cheque by one P/F. M. by either mode of directly shall not be resorted to in any case.

(7) Similarly, in case of closure of one P/FMs account/agreement, the entire balance in such P/FMs account shall immediately be remitted to Govt. account without delay. The same shall be available to the Investment Division, for investment by issue of corresponding sanction and drawing as advance in favour of the other P/FM(s) as per usual procedure. Such balance, if any, in no case be transferred through any other mode, to another P/FM's account directly without crediting/remitting to the Govt. account.

On receipt of the amount from the Fund Manager towards refund of balances the following entries shall be made in the Cash Book of the Investment Division

Debit side, Major Head: 8677-Remittance to Bank

Credit side, Major Head: 8553-Postal Advances, operating the Minor Heads relating to the respective Fund Manager's Account, in order to nullify the balances outstanding in the account.

19. The Payments & repayments of loans against PLI and RPLI policies shall be classified (debit in case of payments and credit in case of repayments/adjustments) in various Postal Accounts Offices, under the same" Major Head: 8014-Postal Life Insurance Schemes and Sub Major/Minor/Sub Heads, etc., as prescribed in Chapter-III: Accounting Procedure of these regulations.

**Note:** The procedure in respect of booking and classification of the interest receipts on loans to the policy holders has been prescribed under Para 18(2) hereinabove.



**20. Evaluation of the Fund-** (a) The total corpus of fund will be evaluated for its total value as follows:-

- (i) Debt securities, including government securities and redeemable preference shares, shall be considered as "held to maturity" securities and shall be measured at historical costs subject to amortization,
  - (ii) Equity securities and Derivative instruments that are traded actively will be measured at fair value on the Balance Sheet date and will be exhibited either as liability or asset. In respect of unlisted and other than actively traded Equity securities and Derivative instruments, these shall be measured at historical cost.
  - (iii) Others such as fixed deposits, term loans shall be measured at historical cost. Treasury bills, Commercial papers, etc., at historical cost subject to discounted yield. Mutual fund units as per latest available net asset value (NAV) closest to valuation date.
  - (iv) This will be done on quarterly basis including Balance Sheet date i.e. 31<sup>st</sup> March, every year.
- (b) The erosion of capital/loss if any, and profit or gains as a result of periodical evaluation of the Fund, shall be adjusted in accounts of POIF under Major Head: 8016-Income and Expenditure of POIF and subordinate heads of accounts as enumerated in Chapter-III: 'Accounting Procedure' of these regulations.

**21. Accounting System enumerated in the foregoing paras** shall *mutatis mutandis* be followed by the Postal Accounts Office, Nagpur, and other accounting units concerned as well.

**22. INSPECTION OF DOCUMENTS/RECORDS:** The accounts, records, documents, maintained and held in the Investment Division and "those of the Portfolio/ Fund Managers, Custodians, in so far as they relate to the Post Office Insurance Fund and/or it is felt necessary by the Client and/or any other competent authority(ies) to inspect any other documents, records, papers, etc., in public interest", the same shall be subject to inspections, checks and/or verifications by the Officers of the Department of Posts,

Internal Audit, Statutory Audit, etc., as per the procedures and norms prescribed in this regard by the Central Government, Comptroller and Auditor General of India, Insurance Regulatory and Development Authority, Security and Exchange Board of India, etc., from time to time. The Portfolio/Fund Managers, Custodians shall be liable to cooperate in all manners with the Inspecting/visiting authorities and comply with their instructions in this regard.

### **PART III - ACCOUNTING PROCEDURE**

- 23. Post Office Insurance Fund.-** A distinct sub-sector called "**Post Office Insurance Fund**" shall be opened in the public account of India for the purposes of accounting the transactions relating to Postal Life Insurance (Including Military Postal Life Insurance) and Rural Postal Life Insurance Funds/schemes. The sub-sector "Post Office Insurance Fund" shall comprise of the following Major Heads:
- (1) Major Head: **8014-** Postal Life Insurance Schemes.
  - (2) Major Head: **8015-** Investments of Post Office Insurance Fund.
  - (3) Major Head: **8016-** Incomes and Expenditure of Posts Office Insurance Fund.
- 24. Net Corpus- The entire Net Corpus/balances** at the close of 31<sup>st</sup> October, 2009, available under **Major Head: 8011-**Insurance and Pension Fund. **Sub Major Head 00. Minor Head 101-**Postal Insurance and Life Annuity Fund, shall be frozen and transferred to the corresponding new heads of accounts under **Major Head 8014-**Postal Life Insurance Schemes on 1<sup>st</sup> November, 2009, and the existing Minor Head: 101-Postal Insurance and Life Annuity Fund and all sub/detailed/object heads there under shall be closed/deleted after that date.
- 25. Receipts and Repayments of Premiums and Loans against policies-** (1) The accounts of Receipts on account of Premiums from the Policy holders and repayments to the policy holders on account of maturity, death, paid-up, surrender value, claims and grant/recovery of loans to the policy holders under various PLI schemes shall be maintained in the public account of India as per the following details, namely:-

**(a) Postal Life Insurance, "including Civil PLI and Military PLI Schemes(PLI) shall be accounted for under Major Head: 8014-Postal Life Insurance Schemes. Sub Major Head: 01-Postal Life Insurance Schemes.** Separate Minor heads would be used to account for the premium & Loan payments/repayment related transactions in respect of various types of Postal Life Insurance(Civil & Military) schemes as per the following details, namely:-

- (1) Minor Head 101 - Net PLI Corpus as on 31<sup>st</sup> October, 2009.
- (2) Minor Head 102 - PLI Whole Life Assurance Schemes.
- (3) Minor Head 103 - PLI Convertible Whole Life Assurance Schemes.
- (4) Minor Head 104 - PLI Endowment Assurance Schemes.
- (5) Minor Head 105 - PLI Anticipated Endowment Assurance Schemes.
- (6) Minor Head 106 - PLI Joint Endowment Assurance Schemes.
- (7) Minor Head 107 - PLI Children Policy Scheme.
- (8) Minor Head 108 - Loans to PLI Policy Holders.
- (9) New Minor Heads shall be opened as and when required.

**(b) Rural Postal Life Insurance (RPLI) Schemes shall be accounted for under Major Head 8014- Postal Life Insurance Schemes. Sub Major Head 02- Rural Postal Life Insurance Schemes.** Separate Minor Heads would be used to account for the premium as well as loan payments/repayments related transactions in respect of various types of Rural Postal Life Insurance Schemes as per the following details, namely:-

- (1) Minor Head 101 - Net RPLI Corpus as on 31<sup>st</sup> October, 2009.
- (2) Minor Head 102 - RPLI Whole Life Assurance Schemes.
- (3) Minor Head 103 - RPLI Convertible Whole Life Assurance Schemes.
- (4) Minor Head 104 - RPLI Endowment Assurance Schemes.
- (5) Minor Head 105 - RPLI Anticipated Endowment Assurance Schemes.
- (6) Minor Head 106 - RPLI Children Policy Schemes.
- (7) Minor Head 107 - Loans to RPLI Policy Holders.
- (8) New Minor Heads shall be opened as and when required.

**26. The dated securities of mixed maturity, issued against the Net Corpus** under Post Office Insurance Fund as on 1<sup>st</sup> November, 2009, shall be accounted for under the

**Major Head: 8015-** Investments of Post Office Insurance Fund.

**Sub Major Head: 01-Investments of net corpus as on 31<sup>st</sup> October, 2009, in dated securities.**

**Minor Heads 101-** Investments of Net Postal Life Insurance (PLI) Corpus as on **31<sup>st</sup> October, 2009, in dated securities, OR**

**102-** Investments of Net Rural Postal Life Insurance (RPLI) Corpus as on **31<sup>st</sup> October, 2009, in dated securities.**

(ii) Each type of securities shall be accounted for under a distinct sub head under these Minor Heads.

**27. Investment of net accretions.-**

- (1) The investments made against the net accretions under Postal Life Insurance Fund (PLIF) from 1<sup>st</sup> day of November, 2009 onwards shall be accounted for under **Major Head 8015-** Investments of Post Office Insurance Fund. **Sub Major Head 02-** Investments of net Postal Life Insurance Fund (PLIF) accretions from 1<sup>st</sup> day of November, 2009 onwards. Separate Minor Heads would be used to account for the investments made through different Fund Managers or otherwise as per the following details, namely:-

**(1) Minor Head: 101** -Investments made through "SBI Funds Management Private Ltd."  
OR

**(2) Minor Head: 102**-Investments made through the "UTI Asset Management Company Ltd."

**(3) Minor Head: 103**-Investments in Fixed and Term Deposits.

**(4) Minor Head: 104-** Other Investments.

**(5)** New Minor/Sub/Detailed/Object Heads shall be opened as and when required.

(i) Each type of investments shall be accounted for under distinct Sub/detailed heads under these/respective Minor Heads.

- (2) The investments made against the net accretions under Rural Postal Life Insurance Fund (RPLIF) from 1<sup>st</sup> day of November, 2009 onwards shall be accounted for under **Major Head 8015**-Investments of Post Office Insurance Fund. **Sub Major Head 03-** Investments of net Rural Postal Life Insurance Fund (RPLIF) accretions from 1<sup>st</sup> day of November, 2009



onwards. Separate Minor Heads would be used to account for the investments made through different Fund Managers or otherwise as per the following details, namely:-

(1) **Minor Head: 101** -Investments made through "SBI Funds Management Private Ltd."

**OR**

(2) **Minor Head: 102**-Investments made through the "UTI Asset Management Company Ltd."

(3) **Minor Head: 103**- Investments in Fixed and Term Deposits.

(4) **Minor Head: 104**- Other Investments.

(5) New Minor/Sub/Detailed/Object Heads shall be opened as and when required.

(i) Each type of investments shall be accounted for under distinct Sub/detailed heads under these/respective Minor Heads.

## **28. Redemptions, Discharges, etc.-**

**Read with Para 18**, the sums received on redemptions, discharges, sale, disposal, etc., of all kinds of investments under the Fund, shall be accounted for (Credited) under the same heads of accounts Under **Major Head: 8015**, where the same were booked (Debited) at the time of making investments/acquisition/purchase. j

## **29. Incomes and Expenditure of Post Office Insurance Fund.-**

(1) **Incomes on investments of PLI Funds** shall be accounted for under **Major Head 8016**-Incomes & Expenditure of Post Office Insurance Fund. **Sub Major Head 01**-Incomes on Investments of **PLI FUNDS**. Separate Minor Head would be used to account for the incomes in respect of various types of investments as per the following details, namely:-

- |     |            |     |  |
|-----|------------|-----|--|
| (1) | Minor Head | 101 | Interest Income on Balance <b>PLI</b> Funds/corpus from Central Government.                                    |
| (2) | Minor Head | 102 | Interest Income on Investments of <b>PLI</b> funds in dated securities from net <b>PLI</b> corpus at the close |

of 31<sup>st</sup> October, 2009.

- |     |   |     |   |  |
|-----|---|-----|---|--|
| (3) | Minor Head  | 103 | - | Interest Income on investments from net <b>PLI</b> Accretions from 1 <sup>st</sup> November, 2009 onwards, in various securities/instruments |
| (4) | Minor Head  | 104 | - | Interest Income on Loans to the <b>PLI</b> policy holders.   |
| (5) | Minor Head  | 105 | - | Dividend Incomes on investments of <b>PLI</b> Funds in Equity Shares.  |
| (6) | Minor Head:   | 106 | - | Price Differential ( <b>Profit</b> ) on sale/discharge/redemption/ disposal of various securities.   |
| (7) | Minor Head:   | 107 | - | Price Differential ( <b>Losses</b> ) on sale/discharge/redemption/disposal of various securities.  |
| (8) | Minor Head  | 108 | - | Receipts on account of Bonus Shares (Face Value) received against Equity shares acquired from <b>PLI funds</b> .                             |
| (9) | New Minor/Sub/Detailed/Object Heads shall be opened as and when required. |     |   |  |

**NOTE:** The words/phrases "Postal Life Insurance", "PLI" and/or "PLIF" wherever occurred in these regulations, shall include the Civil **PLI (CPLI)** and Military **PLI (MPLI)** schemes, as well.

- (2) **Incomes on investments of Rural PLI Funds** shall be accounted for under **Major Head 8016-Incomes & Expenditure of Post Office Insurance Fund. Sub Major Head 02-Incomes on Investments of RURAL PLI FUNDS**. Separate Minor Head would be used to account for the incomes in respect of various types of investments as per the following details, namely:-

- |     |            |     |   |   |
|-----|------------|-----|---|---|
| (1) | Minor Head | 101 | - | Interest Income on Balance <b>RPLI</b> Funds/corpus (as on 31.10.2009) from Central Government.   |
| (2) | Minor Head | 102 | - | Interest Income on Investments of <b>RPLI funds</b> in dated securities from net <b>RPLI</b> corpus at the close of 31 <sup>st</sup> October, 2009. |
| (3) | Minor Head | 103 | - | Interest Income on investments from net <b>RPLI</b> accretions from 1 <sup>st</sup> November, 2009 onwards, in various securities/instruments.      |
| (4) | Minor Head | 104 | - | Interest Income on Loans to the <b>RPLI</b> policy holders.   |

- (5) Minor Head 105 - Dividend Incomes on investments of **RPLI** Funds in Equity Shares.
- (6) Minor Head: 106 - Price Differential (**Profit**) on sale/discharge/redemption/ disposal of various securities.
- (7) Minor Head: 107 - Price Differential (**Losses**) on sale/discharge/redemption/disposal of various securities.
- (8) Minor Head 108 - Receipts on account of Bonus Shares (Face Value) received against Equity shares acquired from **RPLI funds**.
- (9) New Minor/Sub/Detailed/Object Heads shall be opened as and when required.

(3) **Other Incomes** of Post Office Insurance Fund shall be accounted for under **Major Head 8016** –Incomes & Expenditure of Post Office Insurance Fund. **Sub Major Head 03** -Other Incomes of Post Office Insurance Fund. Separate Minor Heads would be used to account for the other incomes in respect of PLIF and RPLIF with the following details, namely:-

- (1) **Minor Head: 101**– Other Incomes In respect of Postal Life Insurance Funds (PLIF).
- (2) **Minor Head: 102**– Other Incomes of Rural Postal Life Insurance Funds (RPLIF).

(i) Various types of petty receipts shall be reflected under distinct Sub Heads under these Minor Heads.

(4) **Establishment related expenditure**, directly attributed to the Operations and Management of Postal Life Insurance and Rural Postal Life Insurance schemes and the Post Office Insurance Fund shall initially be accounted for under various revenue expenditure heads (*already available in Appendix-V & the Demands for Grants of the Department of Posts*) under **Major Head 3201**- Postal Services, against duly sanctioned grants. At the end of the financial year, entire expenditure under these heads shall be debited to the **Major Head 8016** –Incomes and Expenditure of Post Office Insurance Fund. **Sub Major Head 04**- Establishment related Expenditure and separate Minor Heads as per the following details, by per contra credit(Minus debit) to the relevant revenue heads, namely :-

- (1) **Minor Head 101** - **Postal Life Insurance Directorate.**
- (2) **Minor head 102** - **Post Office Insurance Fund Investment Division.**
- (3) **Minor Head 103** - **Director of Postal Life Insurance, Kolkata.**

- (4) **Minor Head 104** - **Postal Life Insurance Branches in various Circles.**
- (5) **Minor Head 105** - **Expenditure related to Rural Postal Life Insurance (Sub Fund).**

(6) New Minor/Sub/Detailed/Object Heads shall be opened as and when required.

**Note:-** The above said expenditure shall be suitably apportioned by **PLI DIRECTORATE** between the **PLIF** and **RPLIF** in order to reflect correct financial position of both the sub funds.

(5) **Bonus Payments** to the Policy holders under Postal Life Insurance and Rural Postal Life Insurance schemes shall be accounted for under **Major Head 8016** -Incomes and Expenditure of Post Office Insurance Fund. **Sub Major Head: 05** –Bonus Payments to the Policy Holders. Separate Minor Heads would be used to account for the Bonus payments in respect of various types of Postal Life Insurance/Rural Postal Life Insurance Schemes as per the following details:-

- (1) **Minor Head 101** - Bonus Payments to the **PLI** Policy Holders.
- (2) **Minor Head 102** - Bonus Payments to the **Rural PLI** Policy Holders.
- (3) New Minor Heads shall be opened as and when required.

(i) Bonus Payments to the policy holders under various schemes shall be accounted for under distinct sub heads under these Minor Heads.

(6) The Expenditure related to the **Management** of the Fund shall initially be booked and accounted for under various revenue expenditure heads under **Major Head 3201 –Postal Services** against the sanctioned grants. At the end of the financial year, the entire expenditure shall be debited to the **Major Head: 8016** –Incomes and Expenditure of Post Office Insurance Fund. **Sub Major Head: 06** –Management Costs and separate Minor Heads as per the following details, **by per contra credit (minus debit)** to the relevant revenue heads(of MH:3201), namely:-

- (1) **Minor Head 101** - Promotion and marketing.
- (2) **Minor Head 102** - Professional Services.
- (3) **Minor Head 103** - Payments of Remuneration to Portfolio/Fund Managers

- (4) **Minor Head 104** - Payment of remuneration to Department of Posts.
- (5) **Minor Head 105** - Payment of charges to Custodian Banks.
- (6) **Minor Head 106** - Payments of Brokerage/commission to brokers, agents, etc.
- (7) **Minor Head 107** - Payment of various Levies and Taxes, etc.
- (8) New Minor/Sub/Detailed/Object Heads shall be opened as and when required.

**(i) Expenditure on the above aspects/services, pertaining to the PLI and RPLI Funds, shall be booked under separate sub heads under the above minor heads.**

**(7) The erosion of capital/loss if any, and profit or gains as a result of periodical evaluation of the Fund, shall be adjusted in accounts of POIF under Major Head: 8016-Income and Expenditure of Post Office Insurance Fund. Sub Major Head:07-Evaluation of Post Office Insurance Fund and Minor heads of accounts as under:-**

- (1) **Minor Head: 101-Profit** as a result of Evaluation of the assets of PLIF.
  - (2) **Minor Head: 102-Loss** as a result of Evaluation of the assets of PLIF; **and**
  - (3) **Minor Head: 103-Profit** as a result of Evaluation of the assets of RPLIF.
  - (4) **Minor Head: 104-Loss** as a result of Evaluation of the assets of RPLIF;
- as the case may be, during the currency of the year by **per contra debit/credit** to the relevant investments' heads, etc. At the Year end, balances under these minor heads shall be adjusted/netted against the Income and Expenditure of the POIF along with other items and cleared.

**30. Detailed Accounting Procedure** for booking of the transactions up to Sub/Detailed/Object Heads level, and other subsidiary accounting Instructions in respect of these regulations, shall be issued by the Department of Posts (Postal Accounts Wing), from time to time.

## **PART IV – MISCELLANEOUS**

**31. Interpretation.-** Where any doubt arises as to the interpretation of any of the provisions of these regulations, the matter shall be referred to the Central Government whose decision shall be final.



- 32. Power to remove difficulties.-** If any difficulty arises in giving effect to any of the provisions of these rules, the Central Government may, subject to such restrictions and conditions, if any, as it may think fit to impose, dispense with or relax any of the provisions of these regulations.

## FUND FLOW OF POST OFFICE INSURANCE FUND

### WHAT COMES IN:

- Deposits of premiums, or subscriptions, repayments or recoveries of loans and interest from policy holders under various Postal Life insurance and Rural Postal Life Insurance schemes.
- Amount realized on discharge of investments made from the Fund into various forms of securities/investments.
- The interest received on investments made from the Fund.
- The Dividend received on Equity Shares, held by the Fund.
- The receipts on account of Bonus Shares (face value), preferential shares; and
- Other receipts of the Fund on account of fees, charges, etc.

### POST OFFICE INSURANCE FUND

### WHAT GOES OUT:

- Payments, which include grant of loan as admissible, maturity values, death claims and paid up values (containing premiums plus bonus accrued), surrender values, refund of premium in respect of the Insurance Policies.
- Investments made in various types of securities, loans, debentures, equity shares, etc.
- Bonus payable to the policy holders under Postal Life Insurance and Rural Postal Life Insurance Schemes.
- Incidental expenditure towards management of Postal Life Insurance and Rural Postal Life Insurances schemes viz. Establishment related expenditure, expenditure on promotion and marketing, professional services, payment of various taxes, levies, etc.

ANNEXURE -XXX									
POST OFFICE INSURANCE FUND									
(In crores of Rupees)									
		Actual		Budget		Revised		Budget	
		2009-2010 (Provisional)		2010-2011		2010-2011		2011-2012	
		Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement	Receipt	Disbursement
<b>A. COLLECTIONS, DISCHARGES &amp; INVESTMENTS:</b>									
1	RECEIPTS:								
	OPENING BALANCE	0		0.00		0.00		0.00	
a)	CIVIL PLI SCHEMES								
b)	MILITARY PLI SCHEMES								
c)	RURAL PLI SCHEMES								
	TOTAL RECEIPTS AND DISBURSEMENTS: (I)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	ACCUMULATED SURPLUS/DEFICIT:								
a)	ACCUMULATED SURPLUS/DEFICIT OF CPLIF:								
	OPENING BALANCE	0.00		0.00		0.00		0.00	
	Accretion during the year [(+) in case of profit/Addition (-) in case of loss/depletion]								
	TOTAL ACCUMULATIONS (CPLIF) (I)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	ACCUMULATED SURPLUS/DEFICIT OF RPLIF:								
	OPENING BALANCE	0.00		0.00		0.00		0.00	
	Accretion during the year [(+) in case of profit/Addition (-) in case of loss/depletion]								
	TOTAL ACCUMULATIONS (RPLIF) (II)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL ACCUMULATED SURPLUS/DEFICIT (I) + (II)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	INVESTMENTS:								
	INVESTMENTS ON 1ST APRIL (TOTAL)		0.00		0.00		0.00		0.00
3.(I)	"Investments of Net CPLIF Corpus as on.....In Dated securities"								
3.(II)	"Investments of Net RPLIF Corpus as on.....In Dated securities"								
3.(III)	"Investments of Net Accretions under CPLIF from.....onwards"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a)	Investments in EQUITY SHARES								
(b)	Investments in PREFERENCE SHARES								
(c)	Investments in Debentures								
(d)	Investments in Cash Certificates / Bonds								
(e)	Investments in Other Approved securities								
(f)	Investments in Fixed/Term Deposits								
(g)	Investments in Other Debt Instruments								
(h)	Other Investments, Term Loans, etc.								
3.(iv)	"Investments of Net Accretions under RPLIF from.....onwards"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a)	Investments in EQUITY SHARES								
(b)	Investments in PREFERENCE SHARES								
(c)	Investments in Debentures								
(d)	Investments in Cash Certificates / Bonds								
(e)	Investments in Other Approved securities								
(f)	Investments in Fixed/Term Deposits								
(g)	Investments in Other Debt Instruments								
(h)	Other Investments, Term Loans, etc.								
	Total Investments in the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>B INCOME AND EXPENDITURE OF POIF:</b>									
1	INCOMES :								
a)	Interest Income on Balance Funds/Corpus from Central Government	0.00		0.00		0.00		0.00	
b)	Interest Income on Investments in dated securities from net corpus at the close of .....	0.00		0.00		0.00		0.00	
c)	Interest Income on Loans to the Policy Holders	0.00		0.00		0.00		0.00	
d)	Interest Income on investments from net accretions from.....onwards in various securities/instruments.	0.00		0.00		0.00		0.00	

[illegible]

SOURCES AND APPLICATION OF POST OFFICE INSURANCE FUND AS ON 31ST MARCH, 20.....				
(In Crores of Rupees)				
	2009-2010 Actuals (Provisional)	2010-2011 (Revised Estimates)	2011-2012 (Budget Estimates)	
<b>A. SOURCES OF FUNDS :</b>				
<b>I PREMIUM RECEIPTS UNDER POSTAL LIFE INSURANCE SCHEMES</b>				
<b>(i) CIVIL PLI SCHEMES:</b>				
Liabilities outstanding as on 1st April	0.00	0.00	0.00	
Accretion to liabilities during the year	0.00	0.00	0.00	
<b>(ii) MILITARY PLI SCHEMES:</b>				
Liabilities outstanding as on 1st April	0.00	0.00	0.00	
Accretion to liabilities during the year	0.00	0.00	0.00	
<b>(iii) RURAL PLI SCHEMES:</b>				
Liabilities outstanding as on 1st April	0.00	0.00	0.00	
Accretion to liabilities during the year	0.00	0.00	0.00	
<b>TOTAL PREMIUM RECEIPTS (I)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>II ACCUMULATED SURPLUS (+) / DEFICIT (-)</b>				
<b>(i) Accumulated Surplus/Deficit under PLIF</b>				
As on 1st April	0.00	0.00	0.00	
Accretion during the year	0.00	0.00	0.00	
<b>(ii) Accumulated Surplus/Deficit under RPLIF</b>				
As on 1st April	0.00	0.00	0.00	
Accretion during the year	0.00	0.00	0.00	
<b>TOTAL ACCUMULATED SURPLUS/DEFICIT (II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>TOTAL FUNDS : (I)+(II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>B. APPLICATION OF FUNDS :</b>				
<b>1.(i) "Investments of Net PLIF Corpus as on.....In Dated securities"</b>				
Investment as on 1st April	0.00	0.00	0.00	
Additional investment during the year	0.00	0.00	0.00	
<b>Less: Redemption of securities during the year</b>	<b>(-)0.00</b>	<b>(-)0.00</b>	<b>(-)0.00</b>	
<b>1.(ii) "Investments of Net RPLIF Corpus as on.....In Dated securities"</b>				
Investment as on 1st April	0.00	0.00	0.00	
Additional investment during the year	0.00	0.00	0.00	
<b>Less: Redemption of securities during the year</b>	<b>(-)0.00</b>	<b>(-)0.00</b>	<b>(-)0.00</b>	



<b>2.(i) "Investments of Net Accretions under PLIF from.....onwards"</b>			
<b>(a) Investments in EQUITY SHARES</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Shares disposed off during the year	(-)0.00	(-)0.00	(-)0.00
<b>(b) Investments in PREFERENCE SHARES</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Shares disposed off during the year	(-)0.00	(-)0.00	(-)0.00
<b>(c) Investments in Debentures</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Redemption during the year	(-)0.00	(-)0.00	(-)0.00
<b>(d) Investments in Cash Certificates / Bonds</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Certificates/Bonds encashed during the year	(-)0.00	(-)0.00	(-)0.00
<b>(e) Investments in Other Approved securities</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Redemption of securities during the year	(-)0.00	(-)0.00	(-)0.00
<b>(f) Investments in Fixed/Term Deposits</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Encashments during the year	(-)0.00	(-)0.00	(-)0.00
<b>(g) Investments in Other Debt Instruments</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Redemption/encashments during the year	(-)0.00	(-)0.00	(-)0.00
<b>(h) Other Investments, Term Loans, etc.</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Redemptions/Recoveries during the year	(-)0.00	(-)0.00	(-)0.00
<b>2.(ii) "Investments of Net Accretions under RPLIF from.....onwards"</b>			
<b>(a) Investments in EQUITY SHARES</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Shares disposed off during the year	(-)0.00	(-)0.00	(-)0.00
<b>(b) Investments in PREFERENCE SHARES</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Shares disposed off during the year	(-)0.00	(-)0.00	(-)0.00
<b>(c) Investments in Debentures</b>			
Investment as on 1st April	0.00	0.00	0.00
Additional investment during the year	0.00	0.00	0.00
<b>Less:</b> Redemption during the year	(-)0.00	(-)0.00	(-)0.00

(d)	Investments in Cash Certificates / Bonds			
	Investment as on 1st April	0.00	0.00	0.00
	Additional investment during the year	0.00	0.00	0.00
	Less: Certificates/Bonds encashed during the year	(-)0.00	(-)0.00	(-)0.00
(e)	Investments in Other Approved securities			
	Investment as on 1st April	0.00	0.00	0.00
	Additional investment during the year	0.00	0.00	0.00
	Less: Redemption of securities during the year	(-)0.00	(-)0.00	(-)0.00
(f)	Investments in Fixed/Term Deposits			
	Investment as on 1st April	0.00	0.00	0.00
	Additional investment during the year	0.00	0.00	0.00
	Less: Encashments during the year	(-)0.00	(-)0.00	(-)0.00
(g)	Investments in Other Debt Instruments			
	Investment as on 1st April	0.00	0.00	0.00
	Additional investment during the year	0.00	0.00	0.00
	Less: Redemption/encashments during the year	(-)0.00	(-)0.00	(-)0.00
(h)	Other Investments, Term Loans, etc.			
	Investment as on 1st April	0.00	0.00	0.00
	Additional investment during the year	0.00	0.00	0.00
	Less: Redemptions/Recoveries during the year	(-)0.00	(-)0.00	(-)0.00
	TOTAL INVESTMENTS (1) + (2)	0.00	0.00	0.00
	CASH BALANCE	0.00	0.00	0.00
	TOTAL (Application of Funds)	0.00	0.00	0.00

### Accounting procedure for accounting of transactions relating to Universal Service Obligation (USO)

Universal Service Support Policy has come into effect with effect from 1.04.2002 in consultation with the T.R.A.I. for implementation of the Universal Service Obligation as envisaged in the New Telecom Policy 1999. A fund with the nomenclature "Universal Service Obligation Fund" is to be created for the purpose of accounting of receipts of Universal Service Levy (USL), which will be drawn from out of the Licence fee collected. This would however, be within the present cap of licence fee plus USL together. Therefore, the following accounting procedure has been proposed for adoption.

- Adjusted Gross Revenue (AGR) is arrived at excluding the following from the Total Gross Revenue.
  - (i) Access Charges paid and any other revenue passed on to other telecom service provider
  - (ii) Service Tax on provision of service, if Gross Revenue is inclusive of Service Tax.
  - (iii) Sales Tax actually paid to the Government

2. Licence branch of the DoT, on receipt of the quarterly licence fee in advance through Demand Draft, Bank Order and Banker's cheque, will bifurcate the total amount between Telecom Licence fee and Universal Access Levy and give the classification as under:

1275 – Other Communication Service –104- Telecommunication  
Licence fee; and  
1275 – Other Communication Service –105- Universal Access  
Levy (this Minor head is proposed to be opened)

Sub heads will be  
opened according  
to the service.(as  
given in Annexure)

After classification, the details of Licence fee along with instrument are to be sent to PAO (HQ) DoT for incorporation in the account according to classification

above. The quarterly licence fee received will be on estimation and the final adjustment is to be made on finalisation of Account of service provider.

The "Universal Service Obligation Fund" will be opened under a new minor head below the Major Head 8235 – General and Other Reserve Fund" in the Section "Reserve Funds not bearing interest".

3. At the last working Day of the month, total Universal Access Levy collected during the month equal amount of this will be transferred to USO Fund by debiting the Head

3275 – Other Communication Services

797 – Transfer to Reserve Fund

by contra credit to the head

8235 – General and Other Reserve Fund

118 – Universal Service Obligation Fund (Minor head to be opened)

subject to the Budget Provision.

4. As and when the payment is made to the eligible service provider after due verification of the fulfillment of the obligation the amount so paid will be debited to the

3275 – Other Communication Services

103 – Compensation to Service provider for Universal Service Obligation  
(this minor head to be opened) by drawing a cheque under head

8670 – Cheque and Bills – TAO Cheque and Bills.

5. After payment is made, corresponding amounts will also be booked as deduct entry below the major head

3275 – Other Communication Services

902 – Deduct Amount met from USO Fund

by debiting the head

8235 – General and Others Reserve Fund

118 – Universal Service Obligation Fund

In order to understand the transaction easily step by step action to be taken in this regard a separate annexure is attached.

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**No. 56-8/2006-07-PA (Tech-I)**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMUNICATION & IT**  
**DEPARTMENT OF POSTS**  
**PA WING: TECH-I BRANCH**  
**DAK BHAVAN: SANSAD MARG**  
**NEW DELHI-110001**

**Sub:-** /Accounting Procedure-Issue of Railway Tickets under Passenger Reservation System (PRS) through Post Offices.

On the basis of Memorandum of Understanding and Operating Procedure, the following Heads of Accounts and Accounting Procedure are prescribed incorporating the replies to the observations made by the Budget Division, Department of Economic Affairs, Ministry of Finance and Comptroller & Auditor General of India.

**1 Head of Accounts:-**

For classification of the amounts on account of Sale of Railway Tickets, Service Charges of the Department as well as refunds made to the customers on account of cancellation of tickets and Service Charges thereon, the heads of accounts to be operated are proposed as under:

(i) Sector-M- Remittances

Sub- Sector (a)-Money Orders and Other Remittances.

Major Head- 8783- Agency arrangements of Department of Posts with other Departments/ Agencies

Minor Head- 101- Collection on Sale of Railway Tickets

Sub & Detailed Head- -01- ~~Cr.~~ Collection on Sale of Railway Tickets

Deduct (1) Service Charges on sale of Railway Tickets.

Deduct (2) Service Charges on Cancellation of Railway Tickets



[To be transferred to 1201-Postal Receipts-  
Service Charges on Sale/Cancellation of Railway  
Tickets]

1201.108- Service Charges on Sale and Cancellation of  
Railway Tickets.

Deduct (3)                      Amount refunded to Passengers for cancellation  
of Railway Tickets

(ii)

Major Head - 1201- Postal Receipts

Minor Head- 108- Service Charges on Sale and Cancellation of  
Railway Tickets though Post Offices.

**2. Accounting Procedure:** Role of different units of the Department relating to the Scheme as far as accounting procedure is concerned, is furnished below.

**i) Role of Sub Post Offices:**

On reserving/ issuing a ticket to the customer, the amount collected by the Designated Sub Offices shall be brought into account by showing the amount as Receipts in their accounts with the nomenclature " Sale of Railway Tickets" and Service charges of the Department" separately. The Sub Office will incorporate this amount in their SO Summery and the SO Daily Accounts submitted to the Head Post Office. The total amount collected from the passengers at the close of the day should be equal with the figure of SO Daily Account. At the end of the day, the software should be in a position to generate a list of tickets with PNR Number issued at the Post Office indicating the serial number of the tickets and the amount collected thereon. A copy of this should be sent to its Head Post Office as a supporting document. This need not be insisted upon if at Head Post Office, could generate the same for verification on a daily basis. The refunds made to the customers on account of cancellation of tickets will be shown under payment side of SO summary and in the SO Daily Account sent to HO.

## **ii) Role of Head Post Offices:**

- (a) The Head Post Offices will similarly account for the amount collected from the passengers on the Receipt side of the Head Office Summary and HO Cash Book distinctly indicating "Sale of Railway Tickets' and Service Charges earned by the Department." This receipt should be supported by a schedule to DA (P) showing the Date-wise/ Railway Zone-wise tickets with PNR Number issued and amount collected for the sale of the tickets and service charges of the Department for the entire month.
- (b) There will be no payments at the Sub or Head Post Offices level except the refund on account of cancellation of tickets reserved after introduction of Electronic transfer through IGA advice through RBI, Nagpur. Till then existing procedure may be continued to follow. The refunds made should be supported by the tickets cancelled.
- (c) The Head Post Office will account for the amount paid to Railways on the Payment side of the Head Office Summary and HO Cash Book on a daily basis distinctly indicating 'Payment made to Railways under Passenger Reservation System. A monthly schedule will be prepared in duplicate showing the Date-wise payment made to Railways and one copy of the schedule will be sent to its Circle Postal Accounts Office along with the Cash Accounts Returns for further incorporation in the Circle Abstracts.
- (d) A copy of Daily Transactions Report will also be sent to its Circle Postal Accounts office as a supporting document for onward transmission to Director of Accounts (Postal), Nagpur (Nodal Office).

## **iii) Role of Postal Accounts Offices:**

- (a) At the end of the month, on receipt of the Cash Accounts Return along with the supporting documents relating to the scheme from the Head Post Offices, the Postal Accounts Office will maintain a separate Broad Sheet for this item on monthly basis. The Receipts and Payments will be booked under the proposed Head of Accounts No. 8783-101-01 – Collection of Sale of Railway Tickets and Service Charges of the Department. (As detailed in Para-I) Before booking, Circle Postal Accounts Office may ensure that the amount shown in the Cash Accounts must be tallied /agreed with the total figures shown in the schedules received with the Cash Accounts.

(b) If there is any discrepancy, the matter may be sorted out immediately with the concerned Head Postmaster by e-mail/Fax.

(c) Circle Postal Accounts Office will send the information for the entire Circle showing the net amount payable to Railways to the Director of Accounts (Postal) Nagpur on a daily basis.

(d) On receipt of statements daily / monthly by means of internet from all Head Post offices, reconciliation of the amount credited to Railways and the amount collected by the Department will be made on day to day basis. If there is any discrepancy, the matter may be sorted out immediately with the concerned Zonal FA & CAO of Railways and also with the concerned Postmaster of Head Post Offices. The net amount collected by the Designated Post Offices should match/ tally with the credits passed to the Railways.

**(iv) Role of Nodal Postal Accounts Offices:-**

(a) Since the credits will be passing on to Railways on the advice of Director of Accounts (Postal), Nagpur on the basis of information collected from concerned Postal Accounts Offices on line by CAS, RBI, Nagpur centrally on a daily basis, a separate JA/SA/AAO be earmarked in Nagpur Postal Accounts Office for checking the credits passed on to the Railways matched with the Daily Receipts and Payments booked by the Designated Post Offices.

(b) On receipt of information from all concerned Postal accounts Offices, Director of accounts (Postal) Nagpur will consolidate the information for the amount payable to Ministry of Railways on a daily basis and advice RBI Nagpur that credit may be passed on to Railways by debiting the account of India Post.

(c) On receipt of the closing statement from RBI, Nagpur for the credit passed on to the Railways, the amount will be booked under the following Heads of Accounts.

Credit-	8675-	R. B. Deposits
Debit-	8783-	Agency arrangements of Department of Posts
		With Other Departments/Agencies

The credits shown by the Head Post Office (excluding the Service Charges portion, amount refunded to passengers on cancellation of tickets) in their Cash Accounts and the credit passed on to the Railways should match and tally.

(d) Discrepancy if any should at once be noted with details like Serial Number, PNR Number of Tickets, Place of booking i.e. Name of the Post Office, Amount of discrepancy. (Receipts or Payments) and take immediate action to the Concerned Postal Accounts Offices and to Designated Post Office.

NO. 71-03/2005-BD&MD/Vol. III

Government of India  
Ministry of communications & Information Technology  
Department of Posts  
Business Development & Marketing Directorate  
5<sup>th</sup> Floor, Dak Bhawan  
New Delhi 110 116

Dated: 19<sup>th</sup> April, 2010

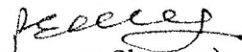
**Office Memorandum**

Subject: **Modifications in Operating Procedure for Passenger Reservation System.**

In partial modification of Operating Procedure for Passenger Reservation System (PRS), Para 9 is modified as under:

**Para 9: Mode of settlement of the amount of sold tickets:**

- (i) Amount payable to the MOR will be credited by RBI Nagpur centrally by debiting the account of Department of Posts on a daily basis on the advice of DAP Nagpur. The DAP Nagpur will receive the information from concerned PAOs on line.
- (ii) The PAOs will receive information from the concerned Head Post Offices under its jurisdiction on line.

  
(Prannoy Sharma)  
Addl. General Manager (RP)

1. All Heads of Circles.
2. All Directors Postal Accounts.
3. The Director General P&T Audit, Civil Lines, Delhi-54.



**DEPARTMENT OF POSTS**

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**OPERATING PROCEDURE:**  
**PASSENGER RESERVATION SYSTEM**

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**BD Directorate, Dak Bhawan, New-Delhi - 110001**

A Memorandum of Understanding has been signed between Department of Posts and Ministry of Railways to issue computerized railway reservation tickets to the public under the Passenger Reservation System through 30 identified head and Sub Post Offices in the country (ANNEXURE-D). The scheme may be extended/ shifted to other Post Offices also depending upon suitability of location from time to time after mutual agreement between India Post and Ministry of Railways

Following services will be available in the identified Post Offices:

- (a) Reservation of all categories of tickets.
- (b) Cancellation of Reserved tickets.

(2) The application forms to be filled in by the passenger(s) for reservation/cancellation of railway tickets will be supplied free of cost by the Railways to the Post Offices where PRS scheme is operative. PM/ SPM will ensure that the application forms are available on the counter for the public

(3) The service charges for issuing tickets and cancellation will be as below:

- (a) For issue of II Class Sleeper & II class sitting  
(2S) tickets — Rs 15/- per ticket
- (b) For issue of III AC & AC Chair car tickets— Rs 20/- per ticket
- (c ) For II AC, I AC & First Class tickets --- Rs 30/ per ticket
- (d) For Cancellation charges for all classes of tickets - Rs 10/- per ticket

(4) **Booking of tickets**

- (i) The computer provided by the Ministry of Railways will be booted by the Counter PA Supervisor/APM/SPM with Supervisor Password. The Counter PA will operate the system with his Personal Identification Number. The Counter PA Supervisor /APM/SPM/will keep the Password secret and he will not divulge the same to the counter PA to boot the computer in accordance with the above accord.
- (ii) The counter PA will accept the application form from the customer and verify that it has been filled correctly and signed. Counter PA will put his initials on the application form and also the amount of service charges for DOP realized by DOP. He will then check availability of accommodation required, from the system. If the accommodation is available, he will print the ticket and issue the same to the customer after collecting the tariff for tickets prescribed by the Ministry of Railways and service charges as prescribed by the Department of Posts from time to time in cash. The Railway tariffs and Service charges for DOP are shown separately on the ticket.
- (iii) (a) At close of the day counter Assistant will take two printouts of the following summary / lists / statements generated in the system and attach them as annexure)
  - (i) Daily summary of Transactions (Cash & P Information D(5) (Annexure-E)
  - (ii) Daily Summary of Transactions ( Cash information D(5) (Annexure- K
  - (iii) Daily statement of cancelled tickets -D 8a (Annexure -G)
  - (iv) Daily statement of modified, special cancellation and tickets- D 8b (Annexure-G)

- (v) Daily statement of Non Issued Tickets-Local D 8d (Annexure-H)
- (vi) Daily statement of Non-issued Tickets – Foreign - D 8d (Annexure-I)
- (vii) Daily Continuity list- of SUPC (Annexure –J)
- (viii) Daily Continuity list of PCI D-19 Annexure –L
- (ix) Daily cash terminal Summary (It is generated on a blank ticket in single copy.
- (x) Monthly Summary of Transactions Cash Information (Date-wise) M-6 (Annexure-M)

He will sign both printouts of list Summaries / Statements mentioned at Serial No. (i) to (x) above and affix the date stamp. The APM/SPM/Supervisor will check the lists with reference to application forms to ensure that the lists include all the transactions of day, amount realized due to sale of tickets and amount realized as service charges and verify the correctness of the totals. He will put his dated signature on the lists in token of having carried out the prescribed checks.

- (iv) In case of Head Post Office one printout of the Daily Summary of transactions, Daily Statement of Cancelled Tickets, Daily Summary of Modified Special Cancellation Tickets, Daily Statement of Non-issued Tickets and Daily Continuity List be transferred by Counter Assistant to Accounts Branch under acquittance obtained on second copy of the list, summary and statements, summary and statements which will be kept as office copy in the custody of the APM/Supervisor. In case of Sub Post Office, one copy of the list, summary and statements will be sent to its Head Post Office duly entered in the Daily Account. Sub Account Assistant will transfer these documents to accounts branch, under receipt obtained on daily account against the relevant entry. Postal Assistant of the Account Branch will check with respect to list, statements and daily

summaries refund vouchers and S O summary in respect of transactions SO that correct amount has been taken into Government accounts.

- (v) At the end of each day, the PM/ APM/Supervisor of Head Post Office will consolidate the lists received from SOs under its accounts jurisdiction and lists generated in HPO and send one copy to the nominated Railway Station or Railway Traffic Accounts Office identified after mutual consent with Railways through Registered A.D. He will keep record of the lists sent to Railway in a register, where details of Registered letter will be noted down properly.
- (vi) Cash collected in transactions will be transferred to treasurer / SPM by the Counter Assistant through Hand to Hand receipt book under clear acquittance daily. APM/SPM/Supervisor will ensure that correct amount of cash including service charges has been transferred to treasurer under acquittance and he will countersign the entries of cash transfer, in token of having carried out the check.
- (vii) Counter Asstt will be solely responsible for safe custody of cash till it is transferred to treasurer/ SPM under receipt.
- (viii) Both printouts of the lists, daily statements and summaries generated at the close of day will be kept in custody of APM/SPM/Supervisor i.e one with APM Accounts/ PM of the HPO and the other with APM/SPM/Supervisor of the ticket booking counter.
- (ix) The Accounts Branch will prepare a schedule at the close of the month indicating date wise details of total no. of tickets sold, amount realized on sale of railway tickets and service charge realized in the format annexed as "A" and will send it to DAP along with monthly cash account.



- (x) The amount collected for the sale of tickets (excluding service charges) and service charges realized thereon will be entered under separate columns to be prescribed for the purpose in the SO account and SO daily account in the SOs and SO summary and HO summary and Head Office Cash Book in HOs.
- (xi) In the Post Office account, the amount collected as a result of the sale of tickets and service charges realized will be shown separately under the head as prescribed by the Postal Accounts Finance.

(5) **Cancellation of tickets.**

- I. A person wishing to cancel a railway ticket will fill in the prescribed application form and present it along with railway ticket to the Counter Asstt.
- II. Counter Asstt will check the application form to see that it has been correctly filled in and signed. He will check from the system about the validity of tickets and amount refundable on cancellation and take a print out of the cancellation ticket indicating the amount of refund from the system. The refundable amount minus Rs 10/- per ticket as service charges will be paid after obtaining the receipt from the ticket holder on the print out.. The ticket will be date stamped also. A remark '**Cancelled**' will be recorded by Counter Asstt across the cancelled ticket over his signature.
- III. Counter Assistant will ensure that particulars of tickets cancelled, amount refunded are incorporated in the daily statements of cancelled tickets (Annexure F) in the system at the close of the day.

- IV. APM/PM/SPM/Supervisor will check with reference to tickets cancelled that the total amount of refund tallies with the details in the daily statement of cancelled tickets (D8a) and Daily Summary of cash transactions and Daily Cash Terminal Summary and will also check that the correct amount of service charges have been realized.
- V. The amount refunded will be reflected in SO account and SO daily account on payment side under the heading 'Refund of railway tickets'. Service charges realized will be reflected under the heading "Service charges realized on issue and cancellation of Railway tickets" on receipt side'. Similarly in HO the amounts refunded will be reflected on payment side and service charges realized on receipt side of HO summary / SO summary and Cash Book.
- VI. The cancelled tickets along with the daily statements of cancelled tickets generated at the end of day will be kept by the Sub Post Master in his personal custody till their dispatch to the Head Post Office duly entered on the back of daily account. These documents on receipt in HO will be transferred by Sub Account Assistant to Postal Assistant, of Accounts branch under acquittance obtained on the back of daily account against relevant entry.
- VII. In case of the HOs, cancelled tickets and the daily list of cancelled tickets pertaining to transaction at HO generated in the system will be transferred to P.A. of Accounts Branch by the Counter Assistant daily under acquittance obtained on office copy of the list. The APM/Supervisor will be responsible to ensure that these documents are transferred to Accounts Branch under receipt in time.
- VIII. Accounts Branch will send a Monthly Schedule of amount refunded for cancelled tickets and service charges realized along with cancelled tickets

and vouchers of payments to Director of Accounts (Postal) as per Annexure B.

IX. (a) Whenever a reservation ticket issued by the Counter Postal Assistant is required to be cancelled due to mistake(s) in the name, age, or gender etc of passenger(s) on such tickets, the ticket(s) handed over by the customer at the Post Office counter will be cancelled and a fresh ticket will be issued to him without charging cancellation charges. In case, such mistakes occur on the ticket due to mistake on the part of customer or the customer desires any change/correction in the name, age or gender of the passenger, cancellation charges will be recovered from the customer. Such ticket(s) will be cancelled and fresh ticket(s) will be issued in lieu of such cancelled ticket(s). Such cancelled tickets will be kept with Daily statement of Modified, Special Cancellation and Student tickets (D8b) in the custody of the PM/APM/SPM /Supervisor.

(b) All record pertaining to reservation of railway tickets will be preserved as mentioned in sub para 8 (VIII) and other instructions issued by Ministry of Railways and circulated from time to time by the Business Development & Marketing Directorate and the same will be made available to the P&T Audit Wing at the time of inspections of the HOs by the P&T Audit.

(6) **Disposal of Spoilt blank Railway Tickets.**

I. Blank railway tickets spoilt before printing due to any reason in Sub Post Office will be returned to HO after making suitable entries in stock register. SPM of Sub Office will prepare an invoice in triplicate entering therein particulars of spoilt /torn out blank Railway tickets and send spoilt tickets along with two copies of invoices duly entered in daily account to Head Post Office. The Sub Account Assistant will transfer these invoices along with spoilt Railway tickets to APM/PM under receipt obtained on Daily Account against the relevant entry.

The PM/APM/Supervisor will return one copy of the invoice after acknowledging the receipt of spoilt tickets and date stamping by APM/PM to Sub Office duly entered in SO slip. The acknowledged invoice will be kept with the office copy of the invoice by the SPM / Supervisor.

- II. APM / PM will enter particulars of such spoilt blank Railway tickets with invoice in stock register.
- III. If any ticket is spoilt while taking the print out, the Counter assistant will make an entry in error book to this effect and record a remark 'Spoilt' across it under his dated signature and put a date stamp impression. Spoilt tickets will be attached with the Daily Account. The spoilt tickets will be checked by the APM/SPM/Supervisor with reference to daily statement of Non - issued tickets before putting his dated initial on spoilt tickets and Daily Statement of Non issued tickets (D8d).
- IV. The particulars of spoilt tickets will be entered in a register maintained in manuscript depicting the date, Serial number of the spoilt tickets by the Counter Assistant. This will be checked by the PM/APM/SPM/Supervisor. The register and spoilt tickets alongwith statement of non issued tickets will be kept in safe custody of APM/PM till spoilt tickets are finally disposed of.
- V. At the time of annual inspection, the register and spoilt tickets will be checked by the inspecting officer with reference to relevant Daily Statement of Non Issued tickets(D8d). The inspecting officer will get the spoilt tickets destroyed in his presence. A suitable remark will be recorded by the inspecting officer in the register. The particulars of destroyed tickets will be reflected in his inspection report also.

(7) **Stock and supply of Blank railway tickets.**

- I. The PSDs will place the indent to the designated Railway authorities as per the limit prescribed by the Head of Circle/Division. Blank computer ticket rolls will be collected and stocked by the PSDs from the Railways as per the indent. The PSD will maintain a stock register of blank Railway tickets in the format annexed as "C" following the procedure prescribed for maintenance of stock of Savings Bank Passbooks.
- II. The authorized stock of blank tickets rolls to be stocked by the HO/ designated SOs will be fixed by the Divisional Head and in case of independent Gazetted HOs by CPMG/Regional PMG.
- III. PSD will supply the blank computer railway tickets duly invoiced in duplicate to the HOs. The acknowledged copy of the invoice duly signed and date stamped by the Head Postmaster will be kept in the PSD along with the office copy. The HOs, in turn will supply blank railway tickets further to the SOs authorized to issue railway tickets under its accounts jurisdiction. For this purpose, the SOs will place their indents to the HO concerned. The blank computer tickets along with the invoice in duplicate will be sent to the SO duly entered in the SO slip by the HO. The acknowledged copy of the invoice duly signed by the SPM and date stamped will be kept in the HO along with the office copy of invoice.
- IV. A stock register of blank Railway tickets with the columns annexed as "C" will be maintained by the POs authorized to issue tickets under PRS.
- V. The PM/APM/SPM/ Supervisor will be personally responsible for the correct maintenance of the stock register and safe custody of blank railway



tickets. These will be kept in the custody of Postmaster/AP, SPM/Supervisor.

VI. The counter PA will maintain an index register for the number of Blank railway tickets issued daily and remaining un-utilized blank railway tickets available in the ticket roll and sign it daily. This will be checked by the Supervisor/ APM/ SPM with the Daily Continuity Lists & other reports generated at the close of the day. He will sign the register as a token of checking the same.

(8) **Miscellaneous**

- (i) In case of break-down of the computer, the matter will be reported to Head Postmaster / Divisional Head who will utilize the services of the System Administrator who should be trained for this purpose.
- (ii) Any problems arising out of maintenance of Software & Hardware will be responsibility of Railways and the matter will be taken up with the Railways by the Post master / Divisional Head. The Circle Heads, in consultation with Railway Zonal Offices will specify such railway authorities with whom the matter will be taken up and will intimate to the concerned post offices details of such railways authorities.
- (iii) The working hours of PRS counter will be decided by the Chief PMG/ PMG under consultation with the Chief Commercial Manager of concerned Railway Zone.
- (iv) Presently the booking of reservations tickets against concessional and military vouchers is not undertaken by the post offices. If in future, it is

decided to undertake this activity, necessary additions will be made in Operating/ Accounting Procedure.

- (v) The team of TIA and CMIs of Railways will inspect the PRS locations **once in Six months** to ensure that rules or regulations made by Railways, are being followed by the POs where PRS is functioning. The inspecting team of TIA and CMIs will intimate their inspection programme to the concerned Post Office and Divisional Head 15 days in advance. The Postmaster of the concerned post office will comply with the observations made by the inspecting Team of Railways.
- (vi) The complaints arising out of behaviour or conduct of staff of India Post will be dealt by the Department of Posts. For all other types of complaint, customer will take up the matter with the Railway authorities.
- (vii) During the inspection/annual verification the Inspecting Officer will inspect the records for four dates selected at random, one in each quarter and check that the correct amount of tickets issued, service charges collected on issue or cancellation of tickets and amount refunded have been taken into Government accounts and will reflect the result in his Inspection Report. He will also ensure that the prescribed periodical returns are sent to concerned offices in time. He will check the stock of Blank railway tickets with respect to Stock register and invoices and record the result in Inspection Reports.
- (viii) All records pertaining to reservation shall be preserved for six months except in those cases where action is under process and which are required to be preserved till the finalization of the cases. Softcopies of all passenger records on PRS system should be kept for three years and six months. Necessary instructions in this regard have been issued by BD&MD vide letter No. 71-03/07-08/BD&MD/IV dated July 28, 2008.

9. Mode of settlement of the amount of sold tickets.

- (i) Amount payable to the MOR will be credited by RBI Nagpur centrally by debiting the account of Department of Posts on a daily basis on the advice of DAP Nagpur. The DAP Nagpur will receive the information from concerned PAOs on line.
- (ii) The PAOs will receive information from the concerned Head Post Offices under its jurisdiction on line.

## ANNEXURE -A

**Schedule for Sale of Reserved railway tickets**

Date	Total No. of tickets issued	Amount realized (excluding service charges)	Service charges realized	Total ( 3+4)
1	2	3	4	5

## ANNEXURE -B

**Schedule for amount refunded due to cancellation of Reserved railway tickets**

Date	Total No. of tickets cancelled	Amount refunded (excluding service charges)	Service charges realized
1	2	3	4

## ANNEXURE-C

**Stock register of blank Railway tickets**

Date	Opening Balance	Invoice No. & date with name of the office	Sl.No. of blank tickets received	Total No. of blank tickets received	Total (2+5)	Name of office, invoice No. & date for issue of tickets	Sl. No. of tickets issued	Total No. of Railway tickets sent	Balance	Signature of PM/APM / SPM/ Supervisor
1	2	3	4	5	6	7	8	9	10	11

**List of PRS locations**

Sl. No.	Location	State
1.	PHULBANI	ORISSA
2.	DEOGHAR	JHARKHAN
3.	AURAIYA	UTTAR PRADESH
4.	ANJAW	ARUNACHAL PRADESH
5.	BISHNUPUR	MANIPUR
6.	CHAMPHAI	MIZORAM
7.	MANGALDOI	ASSAM
8.	JOWAI	MEGHALAYA
9.	SENAPATI	MANIPUR
10.	UDAIPUR	TRIPURA
11.	YINGKIONG	ARUNACHAL PRADESH
12.	DAPORIJO	ARUNACHAL PRADESH
13.	BOMDILA	ARUNACHAL PRADESH
14.	ALONG	ARUNACHAL PRADESH
15.	DODA	JAMMU & KASHMIR
16.	PANCHKULA	HARYANA
17.	POONCH	JAMMU & KASHMIR
18.	SUNDERGARH	ORISSA
19.	MADRAS HIGH COURT	TAMILNADU
20.	AHWA	GUJARAT
21.	NOIDA SECTOR 56 PO	UTTAR PRADESH
22.	UDYOG VIHAR PO , GURGAON	HARYANA
23.	DAHISAR, MUMBAI	MAHARASHTRA
24.	SRIPERUMBUDUR	TAMILNADU
25.	PUSHKAR	RAJASTHAN
26.	DLF GURGAON	HARYANA
27.	DWARKA SECTOR-6 , NEW DELHI	DELHI
28.	GREATER NOIDA ALPHA	UTTAR PRADESH
29.	INDIRAPURAM, SHIPRA SUN CITY, NOIDA	UTTAR PRADESH
30.	KAVINAGAR, GHAZIABAD	UTTAR PRADESH

## **Accounting Procedure for constitution and operation of Warehousing Development and Regulatory Authority Fund**

### **Constitution of WDRA Fund**

A fund called "Warehousing Development and Regulatory Authority Fund" has been constituted in accordance with the provisions contained in Section 37 of the warehousing (Development and Regulation) Act, 2007. The fund would be housed in non-interest bearing section of the Public Account of India. For the purpose a new minor head '\*\*\*- Warehousing Development and Regulatory Authority Fund' would be opened below the Major Head "8235- General and other Reserve Funds".

### **Receipts to the Fund**

All receipt of Warehousing Development and Regulatory Authority will be credited to the minor head "105- Warehousing Development and Regulation Receipts " (new minor head) below the Major Head "0408 – Food Storage and Warehousing".

The Warehousing Development and Regulatory Authority at the beginning of each financial year will submit their requirement of funds to the Ministry taking into account the estimated receipts of Warehousing Development and Regulatory Authority Fund (WDRA Fund). The Ministry will make necessary provision of funds in Demand for grants of the Ministry for the year under the following head of account:

- 2408 - Food Storage and Warehousing
- 02 - Storage and Warehousing
- 797 - Transfer to Reserve Fund and Deposit Account
- 01 - Transfer to Warehousing Development and Regulatory Authority Fund
- 01.00.63 - Inter Accounts Transfer

On receipt of sanction from the ministry for transfer of amount to the said fund, the Pay & Accounts Officer will pass a Transfer Entry in his accounts by debiting the above said head of account and crediting the WDRA Fund

- 8235 – General and other Reserve Funds
- 127 - Warehousing Development and Regulatory Authority Fund

### **Payments from the Fund**

On receipt of sanction from Department of Food and Public Distribution for release of payments to Warehousing Development and Regulatory Authority the DDO will submit a bill in this regard to the PAO Department of Food and Public Distribution for payment to the Warehousing Development and Regulatory Authority classifying the payments as debit to the Major Head.



2408 - Food Storage and Warehousing  
02 - Storage and Warehousing  
103 - Assistance to Warehousing Development and Regulatory Authority  
01 - Warehousing Development and Regulatory Authority  
01.00.31 - Grants - in - aid

An equivalent amount shall be met from Warehousing Development and Regulatory Authority Fund by Debiting the Major Head 8235 - General and other Reserve Funds - 127 - Warehousing Development and Regulatory Authority Fund by minus debiting the minor head '902- Amount met from Warehousing Development and Regulatory Authority Fund 'below the Major Head 2408 - Food, Storage and Warehousing - 02 - Storage and Warehousing'.

#### **Audit of Accounts**

The accounts of Warehousing Development and Regulatory Authority shall be audited by the Comptroller and Auditor General of India as laid down in Section 38(2) of the Warehousing (Development and Regulation) Act, 2007, the accounts will also be subject to internal audit by the internal audit wing of the Chief Controller of Accounts, Department of Food and Public Distribution.

Pay & Accounts Officer, Department of Food and Public Distribution will maintain a broadsheet of accretions to and payments from the Warehousing Development and Regulatory Authority Fund and effect a monthly reconciliation thereof with Warehousing Development and Regulatory Authority and the Department of Food and Public Distribution.

Receipt of Warehousing Development and Regulatory Authority lying outside the Government Account, if any, shall immediately be put to the Warehousing Development and Regulatory Authority Fund.

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संख्या No. F.1(43)-B(AC)/91.  
भारत सरकार Government of India  
वित्त मंत्रालय Ministry of Finance  
(आर्थिक कार्य विभाग) (Department of Economic Affairs)  
नई दिल्ली/New Delhi, 10.1.1992.

Subject:- CONSUMER WELFARE FUND constituted under the Central Excises and Customs Laws (Amendment) Act '91-Accounting and budgetary procedure relating to.

A Consumer Welfare Fund has been established in the Public Account of India, wherein the amount of duty of excise or, as the case may be, the duty of customs, which is not refundable to the manufacturer or importer or the buyer, or any other monies received for the purposes of the Fund, will be credited, in accordance with the provisions of Central Excises and Customs Laws (Amendment) Act '91. The Fund will be utilised by the Central Government for the welfare of the consumers, in accordance with the rules framed in this behalf, under the said Act.

2. The accounting and budgetary arrangements for the transactions in respect of Fund have been considered in consultation with the Controller General of Accounts and Comptroller & Auditor-General of India and the procedure prescribed in this regard is as follows:

(i) In the Public Account of India, the 'Consumer Welfare Fund' (CWF) may be opened as a distinct minor head below major head '8229-Development and welfare Funds' under subsection 'Reserve funds not bearing interest

(ii) The amounts to be transferred to the CWF (referred to in the preceding subpara), as provided under the Act do not constitute expenditure but are in the nature

of refund of revenue. These are to be taken out of (tax) <sup>revenue</sup> ~~revenue~~ where these stand credited by debit to subhead 'Deduct Refunds- Amount transferred to Consumer Welfare Fund', below the relevant minor heads under major heads '0037 - Customs' or '0038 - Union Excise Duties', as the case may be.

(iii) The expenditure to be met out of the CWF will be as per normal practice treated initially as expenditure from the Consolidated Fund of India to be accounted for under a distinct minor head 'Consumer Welfare Fund', under major head '3456-Civil Supplies'. This head will accommodate the direct expenditure of the Government, including <sup>expenditure</sup> ~~expenditure~~ of union territories without legislature (Delhi, Chandigarh, etc.) and grants-in-aid to autonomous bodies and institutions. Grant assistance to be provided to States and Union Territory Governments, out of the CWF, may be classified under relevant sub-major and minor heads below major heads '3601- Grants-in-aid to State Governments' and '3602 - Grants-in-aid to <sup>Union Territory</sup> ~~State~~ Governments', as the case may be.

(iv) The expenditure debited to the heads mentioned in the preceding subparagraphs will be simultaneously recovered from the CWF. The debits to CWF (under major head '8229'), on this account, may be adjusted by <sup>Per- contra</sup> ~~per-contra~~ credit to <sup>the minor</sup> ~~sub~~ head 'Deduct- Amount met from Consumer Welfare Fund' to be opened.

under minor head 'Transfer from reserve funds' below major heads namely, 3456, 3601 and 3602, as the case may be whereunder the expenditure has been debited earlier. In the Demands for Grants the provision will be made on a gross basis, the recoveries being shown "below the line".

3. The Consumer Welfare fund will be maintained in the books of the Ministry of Civil Supplies & P.D. by the Controller of Accounts of that Ministry. The transfers to the Fund, in the Public Account of India, will be effected by the CA(Civil Supplies). The procedure to be followed in this regard will be as under:

(i) The Pay & Accounts officer attached to each Central Excise and Customs Collectorate will be designated to handle the transactions relating to refunds referred to in subpara 2(ii) above, on the Department of Revenue's side.

(ii) The authorities concerned under the Central Excises Act and the Customs Act, who are authorised to make refund of duties in respect of the amounts referred to in subpara 2(ii), will not draw cheque/ demand draft for the purpose but will issue a sanction in respect of the amounts falling due for refunds to the Pay & Accounts Officer of the collectorate, designated for the purpose. The PAO will collect the sanctions received by him in a month and draw a consolidated cheque/draft in favour of the Controller of Accounts, Ministry of Civil Supplies & P.D., Krishi Bhavan, New Delhi under intimation to the

Chief Controller of Accounts, Central Board of Excise & Customs, Indraprastha Estate, New Delhi and debit the payment to the sub-head 'Deduct Refunds- Amount transferred to Consumer Welfare Fund' under the relevant receipt major and minor heads of account.

(iii) These payments to the Controller of Accounts (Civil Supplies), for transfer to the CWF, may be made by the designated Pay & Accounts Officers Once every month, by the 10th of the month.

(iv) On receipt of the cheques/drafts the CA(Civil Supplies) will put through necessary adjustments crediting the amounts to the CWF under major head '8229'. Every month after the close of the account, the CA will render a statement to the CCA(CBEC) indicating transfers to the CWF effected by him during the month, date-wise. The CCA(Excise & Customs) will on the basis of the information available with his office will reconcile that the amounts advised for transfer to the CWF have been duly transferred to the Fund by the CA(Civil Supplies).

(v) The Controller of Accounts (Civil Supplies) will report monthly, for monitoring purposes, to the Department of Revenue the actual expenditure incurred on the intended purposes by the Ministry.

4. The expenditure to be met out of the Fund, as cleared by the Committee constituted for the purpose and finally approved for inclusion in the Budget, will be

provided under the relevant functional major head, etc. in the Demands for Grants of the Ministry of Civil Supplies & P.D. The Statement of Budget Estimates in respect of these items of expenditure (with recoveries from the CWF) will be furnished to Budget Division by the Ministry of Civil Supplies & P.D. in a consolidated form, as required, along with other expenditure estimates of the Ministry. Before authorising the expenditure against the Budget <sup>provision made,</sup> ~~provision made,~~ the Ministry of Civil Supplies & P.D. will invariably ensure that there is adequate credit balance in the CWF for covering the expenditure.

5. While furnishing to Budget Division the detailed estimates of tax revenue coming under major heads '0037' and '0038', CBEC will also indicate the amount that is included in the sub-heads "Deduct Refunds" which is not likely to be paid to the tax payers but which will be credited to CWF. A copy of this estimate of likely credit to CWF will also be sent to the Controller of Accounts, Ministry of Civil Supplies & P.D.

6. The Controller of Accounts (CS) will include the receipts and outgoings in respect of the CWF in the consolidated estimates of Public accounts transactions of the Ministry of Civil Supplies & P.D., which are to be furnished to Budget Division for inclusion in the Budget (cf. Budget circular 1992-93). The outgoings will be equal to the provisions made for specified purposes in the



Expenditure Budget(Demand for Grants).

7. The accounting and budgetary arrangements set out above will come into force with immediate effect.

*Parveen Bagai*

(Parveen Bagai)  
Deputy Director (Budget)

Principal Chief Controller of Accounts,  
Excise & Customs,  
DACR Building,  
New Delhi.

Controller of Accounts,  
Ministry of Civil Supplies & Public Distribution,  
Krishi Bhavan,  
New Delhi.

Copy forwarded to:

1. Commissioner(JC), CBEC, Department of Revenue.
2. Financial Adviser, Ministry of Civil Supplies & P.D.
3. Controller General of Accounts, Lok Nayak Bhavan, New Delhi. This has a reference to his office U.O. No. 9(15)/91/TA/1316-20 dated 8.11.91.
4. Comptroller & Auditor-General of India, New Delhi. This has a reference to his office U.O. No. 982-ACI/109-91 dated 2.1.92.
5. Director of Audit, Central Revenues, New Delhi.

*Parveen Bagai*

(Parveen Bagai)  
Deputy Director (Budget)

## MINISTRY OF CORPORATE AFFAIRS

## NOTIFICATION

New Delhi, the 5th September, 2016

**G.S.R. 854(E).**—In exercise of the powers conferred by sub-sections (1), (2), (3), (4), (8), (9), (10) and (11) of section 125 and sub-section (6) of section 124 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely:—

1. **Short title, extent and commencement.**— (1) These rules may be called the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.  
 (2) They shall come into force with effect from the 7<sup>th</sup> September 2016.
2. **Definitions.**— (1) In these rules, unless the context otherwise requires,—
  - (a) “Act” means the Companies Act 2013;
  - (b) “Authority” means the Investor Education and Protection Fund Authority constituted under sub-section (5) of section 125 of the Act;
  - (c) “Chairperson” means the chairperson of the authority appointed under sub-section (6) of section 125 of the Act;
  - (d) “Company” means company as defined in sub-section (20) of section 2 of the Act and includes ‘corresponding new bank’ as defined in sub-section (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970) and clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980);
  - (e) “Existing IEPF” means the Investor Education and Protection Fund (IEPF) constituted under section 205C of the Companies Act, 1956 (1 of 1956);
  - (f) “Fund” means the Investor Education and Protection Fund (IEPF) constituted under section 125 of the Act;
  - (g) “Investor” means any person, who has committed money in shares, or debentures, bond or deposits under a scheme or plan of a company registered under the Act;
  - (h) “Member” means member of the Authority appointed under sub-section (6) of section 125 of the Act; and
  - (i) “Section” means the section of the Act.
 (2) Words and expressions used in these rules and not defined herein but defined in the Act or in the Companies (Specification of Definitions Details) Rules, 2014, shall have the same meanings respectively assigned to them in the Act or in the said rules.
3. **Fund.**— (1) The Authority shall administer the Fund.  
 (2) There shall be credited to the Fund, the following amounts, namely:—
  - (a) all amounts payable as mentioned in clause (a) to (n) of sub-section (2) of section 125 of the Act;
  - (b) all shares in accordance with sub-section (6) of section 124 of the Act;
  - (c) all the resultant benefits arising out of shares held by the Authority under clause (b);
  - (d) all grants, fees and charges received by the Authority under these rules;
  - (e) all sums received by the Authority from such other sources as may be decided upon by the Central Government;
  - (f) all income earned by the Authority in any year;
  - (g) all amounts payable as mentioned in sub-section (3) of section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and section 10B of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980; and

(h) all other sums of money collected by the Authority as envisaged in the Act.

(3) In case of term deposits and debentures of companies, due unpaid or unclaimed interest shall be transferred to the Fund along with the transfer of the matured amount of such term deposits and debentures.

(4) (a) All the money, which accrue under sub section (2) [except clause (g)] of section 125 of the Act shall be deposited in the Consolidated Fund of India under the Major Head '0075-Miscellaneous General Services - 104 - Unclaimed and Unpaid dividends, deposits and debentures etc.'. Such sums along with amount deposited under section 205C of the Companies Act, 1956 shall be transferred to the Fund in the non-interest bearing Public Account after taking due approval of Parliament through Appropriation Act. This non-interest bearing Public Account shall be termed as IEPF Fund and shall be utilised for the purposes provided under sub-section (3) of section 125 of the Act.

✓(b) (i) All amounts remitted by the companies shall initially be accounted for under the following heads of Accounts:-

Major Head 0075 - Miscellaneous General Services

Minor Head 104 - Unpaid dividend of Companies.

(ii) Grants and donations given to the Fund by the State Governments, Companies or any other institutions for the purpose of the Fund as also the interest or other income received out of the Investments made from the Fund shall be credited to a separate sub-head under "800 - Other Receipts" below the MH 0075 - Misc. General Services.

✓(iii) Amount booked under the above receipt head shall be transferred to the Fund account under Major Head '8235 - General and other Reserve Fund - 116 - IE & PF' by the PAO, Ministry of Corporate Affairs after making suitable budget provision under Major Head '3451 - Secretariat Economic Services 797 - Transfer to Reserve Fund Deposit Account - Transfer to Investor's Education and Protection Fund'. In case the amounts of receipts in a year is more than the budget provision made under Major Head 3451 transfer to the Fund, the difference shall be transferred to the Fund in subsequent year, after obtaining approval of the Budget Division of Department of Economic Affairs and after making adequate budget provision in the relevant year.

✓(iv) Budget provision in connection with the activities to be financed from the Fund shall be made under Major Head 3451 - Secretariat Economic Services 090 Secretariat - Investor's Education and Protection Fund. Actual expenditure under the head shall be recouped from the Fund and the amount so recouped shall be accounted for under the Major Head '3451' as Deduct entry below Minor Head '902 - Deduct - amount met from Investor's Education and Protection Fund' with contra debit to Major Head - '8235 - General and Other Reserve Funds -116 - Investor's Education and Protection Fund'.

4. **Accounts and audit.**- (1) The Authority shall maintain proper accounts and other relevant records as given in Schedule to these rules and prepare an annual statement of accounts in such form as may be specified by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Authority shall be audited annually by the Internal Audit Party of the office of Chief Controller of Accounts and Comptroller and Auditor-General of India at such intervals and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India or any other person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.

(4) The accounts of the Authority as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

5. **Statement to be furnished to the Fund.**—(1) Any amount required to be credited by the companies to the Fund as provided under clause (a) to (n) of sub-section (2) of section 125 of the Act shall be remitted into the specified branches of Punjab National Bank, which is the accredited Bank of the Pay and Accounts Office, Ministry of Corporate Affairs and other authorised banks engaged by the MCA-21 system, within a period of thirty days of such amounts becoming due to be credited to the Fund.
- (2) The amount shall be tendered by the companies along with challan (in triplicate) to the specified Bank Branches of Punjab National Bank and other authorised banks under MCA-21 system who will return two copies of the challan, duly stamped in token of having received the amount, to the Company. The third copy of the challan will be forwarded along with the daily credit scroll by the receiving branch to its Focal Point Branch of the Bank for onward transmission to the Pay and Accounts Office, Ministry of Corporate Affairs.
- (3) Every company shall file with the concerned Authority one copy of the challan referred to in sub-rule (2) indicating the deposit of the amount to the Fund and shall fill in the full particulars of the amount tendered, including the head of account to which it has been credited.
- (4) The company shall, along with the copy of the challan as required under sub-rule (3), furnish a Statement in Form No. IEPF 1 containing details of such transfer to the Authority within thirty days of submission of challan.
- (5) The amount may also be remitted by Electronic Fund Transfer in such manner, as may be specified by the Central Government.
- (6) (a) On receipt of the statement, the Authority shall enter the details of such receipt in a Register maintained physically or electronically by it in respect of each company every year, and reconcile the amount so remitted and collected, with the concerned designated bank on monthly basis.
- (b) Each designated bank shall furnish an abstract of such receipts during the month to the Authority within seven days after the close of every month.
- (c) The company shall maintain record consisting of name, last known address, amount, folio number or client ID, certificate number, beneficiary details etc. of the persons in respect of whom unpaid or unclaimed amount has remained unpaid or unclaimed for a period of seven years and has been transferred to the Fund and the Authority shall have the powers to inspect such records.
- (7) The provisions of this rule shall be applicable *mutatis mutandis* in respect of the amounts to be credited to the Fund in pursuance of clauses (h) to (m) of sub-section (2) of section 125.
- (8) Every company shall within a period of ninety days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act and every year thereafter till completion of the seven years period, identify the unclaimed amounts, as referred in sub-section 2 of section 125 of the Act, as on the date of holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 96 of the Act, separately furnish and upload on its own website and also on website of Authority or any other website as may be specified by the Government, a statement or information through Form No. IEPF 2, separately for each year, containing following information, namely:—
- (a) the names and last known addresses of the persons entitled to receive the sum;
  - (b) the nature of amount;
  - (c) the amount to which each person is entitled;
  - (d) the due date for transfer into the Investor Education and Protection Fund; and
  - (e) such other information as may be considered relevant for the purposes.

6. **Manner of transfer of shares under sub-section (6) of section 124 to the Fund.**— (1) The shares shall be credited to an IEPF suspense account (on the name of the company) with one of the depository participants as may be identified by the Authority within a period of thirty days of such shares becoming due to be transferred to the Fund:

Provided that, in case the beneficial owner has encashed any dividend warrant during the last seven years, such shares shall not be required to be transferred to the Fund even though some dividend warrants may not have been encashed.

(2) For the purposes of effecting transfer of such shares, the Board shall authorise the Company Secretary or any other person to sign the necessary documents.

(3) The company shall follow the following procedure, namely:—

(a) The company shall inform at the latest available address, the shareholder concerned regarding transfer of shares three months before the due date of transfer of shares and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation, and on their website giving details of such shareholders and shares due for transfer:

Provided that in cases, where the seven years as provided under sub-section (5) of section 124 have been completed or are being completed within three months from the date of coming into force of these rules, the company shall initiate the aforesaid procedure immediately and transfer the shares on completion of three months;

(b) In case, where there is a specific order of Court or Tribunal or statutory Authority restraining any transfer of such shares and payment of dividend, the company shall not transfer such shares to the Fund:

Provided that the company shall furnish details of such shares and unpaid dividend to the Authority in Form No. IEPF 3 within thirty days from the end of financial year;

(c) For the purposes of effecting the transfer where the shares are dealt with in a depository,—

(i) the Company Secretary or the person authorised by the Board shall sign on behalf of such shareholders, the delivery instruction slips of the depository participants where the shareholders had their accounts for transfer in favour of IEPF suspense account (name of the company);

(ii) on receipt of the delivery instruction slips, the depository shall effect the transfer of shares in favour of the Fund in its records.

(d) For the purposes of effecting the transfer where the shares are held in physical form,—

(i) the Company Secretary or the person authorised by the Board shall make an application, on behalf of the concerned shareholders, to the company, for issue of duplicate share certificates;

(ii) on receipt of the application under clause (a), a duplicate certificate for each such shareholder shall be issued and it shall be stated on the face of it and be recorded in the register maintained for the purpose, that the duplicate certificate is “Issued in lieu of share certificate No..... for purpose of transfer to IEPF” and the word “duplicate” shall be stamped or punched in bold letters across the face of the share certificate;

(iii) particulars of every share certificate issued as above shall be entered forthwith in a register of renewed and duplicate share certificates maintained in Form No. SH 2 as specified in the Companies (Share Capital and Debentures) Rules, 2014;

(iv) after issue of duplicate share certificates, the Company Secretary or the person authorised by the Board, shall sign the necessary Form No. SH 4 i.e., securities transfer Form as specified in the Companies (Share Capital and Debentures) Rules, 2014, for transferring the shares in favour of the Fund;

(v) on receipt of the duly filled transfer forms along with the duplicate share certificates, the Board or its Committee shall approve the transfer and thereafter the

transfer of shares shall be effected in favour of the Fund in the records of the company.

(4) The company or depository, as the case may be, shall preserve copies of the depository instruction slips, transfer deeds and duplicate certificates for its records.

(5) While effecting such transfer, the company shall send a statement to the Fund in Form No. IEPF 4 containing details of such transfer.

(6) The voting rights on shares transferred to the Fund shall remain frozen until the rightful owner claims the shares:

Provided that for the purpose of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the shares which have been transferred to the Authority shall not be excluded while calculating the total voting rights.

(7) Once the physical shares are transferred in the name of the Authority, the Authority shall dematerialise these shares and it shall keep only those shares in physical form, where dematerialisation of shares is not possible.

(8) The Authority shall maintain IEPF suspense account (name of the company) with depository participant on behalf of the shareholders who are entitled for the shares and all benefits accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc. except right issue shall also be credited to such IEPF suspense account (name of the company).

(9) The shares held in such IEPF suspense account shall not be transferred or dealt with in any manner whatsoever except for the purposes of transferring the shares back to the claimant as and when he approaches the Authority or in accordance with sub-rule (10) and (11).

(10) If the company is getting delisted, the Authority shall surrender shares on behalf of the shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the proceeds realised shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.

(11) In case the company whose shares or securities are held by the Authority is being wound up, the Authority may surrender the securities to receive the amount entitled on behalf of the security holder and credit the amount to the Fund and a separate ledger account shall be maintained for such proceeds.

(12) Any further dividend received on such shares shall be credited to the Fund and a separate ledger account shall be maintained for such proceeds.

7. **Refunds to claimants from Fund.** - (1) Any person, whose shares, unclaimed dividend, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the Fund, may claim the shares under provision to sub-section (6) of section 124 or apply for refund, under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority by making an application in Form IEPF 5 online available on website [www.iepf.gov.in](http://www.iepf.gov.in) along with fee, as decided by the Authority from time to time in consultation with the Central Government, under his own signature.

(2) The claimant shall after making an application online in Form IEPF-5 under rule (1), send the same duly signed by him along with, requisite documents as enumerated in Form IEPF-5 to the concerned company at its registered office for verification of his claim.

(3) The company shall, within fifteen days of receipt of claim form, send a verification report to the Authority in the format specified by the Authority along with all documents submitted by the claimant.

(4) After verification of the entitlement of the claimant-

(a) to the amount claimed, the Authority and then Drawing and Disbursement Officer of the Authority shall present a bill to the Pay and Accounts Office for e- payment as per the guidelines.



(b) to the shares claimed, the Authority shall issue a refund sanction order with the approval of the Competent Authority and shall either credit the shares which are lying with depository participant in IEPF suspense account (name of the company) to the demat account of the claimant to the extent of the claimant's entitlement or in case of the physical certificates, if any, cancel the duplicate certificate and transfer the shares in favour of the claimant.

(5) The Authority shall, in its records, cause a note to be made of all the payments made under sub-rule (4).

(6) An application received for refund of any claim under this rule duly verified by the concerned company shall be disposed of by the Authority within sixty days from the date of receipt of the verification report from the company, complete in all respects and any delay beyond sixty days shall be recorded in writing specifying the reasons for the delay and the same shall be communicated to the claimant in writing or by electronic means.

(7) In cases, where the application is incomplete, a communication shall be sent to the claimant by the Authority detailing deficiencies of the application.

(8) In case, claimant is a legal heir or successor or administrator or nominee of the registered security holder, he has to ensure that the transmission process is completed by the company before filing any claim with the Authority.

(9) The claimant shall file only one consolidated claim in respect of a company in a financial year.

(10) The company shall be solely liable under all circumstances whatsoever to indemnify the IEPF Authority in case of any dispute or lawsuit that may be initiated due to any incongruity or inconsistency or disparity in the verification report or otherwise. The IEPF Authority shall not be liable to indemnify the security holder or Company for any liability arising out of any discrepancy in verification report submitted etc leading to any litigation or complaint arising thereof.

8. **Power to direct payment of amount due to the Fund.** - (1) The company shall furnish a statement to the Authority in Form No. IEPF 6 within thirty days of end of financial year stating therein the amounts due to be transferred to the Fund in next financial year.

(2) The company shall also furnish a statement to the authority within thirty days of the closure of its accounts for the financial year stating therein the reasons of deviation, if any, of amounts detailed in sub-rule (1) above and actual amounts transferred to the Fund.

(3) Authority shall furnish a report to the Central Government within sixty days of end of financial year giving details of companies who have failed to transfer the due amount to the Fund.

(4) Authority shall also furnish a report to the Central Government by end of next financial year giving details of companies who have failed to file information referred to in sub-rule (8) of rule 5.

9. **Transfer of assets, liabilities, etc., of the existing IEPF to the Authority.**- On and from the date of establishment of the Authority,—

(a) any reference to the existing IEPF in any law other than these rules or in any contract or other instrument shall be deemed as a reference to the Authority;

(b) all properties and assets, movable and immovable, of, or belonging to, the existing IEPF, shall vest in the Authority;

(c) all rights and liabilities of the existing IEPF shall be transferred to, and be the rights and liabilities of the Authority;

(d) without prejudice to the provisions of clause (c), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the existing IEPF immediately before that date, for or in connection with the purpose of the said existing IEPF shall be deemed to have been incurred, entered into, or engaged to be done by, with or for, the Authority;

(e) all sums of money due to the existing IEPF immediately before that date shall be deemed to be due to the Authority; and

(f) all suits and other legal proceedings instituted or which could have been instituted by or against the existing IEPF, immediately before that date may be continued or may be instituted by or against the Authority.

10. **Returns and reports.-** (1) The Authority shall furnish to the Central Government at such time and in such form and manner as may be specified or as the Central Government may direct, such returns and statements and such particulars with regard to its activity.

(2) Without prejudice to the provisions of sub-rule (1), the Authority shall, within one hundred and eighty days after the end of each financial year, submit to the Central Government a report in such form, as may be specified, giving a true and full account of its activities during the previous financial year.

11. **Protection of action taken in good faith.-** No suit, prosecution or other legal proceedings shall lie against the Central Government or Authority or any officer of the Central Government or any member, officer or other employee of the Authority for anything which is in good faith done or intended to be done under these rules.

12. **Repeal and savings. -** (1) The Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 and Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the rules repealed by sub-rule (1) shall, in so far as it is not inconsistent with the provisions of these rules, be deemed to have been done or taken under the corresponding provisions of these rules.

#### SCHEDULE

##### REGISTERS AND BOOKS OF ACCOUNT TO BE MAINTAINED BY THE AUTHORITY

- (i) Register of Shares transferred under sub-section (6) of section 124
- (ii) Central Cash Book
- (iii) Company wise Ledger
- (iv) General Ledger
- (v) Cashier's Cash Book
- (vi) Bank Ledger
- (vii) Register of Assets
- (viii) Investment Register
- (ix) Claim Register
- (x) Refund Register
- (xi) Suspense Register
- (xii) Documents Register
- (xiii) Any other register or Book as decided by Authority

## **Payment and Accounting Process under MCA 21**

### **1. Brief Overview**

The Ministry of Company Affairs (MCA) has launched MCA21, an ambitious eGovernance Initiative that involves modernization and computerization of the operations of the Ministry. This program has been accorded National Mission Mode status. While technology plays a major role in this, Service Oriented Approach drives this program. It is a well-conceived program with a holistic approach encompassing all tasks from conceptualization to rollout such as stakeholder analysis, process reengineering, interoperable solution architecture and security roadmap (that have gone through extensive peer reviews) & change management to co-opt various stakeholders.

The program will provide citizens easy and secure access to MCA services through the country's eGovernance Infrastructure, any time and from any place and in a manner that best suits the citizen. The focus of the program is on bringing about a fine balance of the stakeholder requirements, between facilitation and control, as a blend of well-defined goals and performance metrics. Adopting International Best Practices, the goals have been set to bring immense value to the stakeholders & have been succinctly articulated as under:

- a. **Business** enabled to register a company and file statutory documents quickly and easily
- b. **Public** to get easy access to relevant records and get their grievances redressed effectively
- c. **Professionals** to be able to offer efficient services to their client companies
- d. **Financial Institutions** to find registration and verification of charges easy
- e. **MCA** to ensure proactive effective compliance of relevant laws and corporate governance
- f. **Employees** enabled to deliver best of breed services

## **2. MCA21 Highlights**

- a. Introduction of secure electronic filing (efiling) related to all services that are covered by the nationwide network of MCA offices (20 offices of Registrar of Companies (RoC), the four offices of Regional Director (RD) and Head Quarters (HQ) at New Delhi.
- b. Establishing a MCA21 portal – that will allow efilling from anywhere and at anytime (i.e. 24 x 7 operations)
- c. Pilot Implementation at Coimbatore & Delhi by February and March 2006 and nationwide rollout progressively by April 2006
- d. Setting up 53 Physical Front Offices (PFOs) to provide efilling facilities to those who do not have their own facilities
- e. A national "Data Centre" and a "Disaster Recovery Centre" are part of the computing Infrastructure that allows for carrying out all MCA21 service delivery in a secure and dependable manner.
- f. Providing services to all stakeholders based on stringent service level agreements to ensure high performance through a formal arrangement with the operator of the MCA21 system for a period of six years after the completion of the Implementation

## **3. Proposed Method of Service Delivery**

MCA has more than 100 services and each service is accompanied by a prescribed form as per the Companies Act, 1956. The current services of MCA are completely paper based. The interaction takes place in one of the MCA field offices where the service seeker will present the paper document along with prescribed fees at the cash counter.

In the proposed method, electronic filing will be used. The electronic filing will involve transacting with MCA either through the MCA Portal (i.e. website) that is accessible through the Internet or seeking the services of one of the Physical Front Offices that will act as an assisted facilitation point for efilling.

E-filing will involve downloading the specified eform from the MCA portal – where all these forms will be made available free of cost. These eforms are quite similar to the physical form that have been optimized and adapted to suit electronic filing (and duly approved by M/o Law). These eforms duly filled and signed by the designated people using digital signatures (that provides the necessary authentication as per IT Act, 2000) are submitted to the MCA portal. The process of filling up forms is also done using free software.

The MCA21 system checks for the completeness of the eforms electronically, online, using a set of pre-defined rules. Should there be any discrepancies in the eform, the user is prompted to make necessary correction. The response to the user is provided online. This is done repetitively until the form is complete in all respects.

Once the form is accepted by the MCA21 system, the fee calculation for the service is made on the basis of the form type, the date of submission and the authorized capital. This is done internally based on parameters that are stored within the system and kept upto date.

The MCA21 system prompts the user to choose one of the following payment options:

- a. Credit Card
- b. Internet Banking
- c. Remittance at the Bank counter (traditional)

In the case of items (a) and (b), the control is transferred to the Bank's computer system which in turn enables the transaction. In the case of item (c) a challan as per the prescribed format (GAR 7) is generated by the MCA21, which is complete in all respects, which are used by the service seeker to make the necessary remittance in a designated Bank branch. The same has been reformatted into user-friendly view and generated by MCA21 system – by retaining and printing all the information that's available in the existing challan.

The information that is passed on to the banking system is the same as available in challan so as to ensure that there is uniformity in reporting of all transactions, irrespective of the method of customer payment. The reporting by Banks and MCA21 will be done as per formats (Receipt Scroll Incorporation along with Receipt Statement and Challan Incorporation) listed under **Annexure 1, 2 and 3** of this document. However, to support the processing requirements of the Bank's computer system certain additional information in respect of the transaction will also need to be passed on.

Five banks with about 200 branches will be authorized to receive MCA21 related customer remittances. A time period of one week is allowed for the completion of the payment.

The important point is that the eform that has been submitted, is held in a secure location (nobody including the user will have access to this) and upon confirmation of receipt of money from the bank, the same will be authorized for processing by MCA21 system and documents routed electronically to the concerned field office for further processing. Filing is deemed to be completed only after the necessary payment for the service is made within the stipulated date either at a Bank or through electronic means and a receipt obtained.

If the service seeker does not make the necessary payment within the stipulated one week the service request will lapse. In addition to the one week, the document will be held securely for an additional one week for the Bank to authorize such receipt.

In the case of a lapsed service request, the service seeker will need to go through the motions of filing a fresh eform as described above.

#### **4. Number of Challans**

- a) There will be three copies of challan that will be used in the future system



- b) One of these 3 copies is returned to the service seeker as an acknowledgement and the other one is retained by the Bank and one is for the use of PAO.

## **5. Customer Receipts**

- a) In the case of a challan, the acknowledged copy of the challan is returned to the service seeker and serves as a receipt for future reference. There will be no other form of acknowledgement that will be provided by the Bank in this case.
- b) In the case of credit card and Internet Banking transaction, the system generates a receipt that can be printed out. In the case of Credit card, it is provided online and in the case of an Internet payment, it is available on the following day, as the Bank will take about one day to process this transaction

## **6. Service Charges**

In the case of electronic payments using credit cards and Internet Banking, the service charge / commission that may be payable to the Bank will be levied on the service seeker and such amount will be in addition to the amounts payable to MCA.

## **7. Part payments and Refunds**

There is no concept of either part payments or refunds in the proposed system.

Though there have been cases of accepting part payments as part of manual system this was due to the fact that adequate information on a timely basis was not available to calculate the fee accurately at the time of fee collection.

Consequently this was discovered only at the time of detailed scrutiny; hence these have been termed as part payments, though in reality it reflects inaccurate calculations. This has been eliminated in the proposed system as the fee calculation is completely rule based and in conformity with what has been prescribed by law.

There is also no practice of excess collections or unutilized transaction fee that is adjusted against other transactions or refunded. In the normal course of conducting MCA service delivery as part of the proposed system, this question does not arise.

However there has been a precedence of the court directing refunds in the case of a very small number of transactions and in such an event, the refund will need to be handled manually and will not form part of the MCA21 system.

## **8. System Reference**

The MCA21 system recognises the need for generation of a "Transaction ID" for each transaction. By its very nature, this Transaction ID has to be in the form of a unique number which will be called Challan Number and will follow a system of seriatum.

All customer payments, by whatever mode (conventional payments, credit card payments, & Internet banking) can be tracked using this system generated challan number in a seriatum. This challan number is printed on the bank challan and also passed on to the Bank's computer system in case of electronic modes of payment. The Bank, in turn, also reports only with reference to this challan number to the MCA21 system and the PAO. It will be fully compatible with COMPACT, the program being deployed by NIC for effecting reconciliation of receipts between the PAO and the Banks as well as between the PAO and the DDO.

### **. Continuity of Challan Numbers**

It is, however, possible that a service seeker prints a challan but does not tender it to a bank, if he decides not to avail the requested service. Each challan will have an expiry date within which it has to be tendered at bank branch else it becomes invalid and removed from the MCA21 system, after a grace period of 7 days post expiry date. MCA21 recognises receipt against any challan, based on the report received from the banks. If the transaction is not reported within stipulated (including grace) period, that transaction (challan) is treated as void and removed. In this case, since a challan has already been created, Challan number is also generated but this number will not be reported.

### **10. The functions supported by MCA21 system are:**

- I. **Fee Details:** System calculates and displays itemized fee details for a chargeable service requested by user. The chargeable services to be covered are as follows:

- Filing of eForms/applications.
- Inspection of public documents online on portal.
- Requesting certified copy or extract of a public document.
- Transfer Deeds.

The amount of fee depends on some key parameters like type of service requested, authorized capital of the company. It also depends on the stipulated rules for fee calculation.

- II. **Payment options:** Service seeker can make the payment through traditional modes such as cash, demand drafts and local cheques and the same can be remitted using a MCA21 system generated pre-filled challan at designated bank branch. A nationwide network of 200 branches of the five Banks will be geared to accept MCA receipts and the banks authorized for this purpose are listed below:

- a. PNB.
- b. SBI.
- c. Indian Bank.
- d. ICICI.
- e. HDFC.

Of these five Banks listed above, It is proposed to provide facility to accept

- a. Payment through Credit Cards and these transactions will be routed through the "payment gateway" of this ICICI Bank. Such amounts collected through the Gateway will be deposited in a designated account of ICICI Bank at Cannaught Place Branch, New Delhi
- b. Payments through 'Internet Banking' facility will be provided by all designated banks and the same will be routed through to designated accounts at each Bank through the bank's Internet Banking application.

It is to be noted that the MCA21 system will only provide the necessary interfaces to these banking software systems to enable seamless completion of the transaction.

**11. Scenario I: Payment Through Classical Methods (i.e. Cash, Banking Instruments)**

**(Refer Figure – 1)**

**A. Inputs from Service Seeker**

- i. Service seeker chooses to make a payment using the services of one of the authorized bank branches
- ii. The System generates a challan (GAR 7) that is complete in all respects and the same is used by the service seeker to remit payments at the banks. The Challan number and a validity date are also

generated and printed on the challan before which the payment is to be made by the service seeker

- iii. 3 Copies of Challan may be printed by the service seeker
- iv. Beyond this point the transaction can be done only manually and hence this is beyond the MCA21 system boundaries with regard to the tasks performed by the service seeker
- v. The service seeker will make the necessary payment through cash, cheque/bank draft at one of the authorized Bank branches within the stipulated date to complete the service request

#### **B. Outcomes**

- i. The efilling is successfully completed only after necessary payments are made by the service seeker and the Bank reports the payments directly to MCA21 system using an exclusive facility that is provided for this purpose
- ii. The transaction is ignored if the service seeker fails to make the payment in the Bank within the date specified

#### **C. MCA21 System Action**

##### *Related to the Service Seeker*

- i. The itemized payment is calculated and ready for the said transaction
- ii. The moment the service seeker chooses payment at Bank, a standard challan as shown in Figure -4 is filled up and shown to the service seeker
- iii. Service seeker is allowed to print these challans

*Related to the bank*

- i. Receives the customer payment information related to the MCA service request from the bank's computer through a specialized interface. The format of the data is shown as under:
  - a. Challan Number
  - b. Date of Challan
  - c. Date of Receipt (for Cash / Banking Instrument)
  - d. Date of Credit (for Banking Instrument)
  - e. Amount
  - f. Bank and Branch Code
- ii. Verifies the data related to each single receipt
- iii. Authorizes the transaction based on the Challan number
- iv. Banks will rectify these transactions or reconcile as appropriate, and resend the transaction if there is a mismatch of the Challan number or Amount, then an error message is generated and the erroneous data is advised back to the Bank
- v. Amended transaction will be re-submitted along with any other day's transactions in the normal course of error rectification.

**D. Banking System Action**

- i. Will have a facility to record a receipt with regard to an MCA service request
- ii. Service seeker remits the money in the bank using the MCA21 generated challan (where Challan number is also printed as part of the challan), within the dates specified in the challan
- iii. At the end of the day, the consolidated data of all MCA related receipts are transmitted to the MCA21 system.



- iv. MCA21 compares the transaction as specified above and transactions where there are mismatches are returned back to the banking system. The erroneous transaction are corrected and resent to MCA21, as new transaction.

## 12. Scenario II: Payment Through Internet Banking

(Refer Figure – 2)

### A. Inputs from Service Seeker

- i. Service seeker chooses to make a payment using Internet Banking Facility
- ii. Service seeker is prompted to enter the bank account details
- iii. Waits for System to respond with a success or failure message
- iv. In the case of a successful transaction, the service seeker will be get a message that the receipt will be available on the following business day, but a transaction identification number is duly provided by the system

### B. Outcomes

- i. The transaction is successful – In which case the electronic filing will be completed upon bank's confirmation
- ii. The transaction fails – the electronic filing would have failed and it will be necessary for the service seeker to restart the transaction

### C. MCA21 System Action

- i. The Itemized payment is calculated and ready for the said transaction
- ii. The moment the service seeker chooses payment by Internet Banking, the Internet Banking Service of the Bank is invoked by MCA21 system
- iii. Control is handed over to the Internet Banking System along with the following data items:
  - a. Request Id
  - b. Amount
  - c. Service (utility) Entity i.e. MCA
  - d. Service Availled (efiling / Others) and Head of Account
  - e. DDO Code
  - f. Challan Number
  - g. Response URL
  - h. Response Method
- iv. MCA21 waits until bank's computer systems returns with the a success or failure message
- v. In the case of a successful transaction, the following data elements are passed on to the MCA21 system
  - a. Request ID
  - b. Successful Acknowledgement
- vi. In the case of an unsuccessful transaction, the following data elements are passed on to the MCA21 system:
  - a. Request Id
  - b. Unsuccessful Acknowledgement
- vii. Service seeker is communicated the outcome of the transaction
- viii. Reference number for the transaction is communicated to the user

- ix. Information is provided to the service seeker on when the receipt will be available (will be based on the time that will be taken normally by the bank to confirm this type of transaction)

#### **D. Internet Banking System Action**

- i. Receives information from the MCA21 system as detailed above
- ii. Asks the service seeker to provide the following Bank account information
  - a. Debit account number
  - b. Pass code
- iii. Processes the transaction
- iv. Communicates the outcome of the transaction as a success or failure to the MCA21 system with the detailed data as described above
- v. In the case of a successful transaction, the service / commission charges levied by the Bank for using this service will also be deducted in addition to the MCA payment

**13. Scenario III: Credit Card Payment**

(Refer Figure -3)

**A. Inputs from Service Seeker**

- i. Service seeker chooses to make a payment using a credit card that is allowed
- ii. Service seeker is prompted to enter the credit card details
- iii. Waits for system to respond with a success or failure message
- iv. In the case of a successful transaction, the service seeker will be prompted for a receipt which will be duly generated by the system

**B. Outcomes**

- i. The transaction is successful – in which case the electronic filing is complete
- ii. The transaction fails – the electronic filing would have failed and it will be necessary for the service seeker to restart the transaction

**C. MCA21 System Action**

- i. The itemized payment is calculated and ready for the said transaction
- ii. The moment the service seeker chooses payment by credit card, the payment gateway is invoked by MCA21 system
- iii. Control is handed over to the payment gateway along with the following data items:
  - a. Merchant Id
  - b. Vendor

- c. Partner
  - d. Customer IP Address
  - e. Txn ID
  - f. Order Reference No.
  - g. Response URL
  - h. Response Method
  - i. Currency Code
  - j. Invoice No.
  - k. Message Type
  - l. Amount
  - m. GMT Time
  - n. Extra1
  - o. Extra2
  - p. Extra3
  - q. Extra4
  - r. Extra5
- iv. Type of service being availed by service seeker i.e. efilling or any other can be passed on to payment gateway in the 'Extra' fields provided in the input message. The payment gateway would interpret the service and accordingly transform into the appropriate 'head of account' to which this amount pertains to. Alternatively, 'head of account' can be passed on in the extra field, based on the service availed by service seeker. [It will be confirmed with payment gateway provider to process the information on extra field to provide 'account head' wise scrolls to PAO]
- v. MCA21 waits until payment gateway returns with the a success or failure message
- vi. In the case of a successful transaction, the following data elements are passed on to the MCA21 system:

- a. Successful Acknowledgement
- vii. In the case of an unsuccessful transaction, the following data elements are passed on to the MCA21 system:
  - a. Rejected by switch
  - b. Rejected by Payment Gateway
- viii. Service seeker is communicated the outcome of the transaction
- ix. Generates the receipt

#### **D. Payment Gateway System Action**

- i. Receive information from the MCA21 system as detailed above
- ii. Asks the service seeker to provide the following credit card information:
  - a. Card Type
  - b. Card Number
  - c. CCV Number
  - d. Expiry Date
  - e. Instrument Type
- iii. Processes the transaction
- iv. Communicates the outcome of the transaction as a success or failure to the MCA21 system with the detailed data as described above
- v. In the case of a successful transaction, the service / commission charges levied by the Bank for using this service will also be deducted in addition to the MCA payment.



#### **14. MCA 21 System, Accounting of Receipts and related instructions**

##### **I. Procedure for acceptance of service charges at bank-branch (cash or clearing instruments)**

A Service seeker will log on to portal to avail services provided by MCA21 system and select the service. Accordingly, a payment option will be prompted if service is a charged one. System will calculate the fee to be paid. Service seeker will then choose the option and make the payment. A service seeker can pay the service charges at any authorised branch of the authorised bank either in cash or by a cheque / draft drawn at the same centre where payment is made. For every payment done across counter, it should accompany three copies of challan in the prescribed format (GAR 7) that is pre-printed through MCA21 portal **(Specimen at Figure -4)**.

Each challan is generated by MCA21 system and carries a unique number, Challan number, that identifies a transaction. MCA21 will be supporting other modes of payments also besides counter receipts, which are either through Internet Banking or Credit Card. In Electronic mode of payment there will be no direct customer interaction at the counter, hence no paper challan. While preparing electronic Challan, banks will include receipts received through all the three modes.

##### **II. At the Receiving Bank Branch**

At the counter of the receiving branch, the clerk / teller will accept payment on the basis of the MCA21 system generated challan. The major and minor head of account, to which the amount is to be credited will also be printed on

the challan through system which could be one of the following heads of accounts:

- A. 1475- Other General Economic Services
  - 00-105 Regulation of Joint Stock Companies
- B. 0075- Miscellaneous General Services
  - 00-800 – Other Receipts
- C. 0075- Miscellaneous General Services
  - 00-104 Unclaimed and unpaid dividends, deposits and debentures etc. of investors in Companies.
- D. 1475- Other General Economic Services
  - 00-800 Other Receipts

The advantage of MCA21 challan is that it is going to be pre-printed challan wherein all the mandatory information gets printed beforehand by the MCA21 system. Service seeker will only have to fill in the date and sign besides entering instrument (Cheque/DD) details where applicable.

After collecting the receipts by the banks the counter clerk of the receiving bank would feed in computer immediately, the information on collections made as specified in the Challan. The bank would subsequently prepare the Receipt Scroll Incorporation (**Annexure 1**) on basis of the information fed by the counter clerk of the receiving bank.

After scrutinising the challan and satisfying that amount of cash tendered agrees with the amount shown in the challan, counter clerk will issue a copy of the challan duly stamped. The challan tendered will be stamped for acknowledgement, with a stamp mentioning the name of the bank and branch, the BSR code of branch, date of deposit. An authorised official of the

branch will sign the challan and return one copy to the service seeker as an acknowledgement.

When challan is tendered with **cheque or draft**, a metal or paper token or a preliminary acknowledgement will be issued by the bank to the service seeker to facilitate delivery of receipted challan to him in due course. The official will ensure that there is no difference between the amount of instrument and the amount recorded on the challan. The instrument will then be sent for realization. Subsequently on realization of instrument, the date of realization will be indicated on the challan. A copy of the challan bearing the double date stamp with both tendering date and realization date duly filled, will be returned to service seeker only after the realization of the instrument.

In case of receipts through Internet Banking or Credit Card, there will be no direct physical interaction between service seeker and branch. Service seeker will invoke the mode of payment at the MCA21 portal and respective channel will be opened for him to make the payment. Being electronic in nature, no paper challan will be needed to conclude this transaction. However, Internet / Card system will be provided with all the relevant information that is available in challan, for proper accounting and reporting by the bank branch.

Since MCA21 will be supporting different modes of payment, the transactions effecting at a branch will include all channel transactions some (done across the counter) accompanied with paper challans and others without paper challan. However, reporting information will be available in the banking system for all the transactions, irrespective of channel.

At the end of customer banking hours, the branch should identify all the transactions based on the channel it has been initiated from:

Cash (tendered that day)

Clearing Instruments (realized that day)

Electronic (debit effected that day)

As the challan details of all these transactions would be available in bank's computer system, the branch using their software package should generate an electronic file containing all the challan data for which payment has been realized on that date and transmit to its Focal Branch at Delhi for onward transmission to bank's Link Cell. Besides an electronic file, a report will also be generated detailing the scroll information for onward transmission to Focal branch. They will also forward the hard copy of the challan data/Scroll data to the focal point branch. Once the data is uploaded/transmitted to Focal point it should not be amended or tampered. The banks shall ensure that the upload/transmission of data is done in secure manner. For MCA21, all the authorised branches will transmit / report the transaction to their respective Focal branch at Delhi only.

### **III. At the Focal Point Branch**

On receipt of hard copy of the computer generated branch scrolls from the collecting branch, the designated focal point branch will validate these computer generated scrolls with the data transmitted earlier by the collecting branches. It will consolidate these computer printed branch scrolls (without paper challans) received from all the reporting branches including its own. It will then forward the receipt scrolls daily to the PAO in electronic format giving challan wise information in respect of all the three payment options [viz. Credit card, Internet banking and remittances at the bank counter (traditional)]. The designated Focal Point branch will also generate a computer printout of daily main scroll in the format as **Annexure 4**. The printed copies of the scrolls will be supported by a Statement containing all the details indicated in the challan (both electronic & paper challans) as in **Annexure 2**. This receipt statement shall be duly authenticated by the concerned Focal Point branches. Second set of scrolls prepared in the same manner will be retained for its record. It will also be responsible for prompt remittance of collections to Government Account at RBI, CAS Nagpur through

Link Cell. It will also be responsible for reconciliation of figures with PAO, wherever necessary.

A consolidated electronic file will be generated by the respective banks at the end of the day and transmitted to MCA21 system, acknowledging the receipts made with respect to Challan numbers. The modalities for transfer of such data will be mutually agreed upon between the participating banks and MCA21. These acknowledged transactions will be matched with the Initiating Challan number and amount, by MCA21 system. In case of successful matching request will be electronically forwarded to MCA21 for further processing. In case of any mismatch, erroneous transaction will be reported back with details of error and the branch from which it has been reported. The same transaction (carrying original Challan Number) will have to be reported back to MCA21 system by the respective banks within T+3 days (where T is the date on which the Bank receives the details of erroneous transaction) after making necessary amendments. Amended transaction will be re-submitted along with any other day's transactions in the normal course of error rectification. There will be no differentiation between regular and amended transactions, since each transaction is identified by 'unique' Challan number.

#### **IV. At Link Cell - Crediting receipts to Government Account**

The respective Link Cells of the authorised banks at Nagpur will get daily memos from their respective Focal branch at Delhi which will be consolidating on behalf of all the authorised branches and reporting to its Link Cell at Nagpur. The concerned Link Cells thereafter will transmit the daily memos to CAS, RBI, Nagpur as per the existing procedure.

#### **V. At the DDO / MCA21 Cell at Headquarters**

There will be a single DDO for electronic receipt collection on behalf of all the RQCs. This DDO designated as DDO (MCA21) will be attached to a newly



constituted cell at the Headquarter and will be the nodal point for all interactions related to the accounting, reconciliation and audit of the MCA21 system. This DDO will be placed under the accounting jurisdiction of one of the designated PAOs of the Ministry at Delhi.

At the end of each day, MCA21 System will get the reports from all the authorised banks with respect to the receipts collected at the respective authorised branches. MCA21 system will mark off the initiated transactions as fee received, based on the Challan numbers advised by banks. The DDO (MCA21), thereafter, will furnish to the PAO a list of datewise and bank wise receipts statement as per **Annexure 3** (Challan Incorporation) and also a list of ROC wise services to enable the latter reconcile accounts rendered by MCA21 with the counts rendered by the banks.. The format of this electronic file will be as per requirements worked out by NIC keeping in view the requirements of the PAO's computerised system for accounting.

#### **VI. At the PAO**

PAO designated as PAO (Receipts), at Delhi will be responsible for accounting of all the MCA21 receipts. As the existing PAO at Delhi will provide the accounting support in the new system, a different PAO code will be assigned to it, to enable it to compile a separate account of these receipts, on its own system, suitably modified by NIC to incorporate the electronic data from the banks' system and from the MCA 21.

PAO will get Receipt Scrolls in electronic format along with the printed copies duly supported with a statement as described in Section III, from each of the authorized Focal Point branches on daily basis. The statement from the concerned Focal Point branch will contain all the transactions done at all the authorised branches of that bank. The statement /electronic file will include transactions done from all the channels i.e. across the counter, Internet banking and credit card. Since the transactions are done electronically for which no paper challan is created, reporting will be done by banks in a



consolidated way and would not accompany any challans. Similarly a printed report and electronic file will be provided to the PAO by the DDO (Receipts) from MCA21 system to PAO on daily basis. This will include all the transactions which are acknowledged by banks as payments received.

The formats for these files will be as per requirements of the module to be developed by the NIC for incorporation of electronic files received from the banks as well as from MCA 21 system into the PAO's system, thereby enabling a computer based electronic / automated reconciliation of the receipts in the PAO's system. **(Specimen reports / electronic files are at Annexure 1 and Annexure 3 respectively.)**

The rest of the accounting drill and practices remain unchanged in the new system. PAO will continue to get DMAI and DMAII statements from CAS Nagpur through Link Cells of the concerned banks for further action, as per the current practice and no change in either reporting or the format has been envisaged for these statements.

## **15. Miscellaneous Issues**

### **I. Customer Grievance Redressal**

Each transaction is uniquely identified with a Challan Number. Receipts advised by Bank and acknowledgements by MCA21 are matched on Challan number, Date and Amount. No way can a transaction be missed out if message reaches out to MCA21 as several technological measures will be stabilised through the Centralised Data Centre and the Disaster Recovery Centre. Thereafter it is reconciled and errors, if any, are advised back to Bank for correction for a mismatch of Challan number – Date – Amount. In case receipt tendered by the service seeker is either not accounted for in MCA account or inadvertently accounted for in an other Head of Account, then information with respect to this transaction will not get reported to MCA21.

Under these circumstances, MCA21 will not mark off receipt against requested challan and service seeker will not be able to avail the requisite service. The recourse to service seeker is first to approach MCA21 help desk with the receipted copy of challan to know the reason thereof. It is possible only if transaction is either reported with incorrect information or not advised at all. In case of incorrect advice, it will be corrected by Bank and advised back next 2-3 days. If not, then service seeker will approach respective Bank / Branch if the transaction has correctly be accounted for and advised to MCA21. Bank will look at their records, correct the transaction and advise back to MCA21, in case of wrong accounting.

## **II. Bank Charges**

It is reiterated that the charges and commissions paid to the Bank will be as per the norms specified by CGA for remittances. For belated existing remittances, there will be penalty charged as per existing CGA guidelines.

## **III. Audit by C&AG**

The MCA21 system would be available for system audit by C&AG as and when required.

## **IV. RoC Statistics**

It is observed that the RoC is audited on appropriateness of fee collected. In this regard, it is highlighted that the fee for MCA services are standardized and are clearly stipulated by law. There are no discretionary fees, unless as may be directed by a Court in some very exceptional matters. However, there will be information needed for RoC wise collections and the share of revenue that is generated by a specific RoC that may be needed for the purposes of audit. Since the MCA21 system has all the receipt information, necessary MIS in this regard will be generated from the system and the same can be filed by RoC as part of their records each month.

Figure – 1 (Refer section 11)

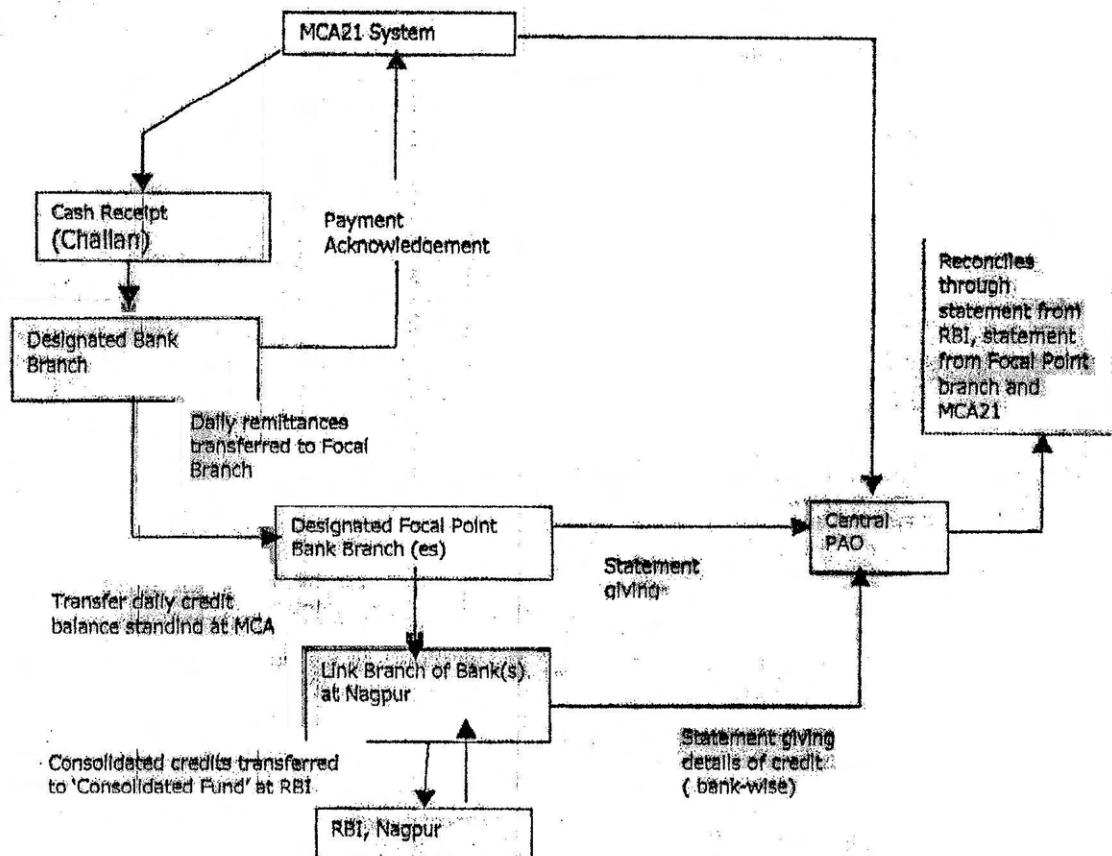
Proposed Payment and Reconciliation process flow \*Traditional Receipts

Figure – 2 (Refer section 12)

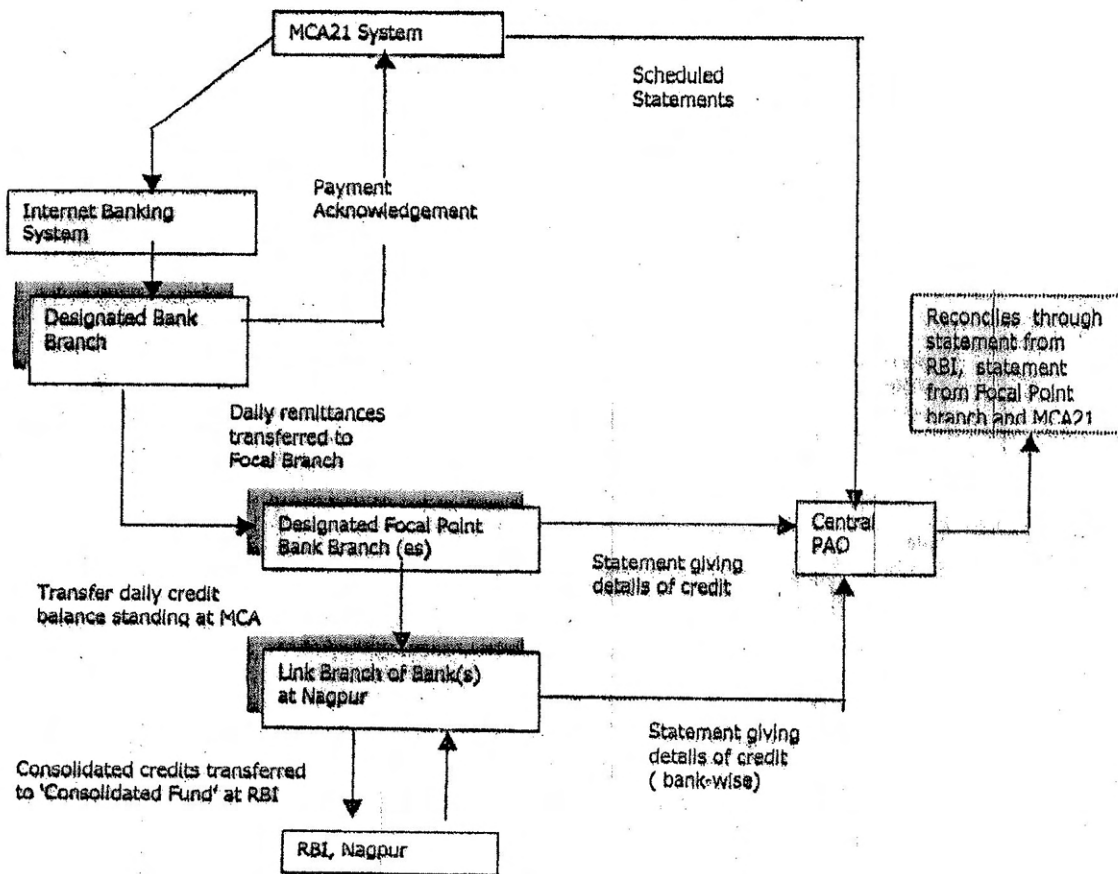
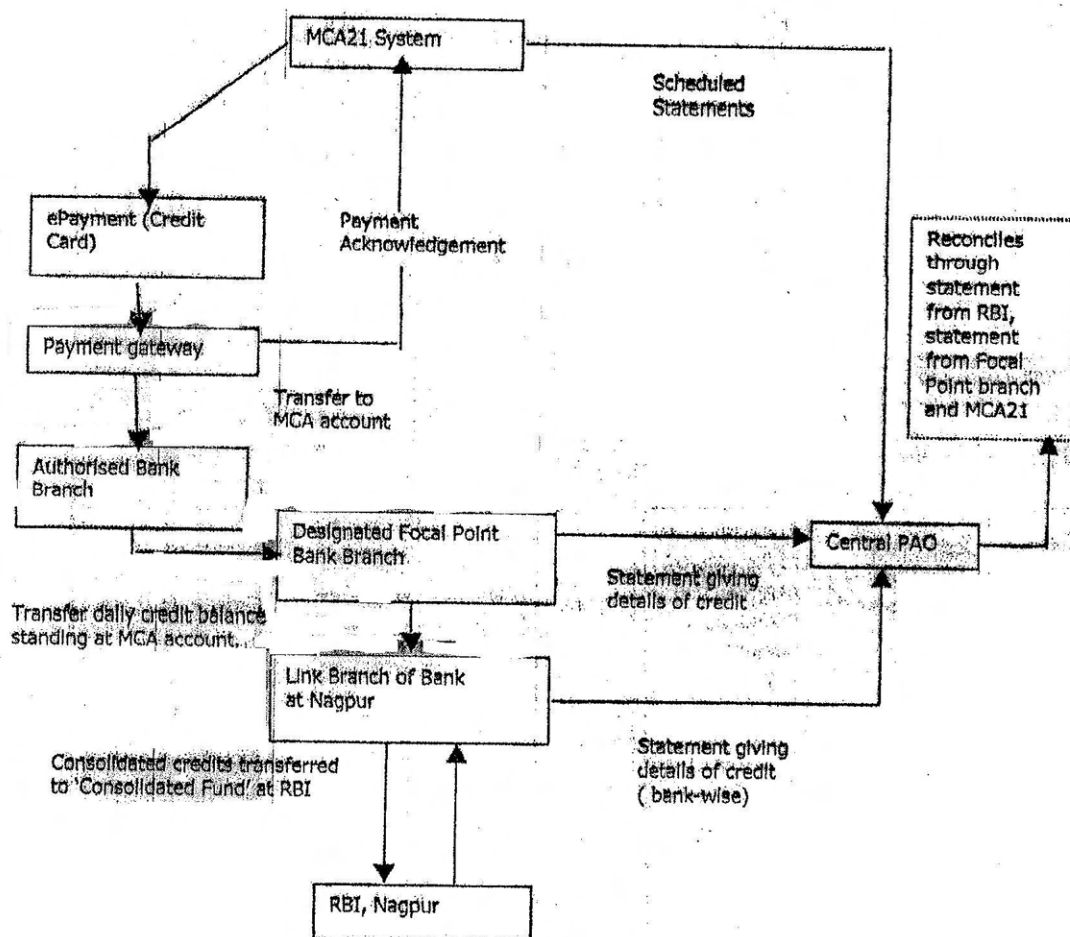
Proposed Payment and Reconciliation process flow \*Internet Banking Receipts

Figure -3 (Refer section 13)

Proposed Payment and Reconciliation process flow \*Credit Card Receipts

**Figure – 4 (Refer section 14(I))**Challan.G.A.R. 7**(Obverse)**

Please Indicate whether

Civil	_____
Defence	_____
Railway	_____
Posts & Telegraphs	_____

Challan No. \_\_\_\_\_

Payment to be Remitted \_\_\_\_\_

Into Bank On or Before: \_\_\_\_\_

Challan of money paid into \_\_\_\_\_ (bank), \_\_\_\_\_ (branch)

To be filled in by the remitter			To be filled in by the Departmental Officer or at his Instance			
Name (& or designation) and address of the party (i.e. Tax payer etc.) crediting money	Department/ Office from whose books the demand emanated	Full particulars of the nature of remittance and/or authority (if any)	Amount	Head of Account	Accounts Officer by whom adjustable	Order to the bank
			Rs. P.			Receive and grant receipt (signature, date & full designation of the Officer ordering the money to be paid in)
		"Total"	_____			

(In words) Rupees: \_\_\_\_\_

Received payment (in words) Rupees: \_\_\_\_\_

Date: \_\_\_\_\_

Agent or Manager/  
Officer



**(REVERSE)**

	Particulars to be filled in by remitter	Amount	
		Rs.	P.
Cash			
Bank drafts (with details)			
Cheques (with details)			
Credit Card/Internet Banking			
	Total Rs.		

## Annexure -1

## Receipt Scroll Incorporation

Text File Name: BNKNMddmmyyyy.rpt (17 characters).

Sr. No.	Filed Name	Position	Length	Attribute	Comments
1	Focal point Bank Scroll Number	1-10	10 Char	(XXXXXXXXXX)	Will be provided by Bank
2	Focal point Bank Scroll Date	11-18	8 Char	(DDMMYYYY)	- do -
3	Total Scroll Amount	19-31	13 Char	(9999999999999)	- do -
4	Bank Code	32-34	3 Char	(XXX)	-BSR Code
5	Branch Code	35-38	4 Char	(XXXX)	-BSR Code
6	Branch Scroll No.	39-48	10 Char	(XXXXXXXXXX)	-Will be provided by Bank
7	Branch Scroll Date	49-56	8 Char	(DDMMYYYY)	Will be provided by Bank
8	DDO Code	57-62	6 Char	(XXXXXX)	Defaulted OR MCA21 to pass on to Bank
9	Challan Number as per DDO	63-72	10 Char	(XXXXXXXXXX)	Generated by MCA21 System
10	Challan Date	73-80	8 Char	(DDMMYYYY)	Challan Date
11	Challan Amount	81-91	11 Char	(9999999999999)	Challan Amount as calculated by MCA21 system/Confirmed by Bank
12	Challan Number as per Bank	92-101	10 Char	(9999999999999)	

- Note 1:-
- a. For cash and credit card payment, Challan Date is the date on which the service seeker makes the payment.
  - b. For Cheque or Demand Draft payment, Challan Date is the date on which the instrument is realized.
  - c. For Internet banking payment, Challan Date is the date on which the Bank executes the payment request.

Note 2: - Above mentioned requirements and values needs to be validated between MCA21 / Banks / NIC and agreed upon

Note 3: - Sr. No. 12 ( Challan Serial Number as per bank) would be left blank as the MCA21 system generated challan No. ( Sr. No. 9) is unique and enables linking scroll with challans

Note 4: -

- a. Total length of a record: 101 characters
- b. Numeric field will be padded with zeros to the left and characters field will be padded with white spaces to the right.
- c. Focal point Bank Scroll Number, Focal point Bank Scroll Date, Total Scroll Amount and Bank Code to be repeated for each row of receipt scroll details entry.
- d. The file name does not specify the bank name. This needs to be addressed as same file name will result in identity conflict from system perspective.
- e. XXX implies alphanumeric and 999 implies numeric
- f. BNKNM implies bank name (SBI – SBIBK, Indian Bank – INDBK, PNB – PNBBK, HDFC – HDFBK, ICICI – ICIBK)

**Annexure -2****Receipt Statement**

FOCAL BANK NAME: \_\_\_\_\_ BANK CODE: \_\_\_\_\_ DDO CODE: \_\_\_\_\_

Focal Point Bank Scroll No: \_\_\_\_\_ Date: \_\_\_\_\_ Amount: \_\_\_\_\_

1.	2.	3.	4.	5.
Branch Name	Branch Scroll No: and Date	Challan No. and Date	Challan Amount	Name of Party Crediting Money
Grand Total (Branch wise)				
Grand Total				

Focal Point Branch Seal

Authorized Signatory

Note 1:- Item 5 – Enter Name of the Company on whose behalf money is paid (as written in the challan). If name of the company is blank (its not mentioned for the services sought by individuals) enter remitter's name.

## Annexure -3

## Challan Incorporation

Text file name: CHALLANXXXXXXDD-MM-YYYY.TXT (27 characters)

DDOCODE Char (6)

Sr. No.	Filed Name	Position	Length	Attribute	Comments
1	DDO Code	1 - 6	6 Char	(XXXXXX)	In case of ONE PAO, can be defaulted
2	Grant No	7 - 9	3 Char	(XXX)	Hardcode (i.e. fixed data will be generated)
3	Challan Date	10 - 17	8 Char	(DDMMYYYY)	Challan Date
4	Bank Code	18 - 20	3 Char	(XXX)	Provided by Bank
5	Branch Code	21 - 23	3 Char	(XXX)	Provided by Bank
6	Source	24 - 73	50 Char	(XXXXXXXXXXXX)	Description of service
7	Challan Amount	74 - 84	11 Char	(99999999999)	Calculated by MCA21 system/Received by Bank
8	Cheque No	85 - 94	10 Char	(XXXXXXXXXX)	Provided by Bank/Null for Cash payment
9	External PAO Code	95 - 100	6 Char	(XXXXXX)	Not Available, can be NULL
10	Challan No	101 - 110	10 Char	(XXXXXXXXXX)	Generated by MCA21 System
11	Functional Head	111 - 123	13 Char	(XXXXXXXXXXXXXX)	Hardcode
12	Object Head	124 - 125	2 Char	(XX)	Hardcode
13	Category	126 - 126	1 Char	(X)	Always '1'
14	Challan Break-up Amount	127 - 137	11 Char	(99999999999)	Same as Challan Amount/Received by the bank

## Note 1: -

- a. For cash and credit card payment, Challan Date is the date on which the service seeker makes the payment.
- b. For Cheque or Demand Draft payment, Challan Date is the date on which the instrument is realized.
- c. For Internet banking payment, Challan Date is the date on which the Bank executes the payment request.

Note 2: - Above mentioned requirements and values needs to be validated between MCA21 / NIC and agreed upon

## Note 3: -

- a. Total length of a record: 137 characters
- b. Numeric field will be padded with zeros to the left and characters field will be padded with white spaces to the right.
- c. In case the description of service category is less than 50 characters the remaining string is padded with blank spaces to the left. Otherwise it is truncated
- d. DDO Code, Grant No., Bank Code, External PAO Code, Object Head, Category to be repeated for each row of receipt scroll details entry.
- e. Date on which challan was generated by MCA21 system.
- f. Every bank has a 9-digit MICR Code. XXX XXX XXX

↓            ↓  
 BANKCODE    BRANCHCODE



**Annexure -4****DAILY MAIN SCROLL**

Name of Focal Point Branch : ..... Code No. ....

Name of PAO: ..... Code No. .... Running Sr. No. ....

Name of Ministry/Dept: ..... Code No. .... date: .....

Sr. No.	Name of Dealing Branch	Date of Transaction at dealing branch	Receipts Rs.	Remarks

Sub-Total

Transactions of Focal Point Branch

Grand Total

1. To be prepared in Triplicate.
2. Two copies – original with scrolls and receipted challans and duplicate without documents to be submitted to PAO on a day-to-day basis.
3. Duplicate copy duly verified by PAO, to be obtained by the Focal point branch on a day-to-day basis.
4. Third copy to be retained as office copy.
5. Scrolls of Dealing Branches with the documents to be attached to original Main Scrolls should be in the same order in which entries are listed in the Main Scroll.
6. The Grand Total of receipts should be reported to Link Cell Nagpur on a day-to-day basis.

**Branch Seal****Branch Manager**

**Accounting procedure for Agniveer Corpus Fund- Seva Nidhi Package under Agnipath Scheme**

1. A non-lapsable dedicated 'Agniveer Corpus Fund-Seva Nidhi Package' will be created in the interest bearing Section of the Public Account. The fund will be administered and maintained by Ministry of Defence.
2. Each Agniveer shall contribute 30% of his monthly 'Agniveer Package' to the 'Agniveer Corpus Fund-Seva Nidhi Package'. The Government will provide matching contribution towards the fund. The following transaction will be operated in the instant case:

**a. At the time of payment of monthly 'Agniveer Package' to the Agniveer**

<b>Debit</b>	2076	Defence Services-Army
	00.114	Agnipath Scheme
	or	
	2077	Defence Services- Navy
	00.114	Agnipath Scheme
	or	
	2078	Defence Service -- Airforce
	00.114	Agnipath Scheme
	To	
	8342	Other Deposits
Package)	00.118	Agniveer Corpus Fund- Seva Nidhi Package (30% of Agniveer
	8670	Cheques and Bills
Package)	00.111	Pay and Accounts Offices Electronic Advances (70% of Agniveer

**Credit**

**b. Crediting of matching government contribution to the Agniveer Corpus Fund**

<b>Debit</b>	2076	Defence Services-Army
	00.114	Agnipath Scheme
	or	
	2077	Defence Services- Navy

00.114 Agnipath Scheme

or

2078 Defence Service -- Airforce

00.114 Agnipath Scheme

To

8342 Other Deposits

00.118 Agniveer Corpus Fund – Seva Nidhi Package

**Credit**

3. Government will provide interest at the rate equivalent to the Public Provident Fund on the accumulated amount in the corpus fund.

**Debit**

2049 Interest Payments

03 Interest on Small Savings Provident Fund

118 Interest on Agniveer Corpus Fund- Seva Nidhi Package

To

8342 Other Deposits

00.118 Agniveer Corpus Fund– Seva Nidhi Package

**Credit**

4. On completion of the engagement period of four years, Agniveers will be paid one time ‘Seva Nidhi’ package, which shall comprise of their contribution and Government’s contribution including accrued interest thereon. Following accounting entry will be made at the time of making the payment:

**Debit**      **8342** Other Deposits

00.118 Agniveer Corpus Fund- Seva Nidhi Package

to

8670 Cheques and Bills

00.111 Pay and Accounts Offices Electronics Advices

**Credit**

5. In case of Agniveers who are subsequently selected for enrolment in the Armed Forces as regular cadre or exiting before the end of their engagement period on their own request, amount on account of Seva Nidhi package to be paid to them will comprise of only their contribution and accrued interest thereon by debiting the Public

Account heads (**accounting entries as per Para 4 above**). The accumulated portion of Government contribution and interest thereon **will be written back** to the concerned functional heads through the following transfer entry in term of **para 3.10 of General Direction to LMMHA**:

Debit	8342	Other Deposits
	00.118	Agniveer Corpus Fund- Seva Nidhi Package

To

2076 Defence Services-Army

00.911 Deduct recoveries of Overpayment

or

2077 Defence Services- Navy

00. 911 Deduct recoveries of Overpayment

or

2078 Defence Service – Airforce

00. 911 Deduct recoveries of Overpayment

Debit

And

2049 Interest Payments

03 Interest on Small Savings Provident Fund

911 Deduct recoveries of Overpayment -Debit

6. In case of death or disability:

**a. Death during engagement period on bonafide duty:**

In addition to **Pay**, ex-gratia and Insurance payable from the concerned service functional head, balances under the Agniveer Corpus Fund – Seva Nidhi Package will be payable. In this case entries at Point 4 above will be made.

**b. Death during engagement period not on duty:**

In addition to Insurance payable from the concerned service functional head, balances under the Agniveer Corpus Fund – Seva Nidhi Package will be payable. In this case entries at Point 4 above will be made.

**c. Disability attributed/ aggravated due to conditions of engagement**

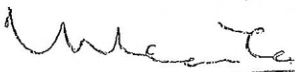
In addition to *Pay* and ex-gratia payable from the concerned service functional head, balances under the Agniveer Corpus Fund – Seva Nidhi Package will be payable. In this case entries at Point 4 above will be made.

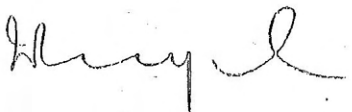
**7. Audit of the Agniveer Corpus Fund:**

Transaction related to Agniveer Corpus fund shall be subject to statutory audit by the Director General of Audit, Defence Services/Comptroller and Auditor General of India. The Accounts shall also be subject to internal Audit by DAD.

The draft Accounting Procedure for transactions pertaining to the Social and Infrastructure Development Capital Fund was discussed by the Controller General of Accounts when he called on the CAG on 21.11.2007. CAG had agreed to clear the procedure subject to the following :

1. Para 2 of the Draft Accounting Procedure would exclude the words "Further appropriate initiatives will be formulated and a budget provision would be sought under the functional head for each identified scheme in the Demand for Grant of the concerned Ministry/Department."
2. The procedure is being sought as a one time measure for funding only the four schemes mentioned in the draft procedure and the balance under the fund would be brought to 'Nil' by the end of Financial year 2007-08 and there will be no further recoupment of these funds.
3. The appropriation accounts will properly reflect the increase in the grant portion for the amount being debited to the SIDM.

  
21.11.07  
Controller General of Accounts

  
DAI (AEC)



### Accounting Procedure for transactions pertaining to the Social and Infrastructure Development Capital Fund

1. A capital reserve fund called the **Social and Infrastructure Development Capital Fund** is being created in the non-interest bearing section of the Public Account of India to enable earmarking of funds for initiatives for social and infrastructure development. The reserve fund will be fed by a transfer of Rs. 6500 crore from the capital account of the Consolidated Fund of India provided for in the Grant of Department of Economic Affairs in 2006-07. The accounting treatment for the transfer is detailed under Section (A), paragraph 6 below.
2. The initiatives envisaged to be funded from the **Social and Infrastructure Development Capital Fund** include providing Merit-cum-Means scholarships, skill development, social security for landless labourers and a scheme for ground water re-charge. Further appropriate initiatives will be formulated and a budget provision would be sought under the functional head for each identified scheme in the Demand for Grant of the concerned Ministry/Department. A matching budget provision under 'Deduct Recoveries' will be sought below the line for this purpose in the same Demand for Grant. The initial expenditure under the functional head in respect of each identified scheme will be simultaneously neutralized, re-couping the same from the said reserve fund.
3. After obtaining the appropriation for each of the identified schemes, expenditure and recovery is to be incurred and the accounting treatment for the same is detailed under Section B, paragraph 6 below.
4. On obtaining the corresponding appropriations, the Budget Division will intimate the comprehensive Ministry/Department-wise details of the identified schemes to the Chief Controller of Accounts, Ministry of Finance (CCA, MoF). The Principal Accounts Office, Ministry of Finance (PrAO, MoF) will then arrange for obtaining monthly reports of expenditure and recoveries under the identified schemes by the concerned Pay and Accounts Office of each participating Ministry/Department.
5. PrAO, MoF will maintain a proforma account for the **Social and Infrastructure Development Capital Fund** reflecting the balances, inflows and outflows and update this on a monthly basis. PrAO, MoF will also ensure

that no adverse balances take place. The annual figures will be reported to the Finance Accounts Division of the office of the Controller General of Accounts to enable a reconciliation of balances, inflows and outflows and reflection of an accurate position in the Annual Finance Accounts of the Union Government.

6. The accounting treatment of transactions related to the inflows and outflows of the Social and Infrastructure Development Capital Fund are depicted below:

**(A) Transfer to the reserve fund: -**

- 6.1 Funds will be transferred as per the budget provision from the Capital Account of the Consolidated Fund of India to the Social and Infrastructure Development Capital Fund in the Public Account of India. The Pay & Accounts Officer, Department of Economic Affairs (PAO Sectt.), on receipt of necessary administrative approval/financial sanction will give effect to the transfer from the Consolidated Fund of India to the reserve fund by a book adjustment: -

**Debit**

Major Head 5475-Capital Outlay on Other General Economic Services  
 Minor Head 797- Transfer to Reserve Fund  
 Sub Head \*\*- Transfer to Social and Infrastructure Development Capital Fund ***(Sub-head to be opened)***  
 \*\*,00.63- Inter Account Transfer

to

**Credit**

Major Head 8235-General and other Reserve Funds  
 Minor Head 200-Other Funds  
 Sub Head \*\*-Social and Infrastructure Development Capital Fund ***(Sub-head to be opened)***

**(B) Expenditure on identified schemes to be financed from the Social and Infrastructure Development Capital Fund**

- 6.2 Initially, the PAO of the Ministry/Department implementing the identified scheme will incur expenditure and classify the same as debit under the relevant Functional Major Head concerned in the Capital Account in the Demand for Grants of the Ministry/ Department incurring the expenditure.
- 6.3 At the end of each month an equivalent amount of the expenditure incurred and booked during the month will be recouped from the Social and Infrastructure Development Capital Fund under the Major Head "8235" per contra minus debit to the respective functional Major Head of Ministry/Department by the concerned PAO. This will be intimated to PrAO, MoF within two days of closing of accounts. The accounting adjustment will be as follows:

**Debit**

Major Head 8235-General and Other Reserve Fund

Minor Head 200-Other Fund

Sub Head \*\* -Social and Infrastructure Development Capital Fund

***(Sub Head to be opened)***

to

**(-) Debit**

Functional Major Head in the Capital Account

Minor Head 9\*\* - Deduct amount met from Social and Infrastructure Development Capital Fund (***Minor head to be opened in the books of the functional ministry/ department***).

Object Head 00.00.70-Deduct Recoveries.

- 6.4 In case the support to the identified initiative is in the form of a loan, the concerned PAO disbursing the loan will maintain loan registers as per the codal provisions.
- 6.5 The repayments of the principal amount by the loanee would be received in the Consolidated Fund of India under the original Functional

Loan Head. The interest payments received on these loans will also be received in the Consolidated Fund of India.

6.6 In case the support to the identified initiative is in the form of an investment, the concerned PAO will maintain the investment register and all other details concerning the shares. A suitable reflection in the Union Finance Account of these details would be made in the statement on equity investment.

7. In the initial stage, this is the broad accounting procedure in the absence of clearly formulated/identified schemes under the initiatives for social and infrastructure development. As and when such schemes are identified, action to open the relevant heads under the corresponding functional Major Head would be taken up as per the General Directions of the List of Major and Minor Heads of Accounts. Thereafter, the detailed accounting heads will be separately circulated on the above lines under section (B) above under paragraph 6.
8. The accounting procedure will be subject to the budgetary procedure of the Government of India.
9. The expenditure incurred out of the Social and Infrastructure Development Capital Fund will be subject to internal audit and statutory audit.

Government of India  
Ministry of Education  
Principal Accounts Office  
Shastri Bhawan, New Delhi

**Subject: Accounting Procedure and modality for operation of Madhyamik and Uchchatar Shiksha Kosh (MUSK), Ministry of Education.**

The Cabinet has approved the creation of "Madhyamik and Uchchatar Shiksha Kosh (MUSK)" on 16.08.2017 as Reserve Fund in the non-interest bearing section of the Public Account, into which all proceeds from Secondary and Higher Education Cess (SHEC) (levied upto 31.03.2018) would be credited. Proceeds of Health and Education Cess (levied w.e.f. 01.04.2018) as decided in consultation with Budget Division, Ministry of finance would also be credited to MUSK. The MUSK will be administered and maintained by Ministry of Education. This Cess is levied to fulfil the commitment of the Government to provide and finance Secondary and Higher Education and it has been decided to utilise the accruals from this Cess on ongoing schemes of Secondary and Higher Education. As per the Finance Act, 2018 dated 29<sup>th</sup> March 2018, Chapter II, section 2, sub-section (13) "the amount of income-tax as specified in sub-sections (4) to (10) and as increased by the applicable surcharges, for the purpose of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purpose of the Union, to be called the **"Health and Education Cess on income-tax"**, calculated at the rate of **four percent** of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education." However the Ministry of Education can allocate funds for any future program/scheme of Secondary and Higher Education based on the requirement as per prescribed procedure. In any financial year, the expenditure on ongoing schemes or any other schemes as amended from time to time, of the Department of School Education & Literacy and Department of Higher Education would be initially incurred from the gross budgetary support (GBS) and the expenditure would be financed from the MUSK only after the GBS is exhausted. However, the creation of fund out of receipts of Health and Education Cess (HEC) on income-tax and expenditure met from the MUSK are independent of each other. The ongoing schemes mainly to be funded from MUSK of these Departments are as follows:-

**(A) Department of School Education & Literacy:**

- (i) Samagra Shiksha
- (ii) National Means-cum-Merit Scholarship Scheme
- (iii) Kendriya Vidyalaya Sangathan (KVS)
- (iv) Navodaya Vidyalaya Samiti (NVS)

Out of four schemes mentioned above, 'Samagra Shiksha' is at Sub-head level, 'KVS' and 'NVS' are at Detailed-head level under the Sub-head 'Grants to Autonomous Bodies, 'National Means-cum-Merit Scholarship Scheme' is at Detailed-head level under the Sub-head 'Scholarships'.

**(B) Department of Higher Education:**

- (i) Interest Subsidy & Contribution for Guarantee funds
- (ii) Scholarship for College & University Students
- (iii) Rashtriya Uchchatar Shiksha Abhiyan
- (iv) Grants to Autonomous Bodies (Including UGC, CUs, IITs, NITs etc.)
- (v) Pradhan Mantri Uchchatar Shiksha Protsahan (PM-USP) Yojana.

Out of the above, first two schemes viz. 'Interest Subsidy & Contribution for Guarantee funds' and 'Scholarship for College & University Students' are at detailed-head level under the sub-head 'Student Financial Aid'; RUSA and Grants to Autonomous Bodies are at Sub-head level.

2. The Health and Education Cess (HEC) is being collected by CBDT and presently accounted in the Consolidated Fund of India under a distinct Minor Head '506- Health and Education Cess' below the following Major Heads:

0020 -- Corporation Tax

0021 - Taxes on Income other than Corporation Tax

3. On creation, the Madhyamik and Uchchatar Shiksha Kosh (MUSK) will be administered and maintained by Ministry of Education. Pr. Chief Controller of Accounts (CBDT) will furnish the information on collection of Health and Education Cess to the Pr. Chief Controller of Accounts, Ministry of Education on monthly/quarterly basis. One Minor head "Madhyamik and Uchchatar Shiksha Kosh" under the Major Head "8229 - Development and Welfare Funds" as a non-lapsable fund and in the non-interest bearing section of Public Account of India will be opened for crediting the share of 'Health and Education Cess' relating to education ( ie. 1% out of HEC) and creation of MUSK. In order to ensure transparency and distinction between allocations for 'Madhyamik Shiksha' and 'Uchchatar Shiksha' under the Department of School Education & Literacy and Department of Higher Education two distinct sub-heads viz. 'Madhyamik Shiksha Kosh' and 'Uchchatar Shiksha Kosh' will be opened and operated by the two departments respectively.

4. As per Government of India (Allocation of Business) Rules 3(2) read with GFR- 70 (2017), the compiling of the accounts of each Department shall stand allocated to that Department only. Therefore, One percent ( 1% out of HEC) of the actual HEC collected will be apportioned between D/o School Education & Literacy and D/o Higher Education in the ratio of Forty : Sixty (40:60) , respectively and Budget Provision will be made under object head "63-Inter Account Transfer" for facilitating the transfer of actual HEC collected, to MUSK created in Public Account. *An equivalent to the share in proceeds of Health and Education allocated to education ( 1% of HEC) will be transferred to MUSK by D/o School Education & Literacy and D/o Higher Education. Any mismatch between the collections and transfers in any year will be recognized and appropriate executive/ administrative decision made thereon by the M/o Finance.* The MUSK Account will appear separately in the Finance Accounts of both the Department i.e. School Education & Literacy and Higher Education. For this purpose the Budget will be provisioned in the Detailed Demand for Grants of both the Departments under the following heads:-

(i) **For Department of School Education & Literacy:**

(a) Major Head 2202 – General Education

Sub Major Head 02 – Secondary Education

Minor Head 797 –Transfer to Reserve Fund/Deposits Account

Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh- Madhyamik

Shiksha Kosh

Detailed Head xx- Transfer to Madhyamik Shiksha Kosh – General Education

(Secondary Education)

Object head 63 –Inter Account Transfer

(b) Major Head 3601 – Grants-in-Aid to State Governments

Sub Major Head 06 – Centrally Sponsored Schemes

Minor Head 797 –Transfer to Reserve Fund/Deposits Account

Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh- Madhyamik

Shiksha Kosh

Detailed Head xx- Transfer to Madhyamik Shiksha Kosh - Grants-in-Aid to State Governments (Centrally Sponsored Schemes)

Object head 63 –Inter Account Transfer

(c) Major Head 3602 – Grants-in-Aid to Union Territory Governments with Legislature

Sub Major Head 06 – Centrally Sponsored Schemes

Minor Head 797 –Transfer to Reserve Fund/Deposits Account

Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh - Madhyamik

Shiksha Kosh



Detailed Head xx- Transfer to Madhyamik Shiksha Kosh -- Grants-in-Aid to Union Territory Governments with Legislature ( Centrally Sponsored Schemes)

Object head 63 –Inter Account Transfer

(ii) For Department of Higher Education:

- (a) Major Head 2202 – General Education  
 Sub Major Head 03 – University and Higher Education  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchtar Shiksha Kosh- Uchchtar Shiksha Kosh  
 Detailed Head xx- Transfer to Uchchtar Shiksha KoshGeneral -Education (University and Higher Education)  
 Object head 63 –Inter Account Transfer
- (b) Major Head 2203 – Technical Education  
 Minor Head 00.797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchtar Shiksha Kosh- Uchchtar Shiksha Kosh  
 Detailed Head xx- Transfer to Uchchtar Shiksha Kosh-Technical Education  
 Object head 63 –Inter Account Transfer
- (c) Major Head 3601 – Grants-in-Aid to State Governments  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchtar Shiksha Kosh- Uchchtar Shiksha Kosh  
 Detailed Head xx- Transfer to Uchchtar Shiksha Kosh Grants-in-Aid to State Governments  
 (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer
- (d) Major Head 3602 – Grants-in-Aid to Union Territory Governments with Legislature  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchtar Shiksha Kosh- Uchchtar Shiksha Kosh  
 Detailed Head xx- Transfer Uchchtar Shiksha Kosh-Grants-in-Aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer

5. The HEC collection figure received from CBDT will be furnished to the Administrator in each Department (the Department of School Education & Literacy and Department of Higher Education), on the basis of which the Administrator in the Ministry of Education with concurrence of the Internal Finance Division will issue quarterly/periodic sanction order for transfer of receipts of share of Health and Education Cess relating to education (ie. 1% out of HEC) to MUSK in Public Account. On issue of sanction the Pay and Accounts Officer (SE&L) and Pay & Accounts Officer (HE) will make the following accounting entries:

**Department of School Education & Literacy:**

- (i) Debit Major Heads: 2202 – General Education  
 Sub Major Head 02- Secondary Education  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchtar Shiksha Kosh- Madhyamik Shiksha Kosh  
  
 Detailed Head xx- Transfer to Madhyamik Shiksha Kosh- General Education  
 (Secondary Education)  
 Object head 63 –Inter Account Transfer  
 To  
 Major Head 8229- Development and Welfare Funds

Minor Head xxx – Madhyamik and Uchehtar Shiksha Kosh  
 Sub-head yy – Madhyamik Shiksha Kosh  
 Detailed Head \*\* – Madhyamik Shiksha Kosh -General Education (Secondary Education)

**Credit**

- (ii) Debit Major Head 3601 – Grants-in-Aid to State Governments  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchehtar Shiksha Kosh- Madhyamik Shiksha Kosh  
 Detailed Head xx- Transfer to Madhyamik Shiksha Kosh- Grants-in-Aid to State Governments (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer  
 To  
 Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchhtar Shiksha Kosh  
 Sub-head yy– Madhyamik Shiksha Kosh

Detailed Head \*\* – Madhyamik Shiksha Kosh- Grants-in-Aid to State Governments (Centrally Sponsored Schemes) **Credit**

- (iii) Debit Major Head 3602 – Grants-in-Aid to Union Territory Governments with Legislature  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchehtar Shiksha Kosh-- Madhyamik Shiksha Kosh  
 Detailed Head xx- Transfer to Madhyamik Shiksha Kosh- Grants-in-Aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer

To  
 Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchhtar Shiksha Kosh  
 Sub-head yy– Madhyamik Shiksha Kosh  
 Detailed Head \*\* – Madhyamik Shiksha Kosh Grants-in-Aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)

Credit

#### **Department of Higher Education:**

- (i) Debit Major Heads: 2202 – General Education  
 Sub Major Head 03- University and Higher Education  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head 01 –Transfer to Madhyamik and Uchehtar Shiksha Kosh- Uchehtar Shiksha Kosh  
 Detailed Head \*\* – Transfer to Uchehtar Shiksha Kosh- General Education (University and Higher Education)  
 Object head 63 –Inter Account Transfer  
 to  
 Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchehtar Shiksha Kosh  
 Sub-head zz – Uchehtar Shiksha Kosh

Detailed Head \*\*- Uchchatar Shiksha Kosh- General Education (University and Higher Education)

Credit

- (ii) Debit Major Head 2203 – Technical Education  
 Minor Head 00.797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh- Uchchatar Shiksha Kosh  
 Detailed Head xx- Transfer to Uchchatar Shiksha Kosh- Technical Education  
 Object head 63 –Inter Account Transfer

To

Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head zz – Uchchatar Shiksha Kosh  
 Detailed Head \*\*- Uchchatar Shiksha Kosh -Technical Education

- Credit  
 (iii) Debit Major Head 3601 – Grants-in-Aid to State Governments  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh-- Uchchatar Shiksha Kosh

Detailed Head xx- Transfer to Uchchatar Shiksha Kosh - Grants-in-Aid to State Governments (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer

To

Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head zz – Uchchatar Shiksha Kosh  
 Detailed Head \*\*- Uchchatar Shiksha Kosh -Grants-in-Aid to State Governments (Centrally Sponsored Schemes)

Credit

- (iv) Debit Major Head 3602 – Grants-in-Aid to Union Territory Governments with Legislature  
 Sub Major Head 06 – Centrally Sponsored Schemes  
 Minor Head 797 –Transfer to Reserve Fund/Deposits Account  
 Sub-head xx –Transfer to Madhyamik and Uchchatar Shiksha Kosh- Uchchatar Shiksha Kosh  
 Detailed Head xx- Transfer to Uchchatar Shiksha Kosh - Grants-in-Aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)  
 Object head 63 –Inter Account Transfer

To

Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head zz – Uchchatar Shiksha Kosh  
 Detailed Head \*\*- Uchchatar Shiksha Kosh - Grants-in-Aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)

Credit

Any shortfall in transfer of receipts to MUSK during the financial year will be provided in the Detailed Demand for Grants of the subsequent financial year against the object head "63-Inter Account Transfer" and shall be transferred to MUSK in Public Account of India, in the first quarter.

6. The Department of School Education & Literacy and the Department of Higher Education shall make necessary budget provisions in the Detailed Demand for Grants under the relevant functional heads of the schemes as per Rule 8 of DFPR 1978. for the component to be funded from MUSK. While incurring expenditure on a specific scheme, the concerned PAO will debit the relevant functional heads as detailed below:

**Department of School Education & Literacy:**

**(i) National Means-cum-Merit Scholarship Scheme:**

- (a) Major Head 2202 – General Education  
Sub Major Head 02- Secondary Education  
Minor Head 107 – Scholarships
- (b) 2202.02.789 – Special Component Plan for Scheduled Castes
- (c) 2202.02.796 – Tribal Area Sub-Plan

**(ii) Samagra Shiksha:**

- (a) 2202.02.113 –Samagra Shiksha
- (b) 2202.02.789- Special Component Plan for Scheduled Castes
- (c) 2202.02.796- Tribal Area Sub-Plan
- (d) Major Head 3601 – Grants-in-aid to State Governments  
Sub Major Head 06 – Centrally Sponsored Schemes  
Minor Head 101 – Central Assistance/Share
- (e) 3601.06.789 - Special Component Plan for Scheduled Castes
- (f) 3601.06.796 - Tribal Area Sub-Plan
- (g) Major Head 3602 – Grants-in-aid to Union Territory Governments with Legislature  
Sub Major Head 06 - Centrally Sponsored Schemes  
Minor Head 101 – Central Assistance/Share
- (h) 3602.06.789- Special Component Plan for Scheduled Castes
- (i) 3602.06.796- Tribal Area Sub-Plan

**(iii) Kendriya Vidyalaya Sangathan (KVS)**

- (a) 2202.02.110 – Assistance to Non-Government Secondary Schools
- (b) 2202.02.789 - Special Component Plan for Scheduled Castes
- (c) 2202.02.796 - Tribal Area Sub-Plan

**(iv) Navodaya Vidyalaya Samiti (NVS)**

- (a) 2202.02.110 – Assistance to Non-Govt. Secondary Schools
- (b) 2202.02.789 - Special Component Plan for Scheduled Castes
- (c) 2202.02.796 - Tribal Area Sub-Plan

**Department of Higher Education:**

**(i) Interest Subsidy and Contribution for Guarantee Funds**

- (a) Major Head 2202 – General Education  
Sub Major Head 80 – General  
Minor Head 107 – Scholarships
- (b) 2202.80.789 - Special Component Plan for Scheduled Castes
- (c) 2202.80.796 - Tribal Area Sub-Plan

**(ii) Scholarship for College and University Students**

- (a) 2202.80.107 - Scholarships
- (b) 2202.80.789 - Special Component Plan for Scheduled Castes
- (c) 2202.80.796 - Tribal Area Sub-Plan

(iii) **Rashtriya Uchchatar Shiksha Abhiyan:**

- (a) Major Head 2202 – General Education  
Sub-Major Head 03 - University and Higher Education  
Minor Head 102 – Assistance to Universities
- (b) 2202.03.789 - Special Component Plan for Scheduled Castes
- (c) 2202.03.796 - Tribal Area Sub-Plan
- (d) Major Head 3601-Grants-in-aid to State Governments  
Sub Major Head 06 –Centrally Sponsored Schemes  
Minor Head 101- Central Assistance/Share
- (e) 3601.06.789 - Special Component Plan for Scheduled Castes
- (f) 3601.06.796 - Tribal Area Sub-Plan
- (g) Major Head 3602 – Grants-in-aid to Union Territory Governments with Legislature  
Sub Major Head 06 - Centrally Sponsored Schemes  
Minor Head 101 – Central Assistance/Share
- (h) 3602.06.789 - Special Component Plan for Scheduled Castes
- (i) 3602.06.796 - Tribal Area Sub-Plan

(iv) **Grants to Autonomous Bodies (Including UGC, CUs, IITs, NITs etc.)**

- (a) Major Head 2202 – General Education  
Sub Major Head 03 – University and Higher Education  
Minor Head 102 – Assistance to Universities
- (e) 2202.03.789 - Special Component Plan for Scheduled Castes
- (f) 2202.03.796 - Tribal Area Sub-Plan
- (d) Major Head 2203 – Technical Education  
Minor Head 00.112 – Engineering/Technical Colleges and Institutes
- (e) 2203.00.789 - Special Component Plan for Scheduled Castes
- (f) 2203.00.796 - Tribal Area Sub-Plan

It may be ensured before issue of any expenditure sanction against this Fund that at no time the balance in the MUSK be negative i.e. expenditure may not be incurred more than balance in MUSK.

7. An equal (minus) budget provision under object head “70 -Deduct Recoveries” to the extent of funds to be finally met from MUSK will also be made in the Detailed Demand for Grants of D/o School Education & Literacy and D/o Higher Education, under the following heads of accounts and the entire expenditure to be met from the MUSK under the functional heads will be met by D/o School Education & Literacy and D/o Higher Education from the MUSK by debiting the head mentioned below, simultaneous to the expenditure:-

**Department of School Education & Literacy:**

**(-) Debit**

- (a) Major Head 2202 – General Education  
Sub Major Head 02 - Secondary Education  
Minor Head xxx – Deduct amount met from Madhyamik and Uchhatar Shiksha Kosh  
Sub-head 01 – Deduct amount met from Madhyamik Shiksha Kosh  
Detailed Head xx.- Deduct amount met from Madhyamik Shiksha Kosh – General Education  
( Secondary Education)  
Object Head 70 – Deduct Recoveries
- (b) Major Head 3601-Grants-in-aid to State Governments

Sub Major Head 06 –Centrally Sponsored Schemes  
 Minor Head xxx- Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01 – Deduct amount met from Madhyamik Shiksha Kosh  
 Detailed Head 00 - Deduct amount met from Madhyamik Shiksha Kosh – Grants-in-aid to  
 State Governments (Centrally Sponsored Schemes)  
 Object Head 70 – Deduct Recoveries

(c) Major Head 3602 – Grants-in-aid to Union Territory Governments with Legislature  
 Sub Major Head 06 - Centrally Sponsored Schemes  
 Minor Head xxx– Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01 – Deduct amount met from Madhyamik Shiksha Kosh  
 Detailed Head 00- Deduct amount met from Madhyamik Shiksha Kosh – Grants-in-aid to  
 Union Territory Governments with Legislature ( Centrally Sponsored Schemes)  
 Object Head 70 – Deduct Recoveries

**Debit** Major Head 8229- Development and Welfare Funds  
 Minor Head xxx – Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head yy– Madhyamik Shiksha Kosh  
 Object Head xx – Madhyamik Shiksha Kosh - ..... ( Corresponding functional head  
 concerned)

**Department of Higher Education:**

**(-) Debit**

- (a) Major Head 2202 – General Education  
 Sub Major Head 03 – University and Higher Education  
 Minor Head xxx – Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01- Deduct amount met from Uchchatar Shiksha Kosh  
 Detailed Head xx. Deduct amount met from Uchchatar Shiksha Kosh – General Education  
 (University and Higher Education)  
 Object Head 70 – Deduct Recoveries
- (b) Major Head 2202 – General Education  
 Sub Major Head 80 – General  
 Minor Head xxx – Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub head 01- Deduct amount met from Uchchatar Shiksha Kosh  
 Detailed Head xx. Deduct amount met from Uchchatar Shiksha Kosh – General Education (General)  
 Object Head 70 – Deduct Recoveries
- (c) Major Head 2203 – Technical Education  
 Minor Head 00.xxx – Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01- Deduct amount met from Uchchatar Shiksha Kosh  
 Detailed Head xx. Deduct amount met from Uchchatar Shiksha Kosh – Technical Education  
 Object 70 – Deduct Recoveries
- (d) Major Head 3601-Grants-in-aid to State Governments  
 Sub Major Head 06 –Centrally Sponsored Schemes  
 Minor Head xxx- Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01- Deduct amount met from Uchchatar Shiksha Kosh  
 Detailed Head xx. Deduct amount met from Uchchatar Shiksha Kosh – Grants-in-aid to  
 State Governments ( Centrally Sponsored Schemes)  
 Object Head70 – Deduct Recoveries
- (e) Major Head 3602 – Grants-in-aid to Union Territory Governments with Legislature  
 Sub Major Head 06 - Centrally Sponsored Schemes  
 Minor Head xxx– Deduct amount met from Madhyamik and Uchchatar Shiksha Kosh  
 Sub-head 01- Deduct amount met from Uchchatar Shiksha Kosh



Detailed Head xx. Deduct amount met from Uchchtar Shiksha Kosh – Grants-in-aid to  
Union Territory Governments ( Centrally Sponsored Schemes)  
Object Head 70 – Deduct Recoveries

To

**Debit** Major Head 8229- Development and Welfare Funds  
Minor Head xxx – Madhyamik and Uchchtar Shiksha Kosh  
Sub-head zz– Uchchtar Shiksha Kosh  
Detailed Head xx – Uchchtar Shiksha Kosh - ..... ( Corresponding functional head  
concerned)

8. The PAO (SEL) and PAO (HE) under the Pr. Chief Controller of Accounts, Ministry of Education, shall maintain the Broadsheet of Madhyamik Shiksha Kosh and Uchchtar Shiksha Kosh respectively indicating the opening balance, amount transferred to these funds in Public Account during the year, expenditure incurred during the year, net balance available for carry forward the same to the next financial year.

9. The expenditure incurred out of the MUSK shall be subject to Internal Audit by the Internal Audit Wing of O/o Pr.CCA , Ministry of Education) and the Statutory Audit by O/o the C&AG.

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**REVISED ACCOUNTING PROCEDURE  
FOR COMPENSATORY AFFORESTATION FUND**

**Ministry of Environment, Forest & Climate Change**

**1. The Compensatory Afforestation Fund Act, 2016: -**

1.1 Parliament has enacted an Act, 'The Compensatory Afforestation Fund Act, 2016 (hereafter called the Act) which received the assent of the President on the 3<sup>rd</sup> August, 2016, and published in The Gazette of India.

1.2 The Act provides for establishment of funds under the Public Account of India and the Public Account of each State and crediting thereto the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and all other amounts recovered from such agencies under the Forest(Conservation) Act, 1980; constitution of an authority at national level and at each of the State and Union Territory Administration for administration of the funds and to utilise the monies so collected for undertaking artificial regeneration(plantations), assisted natural regeneration, protection of forests, forest related infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

As per the Act, unless the context otherwise requires-

- a) 'ad hoc Authority' means the 'ad hoc Compensatory Afforestation Fund Management and Planning Authority' constituted under the order dated the 5th May, 2006 of the Supreme Court in T.N. Godavarman Thirumulpad vs. Union of India and Others;
- b) 'National Fund', means the 'National Compensatory Afforestation Fund';
- c) 'National Authority' means the 'National Compensatory Afforestation Fund Management and Planning Authority' at the national level';
- d) 'State Fund' means the 'State Compensatory Afforestation Fund';
- e) 'State Authority' means the 'State Compensatory Afforestation Fund Management and Planning Authority' in each State and Union Territory;
- f) 'User Agency' means any person, organisation or company or department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 and rules made and guidelines issued, thereunder.

**Section 3(1) of the Act** provides that with effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established for the purposes of this Act, a special Fund to be called the 'National Compensatory Afforestation Fund' under the public account of India.

**Section 3(2) of the Act** provides that the National Fund shall be under the control of the Central Government and managed by the National Authority in such manner as may be prescribed.

**Section 3(3) of the Act** provides that on the date of establishment of the National Fund, all monies collected by the State Governments and Union territory Administrations which has been placed under the ad hoc Authority and deposited in the nationalised banks shall be transferred to the National Fund.



**Section 3(4) of the Act** provides that there shall also be credited into the National Fund, by each State on yearly basis, ten percent of the funds realised from the user agencies in respect of the forest land diverted in their favour, which have been credited directly into the State Fund.

**Section 3(5) of the Act** provides that there shall also be credited to the National Fund—

- (a) grants-in-aid received, if any, by the National Authority;
- (b) any loan taken or any borrowings made by the National Authority;
- (c) any other sums received by the National Authority by way of benefaction, gift or donations.

**Section 3(6) of the Act** provides that the monies received in the National Fund shall be an interest bearing fund under Public Account of India.

**Section 3(7) of the Act** provides that the balance in the National Fund shall be non-lapsable and get interest as per the rate declared by the Central Government on year to year basis.

**Section 4(1) of the Act**, provides that with effect from such date as each State Government may, by notification in the Official Gazette, appoint in this behalf, there shall be established a special Fund to be called the 'State Compensatory Afforestation Fund (name of state)' under Public Account of such state. In case of Union Territory having no legislature such fund shall be established under the public account of Union of India.

**Section 4(2) of the Act** provides that the State Fund in each State shall be under the control of the State Government of such state and managed by the State Authority of such state, in such manner as may be prescribed.

**Section 4(3) of the Act** provides that there shall be credited into the State Fund of a State—

- (i) the unspent balance of all monies which has been transferred by ad hoc Authority to the State Compensatory Afforestation Compensatory Afforestation Funds Management and Planning Authority constituted in such State in compliance of guidelines dated the 2nd July, 2009;
- (ii) all monies transferable from the National Fund under clause (a) of section 5;
- (iii) all monies realised from user agencies by such State towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value, catchment area treatment plan or any money for compliance of conditions stipulated by the Central Government while according approval under the provisions of the Forest (Conservation) Act, 1980; and
- (iv) the funds recoverable from user agencies by such State in cases where forest land diverted falls within the protected areas, that is, areas notified under sections 18, 26A or 35 of the Wild Life (Protection) Act, 1972 for undertaking activities relating to the protection of biodiversity and wildlife.

**Section 4(5) of the Act** provides that the monies received in the State Fund shall be an interest bearing fund under Public Account.

**Section 4(6) of the Act** provides that the balance in each State Fund shall be non-lapsable and get interest as per the rate declared by the Central Government on year to year basis.



**Section 5 of the Act** provides that save as otherwise provided in this Act, the monies available in the National Fund shall be disbursed in the following manner, namely:—

(a) ninety percent of the all monies collected by a State, which has been placed under the ad hoc Authority and the interest accrued thereon, shall be transferred to the State Fund established in such state under sub-section (1) of section 4;

(b) the balance ten percent of all monies collected by the States and Union territory Administrations, which has been placed under the ad hoc Authority and the interest accrued thereon, and all fresh accrual to the National Fund, as provided in sub-section (4) of section 3, and the interest accrued thereon, shall be transferred to National Fund.

**Section 7 of the Act** provides for the accounting procedure to regulate the manner of crediting the monies to the National Fund and State Fund in a year.

**Section 30(2) (f)** calls for the accounting procedure regulating the manner of crediting the monies to the National Fund and State Fund under section 7.

## **2. Accounting Procedure:-**

2.1 The accounting procedure is given below:

- i. Consequent upon issue of notification in the Official Gazette for establishment of the 'National Compensatory Afforestation Fund' by the Central Government in terms of Section 3(1) and in terms of 3(3) of the Act, the money deposited in nationalised bank accounts of adhoc Authority shall be transferred to the interest bearing section of Public Account of India under a distinct Minor Head with the nomenclature 'National Compensatory Afforestation Deposits'<sup>1</sup> below the 'Major Head 8336- Civil Deposit' and Sub-Head opened thereunder for each State/UT.
- ii. While remitting money, ad hoc Authority shall provide detailed State wise break-up of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.
- iii. The one-time 10% share of Central Government shall be credited/transferred to National Fund under interest bearing section of Public Account of India under a distinct minor head 'National Compensatory Afforestation Fund (NCAF)' for the purpose below the 'Major Head 8121- General and other Reserve Funds'.
- iv. Consequent upon issue of Notification for establishment of respective 'State Compensatory Afforestation Funds' by the concerned State Governments in terms of Section 4(1) of the Act, States share (90% of the monies with ad hoc Authority) so credited to the National Compensatory Afforestation Deposits under Major Head 8336-Civil Deposits, shall be transferred to State Compensatory Afforestation Fund (SCAF) as per the State share. While transferring respective State share to State Fund, breakup shall be provided at Sub-Head level below the Minor Head 'State Compensatory Afforestation Fund (SCAF)'. These heads of accounts shall be uniformly applicable across the States.

<sup>1</sup>This is a Deposit Account as 90% of the monies transferred from the adhoc Authority belong to State Governments/UTs and not Central Government. Similarly, the funds realised from user agencies by State Governments/UTs shall be initially pooled in the corresponding State Compensatory Afforestation Deposits in the Public Account of the State and there from 10% transferred to NCAF.

- v. Monies received by the State Governments from the User Agencies shall be credited in 'State Compensatory Afforestation Deposits' at Minor Head level below 'Major Head 8336-Civil Deposit' in Public Account of each State out of which 90% shall be transferred to the Major Head 8121 in Public Account of State and 10% remitted to Major Head 8121 in Public Account of India by the State Government concerned. As per Section 3(4) of the Act, the 10% of funds realised from User Agencies and credited into State Compensatory Afforestation Deposits shall be completely transferred to National Fund before the close of the financial year. However, on monthly basis it should also be ensured that the 10% Central share of funds realised from User Agencies into State Compensatory Afforestation Deposits is transferred to National Fund.
- vi. The expenditure of the National Authority shall be provided for under the Detailed Demand for Grants of the Ministry of Environment, Forest and Climate Change. The National Schemes to be financed from the National Fund shall be formulated by the National Authority and provisions made for the same in the Ministry's Budget. Similarly, the State Budget shall have provision for State Schemes to be operated through State Fund based on the APO of the State Authority.
- vii. The PAO/State treasury shall debit the concerned Functional Head under Consolidated Fund of India/Consolidated Fund of State and thereafter make the accounting adjustment at regular intervals with the National Compensatory Afforestation Fund/State Compensatory Afforestation Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund/State Fund and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account.

### 3. Detailed Accounting Entries:-

#### (I) Accounting Procedure for transfer of the existing monies with ad-hoc Authority:-

- (i) Initially, amount lying with adhoc authority shall be transferred to distinct minor head below 'MH 8336-Civil Deposits' under interest bearing section of Public Account of India.

Debit			
Major Head	Existing	8658	Suspense Accounts
Minor Head	Existing	108/138	Public Sector Bank Suspense/Other Nominated Banks (Private) Sector Banks) Suspense
Credit			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Compensatory Afforestation Deposits
Sub Head	New	XX	Name of State /UT (To be opened)



Each State/UT will be a separate Sub-Head. Each Sub-Head may be divided into Detailed Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

While remitting money, ad hoc Authority shall provide detailed State wise breakup (of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.).

(ii) At the time of payment to State Governments/U.Ts (90% share), the following heads shall be affected:-

<b>Debit</b>			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Compensatory Afforestation Deposits
Sub Head	New	XX	Name of State/UT (To be opened)
<b>Credit</b>			
Major Head	Existing	8658	Suspense Account
Minor Head	Existing	110	Reserve Bank Suspense -CAO

(iii) While transferring State share to respective States, detailed state wise breakup (of compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and Protected Areas etc.) provided by ad hoc Authority will be conveyed to State Authorities concerned. Respective States shall credit the amounts to dedicated Minor Head '129-State Compensatory Afforestation Fund (SCAF)' below Major Head '8121-General and other Reserve Funds'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

These heads of accounts will be uniformly applicable across the States.

(iv) At the time of transfer (10% share) to National Fund, the following accounting adjustment will be made:

10% share pertaining to Central Government shall be transferred to National Compensatory Afforestation Fund (NCAF) under Public Account of India from National Compensatory Afforestation Deposits below Major Head 8336-Civil Deposits.



<b>Debit</b>			
Major Head	Existing	8336	Civil Deposits
Minor Head	New	102	National Compensatory Afforestation Deposits
Sub Head	New	XX	Name of State/UT (To be opened)
<b>Credit</b>			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)

Rules in this regard need to address the issues relating to interest rates applicable for the balances lying in the Fund Account.

**(II) Accounting Procedure for 10% yearly receipts transferred from the User Agencies:-**

(a) The current receipts relating to Compensatory Afforestation should initially be accounted for under the below mentioned head by States:

Major Head	Existing	8336	Civil Deposits
Minor Head	New	103	State Compensatory Afforestation Deposits

This Minor Head may be divided into Sub-Head for various activities viz. Compensatory afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

(b) Thereafter, 90% of the receipts will be transferred to Minor Head '129-State Compensatory Afforestation Fund (SCAF)' under the Major Head 8121—General and Other Reserve Funds in Public Account on **monthly basis**. While transferring respective shares to the State Fund, break up will be maintained and have to be provided at **Sub-Head level under new Minor Head '8121.129 – State Compensatory Afforestation Fund (SCAF)**. These heads of accounts will be uniformly applicable across the States.

(c) Balance 10% shall be transferred to the National Fund by the States from their Deposit Head of Account on **monthly basis**. Following entries will be made in the books of Central Government on receipt of the same.

<b>Credit</b>			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)

**(III) Expenditure from the Fund:**

After due appropriation of funds and receipt of sanction of the Competent Authority the expenditure on schemes to be financed from National Fund will be incurred from the relevant sub-major/minor heads below the Major Head 2406.

On the basis of sanctions issued by the Ministry/Department for payment from National Fund, the Pay and Accounts Officer will make the payment by debiting government account as below:

<b>Debit</b>			
Major Head	Existing	2406	Forestry and Wild Life
Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	New	102	National Compensatory Afforestation (NCA)
Sub Head	New	XX	National Authority
<b>Credit</b>			
Major Head	Existing	8670	Cheques and Bills
Minor Head	Existing	102	PAO cheques

A new Minor Head '103-State Compensatory Afforestation (SCA)' is opened under Major Head '2406-Forestry and Wildlife' below Sub-Major Head '04-Afforestation and Ecology Development'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

**(IV) Recoupment from National Fund/State Fund:**

The PAO, MoEF&CC shall make the accounting adjustment with the National Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account. The following entry shall be made in the books of Pay & Accounts Officer, MoEF&CC:-

<b>Debit</b>		<b>Code</b>	<b>Description</b>
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	New	128	National Compensatory Afforestation Fund (NCAF)
<b>(-Debit)</b>			
Major Head	Existing	2406	Forestry & Wild Life



Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	Proposed	90	Deduct amount met from (NCAF)
Object Head		70	Deduct recoveries

The arrangement for State Government(s) shall be similar to that of Central Government

**4. Budget of the National Authority-**

The National Authority shall prepare its budget for the next financial year showing the estimated receipts and expenditure of the National Authority and forward the same to the Central Government, in such form and at such time in each financial year as may be prescribed. **Same/Similar arrangement shall be applicable in respect of State Authorities also.**

Principal Accounts Office, Ministry of Environment, Forest and Climate Change shall provide inputs for budget formulation to National Authority.

The National Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority as may be prescribed.

**5. Annual Plan of Operation of National Authority-**

The National Authority shall prepare the Annual Plan of Operations (APO) with the approval of the Governing Body (of the National Authority) and formulate the National Scheme to operate the National Fund. **Same/Similar arrangement shall be applicable in respect of State Authorities also.**

**6. Accounts of National Authority-**

Pay and Accounts Office, Ministry of Environment, Forest and Climate Change shall maintain a broadsheet of receipts and payments from the National Fund and effect reconciliation on monthly basis with the National Authority. It should be ensured that there are no adverse balances under the Reserve Fund at any time.

The National Authority shall maintain proper accounts and other relevant records and prepare annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

The accounts of the National authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the National Authority to the Comptroller and Auditor-General of India.

The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the National Authority shall have the same right and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the National authority.

The accounts of the National Authority as certified by the Comptroller and auditor General or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government by the National authority.

The Comptroller and Auditor-General shall, within a period of six months from the date of commencement of the Act, audit the accounts of the all monies collected by the State Governments and Union Territory Administrations, which has been placed under the ad hoc Authority and deposited in the nationalised banks and submit the report to the Central Government.

The National Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the Central Government, in such form and at such time, for each financial year, as may be prescribed.

The annual report shall inter alia, provide for:-

- (i) the summary for monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year
- (ii) the summary of specific schemes specified in sub-clause (iii) of clause (b) of section 5 executed during the year
- (iii) the amount of money received and expended

The Central Government shall cause the annual report and audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of Parliament.

**Same/ Similar arrangement shall be applicable in respect of State Authorities also.**

**7. Audit of National Authority:-** The Comptroller and Auditor General of India has the power to conduct the audit including special audit or performance audit of State/ National Fund and State/ National Authority.

The Internal Audit Wing under Chief Controller of Accounts shall also conduct audit at regular intervals of the National Fund and National Authority.

**8. Investment of National Authority:-** As the funds would be under the interest bearing section of the Public Account, there is no option with National/State Authority to invest the surplus in any other instrument.

\*\*\*\*\*

**Accounting procedure for Indian Community Welfare Fund (ICWF) in the Ministry of Overseas Indian Affairs.**

**(1) Constitution of the Fund:**

The Indian Community Welfare Fund (ICWF) was established in the Indian Missions/ Posts with the approval of Cabinet vide Sanction letter no. 01-11012/25/207USEP-I dated 12.10.07 to meet the expenditure incurred by them, in the Public Account of India for carrying out various onsite welfare activities for overseas Indian Citizens in distress. The ICWF is aimed at providing the following services on a means tested basis in the most deserving cases:

- (i) boarding and lodging for distressed overseas Indian workers in Household /domestic sectors and unskilled labourers;
- (ii) extending emergency medical care to the overseas Indians in need;
- (iii) Providing initial legal assistance to the overseas Indians in deserving cases;
- (iv) providing air passage to stranded overseas Indians in need,
- (v) Expenditure on incidentals and for airlifting the mortal remains to India or local cremation/burial of the deceased overseas Indian in such cases where a sponsor is unable or unwilling to do so as per the contract and the family is unable to meet the cost.

**(2) Receipts to the fund:**

- (i) Funds raised by the Indian Missions by levying a service charge on consular services as under:
  - (a) For Passport, visa, OCI and PIO cards – Rs.100/- per document rounded off in local currency.
  - (b) For attestation of employment document – Rs.100/- per applicant, rounded off in local currency.
  - (c) Attestation of other documents and other miscellaneous consular services rendered by Mission (other than in death cases) – Rs.100/- per applicant, rounded off in local currency.

(the rates of the service charge are subject to revision by the M/o Overseas Indian Affairs in consultation with M/o External Affairs)

- (ii) Voluntary contributions by Indian community; and
- (iii) Budgetary support from the GOI, Ministry of Overseas Indian Affairs to meet any deficit in the fund. Government's contribution will be initially for three years or till the period the Fund becomes self sustaining whichever is earlier.



### **(3) Accounting Procedure**

**3.1 Creation of Fund:** The "Indian Community Welfare Fund" will be opened as a new minor head below the existing Major Head "8229-Development and Welfare Funds" below section Reserve Funds not bearing Interest in the Public Account of India. The name of the Mission holding the Fund will be a detailed-head below the Sub-head (name of the continent) under new Minor Head "Indian Community Welfare Fund".

**3.2 Accounting of receipts:** Receipts mentioned in para 2(i) & 2(ii) above will be initially credited to separate subheads '*Service Charges on Consular Services (to be transferred to ICWF)*' and '*Voluntary Contributions to ICWF*' respectively under the Major Head "0070-Other Administrative Services-800-Other Receipts".

**3.3 Transfer of amount to the Fund:** The amount of Government contribution (vide 2(iii) above) towards the fund and also the total of receipts mentioned at Para 2(i) and (ii) above, based on the estimate, will be transferred to the Fund after making necessary provision of funds under the head '2061-External Affairs -797-Transfers to Reserve Fund/ Deposit Account – \*\* - Transfer to Indian Community Welfare Fund (New Sub-head to be opened)' in cases of differences between the actual receipts (vide para 2(i) and (ii)) and the amount transferred to the fund necessary adjustment will be made in the subsequent year.

### **4. Payments to be made on welfare activities of Indian Community**

4.1 Budget provision in connection with the activities to be financed from the fund will be made under the head "2061-External Affairs - 00-800-Other Expenditure-\*\* "Welfare activities for the Indian Community". On the basis of proper sanction of the competent authority payments will be made by the Mission on the approved activities by debiting this head by contra credit to the head "8671-Departmental Balances-101 Civil." Funds for this purpose will be remitted by Ministry to the respective Mission/ Post following the normal prescribed procedure.

4.2 The Mission / Post will follow the normal procedure of monthly reconciliation of receipts and expenditure with the bank account on the basis of Bank statement received from the bank concerned.

### **5. Adjustment of expenditure against the Fund**

At the end of each quarter the actual expenditure incurred as mentioned in the previous para will be finally adjusted against the Indian Community Welfare Fund by the O/o the Pr. CCA, MEA by passing a transfer entry in his accounts as follows:

**Dr. 8229 – Development and Welfare Funds**

**\*\*\* Indian Community Welfare Fund (new Minor Head)**

**\*\* Name of the Continent (new subhead)**

**\*\* Name of the Mission/Post (new Detailed Head)**

**(-Dr.) "2061-External Affairs**

**90\* – Deduct Amount met from the Indian Community Welfare Fund**



## **6. Transfer of balances lying under other welfare funds**

The other welfare funds, if any existing, operated by the Missions will be closed immediately and the balances lying thereunder will be transferred to the head "8229-Development and Welfare Funds-00-\*\*\*-"Indian Community Welfare Fund" under intimation to O/o Pr. CCA, MEA." No amount pertaining to the ICWF should be kept separate from the cash balance of the Mission/Post.

## **7. Maintenance of Accounts by Department and reconciliation**

The Mission as well as the Division of M/o Overseas Indian Affairs monitoring ICWF shall maintain a register showing therein – month wise receipts with relevant information of the Depositor and brief description of the receipt. The Register will also show the quarterly balance of total collections made and expenditure made out of the fund for purpose of ascertaining the amount available for disbursement out of the fund. Vouchers pertaining to receipts and payments made out of the fund by the Missions will also be attached with the cash account for the month for reconciliation at the Office of the Pr.CCA, MEA and MOIA. Office of the Pr.CCA, MEA and MOIA will furnish a monthly statement indicating Mission-wise receipts and expenditure relating to ICWF, to the Division of MOIA monitoring the ICWF. All the expenditure on the activities (to be financed from the Fund as approved by the Ministry) will be incurred after the same is sanctioned by the competent authority concerned by following the normal procedure. Copies of sanctions will be issued to all concerned including the Pay & Accounts Officer.

## **8. Audit of Accounts**

The accounts of the Fund maintained at various Missions shall be subject to audit by the Internal Audit Wing of the Office of the Pr.CCA, MEA and MOIA and will also be subject to Statutory Audit.

\*\*\*\*\*

**Accounting Procedure to maintenance and operation Electronic Cash Ledger(s) in Customs**

**A. Background**

In finance Act 2018, a new section 51A has been introduced in the Customs Act 1962 so as to make provision for creation of an electronic cash ledger in which importers/exporters could deposit any amount of sum to pay their duty liability, interest, penalty, testing fees etc. Any amount deposited in this electronic cash ledger account could be debited automatically towards the dues of the exporter/importer in contrast to traditional payment system in operation right at present.

Section 51A has been added under Chapter VIIA of the Customs Act, 1962; Payment through Electronic Cash Ledger which states that:

- (1) Every deposit made towards duty, interest, penalty, fee or any other sum payable by a person under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made thereunder, using authorised mode of payment shall, subject to such conditions and restrictions, be credited to the electronic cash ledger of such person, to be maintained in such manner, as may be prescribed.
- (2) The amount available in the electronic cash ledger may be used for making any payment towards duty, interest, penalty, fees or any other sum payable under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made there under in such manner and subject to such conditions and within such time as may be prescribed.
- (3) The balance in the electronic cash ledger, after payment of duty, interest, penalty, fee or any other amount payable, may be refunded in such manner as may be prescribed.

**B. Existing practice of making payments towards Customs duty through electronic mode**

Currently, the Customs Duty is being collected through electronic mode on ICEGATE portal of CBIC which provides the option of payments to the taxpayers through Net Banking facility of various banks authorized by the office of the Pr. CCA, CBIC. In this system, a large proportion of time of the Importer is wasted in clearance of goods for payment of duty due to last minute connectivity issues in net banking mode. To reduce the time for clearance, the concept of electronic cash ledger has been envisaged under Section 51A. Through the creation of Electronic Cash Ledger, the Importer can make advance deposit in anticipation of the impending Bill of Entry/ Shipping Bills. The Importer can exercise the option of auto-debit of the Electronic Ledger for expediting the clearance of goods. Deposits envisaged under Section 51A are in nature of advance deposit in the electronic ledger for further payment towards duty, interest, penalty, fee or any other sum payable under the law. Given the nature of the deposits, the same would need to be credited to Public Account.

The amount of deposit made by assesses will be accounted for *under a distinct sub head 'Deposits under section 51 A of the Customs Act, 1962' below the minor head 'Electronic Cash Ledger of Customs' under the Major Head '8449 – Other Deposits' in the non-interest bearing section of Public Account of India.*

**C. Objective: With the introduction of Section 51A of the Customs Act 1962, the CBIC intends to**

- (i) create Electronic Cash Ledger (ECL) in Indian Customs EDI Systems (ICES)
- (ii) provide advance deposit mechanism in ECL
- (iii) to provide payment of tax and other dues through ECL

**D. Payment Process of Customs Duty under Section 51A of the Customs act 1962**

The tax payer has been provided the choice of making advance payment of duties towards Imports and Exports. The ICES system will maintain an Electronic Cash ledger [ECL] for each tax payer.

The payer will generate a challan on ICEGATE for an amount as per his choice for making the advance payment. On payment of the challan, the Electronic Cash Ledger will be credited. Given the nature of the deposits, the amount shall be credited to the Public Account.

The ECL would have all details of credit and debit for particular entity (like Importer/Exporter, Customs Broker, Shipping Line, Agent etc.). The ECL shall be used by the importer for further payments towards Duty, interest, fee or any other sum payable under the law.

When a declaration for clearance is made through Bill of Entry (BE) or Shipping Bill (SB), the tax payer instead of making a payment will discharge the duty amount from the advance duty paid.

After Account Head Wise Liability/ duty payment is finalized the tax payer's electronic cash ledger is debited and the duty payments are credited head-wise. Both the transactions debiting the cash ledger and crediting to the correct duty payment shall be communicated to Pr. CCA, CBIC along with the Minor Head Information for accounting purposes. The changes in the account heads due to reassessment cases or refunds shall also be communicated to Pr. CCA, CBIC.

**E. Accounting implications of the Implementation of the Ledger system in Customs duty collections:**

All the deposits made in the Electronic Cash Ledger (ECL), created for individual entities in ICES, shall be made by crediting the amount below the 'MH 8449 – Other Deposits' under 'Deposits not bearing interest' section of Public Account. All **the liabilities of entity concerned** will be discharged through transfer from Public Account to Consolidated Fund of India. All challan level details containing Debit – Credit Linkage(s) shall be shared regularly by the ICEGATE with O/o Pr. CCA, through API integration.

**F. Detailed Accounting Procedure:****i (a). At the time of Advance Deposit of lump sum amount by tax payer**

Dr.

MH 8658

00.108 or

00.138

Suspense Accounts

Public Sector Bank Suspense

Other Nominated Banks (Private Sector Banks) Suspense

To

Cr.

8449

00.XXX

YY

Other Deposits

Electronic Cash Ledger of Customs (New Minor Head)

**Deposits under section 51 A of the Customs Act, 1962****i (b) on receipt of Put through statement from RBI**

Dr.

MH 8675

00. 101

Deposits with Reserve Bank

Central - Civil

To

(-)Dr.

MH 8658

00.108 or

00.138

Suspense Accounts

Public Sector Bank Suspense

Other Nominated Banks (Private Sector Banks) Suspense

ii(a) The Broadsheet of Advance Deposits of lump sum amount will be maintained by the PAO and balances reconciled every quarter and at the close of the financial year

MH 8449.00.XXX.00.00

Opening Balance as on 1 <sup>st</sup> April, 20xx	Deposits made during the 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter	Utilization made during the 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter	Closing Balance at the end of 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter

ii(b) The Broadsheet of MH 8449 shall be maintained electronically with individual importer-wise breakup and shall be reconciled with the lump sum closing balance arrived at ( as shown in Fii(a) above)

MH 8449.00.XXX.00.00

Importer Exporter Code (IEC)/Name	Opening Balance as on 1 <sup>st</sup> April, 20xx	Deposits made during the 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter	Utilization of deposits during the 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter	Closing Balance at the end of 1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> /4 <sup>th</sup> quarter

The challan level reconciliation through Debit Credit linkage will be shared by ICEGATE through APIs with the O/o Pr.CCA and this will be the key to taxpayer-wise reconciliation

ii (c). Review of balances under each importer account will be analysed at the end of the year to ensure that there are no negative balances and if large amount of balances are lying, the same may be scrutinized.

iii. At the time of usage of Advance Deposit under Sec. 51A of Custom Act, 1962 to meet the liability under various heads of account

Dr.	
MH 8449	Other Deposits
00.XXX	Electronic Cash Ledger of Customs (New Minor Head)
YY	<b>'Deposits under section 51 A of the Customs Act, 1962'</b>

To

Cr.	
Concerned minor head under Major Head:	
MH 0037	Customs/
MH 0008	Integrated Goods and Services Tax (IGST)/
MH 0009	Goods and Services Tax Compensation Cess

iv. At the time of processing for Refunds out of Deposits made under Public Accounts

Dr.	
MH 8449	Other Deposits
00.XXX	Electronic Cash Ledger of Customs (New Minor Head)
YY	<b>'Deposits under section 51 A of the Customs Act, 1962'</b>

To

Cr.	
MH 8670 –	Cheques and Bills

**A. Introduction:**

1. The Finance Minister in his Budget Speech for 2008-09, announced Debt Waiver and Debt Relief Scheme for farmers which was approved by Cabinet Committee Meeting held on 27<sup>th</sup> March, 2008.

2. The Scheme will cover direct agricultural loans extended to 'marginal and small farmers' and other 'farmers' by scheduled Commercial Banks, Regional Rural Banks, Cooperative Credit Institutions (Including Urban Cooperative Banks) and local Area Banks. It will cover all agricultural loans disbursed by these Institutions up to 31<sup>st</sup> March, 2007 and overdue as on 31<sup>st</sup> Dec, 2007. There will be a complete waiver of all loans that were overdue on 31<sup>st</sup> December, 2007 and which remained unpaid until 29<sup>th</sup> February, 2008 for small and marginal farmers, while there will be a one time settlement scheme (OTS) for other farmers during the same period under which the farmer will be given a rebate of 25% of the eligible amount subject to the condition that the farmer pays the balance of 75% of the eligible amount.

3. The Union Budget 2008-09 envisages implementation of this scheme to be completed by 30.06.2008. The total value of overdue loans being waived is estimated at Rs. 50,000 crores and the OTS Relief on the overdue loans is estimated at Rs. 10,000 crores. The Debt Waiver/Relief is to be granted to the farmers by the banks before 30.06.2008 thereby making the farmers eligible for fresh credit during the coming Kharif. To ensure that the banks have ample liquidity for disbursing fresh credit, in spite of this waiver/relief, the Govt. of India proposes to create a Farmers Debt Relief Fund in the Public Account of India with an initial corpus of Rs. 10,000 crores during the financial year 2007-08. The fund would be utilized to reimburse the claim of the SCBs, RRBs and Cooperative Banks so that the claims of Debt Waiver and Debt Relief to farmers could be granted and the scheme is implemented by the due date. The fund would be replenished from time to time depending on the requirement of Debt Relief and Debt Waiver. For transferring the fund from Consolidated Fund of India to the Farmers Debt Relief Fund an amount of Rs. 10,000 crores has already been obtained in the 3<sup>rd</sup> Supplementary under Major Head-2235-Social Security and Welfare by the Budget Division of Ministry of Finance.

4. Reserve Bank of India shall be the Nodal Agency for the implementation of the scheme in respect of Scheduled Commercial banks, Urban Cooperative banks and Local Area banks. NABARD shall be the Nodal Agency in respect of Regional Rural banks and Cooperative Credit banks.

5. Reserve Bank of India, being the Nodal Agency for Scheduled Commercial banks, Urban Cooperative banks and Local Area banks, Shall be responsible for verifying the correctness and integrity of the Government Account and furnish the Debit Scroll to the concerned Pay and Accounts Office i.e. PAO (Internal Debt & Accounts), MOF, 1<sup>st</sup> Floor, AGCR Building, I P Estate, New Delhi. RBI shall debit the Government Account.

NABARD being the Nodal Agency in respect of Regional Rural banks and Cooperative Credit Institutions shall be responsible for verifying the correctness and integrity of the claims received from these lending Institutions and shall forward the claim to RBI for reimbursement of the claims on the lines as stated above.



**B. Accounting Entries:**

1. On receipt of sanction for transfer of funds to Reserve Fund:

<b>DEBIT</b>		
Head ( Non Plan)		
Major Head	2235	Social Security and Welfare
Sub-Major Head	04	Debt Relief for Farmers
Minor Head	797	Transfer to Reserve Fund
Sub-Head	01	Transfer to Farmers' Debt Relief Fund
Object Head	01.00.63	Inter Account Transfer
	<b>To</b>	
Major Head	8235	General and Other Reserve Fund
Minor Head	00.124	Farmers, Debt Relief Fund

2. On receipt of payment scroll from RBI:

<b>DEBIT</b>		
Head ( Non Plan)		
Major Head	2235	Social Security and Welfare
Sub-Major Head	04	Debt Relief for Farmers
Minor Head	101	Debt Relief/Waiver of Agricultural loans
Sub-Head	XX	(i) Debt Waiver (ii) Debt Relief
Object Head	00.50	Other Charges
	<b>To</b>	
Major Head	8675	Deposits with Reserve Bank
Minor Head	00.101	Central Civil

4. To meet the expenditure at Sl. No. 2 above from Reserve Fund:

<b>DEBIT</b>		
Major Head	8235	General and Other Reserve Fund
Minor Head	124	Farmers' Debt Relief Fund
	<b>To</b>	
Head ( Non Plan)		
Major Head	2235	Social Security and Welfare
Sub-Major Head	04	Debt Relief for Farmers
Minor Head	902	(i) Debt Waiver or (ii) Debt Relief
Object Head	00.70	Deduct Recoveries

**C. Audit Arrangement:**

The scheme shall be subject to audit by Internal Audit Wing of the Ministry of Finance and audit by the Comptroller & Auditor General of India and they will have access to the records of lending Institutions. The Central Government, if it is satisfied that it is necessary to do so, may direct a Special Audit in the case of any lending Institution or more branches of such lending Institutions.

\*\*\*\*\*

## 1.1 Accounting Procedure under GST System

1.1.1 The CGST and SGST/UTGST are levied on the supply of goods or services within a State/UT while the IGST is levied on the inter-State/ UT supply of Goods or Services. Compensation Cess is levied on intra-State and Inter-State supply of goods or services for the purposes of providing compensation to the states for loss of revenue arising on account of implementation of the GST (Initially for a period of 5 years).

1.1.2 The main stakeholders in the GST regime will be

1. Goods and Services Tax Network (GSTN)
2. Authorized banks
3. Reserve Bank of India (RBI)
4. Tax Authorities
5. Accounting Authorities.

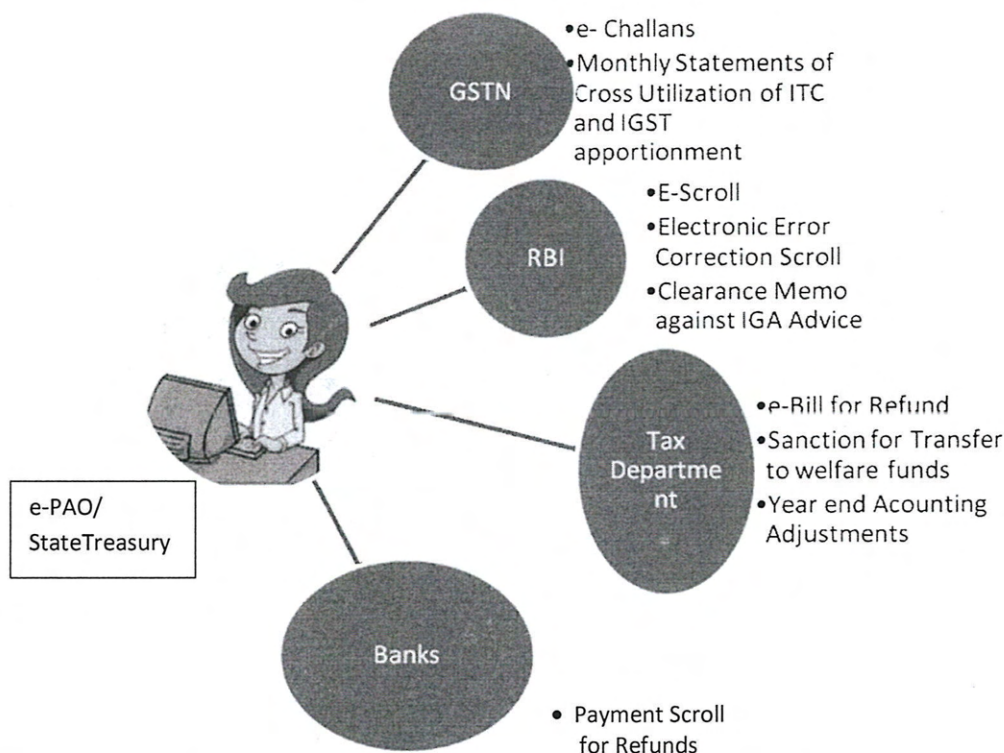


Figure 1 Stakeholders and Accounting instruments in GST Regime

1.1.3 The accounting instruments under GST are as follows-

- i. e-Challans -The digitally signed unpaid electronic Challan (CPIN) from GSTN.
- ii. The digitally signed fund loaded electronic challans (CINs) from GSTN, as received from the banks.
- iii. e-Scroll from Reserve Bank of India with transaction (CIN) level details.
- iv. Error Correction Scroll from RBI.
- v. Monthly Statements of Cross Utilization of ITC and IGST apportionment (Settlement ledger) from GSTN.
- vi. Inter Government Advice (IGA) to RBI for settlement of funds between Centre and States.
- vii. The Clearance Memo issued by the RBI.
- viii. e-Bill for Refund (sanctions and bills) from the Tax Department
- ix. Payment Scroll from authorized Banks for Refunds.
- x. Sanction order issued by competent authority for Transfer of Funds to Welfare Funds.

1.1.4 Integration between the various stake holders is shown in the figure below:

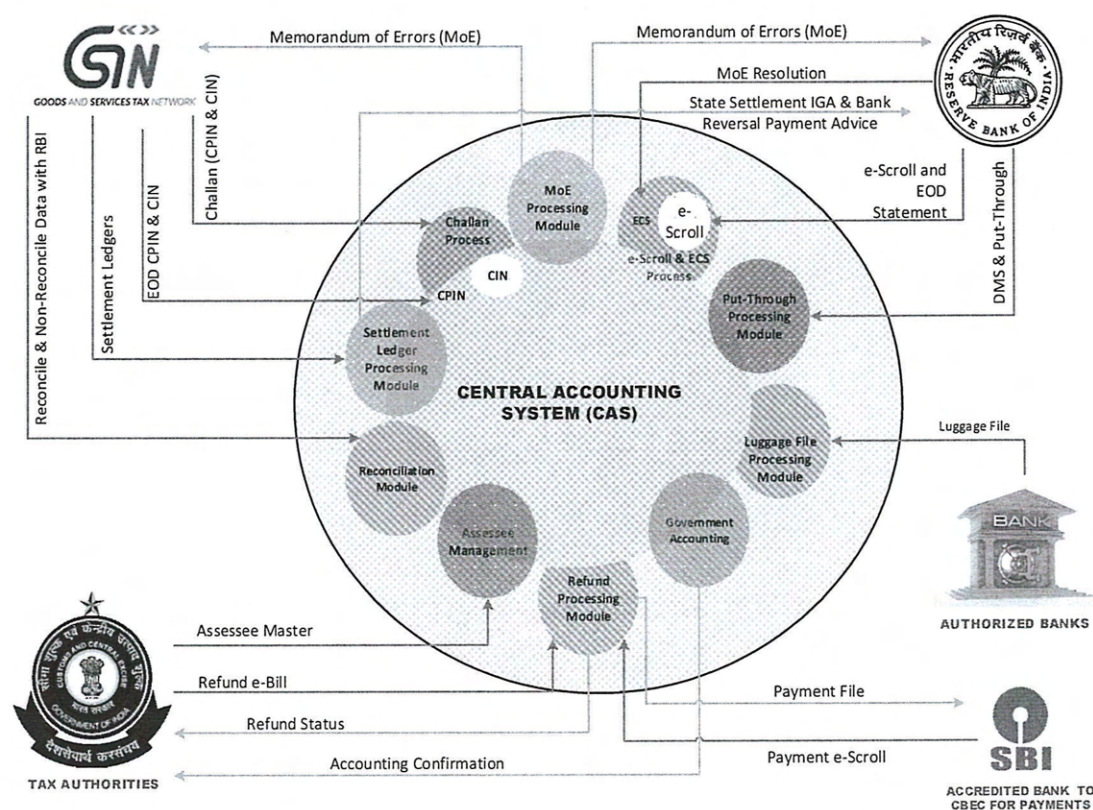


Figure 2 High level integration with the various stakeholders in GST regime



1.1.5 Below is the list of stakeholders and Accounting instruments under integration:

**Goods and Services Tax Network (GSTN):**

1. **CPIN:** Common Portal Index Number. When the tax payer intends to pay the GST, he generates a challan in the GST portal. The tax payer fills in the details of the tax heads for which he is desirous of making payment and saves the challan. On saving the challan so created a 14 digit unique number known as the CPIN is created. The first four digits represent the year and month in yymm format and the next ten digits is a unique number generated in sequence. The challan so generated is only intent to pay. The CPIN data file contains all the details of the challan. The CPIN so created is valid for only 15 days. The CPIN data is shared by GSTN during the day with the Accounting Authorities

2. **CIN:** Challan Identification Number. When the tax payer makes payment of the tax with the unique CPIN number through any authorized mode of payment, the bank generates the CIN to confirm the payment of the challan. The CIN is the CPIN prefixed with the 4 character Bank code. The CIN generated by the bank is immediately reported by the bank to the GSTN with the details of the payment. The CIN data reported by the banks is shared during the day by the GSTN with the Accounting Authorities.

**Scheme of CIN Number is different in GST Regime**

The CPINs are generated centrally and numbered serially for the month. On payment, the CPINs are converted to CINs by the Banks which receive the payment. There may be missing CPIN numbers in GST regime as some CPINs may not get converted into CINs.

3. **CPIN EOD:** The CPIN EOD file is the compiled data of CPINs generated by the GSTN for the day. This file is required to reconcile the CPINs that have been received during the day. In case it is noted from the EOD file that some CPINs have not been shared by GSTN with the Accounting Authorities the same can be called for from the GSTN.

4. **CIN EOD:** The CIN EOD file is the compiled data of CINs that have been reported by the banks during the day. This file is also a reconciliation file which is required to ensure that all the CINs that have been reported by the banks have been shared by GSTN.

5. **Settlement Ledgers:** The GSTN will be providing the statement of ITC cross utilization and the details of the IGST that are to be apportioned to the states in the form of Settlement Ledgers. Verification of these ledgers are to be made by the Accounting Authorities and settlement to the states made accordingly.
6. **Reconciled CIN data** (vis' a vis' the data received from RBI): The GSTN will be reconciling the CINs that have to be reported by RBI in their eScroll. The CINs that have matched are reported in this Reconciled Data file.
7. **Non-Reconciled CIN data** (vis' a vis' the data receive from RBI): While doing the above reconciliation if the CIN data reported by RBI does not match with the CIN present in its own data, the same is reported in the Non-reconciled data file. The following are the discrepancies that will be reported by GSTN.

Sr.No.	Record Type	Description
1	NRECONGST	Non - Reconciled Transactions Reported to GST System
2	NRECONCIN	Non - Reconciled Transactions Reported to RBI with incorrect CIN details
3	NRECONHEADS	Non - Reconciled Transactions Reported to RBI with incorrect Accounting Heads

8. **Exception/Bank Performance Parameters:** GSTN will also be sharing the exception reports containing the details of the data sharing between banks and GSTN for assessment of performance of banks on various parameters.

### **Authorized Banks:**

1. **Luggage File:** After the end of the day (8:00 pm) the banks will compile all the CINs that have been generated for the day (from 8:00 pm of previous day up to 8:00 pm of the current day) and prepare a consolidated file known as the luggage file. The digitally signed Luggage File is sent to RBI on T+1 day. The Luggage file will contain all details of payments including the CIN, Major Heads, Amount, Date and time of transaction etc. RBI credits the CFI (in case of CGST, IGST, UTGST and Comp. Cess) and CFS (in case of SGST) based on these digitally signed luggage files.



2. **Digitally Signed End of the Day CIN (DGEODCIN):** Digitally signed by the concerned authorised bank and should contain identical information as in Luggage File.

**Reserve Bank of India (RBI):**

1. **e-Scroll:** In the GST regime as specified in the Payment Process the e-Kuber of RBI has an important role to play. The Authorized Banks report the GST collections to RBI on T+1 day through their Luggage file. RBI debits the banks' account and credits the respective Government Account(s). RBI also splits the CIN data Major Head wise and provides e-Scroll for the same to the respective Accounting Authorities on hourly basis.
2. **EOD Account Statement:** At the end of the day RBI will be providing a summary of the data sent during the day. This statement helps in reconciling the data that have been received during the day.
3. **Memorandum of Errors (MoE) Resolution:** RBI is responsible for reconciliation of the data provided in the e-Scroll. MoE is generated by the Accounting authorities for all discrepancies. RBI has to resolve the errors by taking up the MoEs with the Banks wherever necessary.
4. **Date-wise Monthly Statement (DMS):** At the End of the month RBI provides a Date-wise Monthly Statement to ensure that no data has been left without reporting to the Accounting Authorities. This is statement for reconciliation purpose. RBI will also share the DMS statements that have been provided by the e-FPBs of the Authorized Banks.
5. **Put-Through Statement:** Statement of remittances made by the Banks to the CFI and CFS is provided in the form of statement known as the Put-through statement.
6. **State Settlement IGA & e-CM (Clearance Memo):** For settlement with states Inter Govt Advices will be issued by the Accounting Authorities, and on clearance of the same a Clearance Memo will be provided by RBI.
7. **Bank Reversal Payment Advices & e-CM(Clearance Memo):** When the bank has collected and/or reported excess reported excess amount to RBI the same will be reversed by RBI on receipt of Reversal Payment Advice to be issued by the Accounting Authorities. On reversal of such payments, a clearance memo will be provided by RBI.



### **Central Tax Authorities (CBEC):**

1. **Assessee Master:** Each taxpayer is provided with a unique GSTIN number (GST Identification Number). The GSTIN is a PAN based unique identification number given to each tax payer. The figure given below explains the format of GSTIN.

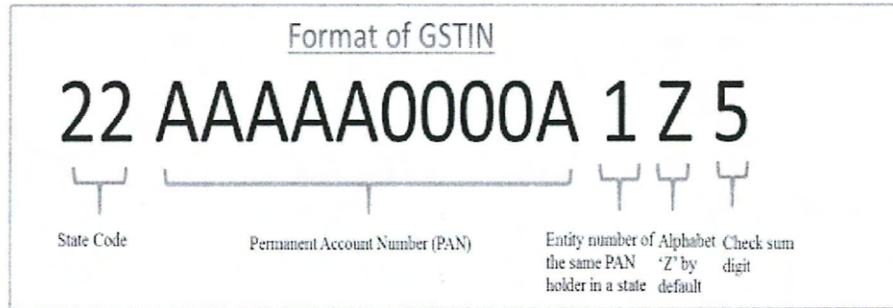


Figure 4 Format of GSTIN

The Assessee Master shall be provided by the Tax Authorities to the Accounting Authorities. This Master will contain all the details of the Assessee.

2. **Refund e-Bill:** The digitally signed electronic refund bill will be provided by the tax authorities to the Accounting Authorities for payments.
3. **Refund Status:** All payments will be made electronically. The status updates will be provided by the Accounting Authorities.
4. **Accounting Confirmation:** The Accounting authorities will also be providing the details of the CINs which have been accounted by them. This will help the Tax authorities to reconcile the data provided by GSTN with the Accounted data.

### **Accredited Bank (SBI):**

1. **Payment File for refund to Tax Payer:** The payment that has to be made to the tax payers towards refund is provided electronically to SBI which is the accredited bank for payments. The payments are made to the beneficiaries accordingly.
2. **Payment Scroll (after Payment to Tax Payer):** On payment of the refund to the beneficiaries the Bank will provide an electronic payment scroll with details of all the payments made.

## 1.2 Accounting of Goods and Services Tax (GST)

1.2.1 The taxpayer fills the details of the payment as per challan format at the GST portal and a CPIN is created. The tax payer can make payment under multiple Major Heads and Minor heads in a single challan. **The digitally signed CPIN data containing the complete challan details (CPIN No., GSTIN, complete classification etc.) are shared by the GSTN with Central Accounting Authorities almost on real time basis.** However, the GSTN shares only Major Head wise amounts with the authorized Banks for each CPIN.

1.2.2 The CPIN creation shows only the intent of the taxpayer to pay the tax. This CPIN is valid only for 15 days.

1.2.3 The tax payer can make payment through any of the modes through an Authorized bank. However payments can be made even through other banks through NEFT/RTGS mode of payment for which RBI will be providing the CIN. Once the challans are processed for payment through any of the modes (OTC, NEFT/RTGS, Net-banking, CC/DC), the CPIN is converted into CIN (fund loaded CPINs) by the Payee Banks/RBI. The Banks and RBI will share the digitally signed CINs with GSTN immediately.

1.2.4 The GSTN shall forward the digitally signed CIN information to the Central Accounting Authority on almost real-time basis and simultaneously credit the respective Cash Ledger of the taxpayer.

1.2.5 The CPIN information (Containing complete classification details) already available with the Central Accounting Authority (as detailed in para 1.2.1) is matched with the CIN data (Containing Major head-wise details of the CPIN).

1.2.6 The CPIN and CIN will contain more than one Major Head. While matching the CIN data with CPIN data, the IT system of the Accounting Authorities ensures that corresponding details of the CIN match. The IT System of Accounting Authority looks for the CPIN number in the CIN file received and retrieves the information from the corresponding CPIN details received earlier from the GSTN. In case of mismatch of data, the CIN file is rejected by the Central Accounting Authority for rectification.

1.2.7 The SGST/UTGST component will be accounted by the Accounting Authorities of the States/UTs who will also be receiving the CPIN and CIN details from GSTN.



### **1.3 Sharing of DSEODCIN file and Luggage file by banks with RBI and Accounting Authorities**

1.3.1 After the End of the day (EOD) which is 8:00pm the banks will consolidate all the CINs received from 8:00 pm of previous day to 8:00 pm of the current day and prepare a consolidate file known as the Luggage file. The luggage file contains transaction wise (CIN-wise) data of collections. The digitally signed Luggage file will be sent to RBI on T+1 day basis for settlement to Government Accounts.

1.3.2 The DSEODCIN (Digitally signed EOD CIN) will be also be shared by the concerned authorised bank and should contain identical information as in Luggage File.

1.3.3 The Banks also shares the digitally signed luggage file mandatorily to the Central Accounting Authority and with the State /UT Accounting Authorities who ask for the same.

### **1.4 Accounting of e-Scroll received from RBI**

1.4.1 On receipt of Luggage file from the bank on T+1 day, RBI prepares the Major Head-wise e-Scroll. The Banks' Account is debited based on the amount in the luggage file and the respective Government account is credited.

1.4.2 RBI shares the CIN level Major head-wise e-Scroll on T+1 day with the Accounting Authorities on hourly basis. (From 9:00 am to 8:00 pm).

When RBI sends e-Scroll to the Accounting Authorities it also credits the respective accounts of CFI and the CFS Thus the e-scrolls is also a form of Put through statement.

1.4.3 Here it may be noted that as RBI while sending the e-scroll data to the Accounting Authorities, also credits the CFI and the CFS of the concerned State. This e-scroll also plays the role of the put through statement which is shared by RBI for the Excise duty and Service Tax collections.

**Accounting entries relating to accounting of indirect taxes  
subsumed in GST under the GST regime**

Consequent upon receipt of the CINs digitally signed by the authorised banks and digitally signed End of the Day Consolidated file of all CINs (DSEODCIN) generated during the day, through which the settlement will be done by the bank with RBI, from the bank following accounting entries will be passed in the books of the Pr. CCA, CBEC.

**Debit**

8658- Suspense Accounts

108- PSB Suspense

Or

138- Other Nominated Bank Suspense

To

Concerned receipt head under the GST regime \* **Credit**

The Luggage file containing consolidation of all the CINs generated during the day and identical in respect of classification and amount with DSEODCIN, will be sent to RBI for settlement of daily receipts in by the banks. RBI will then generate e-Scroll containing the CINs reported through the Luggage file and receipts realised through NEFT/RTGS and send the same to GSTN and Pr. CCA, CBEC simultaneously. On receipt of the e-Scrolls Pr. CCA, CBEC will get the following accounting entries posted in his books.

**Debit**

8675- Deposits with Reserve Bank

01-Civil

101- Reserve Bank Deposits

- Reserve Bank Deposits (HQrs) (A)

- Reserve Bank Deposits (PSB) (B)

(-) 8658- Suspense Accounts

108- PSB Suspense

Or

138- Other Nominated Bank Suspense (B)

To

Concerned receipt head under the GST regime \* (A) **Credit**

Where:

(A) is the amount of receipts received through NEFT/RTGS

(B) is the amount of receipts received through Luggage File

\* Heads of Accounts for accounting of receipts under GST regime will be as approved by CGA with advice of C&AG of India



In the course of inter-state/UT trade or services Integrated Goods and Service Tax will be levied. Assessee will be allowed to avail cross utilization of the input tax credit of IGST for discharging his liabilities towards CGST or SGST and vice-versa. Amounts under the IGST will be apportioned among the Centre and the States. Apportionment of IGST will be as per the Heads for apportionment as under by per contra credit to the concerned head under GST regime viz. CGST or SGST.

Major Head	Sub Major Head	Minor head	Sub Head	Detailed Head
0008-IGST		950-Appportionment of IGST-Transfer out of Tax Component to CGST (see Note 3)(minus entry)		
		951-Appportionment of IGST-Transfer out of Interest Component to CGST (see Note 3) (minus entry)		
		952-Appportionment of IGST-Transfer out of Penalty Component to CGST (see Note 3) (minus entry)		
		953-Appportionment of IGST-Transfer out of Tax Component to SGST (see Note 3) (minus entry)	xx-31 Codes for States/ UTs with legislature as per Appendix 'A'	
		954-Appportionment of IGST-Transfer out of Interest Component to SGST (see Note 3) (minus entry)	xx-31 Codes for States/ UTs with legislature as per Appendix 'A'	
		955-Appportionment of IGST-Transfer out of Penalty Component to SGST (see Note 3) (minus entry)	xx-31 Codes for States/ UTs with legislature as per Appendix 'A'	
		956-Appportionment of IGST-Transfer out of Tax Component to UTGST (see Note 3) (minus entry)	xx-5 Codes for UTs without legislature as per Appendix 'A'	
		957-Appportionment of IGST-Transfer out of Interest Component to UTGST (see Note 3) (minus entry)	xx-5 Codes for UTs without legislature as per Appendix 'A'	
		958-Appportionment of IGST-Transfer out of Penalty Component to UTGST (see Note 3) (minus entry)	xx-5 Codes for UTs without legislature as per Appendix 'A'	



Pr. CCA, CBEC will reconcile the CINs as provided in the End of the Day Consolidated File by GSTN and the digitally signed End of the Day Consolidated file of all CINs (DSEODCIN) generated during the day received from the bank. Any discrepancy noticed will be taken with the GSTN and RBI for resolution.

In the electronic environment ideally there should not be any discrepancies. However, following types of errors could take place:

1. When amount reported by the bank is more than amount reported by RBI.
2. When the amount reported by the bank is less than amount reported by RBI.

**Amount reported by the bank is more:**

This could happen due to omission of a CIN by the RBI or less settlement (put-through) by the bank

The Accounting Authority (Pr. CCA, CBEC) will generate a Memorandum of Error and send the same to RBI for resolution. In case of omission of a CIN by RBI the same will be resolved through inclusion of the same in the e-Scroll. In case of less put through by the bank the issue will be resolved by the bank by remitting the amount less settled (put through) to RBI.

On receipt of the settlement file from RBI the outstanding amount will be cleared from the PSB/ Other Nominated Bank Suspense

**Amount reported by the bank is less:**

This could be due to omission of a CIN by the Bank in the Consolidated File of CINs sent by the Bank to Pr. CCA, CBEC or excess reporting by RBI

The Accounting Authority (Pr. CCA, CBEC) will generate a Memorandum of Error and send the same to RBI for resolution. In case of omission of a CIN by Bank the same will be resolved through inclusion of the same in the Consolidated File of CINs sent by the Bank to Pr. CCA, CBEC. In case of excess put through by the bank or excess reporting by RBI the issue will be resolved through refund of the excess amount settled/ reported on issue of Bank Reversal payment Advice by the Accounting Authority by following due process.

## **GST Compensation Cess**

1. The GST (Compensation to States) Act 2017 provides that compensation to the States will be made for the loss of Revenue arising on account of implementation of GST in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.
2. Section 8(1) of the above Act also provides that there shall be a levy of Cess on the intra-State supply of Goods or Services or both as provided in Section 9 of CGST Act and on inter-State supply of Goods or Services or both as provided in Section 5 of IGST Act, to provide compensation to the States for loss of revenue arising on account of the implementation of GST with effect from the date from which the provisions of the Central Goods and Service Tax Act is brought into force, for a period of five years or for such period as may be prescribed on recommendations of the Council.
3. Section 9 of the GST Compensation to States Act 2017 also provides that the tax payer shall pay the Cess as payable under the Act and also file returns and claim refunds for Cess paid. Section 11(1) and 11(2) of the Act provides that the provision of CGST Act and IGST Act with reference to Assessment, Input tax credit, non-levy, short-levy, interest, appeals, offences and penalties shall *mutatis mutandis* apply for GST Compensation Cess. However, the input tax credit in respect of the Cess shall be utilized for purposes specified in the said section.
4. Section 10(1) of the Act provides that the proceeds of the Cess levied under the provisions of the Act shall be credited to non-lapsable Fund known as the Goods and Services Tax Compensation Fund, which shall form part of the Public Account of India. All amounts payable to the States under Section 7 of the Act shall be made from the said Fund.
5. A committee has been formed to lay the rules for the GST Compensation Cess. However, it is understood from the laid procedure that Compensation Cess has to be initially collected under the CFI and then taken to the Public Account.

### **Accounting procedure relating to accounting of Goods and Service Tax Compensation Cess Fund under the GST regime**

Consequent upon receipt of the CINs containing element of Compensation Cess digitally signed by the authorised banks and digitally signed End of the Day Consolidated file of all CINs generated during the day, through which the settlement will be done by the bank with RBI, from the bank, following accounting entries will be passed in the books of the Pr. CCA, CBEC.

**Debit**

8658 Suspense Accounts  
108 PSB Suspense  
Or  
138 Other Nominated Bank Suspense

To

0009 GST Compensation Cess  
- minor head concerned

**Credit**

2. The Luggage file containing consolidation of all the CINs generated during the day will be sent to RBI and settlement of the receipts done by the banks. RBI will then generate e-Scroll containing the CINs reported through the Luggage file and receipts realised through NEFT/RTGS and send the same to GSTN and Pr. CCA, CBEC simultaneously. On receipt of the e-Scrolls Pr. CCA, CBEC will get the following accounting entries posted in his books

(a) *(In case of amount reported by Bank to RBI through Luggage File)*

**Debit**

8675 Deposits with Reserve Bank  
101 Central-Civil  
Reserve Bank (PSB)/(Other Nominated Bank-PSB)

To

8658 Suspense Accounts  
108 PSB Suspense  
Or  
138 Other Nominated Bank Suspense    **(-) Debit**

(b) (In case amount received by RBI through NEFT/RTGS)

**Debit**

8675 Deposits with Reserve Bank  
101 Central-Civil  
Reserve Bank (HQ)

To

0009- GST Compensation Cess  
- (minor head concerned)

**Credit**

3. The amount equivalent to the Compensation Cess collected will be transferred to an earmarked fund opened as distinct minor head '143- Goods and Service Tax Compensation Fund' under the Major Head '8235- General and other Reserve Funds' below the 'Reserve Funds not bearing interest section' of Public Account of India with due appropriation. On receipt of sanction for transfers to the Fund following accounting entries will be passed in the books of CCA, Ministry of Finance.

**Debit**

2047 Other Fiscal Services  
797 Transfer to Reserve Fund/ Deposit Account  
XX Transfer to Goods and Service Tax Compensation Cess Fund

To

8235 General and other Reserve Funds  
143 Goods and Service Tax Compensation Fund

**Credit**

4. Compensation to the States/UTs for meeting the loss of revenue due to implementation of GST will be provided for in the DDG of Department of Revenue. On receipt of sanction from Ministry of Finance payment will be released to the concerned State or Union Territory by **debiting** the following head

3601 Grants-in-Aid to State Governments  
08 Other Transfers/Grants to States  
xxx Compensation for loss of revenue arising out of implementation of GST  
(in case payment is released to a State Government)

Or

3602 Grants-in-Aid to Union Territory Governments with Legislature  
08 Other Transfers/Grants to Union Territory Governments with Legislature  
xxx Compensation for loss of revenue arising out of implementation of GST  
(in case payment is released to a Union Territory Government with Legislature)

5. The amount released to the State/UT Governments will be met from the Goods and Service Tax Compensation Fund as per the following transfer entry

**Debit**

8235 General and other Reserve Funds  
143 Goods and Service Tax Compensation Fund

To

3601 Grants-in-Aid to State Governments  
o8 Other Transfers/ Grants to States **(-)Debit**  
90\* Amount met from Goods and Service Tax Compensation Fund  
(in case payment is released to a State Government)

Or

3602 Grants-in-Aid to Union Territory Governments with Legislature  
o8 Other Transfers/ Grants to Union Territory Governments with Legislature  
90\* Amount met from Goods and Service Tax Compensation Fund **(-) Debit**  
(in case payment is released to a Union Territory Government with Legislature)

6. The amount of compensation received from the Central Government will be booked under the following head of account by the respective State Government/UT Govt.

1601 Grants-in-Aid from Central Government  
o8 Other Transfers/Grants to States / Union Territories with Legislature  
xxx Compensation for loss of revenue arising out of implementation of GST

7. The transaction relating to Compensation Cess and Goods and Service Tax Compensation Fund will be subject to audit by the Internal Audit Wing of Chief Controller of Accounts, Ministry of Finance and statutory Audit by O/o C&AG of India.

\*\*\*\*\*





No.1(10)(10)/2001/TA/110  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**  
**Controller General of Accounts**  
**Lok Nayak Bhavan, Khan Market**  
**New Delhi-110 003.**

Dated April 9, 2001

Correction Slip No. 212 to Civil Accounts Manual (First Edition) is sent herewith for information and necessary action.

*B. S. Sharma*

(B. S. SHARMA)  
 Sr. Accounts Officer (TA)

To,

1. Chief Controllers/Controllers/Dy. Controllers of Accounts of Ministries/Departments of Government of India.
2. Controller of Aid, Accounts and Audit, New Delhi.
3. Controller of Accounts, Delhi Administration, Delhi.
4. All Ministries/Departments of Government of India.
5. Dy. D.G., Postal/Accounts, New Delhi (5-copies)
6. Director, Development Accounting, Railway Board, New Delhi.
7. CGDA, R.K. Puram, New Delhi.
8. PAO, Lok Sabha/Rajya Sabha/President's Secretariat.
9. PAO, Min. of Defence, R.No.304, D. I. Block, Sena Bhawan, New Delhi.
10. Pr.A.O. (LAD) office of the DACR, New Delhi.
11. Budget Section, Min. of Finance (DEA), North Block, New Delhi.
12. Dy. D.G., Telecom. Accounts, Sanchar Bhawan, New Delhi.
13. Secretary and All Members of Staff Side National Council of J.C.M, 9-Windsor Place, New Delhi (55-copies).
14. Director of Accounts, Cabinet Sectt., East Block IV, R.K. Puram, New Delhi (5-copies).
15. Cabinet Sectt., EAI- Wing, Room No. 199, South Block, New Delhi.
16. Director General, (PAF), Post, Room No. 223, Dak Tar Bhawan New Delhi.
17. Institute of Govt. Accounts and Finance, Office of CGA, Block-IV, Old JNU Campus, New Delhi-67 (10-copies).
18. PAO, Govt. Link Cell, Office of CGA, Min. of Finance (Exp), 1<sup>st</sup> Floor, New Secretariat Building, Opp. VCA Ground, Civil Lines, Nagpur-400001.
19. C.&A.G. of India, Bahadur Shah Zafar Marg, New Delhi (60-copies).
20. PAO, Pondicherry, Pondicherry..
21. Director of Accounts, Goa, Panaji.
22. Director of Accounts and Budget, Andaman & Nicobar Administration, Port Blair.
23. Reserve Bank of India, Mumbai.
24. Reserve Bank of India, Central Accounts Section, Nagpur.

25. Dy. Director, National Institute of Management and Accounting Ayuth Path, Meerut Cantt-250001.
26. M/s Swami Gitanjali, 14, Kustain Beach, St. Santhone, Madras-4
27. Director, Lal Bahadur Shastri National Academy of Administration, Mussoorie.
28. PAO, Office of CGA, Lok Nayak Bhavan, New Delhi
29. Shri S. K. Gupta, E-2/3/27 (MIG), Sector - XV, Rohini, Delhi - 110085.
30. All Group Officers/Branch Officers/All Sections of office of CGA.

## Correction Slip No. 212 to C.A.M.

Page No. 175

Para No.10.10.5

Insert following Para below Para 10.10.4 as substituted vide Correction Slip No. 173

10.10.5 As a measure to boost the confidence of Banks/Financial Institutions in Government Guarantees, a Fund called 'Guarantee Redemption Fund' has been created for redemption of Guarantees given by the Union Government to Central Public Sector Undertakings, Financial Institutions etc.

In order to meet the contingent liability occurring each year arising out of guarantees being invoked by PSBs, an amount, to be decided, would be provided each year under the head 'Transfer to Guarantee Redemption Fund' below the Major Head '2075-Misc. General Services' in the statement of Budget Estimates. When the guarantees are invoked by Public Sector Banks against various PSUs, such expenditure may be shown under the loan head concerned in the respective grants of the administrative Ministry/Departments with an equivalent amount shown thereunder as 'Transfer from Guarantee Redemption Fund'. The recovery from the fund will offset the expenditure provision under the loan head and be reflected in the 'demand for grants' of the Ministry/Department concerned as such. The netting will produce fiscal deficit neutral effect.

The Fund will be fed by annual allocation to be made by Ministry of Finance. The Administrative Ministry/Deptt. will work out terms and conditions of the loan in respect of invoked guarantee amounts and make necessary provision in the detailed demand for grants under loan after consulting/obtaining necessary approval from Ministry of Finance.

The amount provided as 'Transfer to the Fund' will be accounted for under a distinct sub-head 'Transfer to Guarantee Redemption Fund' below the Minor heads '797-Transfer to Redemption Fund/Deposit Account' under the Major head '2075-Misc. General Services' with contra credit to the Major Head-8235- General and other Reserve Fund-117- Guarantee Redemption Fund. The amount provided under the loan head will be accounted for at Sub-Head level as 'Loans on invoking guarantees given by the Government' with the name of the loanee placed at detailed head level. Recovery from the Fund will also be accounted for under the loan head as Deduct entry below minor head '901- Deduct-amount met from Guarantee Redemption Fund'.



(B. S. SHARMA)  
Sr. Accounts Officer (TA)

Authority- File No.1(10)(10)/2001

## **Accounting Procedure for IRDA**

### **(A) Introduction**

A Fund called "Insurance Regulatory and Development Authority Fund" has been constituted in accordance with provisions contained in Section 16 (1) of the Insurance Regulatory and Development Authority Act 1999 published by the Gazette of India dated 29<sup>th</sup> December, 1999.

Section 16 (1) of IRDA Act further states that the following will be credited into it.

- 1- All Government grants, fees and charges received by the Authority.
- 2- All sums received by the Authority from such other sources as may be decided upon by the Central Government.
- 3- The percentage of the prescribed premium income received from the insurer.

### **(B) Accounting Entries**

- (1) The issue regarding accounting and treatment of receipts and expenditure from this fund has been under consideration by the GOI and a new Minor Head below the Major Head 8235- Other General & Reserve Funds is to be opened under Public Account Head for crediting the above mentioned receipts collected by IRDA.
- (2) The views of the Ministry of Law and Justice have been obtained by the Ministry of Finance on the treatment of IRDA funds. It has been advised by the Ministry of Law that all the funds received by IRDA are part of the Public Account as defined under article 266(2) of the Constitution of India. Since such funds are not the revenues received by the Government of India but are public money received on behalf of the Government of India, the correct course of action would be to credit these funds to the Public Account without crediting the same to the Consolidated Fund of India.
- (3) It was also expressed by the Ministry of Law that crediting the amounts received by IRDA on behalf of the Government of India into Public Account will not affect the operational autonomy of the Authority and will be in tune with the Constitutional safeguards provided under article 266 and 284 of the Constitution.
- (4) Accordingly, the Budget Division of the Ministry of Finance, Department of Economic Affairs has issued O.M. dated 11<sup>th</sup> May 2011 taking into account the views of the Ministry of Law and the approval of the Finance Minister there upon. Based on the instructions contained in the O.M. dated 11<sup>th</sup> May, 2011, and O.M. dated 21 October 2013, the guidelines have been prepared.
- (5) In case of any need arising for issuance of Grant in aid to IRDA, the same will be issued by making necessary budget provision in the Budget and will transfer to the IRDA Fund under the public Account.

The detailed Accounting Procedure in this regard is as follows.

**I (a) At the time of crediting penalties levied and collected by IRDA**

<b>Debit</b>			
Major Head	Existing	8675	Reserve Bank Deposit
Sub Major Head	Existing	00	-----
Minor Head	Existing	101	Central Civil
<b>Credit</b>			
Major Head	Existing	1475	Other General Economic Services
Sub Major Head	Existing	00	-----
Minor Head	Proposed	115	Penalties levied by Insurance Regulatory and Development Authority.

**I(b) At the time of crediting fees, charges etc. levied and collected by IRDA into Public Account of India**

<b>Debit</b>			
Major Head	Existing	8675	Reserve Bank Deposit
Sub Major Head	Existing	00	-----
Minor Head	Existing	101	Central Civil
<b>Credit</b>			
Major Head	Existing	8235	General & Other Reserve Funds
Sub Major Head	Existing	00	-----
Minor Head	Existing	122	Insurance Regulatory and Development Authority Fund. (IRDA)

The cheque in the favour of PAO (Banking) on this account may be given by IRDA, who will remit the cheque in the PAO's account. The periodicity of such remittance may be on monthly basis. The normal procedure for reporting and reconciling Government receipts as in Civil Accounts Manual would be followed for this purpose.

**II. When grant will be given by Govt. of India to IRDA. Same will be transferred to IRDA Fund through following transfer entry in the Account of PAO (Secretariat).**

<b>Debit</b>			
Major Head	Existing	3475	Other General Economic Service
Sub Major Head	Existing	00	-----
Minor Head	Existing	797	Transfer to Reserve Fund/Deposit Account
Sub Head	Proposed	xx	Transfer to Insurance Regulatory and Development Authority Fund
<b>Credit</b>			
Major Head	Existing	8235	General & Other Reserve Funds
Sub Major Head	Existing	00	-----
Minor Head	Existing	122	Insurance Regulatory and Development Authority Fund. (IRDA)



**III. At the time of withdrawal of money from the Fund to make the payment to IRDA**

The payment will be made through withdrawal from the fund debiting the Public Account under the Major Head 8235- General & Other Reserve Funds as detailed below.

<b>Debit</b>			
Major Head	Existing	8235	General & Other Reserve Funds
Sub Major Head	Existing	00	-----
Minor Head	Existing	122	Insurance Regulatory and Development Authority Fund. (IRDA)
<b>Credit</b>			
Major Head	Existing	8670	PAO Cheques & Bills

**IV. Audit of the Fund**

The Accounts of the IRDA Fund will be subject to Audit by the internal wing of O/o CCA (Finance) and C&AG.

## OFFICE OF CONTROLLER GENERAL OF ACCOUNTS

Department of Expenditure

Ministry of Finance

7<sup>th</sup> Floor, Lok Nayak Bhawan

Khan Market, New Delhi

**Subject : Accounting Procedure on Market Stabilization Scheme.**

A new scheme called "Market Stabilization Scheme" is proposed to be introduced with a view to absorbing excess liquidity available in the market, mainly because of large foreign exchange inflows. As the existing instruments are considered not sufficient to sterilize the monetary impact of large foreign exchange inflows, issuance of Treasury bills/dated securities under the said scheme is necessitated besides normal market borrowing of the Government to tackle the current situation. A procedure for accounting the various transactions in Government account under the proposed scheme needs to be put in place.

2. A Memorandum of Understanding has been entered into between the Reserve Bank of India and the Government of India for implementing the scheme. A copy of the MoU entered into with the Reserve Bank of India by the Government is enclosed for better appraisal of the scheme. The following points of MoU merit mention with reference to fund-flows arising out of the scheme in Government accounting:

- The amounts so raised shall form part of the Consolidated of India. The said amounts shall be credited to and held in a separate identifiable cash account titled the Market Stabilisation Scheme Account (MSS Account) to be maintained and operated by the Bank at Central Accounts Section (CAS), Nagpur;
- The amounts so credited into the MSS Account shall be appropriated only for the purpose of redemption and / or buy back of the Treasury Bills and / or dated securities issued under the MSS. The Government undertakes not to appropriate or initiate any step to appropriate the amounts in the MSS Account except for the purpose of redemption and / or buy back of the Treasury Bills and / or dated securities issued under the MSS;
- The payments on interest and discount shall not be made from MSS Account. The receipts due to premium and / or accrued interest shall also not be credited to the MSS Account. Such receipts and payments towards interest, premium and discount shall be shown in the budget and other related documents as distinct components under separate subheads;
- The Reserve Bank shall maintain the record of issue-wise details;
- On maturity of the said Treasury Bills and / or securities for payment, the Bank shall initiate the redemption process and the Government shall take such steps as are required under the law to appropriate the amounts from the MSS Account for such redemption.

3. Keeping the above points in view, the following accounting procedure is drawn up for accountal of transactions relating to the scheme "Market Stabilization Scheme":

The sums so raised may be held as a receipt in the Consolidated Fund of India below the distinct **new** minor head with the nomenclature 'Market Stabilization Bills/Bonds' under the Major Head '6001-Internal Debt of Central Government' by debit to the Major Head '8675-Deposits with Reserve Bank'. Dated Securities and Treasury Bills would be shown distinctly at subhead level. In order to keep the balances under the scheme separately and distinctly from normal cash balance of the Central Government, it is proposed to account for the receipts under a distinct **new** minor head with the nomenclature 'Central-Civil-Market Stabilization Scheme' below the Major Head '8675- Deposits with Reserve Bank'. However, accrued interest and premium in the case of re-issuance/issue of MSS related dated securities would become part of normal cash balances of the Central Government and credited into Consolidated Fund of India accordingly. They would be credited under the **new** minor head 'Interest/Premium arising out of Market Stabilization Scheme' with distinct subhead thereunder for 'interest' and 'premium' separately below the Major/ Sub-Major Head '0049-Interest Receipts- 03-0ther receipts of the Central Government'. These would be channelized through '8675-Deposits with Reserve Bank-I 0 I-Civil'. Similarly, discount allowed on issue of Treasury Bills/Dated securities, interest payment made on servicing of debt under Market Stabilization Scheme would be debited to a **new** minor head with the nomenclature 'Interest/Discount paid on Market Stabilisation Scheme' below the Major/Sub-Major Head '2049-Interest Payments-aI-Interest on Internal Debt'. Interest paid and Discount allowed would be distinctly shown at subhead level. These transactions would also be routed through '8675-Deposits with Reserve Bank-I 0 I-Civil'.

Redemption of dated securities and treasury bills on maturity would be from the balances held separately for the purpose by Reserve Bank of India. On redemption, the **new** minor head 'Market Stabilization Bills/Bonds' under the Major Head '6001-Internal Debt of Central Government' would be debited by contra credit to the Head '8675-Deposits with Reserve Bank'-Central-Civil-Market Stabilization Scheme' (new minor head). This shows that redemption of dated securities and treasury bills on maturity under the scheme do not affect the normal cash balance of the Central Government. The balance under the Major Head '8675-Deposits with Reserve Bank' Central Civil Market Stabilization Scheme will be transferred to a new minor head 'Market Stabilization Scheme below the Major Head '8999 – Cash Balance at the close of the financial year. A new minor head 'Market Stabilization Scheme' will be opened to account for the cash balance pertaining to Market Stabilization Scheme. Distinct Sub heads 'Securities and Treasury Bills' will be opened below this minor head.

Whenever Reserve Bank of India is intimating the cash balance of the Central Government the balance available under Market Stabilization Scheme account should be shown separately along with the normal cash balance of the Government.



**Accounting Entries under Market Stabilization Scheme**

(i) At the time of issue Treasury bills/Dated securities

The sums so raised may be held as a receipt in the Consolidated Fund of India below the distinct new minor head with the nomenclature 'Market Stabilization Bills/Bonds' under the Major Head '6001 – Internal Debt of Central Government

Debit	Major Head 8675 – Reserve Bank Deposits Minor Head 'Central Civil Market Stabilization Scheme ( a new head is to be opened)	
	Major Head 6001 – Internal Debt of Central Government (with face value) Minor Head ' Market Stabilization Bills/Bonds' ( a new head to be opened)	Credit

*Note: In case of TBs at discount. The face value of TBs issued will be credited under the MH '6001' and the actual receipts per reflected under the new minor head proposed below the MH '8675'. The discount being the difference between the face value of bills and the amount actually received will be debited to MH 2049 – Interest payments 01-Interest on internal debt (Minor head) - Interest /Discount paid Market Stabilization Scheme (New minor head) - Discount allowed (sub head).*

(ii) Accountal of accrued interest in the case re-issuance of existing dated securities:

Debit	Major Head 8675 – Reserve Bank Deposits Minor Head '101 – Credit Civil	
	Major Head 0049 – Interest Receipts Sub Major Head '03-Other Receipts of Central Government" Minor Head ' Interest /Premium arising out of Market Stabilization Scheme – Sub head Accrued Interest ( New minor/sub heads to be opened)	Credit

(iii) Accountal of premium in the case of issuance of fresh dated securities:

Debit	Major Head 8675 – Reserve Bank Deposits Minor Head '101 – 'Central Civil'	
	Major Head 0049 – Interest Receipts Sub Major Head '03-Other Receipts of Central Government" Minor Head ' Interest /Premium arising out of Market Stabilization Scheme – Sub head Premium ( New minor/sub head to be opened)	Credit

(iv) Accountal of servicing on Treasury bills/Dated securities on schedule:

Debit	Major Head 2049 – Interest Payments – Sub Major Head 01 – Interest on Internal Debt. Minor/Sub Head ' Interest /Discount paid on Market Stabilization Scheme – Interest paid' ( new minor/sub head to be opened)	
	Major Head 8675 – Reserve Bank of India Minor Head '101 – Central Civil	Credit

(v) At the time of redemption of dated securities on maturity:

Debit	Major Head 6001 – Internal Debt of Central Government (with face value) Minor Head ‘ Market Stabilization Bills/Bonds’ ( a new head to be opened)	
	Major Head 8675 – Reserve Bank Deposits (i) Minor Head ‘Central Civil Market Stabilization Scheme ( a new head is to be opened)(for the amount realized on issue) (ii) Minor Head ‘101- Central Civil’ (normal cash balance for the discount allowed)	Credit - -

**Cash balance:** Whenever RBI is intimating the Cash balance of the Central Government, the balance available under MSS Account should be shown separately along with normal cash balance of Central Government for easy identification.



## Accounting Procedure for operation of National Disaster Mitigation Fund(NDMF)

### 1. Introduction

National Disaster Mitigation Fund(NDMF) is a fund established as per the provisions of Section 47 of the Disaster Management Act, 2005.

Section 47 of the Disaster Management Act, 2005 reads:

***“47. National Disaster Mitigation Fund.—(1) The Central Government may, by notification in the Official Gazette, constitute a Fund to be called the National Disaster Mitigation Fund for projects exclusively for the purpose of mitigation and there shall be credited thereto such amount which the Central Government may, after due appropriation made by Parliament by law in this behalf, provide.***

***(2) The National Disaster Mitigation Fund shall be applied by the National Authority.”***

### 2. Disaster Mitigation Measures

The Disaster Management Act, 2005 (DM Act) defines mitigation as ‘measures aimed at reducing the risk, impact or effects of a disaster or threatening disaster situation’. Mitigation measures can be both structural and non-structural: Structural measures: It includes any physical construction to reduce or avoid possible impacts of hazards, or the application of engineering techniques to reduce or to achieve hazard resistance and resilience in structures or systems. It attempts to strengthen buildings to better endure future disasters like cyclones and earthquakes. Non-structural:- It does not involve physical construction but use of knowledge, practices, policies, Laws/Regulations etc. e.g. Building codes and Laws, location specific planning/strategies, forest management/restoration of mangroves, awareness campaigns etc.

### 3. Constitution of NDMF:

NDMF would be placed under the Major Head ‘8235- General and other Reserve Funds’ in the non-interest bearing section of the Public Account. A new minor head with the nomenclature ‘National Disaster Mitigation Fund’ would be opened under the said major head for the purpose. NDMF will be operated by the Government of India, Ministry of Finance (MoF), Department of Expenditure in consultation with Ministry of Home Affairs (MHA) with an objective to release grants-in-aid to implementing partners for specific mitigation projects in their jurisdiction. NDMF will be applied by National Disaster Management Authority (NDMA) for all operational purposes such as appraisal, monitoring and supervision of mitigation projects.

### 4. Allocation to the NDMF:

Funds shall be allocated to NDMF as recommended by 15<sup>th</sup> Finance Commission (FC-XV) commencing from financial year 2020-21. FC-XV have earmarked an amount of Rs. **16,171** crores [20% of National Disaster Risk Management Fund (NDRMF) of Rs. **80,853** crore] for NDMF for the year 2020-21 to 2025-26. Union Government/NDMA can also mobilize and pool funds in NDMF

from various other sources viz. Reconstruction Bonds, Contingent Credit/Stand by facility with international financial institutions, counterpart funding from Implementing Partners, Crowd funding plate forms and Corporate Social Responsibility (CSR) window etc. Funds will be credited into NDMF in accordance with the provisions of the section 47(1) of the DM Act, 2005. The Budget Provision for transferring funds to the NDMF shall be made in the Demand for Grants of Department of Expenditure, Ministry of Finance. During the Financial year 2020-21 to 2025-26 transfer to the NDMF established in the Public Account of India will be made by operating the following Heads of Account. Major Head 2245- Relief on account of Natural Calamities. On receipt of Sanction from the Competent Authority, PAO, M/o Finance would pass the following transfer entry in his books to effect the transfer of amount to the NDMF:

Debit

2245- Relief on account of Natural Calamities  
 07- Disaster Management  
 797- Transfer to Reserve Funds/DepositsAccounts  
 XX – Transfer to National Disaster Mitigation Fund  
 00.63 - Inter Account Transfer

To

Credit

8235 – General and Other Reserve Funds  
 00.XXX– National Disaster Mitigation Fund (New minor head)

## 5. Scope of Mitigation Fund

NDMF will generally fund and support the following types of projects:

- i) Projects which are of national and strategic significance, protecting large-scale projects, eco-systems, and natural resource base.
- ii) Projects which will be implemented regionally, involving several states. In such regional projects, the states and local government can also participate and contribute.
- iii) Projects which involve States or require national agencies to collaborate.
- iv) Projects which have the jurisdictional and technical complexity that can be addressed through national-level technical assistance.
- v) Projects in states or districts, where SDMF funds are not available and projects are important from disaster mitigation point of view.
- vi) Research and studies related to disaster mitigation through the Small Grants window.



vii) Inter-sectoral issues relating to disaster management.

The financial assistance from NDMF shall be on cost sharing arrangement on a graded basis. The states/recipient agencies shall contribute 10% for assistance upto Rs. 250 crore, 20 % for assistance upto Rs. 500crore and 25% for the assistance exceeding Rs. 500 crore from NDMF.

## 6. Earmarking of Funds

FC-XV have earmarked Rs. 7140 crore from **NDMF** for the financial year from 2020-21 to 2025-26 for four priorities namely assistance to 12 drought-prone states, seismic and landslide risk mitigation in the Hill and North-eastern states, urban flooding in bigger cities of the country and sea/river erosion.

## 7. Implementing Partners

The following agencies/entities can apply for Mitigation Funds:

- a) Central Government Ministries/ Departments.
- b) State/ UT Governments.
- c) NDMA/ SDMA.
- d) Central Technical Agencies.
- e) Central and State research and academic institutions with established credentials in disaster management.

## 8. Mechanism for processing of funding proposals

In pursuance of the recommendations of FC-XV, 'these funds shall be supervised by the NDMA at the national level. Therefore, for smooth functioning of the proposed mitigation fund, the following mechanism is put in place:

- (i) NDMA in consultation with stakeholders concerned will prepare an Action Plan for 3 to 5 years about priority areas to be taken up for Mitigation Projects from NDMF.
- (ii) NDMA will lay out the procedure for appraisal of projectsto be funded from NDMF.
- (iii) A Committee under the Chairmanship of a Member, NDMA and comprising of representatives of line Ministries/ Departments of Government of India, external experts etc. will be constituted by NDMA to appraise the proposed interventions/ proposals to be funded from NDMF.
- (iv) After appraisal, recommendations of the Committee shall be made to MHA for placing it before the Appropriate Authority.

- (v) NDMA shall supervise and monitor the implementation of the mitigation projects and in this process can seek progress/ performance reports from the Implementing Partners. NDMA shall submit quarterly progress report to MHA and Department of Expenditure.
- (vi) In case of any shortfall in the progress of the mitigation project, NDMA may take special measures, if required, for smooth and timely implementation of the project.
- (vii) NDMA shall establish a Project Monitoring Unit manned by competent technical personnel, as per details laid down in Technical Guidelines.
- (viii) NDMA may provide technical or other assistance required by SDMA/ Implementing partners, if any, in appraisal/ implementation of any state-specific mitigation projects.

#### **9. Expenditure from National Disaster Mitigation Fund (NDMF):**

- i. On receipt of the recommendations from NDMA, the proposals with project cost upto Rs 100 crore shall be placed before the Sub Committee-National Executive Committee (SC-NEC) and proposals with project cost more than Rs 100 Crore before the High Level Committee (HLC).
- ii. MHA, on approval by SC-NEC/ HLC, shall recommend to the Department of Expenditure, Ministry of Finance for release of funds from NDMF to the Implementing Partners as per implementation schedule.
- iii. On the recommendations of the MHA, and sanction by the competent authority Pay and Accounts office, Department of Expenditure, Ministry of Finance will release grants for all Mitigations projects from NDMF to Implementing Partners.

#### **10. Release of Funds:**

The criteria for funds released under NDMF are :

- i. On the recommendations of the MHA, Pay and Accounts office , Department of Expenditure, Ministry of Finance will release grants for all Mitigations projects from NDMF to Implementing Partners
- ii. Department of Expenditure, Ministry of Finance will maintain NDMF under a separate minor head in their Demand and will credit to it 20% of the annual allocation of National Disaster Risk Management Fund

PAO, Ministry of Finance would maintain a Broad Sheet indicating the Opening Balance, inflows, outflows and closing Balance of the Fund. Pr. Accounts Office, M/o Finance would ensure that there is no adverse balance in the fund at any point of time. Progressive figures relating to transactions from the fund for the year would be reported by Pr.AO, M/o Finance to Finance



Accounts Section of the O/o CGA to enable the latter to effect reconciliation of balance under the fund.

The balance under the MH 8235 General and other Reserve Funds- xxx- National Disaster Mitigation Fund' would be netted in the books of Controller General of Accounts after consolidation of the Finance Accounts.

# 11. Accounts and Audit :

Detailed accounts of the NDMF would be maintained by an authorized officer of NDMA and all related records would be maintained in such a manner and details as prescribed by the C&AG of India. C&AG would arrange for conducting audit of accounts of NDMF annually. Internal Audit Wing of O/o CCA, M/o Finance would also conduct annual audit of accounts of NDMF.

## Accounting entries to be reflected in the books of Pay & Accounts Officer, Department of Expenditure, Ministry of Finance, New Delhi:

### 1. While Transferring the provision to National Disaster Mitigation Fund:-

DEBIT		
2245	Relief on Account of Natural Calamities	
07	Disaster Management	
797	Transfer to the Reserve Fund /Deposit Account.	
<b>XX</b>	<b>Transfer to National Disaster Mitigation Fund</b>	
00.63	Inter Account Transfer	
- To		
8235	General and other Reserve Funds	
<b>00.XXX</b>	<b>National Disaster Mitigation Fund</b>	<b>CREDIT</b>

### 2(a) At the time of Release of Assistance to the Implementing Partners ( Other than State and Union Territories Governments) from National Disaster Mitigation Fund:-

DEBIT		
2245	Relief on Account of Natural Calamities	
07	Disaster Management	
<b>XXX</b>	<b>Disaster Mitigation</b>	
To		
8675	Deposits with Reserve Bank	<b>CREDIT</b>
00.101	Central-Civil	



**2(b) While Transferring fund to State Disaster Mitigation Fund:-**

<b>DEBIT</b>		
3601	Grants –In-Aid to State Governments	
07	Finance Commission Grants	
<b>XXX</b>	General (Relief on Account of Natural Calamities)- Disaster Mitigation	
<b>- To</b>		
8675	Deposits with Reserve Bank	<b>CREDIT</b>
00.101	Central-Civil	

**2(c) While transferring Grants in aid to UT Government with Legislature:-**

<b>DEBIT</b>		
3602	Grants –In-Aid to Union Territory Governments with Legislature	
07	Finance Commission Grants	
<b>XXX</b>	General (Relief on Account of Natural Calamities)- Disaster Mitigation	
<b>- To</b>		
8675	Deposits with Reserve Bank	<b>CREDIT</b>
00.101	Central-Civil	

**3(a). At the time of meeting the expenditure shown at 2(a) above from National Disaster Mitigation Fund:-**

<b>DEBIT</b>		
8235	General and other Reserve Funds	
<b>00.XXX</b>	<b>National Disaster Mitigation Fund</b>	
<b>- To</b>		
2245	Relief on Account of Natural Calamities	
07	Disaster Management	
90X	Deduct amount met from National Disaster Mitigation Fund	
<b>XX</b>	<b>Deduct amount met from National Disaster Mitigation Fund</b>	
XX.00.70	Deduct Recoveries	<b>(-)DEBIT</b>

**3(b). At the time of meeting the expenditure shown at 2(b) above from National Disaster Mitigation Fund:-**

<b>DEBIT</b>		
8235	General and other Reserve Funds	
<b>00.XXX</b>	<b>National Disaster Mitigation Fund</b>	
<b>- To</b>		
3601	Grants –In-Aid to State Governments	
07	Finance Commission Grants	
90X	Deduct amount met from National Disaster Mitigation Fund	
<b>XX</b>	<b>Deduct amount met from National Disaster Mitigation Fund</b>	
XX.00.70	Deduct Recoveries	<b>(-)DEBIT</b>

**3(c). At the time meeting the expenditure shown at 2(c) above from National Disaster Mitigation Fund:-**

<b>DEBIT</b>		
8235	General and other Reserve Funds	
<b>00.XXX</b>	<b>National Disaster Mitigation Fund</b>	
<b>- To</b>		
3602	Grants–in-Aid to Union Territory Governments with Legislature	
07	Finance Commission Grants	
90X	Deduct amount met from National Disaster Mitigation Fund	
<b>XX</b>	<b>Deduct amount met from National Disaster Mitigation Fund</b>	
XX.00.70	Deduct Recoveries	<b>(-)DEBIT</b>

4. For accounting the contribution received from other sources as stated at para 4 of the draft accounting procedure:

<b>DEBIT</b>		
MH 8675	Deposits with Reserve Bank	
00.101	Central Civil	
<b>To</b>		
0070	Other Administrative Services	
60	Other Services	
<b>XXX</b>	<b>Grants/Contribution from persons/ institutions for Disaster Management</b>	<b>CREDIT</b>

**Note :** All the above accounting entries will be made in the books of PAO(Expenditure-State Loan Section) in the office of Chief Controller of Accounts, Ministry of Finance, Department of Expenditure.

## Accounting Procedure for National Investment Fund

### Introduction

1. The Cabinet Committee for Economic Approvals (CCEA) has decided on 27<sup>th</sup> January 2005 to channelize the proceeds from the disinvestment of minority shareholding in profitable Public Sector Enterprises (PSEs) over a period of five years into a Fund outside the Consolidated Fund of India (CFI) for the professional management of the monies to provide sustainable returns to the Government without depleting the corpus. As the proceeds from disinvestment could amount to Rs. 50,000 crore to Rs. 1,00,000 crore over a period of five years, this initiative is also expected to give a further impetus to the capital markets.
2. The Fund in the Public Account of India would be called the National Investment Fund (hereinafter referred to as 'NIF') to denote the permanent nature of the corpus. 75% of the income from NIF will be used for investment in selected social sector projects, which promote education, health care, and employment while 25% of the income would be employed for capital investment in revivable or profitable PSEs in order to enlarge their capital base to finance expansion/diversification.
3. Funds would be placed from NIF with selected public sector fund managers under the Discretionary Mode of Portfolio Management

professionally manage the funds to provide sustainable returns to the Government without depleting the corpus.

4. The names of the three selected fund managers are SBI Funds Management Private Ltd., UTI Asset Management Company Private Ltd. and <sup>Jeevan</sup> ~~Bi~~ma Sahyog Asset Management Company Ltd.
5. Agreements would be drawn up with the selected fund managers for a fixed period. Funds may be placed with them in one or more tranches during the period of agreement. The income (which would be a combination of interest, dividend and other receipts) from the portfolio would be paid by them to Government Account annually.
6. The transfer of funds to NIF and expenditure from NIF would be routed through CFI after due appropriation. The income from the portfolio would be transferred to the "Income and Expenditure Account of NIF" in the Public Account of India and would be expended on the selected schemes mentioned in paragraph 2 above after due appropriation.
7. In view of the materiality of this significant corpus of NIF, adequate disclosures of the annual financial performance will be made as mark to Market valuation of the investment as on 31<sup>st</sup> March, of every year as foot notes under Statement No. 5: Summary of Balances of Union Finance Accounts.
8. The following accounting procedure relating to creation and operation of National Investment Fund has been drawn up: -



**A. On initial receipt of dis-investment proceeds:-**

9. On receipt of dis-investment proceeds (original shares or premium) into the CFI, these would be accounted for as capital receipts as under:

<b>Credit</b>			
Major Head	Existing	Code	Description
		4000	Misc. Capital Receipts
<b>Original shares</b>			
Sub Major Head	Existing	03	Dis-investment of Government's Equity holdings
Minor Head	Existing	190	Dis-investment of Govt's equity holdings in Public Sector Undertakings
<b>Premium</b>			
Sub Major Head	Existing	04	Premium received on disinvestment of Government's Equity Holdings
Minor Head	Existing	190	Dis-investment of Govt's equity holdings in Public Sector Undertakings

Table 1

10. The amount of face value of the disinvested Government equity holdings would be dropped on proforma basis from the concerned Heads to which the initial expenditure on equity investment was debited.

**B. Transfer to National Investment Fund**

11. The Proceeds received on account of disinvestment shall be transferred to National Investment Fund under a new Major Head "8452-National Investment Fund" in the Public Account of India by appropriating an equivalent amount under a new Major Head "5467-Capital Outlay on National Investment Fund" as non-plan expenditure in the sector "Capital Account of Economic Services". On receipt of the sanction orders from the competent authority in the Department of Disinvestment, the Pay & Accounts Officer (Disinvestment) will make entries as under:

<u>Debit</u>			
		<i>Code</i>	<i>Description</i>
Major Head	Proposed	5467	Capital Outlay on the National Investment Fund
Minor Head	Existing	797	Transfer to Reserve/Deposit Accounts
Sub Head	Proposed	01	Transfer to National Investment Fund
Object head	Existing	63	Inter Account Transfer
<u>Credit</u>			
Major Head	Proposed	8452	National Investment Fund
Minor Head	Proposed	101	Proceeds of dis-investment of Government Equity Holdings in PSUs including premium (1)

Note (1): The name of each PSE whose shares have been disinvested will be recorded at the sub-head level.

### C. Placing fund at the disposal of Fund Managers:

12. After due appropriation and with the approval of Parliament the funds will be placed with the selected fund managers for professional management. On the basis of the sanctions issued by the competent authority in the Department of Disinvestment, the Pay & Accounts Officer (Disinvestment) will make payments to the fund managers and classify the expenditure for each fund manager as under:

<u>Debit</u>			
		<i>Code</i>	<i>Description</i>
Major Head	Proposed	5467	Capital Outlay on Investment of NIF
Minor Head	Proposed	101	Investment of NIF- SBI Funds Management Private Ltd.
Sub Head	Proposed	0n	n <sup>th</sup> tranche
Object head	Existing	54	Investments
Minor Head	Proposed	102	Investment of NIF-UTI Asset Management Company Private Ltd.
Sub- Head	Proposed	0n	n <sup>th</sup> tranche
Object head	Existing	54	Investments
Minor Head	Proposed	103	Investment of NIF-Jeevan Bima Sahyog Asset Management Company Ltd.
Sub- Head	Proposed	0n	n <sup>th</sup> tranche
Object head	Existing	54	Investments

13. The returns on these investment will be watched by the Pay & Accounts Officer (Disinvestment) through a Capital Investment Register being prescribed in Annex A and corresponding Broad sheets. Besides, appropriate mechanisms for regular review and monitoring of the functioning of the fund, emerging market trends and future prospects will be instituted by the Department of Disinvestment, Ministry of Finance as detailed in the resolution dated 23.11.2005.

14. At the end of the month the Pay & Accounts Officer (Disinvestment) will recoup the above expenditure from the National Investment Fund as under::

<u>Debit</u>			
		<i>Code</i>	<i>Description</i>
Major Head	Proposed	8452	National Investment Fund
Minor Head	Proposed	101	Proceeds of dis-investment of Government Equity Holdings in PSUs including premium
<u>Minus Debit</u>			
Major Head	Proposed	5467	Capital Outlay on Investment of NIF (1)
Minor Head	Proposed	902	Deduct amount met from National Investment Fund
Object head	Existing	70	Deduct Recoveries

Note (1): The name of each PSE whose shares have been disinvested will be recorded at the sub-head level.

**D. On receipt of income from portfolio investment:**

15. The annual income from the invested portfolio would be initially credited to the CFI and then transferred to the Income and Expenditure Account of NIF. Initially the income will be classified in the CFI as under:

<u>Credit</u>			
		<i>Code</i>	<i>Description</i>
Major Head	Existing	1475	Other General Economic Services

Minor Head	Proposed	110	Income from Portfolio Management Scheme (Discretionary Mode) of National Investment Fund
For each Fund manager, a subhead and heads below it will be operated			
Sub Head	Proposed	01	SBI Funds Management Private Ltd.
Detailed Head	Proposed	0n	n <sup>th</sup> tranche
Sub Head	Proposed	02	UTI Asset Management Company Private Ltd.
Detailed Head	Proposed	0n	n <sup>th</sup> tranche
Sub Head	Proposed	03	Jeevan Bima Sahyog Asset Management Company Ltd.
Detailed Head	Proposed	0n	n <sup>th</sup> tranche

**E. Transfer of Income from the portfolios to the Income and Expenditure Account of National Investment Fund.**

16. The income shall be transferred to "Income and Expenditure Account of National Investment Fund" under a new Major Head "8453" in the Public Account of India (separately for the two investment objectives of for expenditure on social sector schemes and capital investment in revivable or profitable PSEs mentioned in the CCEA approval in the ratio 3:1 stated in the Resolution published by the Department of Disinvestment in the Gazette of India) by appropriating an equivalent amount under a new Major Head "3475- Other General Economic Services" as non-plan expenditure in the "Revenue Account of Economic Services" as under:

<b>Debit</b>			
		<i>Code</i>	<i>Description</i>
Major Head	Existing	3475	Other General Economic Services
Minor Head	Existing	797	Transfer to Reserve/Deposit Accounts
Sub Head	Proposed	01	Transfer to Income and Expenditure Account of National Investment Fund
Object head	Existing	63	Inter Account Transfer
<b>Credit</b>			

Major Head	Proposed	8453	Income and Expenditure Account of National Investment Fund
Minor Head	Proposed	101	Amount meant for expenditure on social sector schemes
Minor Head	Proposed	102	Amount meant for capital investment in revivable or profitable PSEs

**F. Renewal/Withdrawal of funds placed with the Portfolio Managers on renewal/termination of the agreement**

17. At the end of an agreement period, the Department of Disinvestment may continue the funds placed earlier with a Portfolio Manager by renewing the agreement. They may also make inter-se change of allocation of funds among different Portfolio Managers for another fixed period. Similarly within an agreement period, the services of one Portfolio Manager may be terminated and the funds withdrawn from him may be allocated to another Portfolio Manager.

18. In such cases, the amount withdrawn from the Portfolio Manager will be credited under the Public Account and on receipt of the sanction order with the terms and conditions from the competent authority, the Pay and Accounts Officer (Disinvestment) will debit the same as shown below:

		Code	Description
Major Head	Proposed	8452	National Investment Fund
Minor Head	Proposed	101	Proceeds of dis-investment of Government Equity Holdings in PSUs including premium
Sub Head	Proposed	01	SBI Funds Management Private Ltd.
Sub Head	Proposed	02	UTI Asset Management Company Private Ltd.
Sub Head	Proposed	03	Jeevan Bima Sahyog Asset Management Company Ltd.

19. In the event of the non-renewal of the agreement after two years / termination of the agreement within two years in respect of any of these Portfolio Managers and in the absence of inter-se allocation of the funds so released within the other Portfolio Managers, the funds will be credit in the Public Account under Major Head-8452 as shown in paragraph 20 above.



20. In case of Capital Gains, the same will be accounted separately under:

<u>Credit</u>			
Major Head	Existing	Code	Description
		4000	Misc. Capital Receipts
Sub Major Head	Proposed	05	Capital Gains from amounts invested in capital markets
Minor Head	Proposed	101	Capital Gains from Portfolio Management Scheme of NIF

The Capital gains so received shall also be transferred to National Investment Fund in accordance with the procedure laid down in Para 11 *ibid*.

21. Due to the protection clause of the resolution, the corpus will not be depleted, the question of loss, therefore, does not arise. At the end of the tenure of the placement of the Fund with the Fund Managers, which is presently two years the portfolio would be examined for maintenance of capital needs.

#### H. Transfer of expenditure on Portfolio Management Scheme to the Income and Expenditure Account of National Investment Fund

22. The fees and other charges payable to the fund managers by the Department of Disinvestment will be budgeted for in the CFI under the Major Head 3475 and will be paid as per the normal procedure by Pay & Accounts Officer (Disinvestment), on the receipt of the sanction orders from the competent authority. The payment will be made by affording a debit as under:

<u>Debit</u>			
Major Head	Existing	Code	Description
		3475	Other General Economic Services
Minor Head	Proposed	113	Fees to Portfolio Managers for management of investments from National Investment Fund
Sub Head	Proposed	01	SBI Funds Management Private Ltd.
Detailed Head	Proposed	01	Fees

Object head	Existing	28	Professional Services
Detailed Head	Proposed	02	Other Charges
Object head	Existing	28	Professional Services
Sub Head	Proposed	02	UTI Asset Management Company Private Ltd.
Detailed Head	Proposed	01	Fees
Object head	Existing	28	Professional Services
Detailed Head	Proposed	02	Other Charges
Object head	Existing	28	Professional Services
Sub Head	Proposed	01	Jeevan Bima Sahyog Asset Management Company Ltd.
Detailed Head	Proposed	01	Fees
Object head	Existing	28	Professional Services
Detailed Head	Proposed	02	Other Charges
Object head	Existing	28	Professional Services

Table 10

**I. Expenditure from the income generated in selected social schemes and to meet the capital investment requirements of profitable and revivable Public Sector undertakings.**

23. Budget provisions will be made for the selected schemes in the concerned demand for grants of the respective Ministries who will incur expenditure accordingly. Simultaneously the provisions of deduct recoveries for the equivalent amount will be made in the same demand for grants.
24. Initially, the PAO of the Ministry/Department implementing the identified scheme will incur expenditure and classify the same under the Functional Major Head /Sub Major Head Minor Head/ Sub Head/ Detailed Head / Object Head.
25. At the end of each month an equivalent amount of the expenditure incurred and booked during the month will be recouped from the Income and Expenditure Account of NIF under the Major Head "8453" per contra minus debit to the respective functional Major

Head of Ministry/Department under the Minor Head amount met from Income and Expenditure Account of NIF by the concerned PAO. The accounting adjustment in the books of the concerned PAO administering the scheme will be as follows:

<b>Debit</b>			
		<i>Code</i>	<i>Description</i>
Major Head	Proposed	8453	Income and Expenditure Account of National Investment Fund
Minor Head	Proposed	101	Amount meant for expenditure on social sector schemes
Sub Head	Proposed	01	Name of the scheme 1
Sub Head	Proposed	02	Name of the scheme 2
Minor Head	Proposed	102	Amount meant for capital investment in revivable or profitable PSEs
Sub Head	Proposed	01	Name of the PSE 1
Sub Head	Proposed	02	Name of the PSE 2
<b>Minus Debit</b>			
Major Head / Sub Major Head	Existing		Functional heads
Minor Head	Proposed	90X	Deduct amount met from Income and Expenditure Account of National Investment Fund for -(scheme1 to be specified)
Minor Head	Proposed	90Y	Deduct amount met from Income and Expenditure Account of National Investment Fund for -(scheme2 to be specified)
Object head	Existing	70	Deduct Recoveries

Table 12

### J. Reconciliation of Fund Balances in Principal Accounts Office (Pr. A.O.), Ministry of Finance

26. On obtaining the appropriations corresponding to the schemes selected, the CEO, National Investment Fund will intimate the comprehensive Ministry/Department-wise details of the identified schemes to the Chief Controller of Accounts, Ministry of Finance (CCA, MOF). The Principal Accounts Office, Ministry of Finance (Pr. A.O., MOF) will then arrange for obtaining monthly reports of expenditure and recoveries under the identified schemes by the

concerned Pay and Accounts Office of each participating Ministry/Department.

27. Pr. A.O., MOF will maintain a proforma account for the National Investment Fund and the Income and Expenditure Account of the NIF reflecting the balances, inflows and outflows and update this on a monthly basis. Pr. A.O., MOF will also ensure that no adverse balances take place. The annual figures will be reported to the Finance Accounts Division of the office of the Controller General of Accounts to enable a reconciliation of balances, inflows and outflows.

#### **K. Audit arrangements**

28. The Comptroller and Auditor general of India will audit the books of Chief Executive Officer, NIF in the Department of Disinvestment.

29. In addition to Statutory Audit by the C&AG, the internal audit by Principal Accounts Office, Ministry of Finance and Inspection by the Department of Disinvestment may be conducted.

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**MINISTRY OF FINANCE****(Department of Economic Affairs)****NOTIFICATION**

New Delhi, the 27th February, 2001

G.S.R. 114(E).— The National Small Savings Fund (Custody and Investment) Rules, 2001 made by the President in exercise of the powers conferred by clause (1) of article 283 of the Constitution of India, are hereby published for general information.

**PREAMBLE**

In exercise of the powers conferred by clause (1) of article 283 of the Constitution, the President hereby makes the following rules regulating the custody of the Consolidated Fund of India and the Contingency Fund of India, the payment of moneys into such Funds, the withdrawal of moneys therefrom, the custody of public moneys other than those credited to such Funds received by or on behalf of the Government of India, their payment into the Public Account of India and the withdrawal of moneys from such account and other matters connected therewith or ancillary thereto, namely – the National Small Savings Fund (Custody and Investment) Rules, 2001.



**PART I – INTRODUCTORY**

1. **Short title and commencement.**— (1) These rules may be called the National Small Savings Fund (Custody and Investment) Rules, 2001.  
 (2) These shall be deemed to have come into force on the 1<sup>st</sup> day of April, 1999.
2. **Definitions.**— In these rules, unless the context otherwise requires,-
  - (a) **"Net Collection"** means the amount arrived at by deducting the amount of withdrawals by subscribers from the amount of deposits under a Small Savings Scheme during a given period;
  - (b) **"Net Collections in a State or Union territory"** means the amount arrived at by deducting the amount of withdrawals by subscribers in a State or Union territory from the amount of deposits in the said State or Union territory under a Small Savings Scheme during a given period;
  - (c) **"Securities"** means the Special Securities issued by the Central Government or a State Government for the purpose of investment of small savings collections.
  - (d) **"Small Savings Scheme"** means - (i) Post Office Savings Bank Deposits regulated under the Government Savings Banks Act, 1873; (ii) Savings Certificates issued under the Government Savings Certificates Act, 1959; (iii) Public Provident Fund scheme regulated under the Public Provident Fund Act, 1968; and (iv) any other scheme as may be notified by the Central Government from time to time;
  - (e) **"Subscriber"** means a depositor or holder or subscriber as referred to in the relevant Act, sub-rule (d);
  - (f) **"Public account of India"** means the public account of India referred to in clause (2) of Article 266 of the Constitution;
  - (g) **"Reserve Bank of India"** means any office or branch of the Banking Department of the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934).

3. **Constitution of National Small Savings Fund.**— There shall be constituted a Fund to be called the National Small Savings Fund to which shall be credited all collections under the Small Savings Schemes in the public account of India.
4. **Utilisation of the fund.**— The Fund shall be invested in the securities of the Central and State Governments in such ratio as are specified in these rules.
5. **Receipts of the fund.**— (1) The fund shall have the following receipts :—
  - (a) Deposits or payments or subscriptions or repayments of loans and interest by subscribers into the Small Savings Schemes;
  - (b) Amount realised on discharge of investments made from the Fund into the Central and State Government securities;
  - (c) The interest received on investment made from the Fund into the Central and State Government securities; and
  - (d) Other receipts, grants and/or contributions received from the Central and/or State Governments, if any.
6. **Disbursements out of the Fund.**— (1) The fund shall have the following disbursements :—
  - (a) Payments, including grant of loan as admissible, to/or withdrawals by the subscribers from the Small Savings Schemes;
  - (b) Investments made in the Central and State Government securities;
  - (c) Interest payable to the subscribers under the Small Savings Schemes;
  - (d) Incidental expenditure towards management of Small Savings Schemes excluding the expenditure on National Savings Organisation and any other expenditure related to the operations of the Fund.

## PART II – OPERATIONS OF THE FUND

7. **Deposits etc., withdrawals etc., and payment of interest.-** Deposits into, withdrawals from and disbursement by way of interest etc. as the case may be under the Small Savings Schemes shall be regulated in accordance with the provisions of the Acts or Rules governing them as may be in force from time to time.
8. **Accounting.-** All transactions relating to the Small Savings Schemes shall be accounted for under the public account of India as specified in the accounting procedure in Part III of these rules. However, these transactions shall be disclosed in the Annual Budget Documents as well as in the Union Finance Accounts.
9. **Investment.— (1) Sharing of Net Collections between Centre and States.-** Such percentage of the net collections under all the Small Savings Schemes as may be determined by the Central Government from time to time shall be invested in the Central Government and State Government securities:

Provided that the investment in the securities of a particular State Government shall be based on the net collections in that State.

- (2) Investment of net collections in the securities of the Central and State Governments shall be made every month or at such other intervals as may be necessary.
- (3) The terms and conditions of the securities eligible for investment from National Small Savings Fund shall be decided by the Central Government.
- (4) The Secretary, Department of Economic Affairs, Ministry of Finance, of the Central Government or an officer authorised by him shall issue necessary sanction indicating the name of the State or Union territory and the amount of investment to be made in their securities and also the amount to be invested in the Central Government securities as and when necessary.
- (5) In case the investment is being made in the State Government securities, the Chief Controller of Accounts, Ministry of Finance shall on receipt of the sanction referred to in the sub rule (4), issue an advice on the Reserve Bank of India, Central

Accounts Section, Nagpur authorising them to debit the Central Government account for the specified amount. Simultaneously, Chief Controller of Accounts will account for the amount of the advice issued in his books by debiting the National Small Savings Fund account "(8007 – Investments of National Small Savings Fund) per contra credit to 8658 – Suspense Accounts/110/Reserve Bank Suspense – Central Accounts Office." On receipt of the confirmation of the transaction from Reserve Bank of India, Chief Controller of Accounts shall clear the Suspense Head by reversing the entry and crediting "8675 – Deposits with Reserve Bank."

- (6) In case the investment is being made in the Central Government securities, the Chief Controller of Accounts, Ministry of Finance on receipt of the sanction referred to in sub rule (4) above shall issue an advice on the Reserve Bank of India, Central Accounts Section, Nagpur authorising them to invest the amount in Central Securities. Reserve Bank of India, on completion of transaction, shall send a debit and credit scroll to Chief Controller of Accounts, Ministry of Finance. These scrolls shall be accounted for under "8007 – Investments of National Small Savings Fund and 6001 – Internal Debt/122 – Special Central Government Securities issued against net collections of small savings from the 1<sup>st</sup> April, 1999."
- (7) The normal procedure followed in the case of the Central or State securities shall also be applicable to the Special Securities.
- (8) **Interest on Investments.**— Reserve Bank of India shall collect the interest on the securities from the issuer on the due dates and credit the same to the account of Department of Economic Affairs, Ministry of Finance of the Central Government.
  - (a) In case of the State Government securities, on receipt of this advice from Reserve Bank of India, the Chief Controller of Accounts shall debit in his books "8675 – Deposits with Reserve Bank by crediting 8008 – Income and Expenditure of National Small Savings Fund."
  - (b) In case of the Central Government securities, on receipt of this advice from Reserve Bank of India, the Chief

Controller of Accounts shall debit in his books "2049 – Interest Payments, 01- Interest on Internal Debt, 121- Interest on Investment in Special Central Government Securities issued against outstanding balances of small savings as on the 31<sup>st</sup> March, 1999 and 122 – Interest on Investment in Special Central Government Securities" issued against net collections of small savings from the 1<sup>st</sup> April, 1999 by crediting "8008 – Income and Expenditure of National Small Savings Fund," as the case may be.

- (9) On maturity of securities, Reserve Bank of India shall collect the amount due from the issuers of the securities and credit the same to the account of Department of Economic Affairs, Ministry of Finance of the Central Government. In the case of the State Government securities, Reserve Bank of India shall send necessary receipt scroll to Chief Controller of Accounts, Ministry of Finance, Department of Economic Affairs, who shall account for it under "8007- Investments of National Small Savings Fund" with contra debit to "8675-Deposits with Reserve Bank". In the case of the Central Government securities, a credit and debit scroll would be sent which would be accounted for under "8007-Investments of National Small Savings Fund" and "6001-Internal Debt" respectively.
  - (10) The amount received on maturity of the investments shall devolve on the Central Government and accordingly, they shall be invested in the Central Government securities. Such securities shall also be issued on the same terms and conditions as in the case of securities against the Central Government's share of net collections. Suitable accounting entries as mentioned in sub-rule 6 shall be made by Chief Controller of Accounts, Ministry of Finance.
- 10. Investment of outstanding balances as on the 31<sup>st</sup> March, 1999.-** The fund shall also comprise of the outstanding balances under all the Small Savings Schemes as on the 31<sup>st</sup> March, 1999, the amount of which shall be invested in the "Central Government Special Securities" to be issued for this purpose. The accounting procedure for these securities shall be the same as mentioned in sub-rule 6 of rule 9 for other 'Central Government Special Securities issued against net collections of small savings from the 1<sup>st</sup> April, 1999'.



**PART III – ACCOUNTING PROCEDURE**

**11. National Small Savings Fund.-** A distinct sub-sector called "National Small Savings Fund" shall be opened in the public account of India for the purposes of accounting the transactions relating to small savings. The sub-sector "National Small Savings Fund" shall comprise of the following Major Heads :

- (1) Major Head : 8001 – Savings Deposits;
- (2) Major Head : 8002 – Savings Certificates;
- (3) Major Head : 8006 – Public Provident Fund;
- (4) Major Head : 8007 – Investments of National Small Savings Fund; and
- (5) Major Head: 8008–Income and Expenditure of National Small Savings Fund.

**12. Deposits and withdrawals by subscribers under Small Savings Schemes.-**

- (1) The account of deposits and withdrawals by subscribers under Small Savings Schemes shall be maintained in the public account of India as per the following details, namely:-
  - (a) Savings Deposits under "Major Head – 8001 Savings Deposits";
  - (b) Savings Certificates under "Major Head – 8002 Savings Certificates – Minor Head 101 Post Office Certificates" for savings Certificates issued prior to the 1<sup>st</sup> April, 1999 and "Minor Head – 107 Post Office Certificates (new series) for Savings Certificates issued on or after the 1<sup>st</sup> April, 1999;
  - (c) Public Provident Fund under "Major Head – 8006 Public Provident Fund".

**13. Interest Payments.-** Interest payments to subscribers shall be debited to "Major Head – 8008 Income and expenditure of National

Small Savings Fund; Sub Major Head – 02 Interest Payments to Subscribers". Separate minor heads would be used to account for the interest paid on every Small Savings Scheme as per the following details, namely:-

- (1) Minor Head 101 – Interest on Savings Deposits;
- (2) Minor Head 102 – Interest on Savings Certificates;
- (3) Minor Head 103 – Interest on Public Provident Fund; *and*
- (4) New Minor Heads may be opened as and when required.

#### **14. Investments.-**

- (1) Securities issued against investment of outstanding balances under all the Small Savings Schemes as on the 31<sup>st</sup> March, 1999 shall be accounted for under the "Major Head – 8007 Investments of National Small Savings Fund – Minor Head – 101 Investment in Central Government Special Securities against outstanding balances as on the 31<sup>st</sup> March, 1999".
- (2) Investments made in the Securities of Central Government against collections from the 1<sup>st</sup> April, 1999 shall be accounted for under "Major Head – 8007 Investments of National Small Savings Fund Minor Head – 102 Investments in the Central Government Special Securities against collections from the 1<sup>st</sup> April, 1999".
- (3) Investments made in the Securities of State Governments shall be accounted for under "Major Head – 8007 Investment of National Small Savings Fund; Minor Head – 103 Investment in Special State Government Securities". Names of each State Government shall appear as a distinct sub-head under this minor head.

- 15. Interest earned on Investments. -** Interest earned on Investments shall be accounted for under "Major Head – 8008 Income and Expenditure of National Small Savings Fund; Sub-Major Head – 01 Income from Investments of small savings collections". Separate minor heads shall be used as per the following details, namely:-

- (a) Minor Head 101-Interest on Investments in Special Central Government Securities against outstanding balances as on the 31<sup>st</sup> March, 1999;
- (b) Minor Head 102-Interest on Investments in Special Central Government Securities against collections from the 1<sup>st</sup> April, 1999;
- (c) Minor Head 103-Interest on Investment in Special State Government Securities.

**16. Expenditure towards management of Small Savings Schemes.-** Expenditure towards management of Small Savings Schemes shall be accounted for under "Major Head 8008 – Income and Expenditure of National Small Savings Fund – Sub-Major Head 03-Management Cost". Separate Minor Heads shall be used for every type of expenditure as per the following details, namely:-

- (a) Minor Head – 101 Payment of agency charges to Department of Posts;
- (b) Minor Head - 102 Payment of agency charges to Public Sector Banks;
- (c) Minor Head - 103 Payment of agency commission to agents;
- (d) Minor Head - 104 Cost of Printing;
- (e) New Minor Heads shall be opened as and when required.

#### **PART IV - MISCELLANEOUS**

- 17. Interpretation.-** Where any doubt arises as to the interpretation of any of the provisions of these rules, the matter shall be referred to the Central Government whose decision shall be final.
- 18. Power to remove difficulties.-** If any difficulty arises in giving effect to any of the provisions of these rules, the Central Government may, subject to such restrictions and conditions, if any, as it may think fit to impose, dispense with or relax any of the provisions of these rules.

[F. No. 18-4/99-NS. II]

D. SWARUP, Jt. Secy.

Government of India  
Ministry of Finance  
Pr.A.O. TA Section, DEA  
AGCR Building  
I.P. ESTATE NEW DELHI - 110002.

Accounting Procedure for transaction pertaining to the Nirbhaya Fund

The accounting procedure based on guidelines issued by Budget Division, Ministry of Finance is given below:-

- (1) The Fund with nomenclature "Nirbhaya Fund" was created in the Non-Interest bearing section of the Public Account of India under Major Head '8235- General and other Reserve Fund' by opening a separate/exclusive minor head;
- (2) An amount of Rs. 1000 crore was initially provided in the Demands for Grants of Department of Economic Affairs through the Supplementary Demands for Grants for the year 2013-14 under Major Head 2235-Social Security & Welfare;
- (3) As and when the schemes are finalized and approved in the line Ministries/Departments, for funding from Nirbhaya Fund, suitable amount will be provided in the Demands for Grants of the Ministries/Departments through Supplementary Demands for Grants (if the budget provisions are sought during the course of the year) or through the Budget provision in the Demands for Grants of the Ministries/Departments, if the provisions are proposed to be made in the subsequent year;
- (4) The amount so provided in the Demands for Grants of line Ministries/Departments will get recouped from the 'Nirbhaya Fund' kept in the Public Account of India by showing recoveries as 'Amount met from Nirbhaya Fund';
- (5) Amounts provided in the Demands for Grants of line Ministries/Departments for specific schemes will be a technical provision as the same will be met from 'Nirbhaya Fund' and it will not have an impact on the expenditure ceiling of the Ministries/Departments on net basis.
- (6) Proforma account for management of 'Nirbhaya Fund' will be maintained by CCA, Ministry of Finance.
- (7) The accounting treatment of transactions related to the inflow and outflow of the 'Nirbhaya Fund' are given below:-

(A) Transfer to the Reserve Fund

Funds will be transferred as per the budget provision from the Revenue Expenditure head from the Consolidated Fund of India to the "Nirbhaya Fund" in the Public Account of India. The PAO, Department of Economic Affairs(DEA), on receipt of necessary administrative approval/financial sanction will give effect to the transfer from the Consolidated Fund of India to the Reserve Fund in Public Accounts by book adjustment as follows:-

Debit

2235 – Social Security & Welfare  
 02 – Social Welfare  
 797 – Transfer to Reserve Fund  
 01 – Transfer to Nirbhaya Fund  
 01 00 63 – Inter Account Transfer

To

Credit

8235 – General and other Reserve Fund  
 131 – Nirbhaya Fund

(B) Expenditure on identified schemes to be financed from the Nirbhaya Fund;

- (i) The PAO of the concerned Ministry/Department implementing the identified schemes will incur the expenditure by debiting the relevant functional Major Head in the Demand for Grants of that Ministry/Department incurring the expenditure as per follows:.

Debit                      Functional Major Head of the concerned line  
 Ministry / Department where the Budget provision is made for  
 identified Schemes(s).

To

Credit

8670 – Cheques &amp; Bills



- (ii) Simultaneously, an equivalent amount of expenditure incurred on the scheme may be recouped from the 'Nirbhaya Fund' under the Major Head '8235-General and other Reserve fund' per contra minus Debit to the Functional Major Head under which the expenditure has been incurred. The recovery will be accounted for under minor head '902-Deduct- Amount met from 'Nirbhaya Fund' as indicated below-

Debit	8235. – General and other Reserve Fund 131 – Nirbhaya Fund
To	

(-) Debit

Functional Major Head of the concerned line Ministry Department where the Budget provision is made for identified Schemes(s).

902-Deduct – Amount met from Nirbhaya Fund

Note: The line Ministry may get opened separate sub heads under Minor Head 902(Deduct from Fund) if need be.

The accounting entries mentioned above at (i) & (ii) will be intimated by PrAO of line Ministry implementing the scheme to the office of the CCA, Ministry of Finance as and when these are made in its Account.

- (8) The office of CCA, Ministry of Finance, shall maintain a Broadsheet which will be updated monthly on the basis of transfer to expenditure incurred by the concerned Ministries/Departments, operating the transaction from 'Nirbhaya Fund'.
- (9) The expenditure incurred out of the Nirbhaya Fund will be subject to Internal Audit and Statutory Audit.

### SARVABHAWMIK SWARNA BOND YOJANA

The government of India has launched Sarvabhawmik Swarna Bond Yojana. This scheme has three sub schemes:

#### **1. Sovereign Gold Bond:**

The Sovereign Gold Bonds (SGBs) are govt. securities denominated in grams of gold. The SGBs are issued by RBI on behalf of govt. of India. The main features of these bonds are as follows:

1. The bonds will be restricted for sale to resident Indian entities including individuals, HUFs, trusts, Universities, charitable institutions.
2. The Bonds will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram.
3. The tenure of the Bond will be for a period of 8 years with exit option from 5<sup>th</sup> year to be exercised on the interest payment dates.
4. The permissible investment will be minimum for 2 units and maximum for 500 units.
5. The price of Bond will be fixed in Indian Rupees on the basis of the previous week's (Monday-Friday) simple average of closing price of gold of 999 purity published by the Indian Bullion and Jewellers Association Ltd.
6. The redemption price will be in Indian Rupees based on previous week's (Monday-Friday) simple average of closing price of gold of 999 purity published by IBJA.
7. The investors will be compensated at a fixed rate of 2.75 percent per annum payable semi-annually on the initial value of investment.
8. As per Clause (14) sub clause (vi) of section 2 of the Income Tax Act – 'capital asset' does not include Gold Deposit Bonds under 'Gold Deposit Scheme 1999' or 'Deposit Certificates' issued under the 'Gold Monetisation Scheme, 2015' notified by the Central Government, and thereby are exempt from capital gains tax.
9. As per clause (15) sub clause (vi) of section 10 of the Income Tax Act – "Income from interest on Gold Deposit Bonds under 'Gold Deposit Scheme 1999' or 'Deposit Certificates' issued under the 'Gold Monetisation Scheme, 2015' notified by the Central Government do not form part of total income and thereby exempt from income tax."
10. Bonds will be tradeable on exchanges/NDS-OM from a date notified by RBI.
11. Gold Reserve Fund will be operated for Sovereign Gold Bonds to liquidate the adverse balances. Saving in the cost of borrowing compared with the existing rate on government borrowings will be credited to Gold Reserve Fund. In addition to this any shortfall due to appreciation of Gold at the time of redemption will be transferred to Reserve Fund through Budgetary process to meet the final requirement for Redemption.
12. Commission to be paid to Collecting Banks @ Re. 1/- per Rs. 100/- of the total subscription received.

## II. Gold Monetization Scheme:

The Gold Monetization Scheme earns interest for gold jewellery, broken jewellery or the unused jewellery which can earn interest on gold. The main features of this scheme are as follows:

1. Resident Indian entities including individuals, HUFs, trusts including Mutual Funds/Exchange Traded Funds registered under SEBI can make deposits under the scheme.
2. KYC norms will be applicable to the gold deposit accounts.
3. Gold can be deposited in any form – jewellery, coins or bars.
4. The gold deposits will be under the short term (1-3 years) Bank Deposit Scheme, Medium term (5 -7 years) and Long term (12 -15 years) Government Deposit Scheme.
5. The rate of interest on deposits under Gold Monetization Scheme will be decided by Central Government and notified by Reserve bank of India from time to time.
6. On maturity, the investor can get back the gold in the equivalent of 995 fineness gold or Indian rupees as desired (the option to be exercised at the time of deposit).
7. Earnings are exempt from capital gains tax, wealth tax and income tax. There will be no capital gains tax on the appreciation in the value of gold deposited, or on the interest earned on it.
8. Gold Reserve Fund will be operated for Gold Monetization Scheme to liquidate the adverse balances. The difference between the current borrowing cost for the Government and the interest rate paid by the Government under the medium/ long term deposit will be credited to Gold Reserve Fund. In addition to this any shortfall due to appreciation of Gold at the time of redemption will be transferred to Reserve Fund through Budgetary process to meet the final requirement for Redemption.
9. Commission to be paid to Collecting Banks @ Re. 1/- per Rs. 100/- of the total subscription received.

## III. Indian Gold Coin :

The Indian Gold Coin is a part of Gold Monetization program. The coins will be available in the denominations of 5 and 10 grams. A 20 grams bar/bullion will also be available. The coins will be distributed through designated and recognized MMTC outlets.

**Accounting Procedure of Sovereign Gold Bond Scheme 2015**

**The following accounting entries will take place in the books of Pay & Accounts Office, IDA, Ministry of Finance:**

**(1) Receipt of money from the investor**

Dr.	8675	- Deposits with Reserve Bank
	101	- Central Civil
Cr.	6001	- Internal Debt of Central Government
	xxx	- Sovereign Gold Bond Scheme 2015

**(2) Payment of Interest as and when paid**

Dr.	2049	- Interest Payment
	01	- Interest on Internal Debt
	xxx	- Interest on Sovereign Gold Bond Scheme 2015
	00.00.45	- Interest
Cr.	8675	- Deposits with Reserve Bank
	101	- Central Civil

**(3) Redemption of Bond**

Dr.	6001	- Internal Debt of Central Government
	xxx	- Sovereign Gold Bond Scheme 2015
Cr.	8675	- Deposits with Reserve Bank
	101	- Central Civil

**(4) Commission Payment**

Dr.	3475	- Other General Economic Services
	xxx	- Commission for Sovereign Gold Bond Scheme 2015
Cr.	8675	- Deposits with Reserve Bank
	101	- Central Civil

**(5) Gold Reserve fund**

Dr.	3475	- Other General Economic Service
	797	- Transfer to Reserve Fund
	xx	- Gold Reserve Fund- Sovereign Gold Bond Scheme 2015
Cr.	8235	- General and Other Reserve Fund
	xxx	- Gold Reserve Fund- Sovereign Gold Bond Scheme 2015

(The saving in the cost of borrowing compared with the existing rate on government borrowings will be credited to Gold Reserve Fund annually. In addition excess of redemption over issue amount shall be transferred from Government Revenues to the Fund through above accounting adjustment.)

**(6) Application of Reserve Fund**

- (i) Adverse balance appearing under 6001 on redemption of Gold will get extinguished to the extent of balance available in Gold Reserve Fund - Sovereign Gold Bond Scheme 2015, as per following accounting entry

Dr. 8235 - General and Other Reserve Funds  
 xxx - Gold Reserve Fund- Sovereign Gold Bond Scheme 2015

(-)Dr. 6001 - Internal Debt of Central Government  
 xxx - Sovereign Gold Bond Scheme 2015

- (ii) Surplus, if any, in the Gold Reserve Fund will be credited into consolidated Fund of India:-

Dr. 8235 - General and Other Reserve Fund  
 xxx - Gold Reserve Fund- Sovereign Gold Bond Scheme 2015

Cr. 1475 - Other General Economic Service  
 xxx - Sovereign Gold Bond Scheme 2015

**Adjustment of Residual Balances**

Residual Balances under the head '6001- Internal Debt of Central Government' on redemption due to fall in gold prices, if any, will be transferred to Government account as under

Dr. 6001- Internal debt of Central Government  
 \*\*\*- Sovereign Gold Bond Scheme, 2015

Cr. 1475 - Other General Economic Service  
 xxx - Sovereign Gold Bond Scheme 2015

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Accounting Procedure of Gold Monetization Scheme 2015

The following accounting entries will take place in the books of Pay & Accounts Office, IDA, Ministry of Finance:

**(1) When gold receipt**

Dr.	4046	- Capital Outlay on Currency, Coinage and Mint
	206	- Purchase of Gold
Cr.	6001	- Internal Debt of Central Government
	xxx	- Gold Monetization Scheme 2015
	xx	- Cash Payment Scheme
	yy	- Gold Payment Scheme

**(2) When Gold is handed over to RBI**

Dr.	8675	- Deposits with Reserve Bank
	101	- Central Civil
(-) Dr.	4046	- Capital Outlay on Currency, Coinage and Mint
	206	- Purchase of Gold

**(3) Interest Payment as and when paid**

Dr.	2049	- Interest Payment
	01	- Interest on Internal Debt
xxx		- Gold Monetization Scheme 2015
	00.00.45	- Interest
Cr.	8675	- Deposits with Reserve Bank
	101	- Central Civil

**(4) Redemption under Gold Monetization Scheme**

**(4)(I) Redemption in Cash**

Dr.	6001	- Internal Debt of Central Government
	xxx	- Gold Monetization Scheme 2015
	xx	- Cash Payment Scheme
Cr.	8675	- Deposits with Reserve Bank
	101	- Central Civil

**(4)(II)(a) Redemption in Gold**

(a)	Dr.	4046	- Capital Outlay on Currency, Coinage and Mint
		206	- Purchase of Gold
	Cr.	8675	- Deposits with Reserve Bank
		101	- Civil

- (b) Dr. 6001 - Internal Debt of Central Government  
       xxx - Gold Monetization Scheme 2015  
       yy - Gold Payment Scheme

(-) Dr. 4046 - Capital Outlay on Currency, Coinage and Mint  
       206 - Purchase of Gold

**(5) Gold Reserve fund**

- Dr. 3475 - Other General Economic Service  
       797 - Transfer to Reserve Fund  
       xx - Gold Reserve Fund- Gold Monetization Scheme
- Cr. 8235 - General and Other Reserve Fund  
       xxx - Gold Reserve Fund- Gold Monetization Scheme 2015

(The saving in the cost of borrowing compared with the existing rate on government borrowings will be credited to Gold Reserve Fund annually. In addition excess of redemption over issue amount shall be transferred from Government Revenues to the Fund through above accounting adjustment.)

**(6) Application of Reserve Fund**

- (i) Adverse balance appearing under 6001 on redemption of Gold will get extinguished to the extent of balance available in Gold Reserve Fund - Gold Monetization Scheme 2015, as per following accounting entry:-

Dr. 8235 - General and Other Reserve Fund  
       xxx - Gold Reserve Fund- Gold Monetization Scheme 2015

(-)Dr. 6001 - Internal Debt of Central Government  
       xxx - Gold Monetization Scheme 2015

- (ii) Surplus, if any, in the Gold Reserve Fund will be credited into consolidated Fund of India:-

Dr. 8235 - General and Other Reserve Fund  
       xxx - Gold Reserve Fund- Gold Monetization Scheme 2015

Cr. 1475 - Other General Economic Service  
       xxx - Gold Monetization Scheme 2015

**Adjustment of Residual Balances**

Residual Balances under the head '6001- Internal Debt' of Central Government' on redemption due to fall in gold prices, if any, will be transferred to Government account as under

Dr. 6001      - Internal debt of Central Government  
       \*\*\*      - Gold Monetization Scheme 2015

Cr. 1475      - Other General Economic Service  
       xxx      - Gold Monetization Scheme 2015

**(7) Commission Payment**

Dr. 3475      - Other General Economic Services  
       xxx      - Commission for Gold Monetization Scheme 2015

Cr. 8675      - Deposits with Reserve Bank  
       101      - Central Civil

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# ACCOUNTING PROCEDURE FOR SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) GENERAL FUND (INCLUDING OPERATIONAL GUIDELINES)

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(EFFECTIVE FROM FINANCIAL YEAR 2014-15)

CHIEF CONTROLLER OF ACCOUNTS  
MINISTRY OF FINANCE

240-B North Block New Delhi-110001  
Tel.91-11-23092523

**ACCOUNTING PROCEDURE FOR SEBI GENERAL FUND**
**A. Introduction**

(1) A Fund called "Securities and Exchange Board of India General Fund " has been constituted under Chapter 6, Section 14 (1) of Securities and Exchange Board of India Act, 1992 and as per the Broad Accounting Guidelines issued in this regard by the Ministry of Finance, Budget Division ***O.M. No. 1(6)-B (AC/2001) dated 11<sup>th</sup> May 2011*** wherein the fees and other charges collected by the Securities and Exchange Board of India (SEBI) are to be credited in the Public Account of India and the amount collected by way of Penalties are to be credited to the Consolidated Fund of India and on receipt of requirement from SEBI, payment is to be released to SEBI for the purposes mentioned in Section 14(2) of SEBI Act 1992.

(2) **Section 14 (1)** of the SEBI Act states that:

There shall be constituted a Fund to be called the Securities and exchange Board of India General Fund and there shall be credited thereto-

- (a) all grants, fees and charges received by the Board under this Act;
- (b) all sums received by the Board from such other sources as may be decided upon by the Central Government.

(3) **Section 15JA** of the SEBI Act states that:

All sums realized by way of penalties under this Act shall be credited to the Consolidated Fund of India.

**B. Accounting Entries**

(1) The views of the Ministry of Law and Justice have been obtained by the Ministry of Finance on the treatment of SEBI funds. It has been advised by the Ministry of Law that all the funds received by SEBI are part of the Public Account as defined under article 266(2) of the Constitution of India. Since such funds are not the revenues received by the Government of India but are public money received on behalf of the Government of India, the correct course of action would be to credit these funds to the Public Account without crediting the same to the Consolidated Fund of India.

(2) It was also expressed by the Ministry of Law that crediting the amounts received by SEBI on behalf of the Government of India into Public Account will not affect the operational autonomy of the Authority and will be in tune with the Constitutional safeguards provided under article 266 and 284 of the Constitution.

(3) The sums realized by SEBI by way of Penalties under section 15JA of the SEBI Act, 1992, shall be credited to the Consolidated Fund of India as prescribed in the said section.

(4) Accordingly, the Budget Division, Department of Economic Affairs, Ministry of Finance has issued ***O.M. No. 1(6)-B (AC/2001) dated 21 October 2013*** taking into account the views of the Ministry of Law and the provisions of the SEBI Act, 1992. Based on the guidelines contained in the said O.M., the Accounting Procedure along with the operational guidelines and request for opening of a new Minor Head under Major Head 8235 was



drafted by the CCA (Finance) and sent to the Controller General of Accounts. The Accounting Procedure and opening of a new Minor Head under Major Head 8235 has been approved by the Controller General of Accounts in consultation with the C & AG of India vide **UO no. 9(2)/2003TA/311 dated 19<sup>th</sup> June 2014.**

(5) In case of any need arising for issuance of Grant in Aid to SEBI, the same will be issued by making necessary budgetary provisions in the Budget and will transfer to the SEBI General Fund under the Public Account.

(6) The detailed Accounting Procedure in this regard is as follows:

**(I) Accounting at the time of crediting fees, fines and charges levied and collected by SEBI under Section 14(1) (a) of SEBI Act, 1992**

Upon remittance of such receipts in favour of Pay & Accounts Officer, (Secretariat) Deptt. Of Economic Affairs, the following accounting entries will be made while crediting the SEBI General Fund under Public Account of India:

<b>Debit</b>			
Major Head	Existing	8675	Reserve Bank Deposit
Sub Major Head	Existing	00	-----
Minor Head	Existing	101	Central Civil
<b>Credit</b>			
Major Head	Existing	8235	General & Other Reserve Funds
Sub Major Head	Existing	00	-----
Minor Head	<b>New Head</b>	<b>133*</b>	<b>Securities And Exchange Board of India General Fund*</b>

\*Opened vide correction slip No.767 dated 10-06-2014.Effective from 2013-14. (Authority T-14018/14/MH-1475/8235/2013-Code)

**(II) Accounting at the time of crediting penalties levied and collected by SEBI under Section 15 JA of SEBI Act, 1992**

Upon remittance of such receipts in favour of Pay & Accounts Officer, (Secretariat) Deptt. Of Economic Affairs, the following accounting entries will be made while crediting the Receipt head under Consolidated Fund of India:

<b>Debit</b>			
Major Head	Existing	8675	Reserve Bank Deposit
Sub Major Head	Existing	00	-----
Minor Head	Existing	101	Central Civil
<b>Credit</b>			
Major Head	Existing	1475	Other General Economic Services
Sub Major Head	Existing	00	-----
Minor Head	<b>New Head</b>	<b>114*</b>	<b>Penalties realised under SEBI Act*</b>

\*Opened vide correction slip No.768 dated 10-06-2014.Effective from 2013-14. (Authority T-14018/14/MH-1475/8235/2013-Code)

**(III) When grant will be given by Govt. of India to SEBI. Same will be transferred to SEBI General Fund through transfer entry in the Account of PAO (Secretariat)**

<b>Debit</b>			
Major Head	Existing	3475	Other General Economic Services
Sub-major Head	Existing	00	----
Minor Head	Existing	797	Transfer to Reserve Fund/Deposit Account
Sub Head		XX *	Securities and Exchange Board of India General Fund
<b>Credit</b>			
Major Head	Existing	8235	General & Other Reserve Fund
Sub-major Head	Existing	00	----
Minor Head	<b>New head</b>	<b>133</b>	<b>Securities and Exchange Board of India General Fund</b>

\*To be opened through the Budget Division/ office of CGA whenever such Grant is sanctioned and budget provision is required to be made.

**(IV) At the time of withdrawal of money from the SEBI General Fund under Public Account of India to make the payment to SEBI**

The payment will be made through withdrawal from the Fund debiting the Public Account under the Major Head 8235 – Other General & Reserve Funds as detailed below:

<b>Debit</b>			
Major Head	Existing	8235	General & Other Reserve Funds
Sub Major Head	Existing	00	-----
Minor Head	<b>New Head</b>	<b>133</b>	<b>Securities and Exchange Board of India General Fund</b>
<b>Credit</b>			
Major Head	Existing	8670	PAO Cheques & Bills

## OPERATIONAL ACCOUNTING GUIDELINES FOR SEBI GENERAL FUND

**1)** SEBI will maintain separate Accounts for

(a) Receipts under section 14 (1) of SEBI Act 1992, to be remitted to PAO (Secretariat), Department of Economic Affairs (DEA) directly, for depositing in Public Account of India, and

(b) Receipts Under section 15 JA of SEBI Act, 1992, to be remitted to PAO (Secretariat) DEA directly for depositing in CFI;

under intimation to Administrative Division of DEA and CCA (Finance). The Accounts shall be maintained in a manner so as to provide audit trail.

**(2)** The receipts collected under section 14 (1) & section 15 JA of the SEBI Act, 1992 will be remitted by SEBI to Pay & Accounts Offices, (Secretariat)-DEA, New Delhi on monthly basis for further depositing into the Public Account & Consolidated Fund of India, respectively.

**(3)** The annual requirement of funds for making expenditure for the purposes mentioned under section 14(2) of the Act will be approved by the SEBI Board in the form of Budget, and will be sent to the Administrative Division of Department of Economic Affairs, Ministry of Finance in the month of March every year, i.e. before beginning of the new Financial Year. CCA (Ministry of Finance) may also be invited in the meeting of the SEBI Board in which the annual budget is approved.

**(4)** Upon receipt of budget proposal from the SEBI, the Administrative Division of Department of Economic Affairs Ministry of Finance will recommended to CCA (Finance) for release of funds in lump sum. CCA (Finance) after being satisfied with the requirement of funds will allow the release of funds through the PAO (Secretariat) Department of Economic Affairs in the first week of April in lump sum for the whole year and may ask for details/documents from SEBI, if required. If during the course of the year any additional fund is needed, then upon the specific approval of the SEBI Board, request will be sent by SEBI to Department of Economic Affairs.

**(5)** SEBI will maintain books of accounts as prescribed under Section 15 of SEBI Act, 1992, in the form of Cash Book, Fund Flow statement, Receipt & Payment Account, Income & Expenditure Account, Balance Sheet etc. and render its duly audited annual accounts to CCA (Finance) and to the Administration Division, Department of Economic Affairs for reconciliation of receipts and expenditure with the figures available with CCA (Finance). CCA (Finance) may also send its internal audit team to SEBI to check the audited accounts and related documents/statements.

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## SOVEREIGN GREEN BOND

The Government of India has created a fund called Sovereign Green Fund in Public Account. The Fund is being created in consequence of para 103 of the Union Budget Announcement 2022-23 on issue of Sovereign Green Bonds for mobilization of resources for green infrastructure. The proceeds will be deployed in Public Sector Projects which help in reducing the carbon intensity of the economy.

### A. Sovereign Green Bond:

India adopted an ambitious Nationally Determined Contribution (NDC) under the Paris Agreement on a 'Best Effort Basis' keeping its developmental imperatives in mind. The NDC targets announced in 2015 were to

- (i) reduce emission intensity of GDP by 33-35 per cent by 2030 as compared to 2005 levels;
  - (ii) create an additional carbon sink of 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030; and
  - (iii) increase the share of non-fossil fuel based energy resources to 40 per cent of installed Electric Power Capacity by 2030.
2. India's commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement reflect the Principle of Equity and the Principle of Common but differentiated responsibilities and respective capabilities in the light of national circumstances.
  3. In keeping with the ambition to significantly reduce the carbon intensity of the economy, the Union Budget 2022-23 announced the issue of Sovereign Green Bonds. The budget para 103 is reproduced as below:

*"As a part of the Government's Overall Market Borrowings in 2022-23, Sovereign Green Bonds will be issued for mobilizing resources for Green Infrastructure. The proceeds will be deployed in Public Sector Projects which help in reducing the carbon intensity of the economy."*

### B. Broad Accounting Guidelines:

Accordingly, it has been decided to draw-up the following broad budgeting and accounting guidelines to make the Sovereign Green Bonds operational to capture the flow of funds, application of resources and reporting in a transparent manner:

- (i) The proceeds from issue of Sovereign Green Bonds, as part of overall borrowing of the Government, will be distinguished and deposited in Consolidated Fund of India below a new Minor Head with the title  
*"Sovereign Green Bonds" under the Major Head "6001-Internal Debt of the Central Government".*



Each of issues with different maturity, coupon rates, if any, will be accounted at sub-head level;

- (ii) A separate reserve/corpus fund will be created/constituted in Public Account, to be titled 'Sovereign Green Fund', in the non-interest bearing section, preferably under a new minor head below the Major Head '8235-General and other Reserve Funds' to capture the flow of funds in a transparent way;
- (iii) The proceeds so raised through 'Sovereign Green Bonds' will, after due appropriation authorised by Parliament through an Appropriation Act, be transferred to the designated reserve fund, constituted for this purpose vide (ii) above;
- (iv) Transfers from Consolidated Fund of India to 'Sovereign Green Fund' will be budgeted and accounted under the same functional Major Heads from which cash expenditure on 'green projects' is incurred.  
*"For example, expenditure on renewable energy will be accounted for under '2810-New and Renewable Energy'. Expenditure on clean transportation will be accounted under '5002-Capital Outlay on Indian Railways-Commercial Lines' (if it is a Railway project) or '3075-Other Transport Services' (if it is a General Transport), etc. Similarly, the recoveries from 'Sovereign Green Fund' will also be accounted under the same Major Heads from which cash expenditure on 'green projects' is incurred";*
- (v) Interest on the bonds issued will be paid to the subscriber at the notification issued by the Government of India. Such payments will be provided as part of centralised Appropriation – Interest Payments and made under the head '2049-Interest Payments-01-Interest on Internal Debt-\*\*\*-Interest on Sovereign Green Bonds' (to be opened for this purpose). Details of different issues will be captured at sub-head level; and
- (vi) Redemption of 'Sovereign Green Bonds' will be provided under the same heads in which receipts were accounted in centralized Appropriation – Repayment of Debt.

2. As the corpus of the Fund is proposed to be established out of borrowing of the Government, the Fund is not proposed in the interest-bearing section of Public Account.
- C. Framework for Sovereign Green Bonds is available on [www.finmin.nic.in](http://www.finmin.nic.in) and is also enclosed for reference.



### Accounting Entries for Sovereign Green Bond

The following accounting entries will take place in the books of Pay & Accounts Office, Internal Debt and Accounts (ID&A), Ministry of Finance:

1. On receipt of money from the Investor:

Dr.	8675	-	Deposits with Reserve Bank
	101	-	Central - Civil
To			
Cr.	6001	-	Internal Debt of Central Government
	xxx	-	Sovereign Green Bonds (Minor Head)
	xx	-	Sovereign Green Bonds, 20xx (Sub-Head)

2. (a) Transfer to Sovereign Green Fund:

Dr.	MH	-	Functional Major Head (from which cash expenditure on green projects incurred)
	797	-	Transfer to Reserve Funds/Deposits Accounts
	xx	-	Sovereign Green Fund
To			
Cr.	8235	-	General and Other Reserve Funds
	xxx	-	Sovereign Green Fund

(b) Incurring expenditure on Green projects

	MH	-	Functional Major Head (from which cash expenditure on green projects incurred)
	xxx	-	Green Projects (Minor Head)
	xx	-	(Name of the project) (Sub-Head)
To			
Cr.	8675	-	Deposits with Reserve Bank
	101	-	Central – Civil

(c) At the time of meeting expenditure from the Sovereign Green Fund

Dr.	8235	-	General and Other Reserve Funds
	xxx	-	Sovereign Green Fund

To

(-) Dr.	MH	-	Functional Major Head (from which cash expenditure on green projects incurred)
	90x	-	Deduct amount met from Sovereign Green Fund
	00.00.70	-	Deduct Recoveries

3. Payment of Interest as and when paid:

Dr.	2049	-	Interest Payments
	01	-	Interest on Internal Debt
	xxx	-	Interest on Sovereign Green Bonds
	xx	-	Interest on Sovereign Green Bonds, 20xx (Sub-Head)
	xx.00.45	-	Interest
To			
Cr.	8675	-	Deposits with Reserve Bank
	101	-	Central – Civil

## 4. Redemption of Sovereign Green Bond:

Dr.	6001	-	Internal Debt of Central Government
	xxx	-	Sovereign Green Bonds (Minor Head)
	xx	-	Sovereign Green Bonds, 20xx (Sub-Head)
To			
Cr.	8675	-	Deposits with Reserve Bank
	101	-	Central – Civil

## 5. Adjustment of Residual Balances under Sovereign Green Bonds:

Residual Balances under the head "6001 – Internal Debt of Central Government"; xxx - Sovereign Green Bonds; xx - Sovereign Green Bonds, 20xx (Sub-Head) would be transferred to the Government Accounts as under:

Dr.	6001	-	Internal Debt of Central Government
	xxx	-	Sovereign Green Bonds (Minor Head)
	xx	-	Sovereign Green Bonds, 20xx (Sub-Head)
To			
Cr.	1475	-	Other General Economic Services
	xxx	-	Sovereign Green Bonds (Minor Head)
	xx	-	Sovereign Green Bonds, 20xx (Sub-Head)

## 6. Application of Reserve Fund :

Surplus, if any, in the Sovereign Green Fund will be credited into Consolidated Fund of India

Dr.	8235	-	General and Other Reserve Funds
	Xxx	-	Sovereign Green Fund
To			
Cr.	1475	-	Other General Economic Services
	xxx	-	Sovereign Green Bonds (Minor Head)
	xx	-	Sovereign Green Bonds, 20xx (Sub-Head)

\* \* \*

### Accounting Procedure for bringing Autonomous Bodies (ABs) under Treasury Single Accounts (TSA) System:

- (a) In order to bring Autonomous Bodies (ABs)/ Implementing Agencies (IAs) including Statutory Bodies and Central Public Sector Enterprises (CPSEs) (limited to the grants and scheme funds in case of CPSEs) under Treasury Single Account System each entity brought under TSA System will open bank account with Reserve Bank of India in terms of Department of Expenditure OM No. F. No. 26(118)/EMC Cell/2016 dated 24<sup>th</sup> February, 2022. Separate accounts will be opened for receiving funds from different PAOs.
- (b) Based on the Monthly Expenditure Plan (MEP), requirement and expenditure trend of the entity, Programme Division of the Ministry will process the release and issue sanction for releasing the funds to entity concerned. The Terms and Conditions regarding TSA shall be mentioned in the sanction order.
- (c) Drawing and Disbursing Officer will prepare a bill on the basis of the sanction and submit the same to PAO for releasing the funds as stipulated in the Sanction Order.
- (d) In order to ensure that the funds are available with the Government till actual utilization, PAO based on sanction order, through PFMS will advice RBI to honour payment instruments issued by the entity concerned up to the limit assigned in the advice. The 'Assignment Advice' will contain data relating to the Pay & Accounts Officer responsible for accounting of the funds so assigned, Unique identifier for Sanction, heads of account and Bill prominently. A copy of the sanction order and Assignment Advice will seamlessly travel to the entity concerned. The same shall be available on PFMS.
- (e) Simultaneously, to account for the issue of advice for assignment in favour of the entity in Government account the PAO will credit the amount under Public Account (Proposed Correction Slips for Heads of Account Annexed) by per contra debit to the concerned functional head.
- (f) PFMS and e-Kuber of RBI will capture the details as contained in the 'Assignment Advice' for reference, reporting and reconciliation purposes.
- (g) Authorised Signatory of the entity after ensuring the genuineness of expenditure with reference to the relevant 'Assignment Advice' will digitally sign and issue the payment advice using the PFMS platform. The payment advice will contain all the related details of the Pay & Accounts Officer and heads of accounts.
- (h) On receipt of e-payment advice from the entity, Reserve Bank of India will honour the same by crediting the amounts in the bank accounts of the beneficiaries by debiting concerned account. At the end of the day, on the basis of the information embedded in the payment advice, RBI will prepare payment scrolls for entire payments made by the entity against the assignment during the

day and send it to PAO concerned for reflecting the same in Government Account. Based on the scrolls received from RBI the aforesaid head in Public Account will be relieved (minus credit) by an equivalent amount by the PAO concerned in his account by per contra credit to the head '8675- Deposit with Reserve Bank -101- Central Civil- Reserve Bank (HQ)'. A statement showing transactions relating to assignment accounts of entities will be provided by RBI to the entity concerned, a copy thereof will also be sent to the PAO concerned.

- (i) Unutilized Balances at the close of the year will lapse to the Government and hence written back in Government Account by minus debiting concerned functional head of account and minus crediting to the head in Public Account. Ministries releasing grants to the entities concerned will have to explain the saving in the related Appropriation Accounts.

**Note on second tier Entities in proposed model:** Since the TSA system envisages just in time releases i.e. debiting Government account when the payment is released to the end beneficiary, there should not be any adjustment in Government account when an Entity assigns funds to the account of its subsequent level units. Payment Advices issued by the subsequent level units against that Grant needs to contain the details of the PAO and heads of accounts. Till such time, when the amount is actually spent the balances in account of the subsequent level units of the entity will be considered as balance under assignment with the Entity.

#### **Assignment to it's second tier by the Entities:**

When an assignment against grants received by an entity is released by it further to its subsidiary the advice transferring the assignment will be digitally signed by the authorised signatory of the entity concerned and contain details of the Assignment Advice issued by the Pay & Accounts Officer. This assignment will be treated as sub assignment of the entity and treated as normal assignment i.e. account of the entity will not be debited only the assigned limit will be reduced to the extent the amounts are assigned by the entity to its second tier entity. The payment advices issued by the second tier entity will contain the details of the assignment advice issued by the Pay & Accounts Officer concerned. Consequent upon making payment to the beneficiary, RBI will take action as indicated at (h) above. Original Statements relating to the assignment account will be provided to the second tier entity with copies to the entity and Pay & Accounts Officer concerned.

Since an entity may be sanctioned Grants for different schemes the scrolls so received from the RBI will be collated scheme wise by PFMS to facilitate passing of necessary accounting entries to relieve the concerned heads of accounts in Public Account as detailed above.

\*\*\*\*\*

Major Head: 8454 Funds under Treasury Single Account System (1)

*Each Department will be  
a Sub Major Head*

Minor Heads may be opened corresponding to  
the Section '*Expenditure Heads (Revenue  
Account)*' (2) (3)

Note: (1) This Major Head will be used for awarding Grants to Autonomous Bodies/ Implementing Agencies including Statutory Bodies and Central Public Sector Enterprises (CPSEs).

(2) Minor Head may be opened corresponding to the programme minor heads in the Section '*Expenditure Heads (Revenue Account)*' to which the Grants are being awarded. For this purpose, the nomenclature of the Minor Head may indicate the function as per sub-major head or as per major head, in the absence of a sub-major head, on the revenue expenditure side followed by the programme minor head. For example "*Adult Education - Rural Functional Literacy Programmes*", "*Crop Husbandry - Agricultural Engineering*", "*Consumer Industries - Textiles*" etc. When the nomenclature of the sub-major head does not give an indication of the concerned function, the nomenclature of the Minor head will also indicate the name of the major head also within brackets after the sub-major head. For example "*General (Medical & Public Health) - Health Statistics and Evaluation*", "*General (Nutrition) - Diet Surveys and Nutrition Planning*" etc. Where it is not possible to identify the Grants with any programme distinctly, the minor head will indicate the relevant sub-major/major head as above followed by the words "*Other Grants*", e.g. "*General (Education) - Other Grants*", "*Crop Husbandry - Other Grants*", etc.

(3) The Sub and Detailed Heads under these Minor Heads maybe opened similar to the Sub and Detailed Heads corresponding to the Section '*Expenditure Heads (Revenue Account)*' to which the Grants are being awarded. Under each Minor Head separate Sub-head '*99-Uncredited items under Treasury Single Account System*' may be opened.

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F. No. 7/92/2020-NHM-I  
Government of India  
Ministry of Health and Family Welfare  
Department of Health and Family Welfare  
(NHM-I)  
\*\*\*\*\*

Nirman Bhavan, New Delhi  
Dated the 27<sup>th</sup> March, 2023

OFFICE MEMORANDUM

**Subject: Publication of Notification of the accounting procedure of Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) - regarding.**

The undersigned is directed to refer to the above mentioned subject and to circulate herewith a copy of the Gazette Notification of the accounting procedure of Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) published in the Gazette of India on dated 21.03.2023 for your kind information and further necessary action.

2. This issues with the approval of the Competent Authority.

Encl: As abvoe

*Rajpal Bhatia*

(Rajpal Bhatia)

Under Secretary to the Govt. of India

Tele: 23062108

To,

1. Ministry of Finance, Department of Economic Affairs, North Block, New Delhi
2. PS to HFM
3. PS to MoS (HFM)
4. Sr. PPS to Secretary (HFW)
5. Sr. PPS to AS&FA/AS (Health)/AS&MD (NHM), MoHFW
6. CCA, Ministry of Health & Family Welfare, New Delhi
7. DCGA-M/o Finance, Department of Expenditure, INA
8. Director General (Govt. Accounts), O/o CAG, 10-Bahadur Shah Zafar Marg, New Delhi
9. Director, Budget Division, Department of Economic Affairs, North Block, New Delhi
10. Sr. Account Officer, Code Section, O/o CGA, New Delhi
11. JS (Budget), MoHFW, Nirman Bhawan, New Delhi
12. Concerned Folder.

Code





Ministry of Health and Family Welfare  
Department of Health and Family Welfare  
M.H.F.W.  
GPO

Ministry of Health and Family Welfare  
Department of Health and Family Welfare  
M.H.F.W.  
GPO

# DEFINITION

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M.H.F.W.  
GPO







# भारत का राजपत्र The Gazette of India

सी.जी.-डी.एल.-अ.-22032023-244583  
CG-DL-E-22032023-244583

असाधारण  
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)  
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित  
PUBLISHED BY AUTHORITY

सं. 1304]

No. 1304]

नई दिल्ली, मंगलवार, मार्च 21, 2023/फाल्गुन 30, 1944

NEW DELHI, TUESDAY, MARCH 21, 2023/PHALGUNA 30, 1944

स्वास्थ्य और परिवार कल्याण मंत्रालय  
(स्वास्थ्य और परिवार कल्याण विभाग)

अधिसूचना

नई दिल्ली, 21 मार्च, 2023

का.आ. 1357(अ).—भारत के राजपत्र, असाधारण भाग- II, खंड 3 उप-खंड (ii) में प्रकाशित भारत सरकार, स्वास्थ्य और परिवार कल्याण मंत्रालय, स्वास्थ्य और परिवार कल्याण विभाग की अधिसूचना, सांविधिक आदेश संख्या 1220 (अ) दिनांक 15.03.2021 के क्रम में, गुणवत्तापूर्ण स्वास्थ्य सेवाएं और सार्वभौमिक रूप से गुणवत्ता वाली बुनियादी शिक्षा और माध्यमिक और उच्च शिक्षा प्रदान करने और उसका वित्त पोषण की सरकार की वचनबद्धता को पूरा करने के लिए प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) की लेखा प्रक्रिया को अनुमोदित किया गया है, वित्त अधिनियम 2018 की धारा 2 (13) आयकर पर 4 प्रतिशत की दर से स्वास्थ्य और शिक्षा उपकर लगाने का प्रावधान करती है। इसके परिणामस्वरूप बजट प्रभाग ने का. ज्ञा. संख्या 1(1)/बी (एसी)/ 2021 दिनांक 10.02.2021 और शिक्षा मंत्रालय के का.ज्ञा. सं. जी 21015/16/2020-आईएफ-II दिनांक 21.01.2021 के तहत निम्नलिखित अनुपात में स्वास्थ्य और शिक्षा उपकर से प्राप्त आय का वितरण किया गया है :

क्र.सं.	सेक्टर का नाम	प्रतिशत आवंटन
क	प्राथमिक शिक्षा (प्राथमिक शिक्षा कोष)	कुल आय का 50 प्रतिशत (4 प्रतिशत स्वास्थ्य और शिक्षा उपकर में से 2 प्रतिशत के बराबर)
ख	माध्यमिक और उच्चतर शिक्षा (माध्यमिक और उच्चतर शिक्षा कोष)	कुल आय का 25 प्रतिशत (4 प्रतिशत स्वास्थ्य और शिक्षा उपकर में से 1 प्रतिशत के बराबर)। इसे आगे विभाजित किया जाएगा अर्थात् माध्यमिक शिक्षा को 4 प्रतिशत में से 0.4



ग	स्वास्थ्य (पीएमएसएसएन)	प्रतिशत और उच्च शिक्षा को 4 प्रतिशत में से 0.6 प्रतिशत। कुल आय का 25 प्रतिशत (4 प्रतिशत स्वास्थ्य और शिक्षा में से 1 प्रतिशत के बराबर)
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लगाए गए और एकत्र किए गए स्वास्थ्य और शिक्षा उपकरण को प्रधान सीसीए कार्यालय, सीबीडीटी द्वारा लघु शीर्ष '506 स्वास्थ्य और शिक्षा उपकरण' के तहत निम्नलिखित मुख्य शीर्षों के नीचे भारत के समेकित निधि के नामे डाला जाएगा :

0020 - निगम कर

0021 - निगम कर के इतर आय पर कर

- सार्वजनिक खाते के गैर-ब्याज वाले खंड में मुख्य शीर्ष '8229- विकास और कल्याण कोष' के तहत 'प्रधान मंत्री' स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) के नाम से एक नया लघु शीर्ष खोला जाएगा जिसमें स्वास्थ्य और शिक्षा उपकरण की कुल प्राप्तियों में से स्वास्थ्य परिवार कल्याण मंत्रालय से संबंधित हिस्सा अंतरित किया जाएगा, पीएमएसएसएन का रखरखाव और प्रबंधन स्वास्थ्य और परिवार कल्याण मंत्रालय द्वारा किया जाएगा।
- प्रधान मुख्य लेखा नियंत्रक, सी बीडीटी का कार्यालय स्वास्थ्य और शिक्षा उपकरण के खाते में प्राप्तियों का विवरण मासिक आधार पर स्वास्थ्य और परिवार कल्याण मंत्रालय के कार्यालय को प्रदान करेगा ताकि स्वास्थ्य और परिवार कल्याण मंत्रालय 01.04.2018 से एकत्रित स्वास्थ्य और शिक्षा उपकरण की आय के हस्तांतरण की सुविधा के लिए स्वास्थ्य और परिवार कल्याण मंत्रालय की विस्तृत अनुदान मांगों के तहत निम्नलिखित मुख्य शीर्षों के तहत उपयुक्त प्रावधान कर सके :

नामे

मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य

05 - चिकित्सा शिक्षा, प्रशिक्षण और अनुसंधान

797 - आरक्षित निधि/जमा खाते में अंतरण

04 - प्रधानमंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) को अंतरण

(पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) चिकित्सा और जन स्वास्थ्य (चिकित्सा शिक्षा, प्रशिक्षण और अनुसंधान) को अंतरण

63 - अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि

XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)- चिकित्सा और जन स्वास्थ्य (चिकित्सा शिक्षा, प्रशिक्षण और अनुसंधान)

को

अथवा

नामे

मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य

06 - जन स्वास्थ्य

797 - आरक्षित निधि/जमा खाते में अंतरण

03 - प्रधानमंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) को अंतरण

Xx - प्रधानमंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) चिकित्सा और जन स्वास्थ्य (जन स्वास्थ्य) को अंतरण

63 - अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि



XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)- चिकित्सा और जन स्वास्थ्य (जन स्वास्थ्य)

अथवा

नामे मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य  
80 - सामान्य

797 - आरक्षित निधि/जमा खाते में अन्तरण

02-प्रधानमंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) में अंतरण

XX- प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)- चिकित्सा और जन स्वास्थ्य (सामान्य) को

अंतरण

63 - अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि

00. XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन) - चिकित्सा और जन स्वास्थ्य (सामान्य)

अथवा

नामे मुख्य शीर्ष 2211 - परिवार कल्याण

00. 797 - आरक्षित निधि/जमा खाते में अन्तरण

03 - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन) को अंतरण

Xx प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन)- परिवार कल्याण को अंतरण

00.63- अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि

XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)-

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन)- परिवार कल्याण

अथवा

नामे मुख्य शीर्ष 3601 - राज्य सरकारों को सहायता अनुदान

06 - केंद्रीय प्रायोजित योजनाएं

797 - आरक्षित निधि/जमा खाते में अन्तरण

08 - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

Xx- प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

- राज्य सरकारों को सहायता अनुदान (केंद्रीय प्रायोजित योजनाएं) को अंतरण

63 - अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि

00 XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) - राज्य सरकारों को सहायता अनुदान (केंद्र प्रायोजित योजनाएं) को

अथवा

नामे मुख्य शीर्ष 3602 - विधानमंडल वाले संघ राज्य क्षेत्रों की सरकारों को सहायता अनुदान



06 - केंद्रीय प्रायोजित योजनाएं

797 - आरक्षित निधि/जमा खाते में अंतरण

07- प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) को अंतरण

Xx - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) - विधानमंडल वाले संघ राज्य क्षेत्रों की सरकारों को सहायता अनुदान (केंद्रीय प्रायोजित योजनाएं) को अंतरण

63 - अंतर खाता अंतरण

से

जमा मुख्य शीर्ष 8229 - विकास और कल्याण निधि

XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन)

XX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि ( पीएमएसएसएन) - विधानमंडल के साथ संघ राज्य क्षेत्रों की सरकारों को सहायता अनुदान (केंद्रीय प्रायोजित योजनाएं)

वित्तीय वर्ष के दौरान एकत्रित प्रामियों को पीएमएसएसएन में स्थानांतरित किया जाना चाहिए।

4. स्वास्थ्य और परिवार कल्याण विभाग पीएमएसएसएन से वित्त पोषित होने वाले घटक के लिए डीएफपीआर 1978 के नियम 8 के अनुसार योजनाओं के संगत कार्यात्मक शीर्षों के तहत विस्तृत अनुदान मांग में आवश्यक बजट प्रावधान करेगा।

5. संबंधित कार्यात्मक प्रमुख शीर्षों के तहत विस्तृत अनुदान मांगों में पीएमएसएसएन से मिलने वाली धनराशि के बराबर बजट प्रावधान भी किया जाएगा।

6. प्रधान मंत्री स्वास्थ्य सुरक्षा निधि के तहत धन की उपलब्धता के संदर्भ में, स्वास्थ्य और परिवार कल्याण मंत्रालय उनके द्वारा चलाई जा रही योजनाओं / कार्यक्रमों के संगत कार्यात्मक प्रमुख शीर्षों के तहत आवश्यक बजट प्रावधान करेगा। किसी विशिष्ट योजना पर व्यय करते समय, संबंधित पीएओ संबंधित कार्यात्मक शीर्षों को नीचे दिए गए विवरण के अनुसार डेबिट करेगा:

#### स्वास्थ्य और परिवार कल्याण विभाग

##### (i) राष्ट्रीय ग्रामीण स्वास्थ्य मिशन

(क) मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य

उपमुख्य शीर्ष 06 - जन स्वास्थ्य

लघु शीर्ष 001 - निर्देशन और प्रशासन

(ख) मुख्य शीर्ष 2211 - परिवार कल्याण

उप मुख्य शीर्ष 00

लघु शीर्ष 109 - प्रजनन और बाल स्वास्थ्य कार्यक्रम

(ग) मुख्य शीर्ष 3601 - राज्य सरकारों को सहायता अनुदान

उप-मुख्य शीर्ष 06 - केंद्रीय प्रायोजित योजनाएं

लघु शीर्ष 101 - केंद्रीय सहायता/हिस्सा

(घ) 3601.06.789 - अनुसूचित जाति के लिए विशेष घटक योजना

(ङ.) 3601.06.796 - जनजातीय क्षेत्र उप-योजना

(च) मुख्य शीर्ष 3602-विधायिका वाले संघ राज्य क्षेत्रों की सरकारों को सहायता अनुदान

उप-मुख्य शीर्ष 06 - केंद्रीय प्रायोजित योजनाएं

लघु शीर्ष 101 - केंद्रीय सहायता/हिस्सा

(छ) 3602.06. 789- अनुसूचित जाति के लिए विशेष घटक योजना

(ज) 3602.06.796 - जनजातीय क्षेत्र उपयोजना

##### (ii) स्वास्थ्य और चिकित्सा शिक्षा के लिए मानव संसाधन

(क) मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य



उप-मुख्य शीर्ष 05 - चिकित्सा शिक्षा, प्रशिक्षण और अनुसंधान

लघु शीर्ष 105 - एलोपैथी

(ख) 2210.05.789 - अनुसूचित जाति के लिए विशेष घटक योजना

(ग) 2210.05.796 - जनजातीय क्षेत्र उपयोजना

(घ) मुख्य शीर्ष 3601 - राज्य सरकारों को सहायता अनुदान

उप-मुख्य शीर्ष 06 - केंद्रीय प्रायोजित योजनाएं

लघु शीर्ष 101 - केंद्रीय सहायता/हिस्सा

(ङ.) 3601.06.789 - अनुसूचित जाति के लिए विशेष घटक योजना

(च) 3601.06.796 - जनजातीय क्षेत्र उपयोजना

(छ) मुख्य शीर्ष 3602-विधायिका वाले संघ राज्य क्षेत्रों की सरकारों को सहायता अनुदान

उप-मुख्य शीर्ष 06 - केंद्रीय प्रायोजित योजनाएं

लघु शीर्ष 101 - केंद्रीय सहायता/हिस्सा

(ज) 3602.06. 789- अनुसूचित जाति के लिए विशेष घटक योजना

(झ) 3602.06.796 - जनजातीय क्षेत्र उप योजना

(iii) आयुष्मान भारत - प्रधानमंत्री जन आरोग्य योजना (पीएमजेवाई)

(क) मुख्य शीर्ष 2210 - चिकित्सा और जन स्वास्थ्य

उप मुख्य शीर्ष 80 - सामान्य

लघु शीर्ष 101 - आयुष्मान भारत - प्रधानमंत्री जन आरोग्य योजना (पीएमजेवाई)

(ख) 2210.80.789 - अनुसूचित जाति के लिए विशेष घटक योजना

( ग ) 2210.80.796 - जनजातीय क्षेत्र उप योजना

इस निधि के लिए किसी भी व्यय की मंजूरी जारी करने से पहले यह सुनिश्चित किया जाए कि किसी भी समय पीएमएसएसएन में शेष ऋणात्मक न हो अर्थात् पीएमएसएसएन में शेष राशि से अधिक खर्च नहीं किया जा सकता है।

7. इसके साथ ही, बिंदु 6 पर बतायी गयी विशिष्ट योजनाओं पर खर्च करने पर, पीएमएसएसएन से कार्यात्मक शीर्षों के तहत किए जाने वाले व्यय को स्वास्थ्य और परिवार कल्याण मंत्रालय द्वारा निम्नलिखित प्रविष्टियों को पारित करके पूरा किया जाएगा: -

नामे मुख्य शीर्ष 8229 - विकास और कल्याण निधि

XXX - प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)

XX - ..... (संबंधित कार्यात्मक प्रमुख)

को

(-)नामे संबंधित प्रमुख कार्यात्मक शीर्ष

xx. 9xx- प्रधानमंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) से प्राप्त राशि की कटौती

01 - ..... ( संबंधित कार्यात्मक मुख्य शीर्ष) से प्राप्त राशि

00.70- घटाएं वसूली

8. मुख्य लेखा नियंत्रक, स्वास्थ्य और परिवार कल्याण मंत्रालय पीएओ (एमएचएफडब्ल्यू) द्वारा मासिक आधार पर 'प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)' से किए गए व्यय को दर्शाने वाले विवरण के बारे में रिकार्ड के लिए निदेशक (बजट) को सूचित करेगा।

9. पीएओ (एमएचएफडब्ल्यू) अथ शेष राशि, वर्ष में सार्वजनिक निधि में अंतरित राशि, वर्ष के दौरान किए गए व्यय, अगले वित्तीय वर्ष में आगे ले जाने के लिए उपलब्ध निवल शेष को दर्शाते हुए 'प्रधान मंत्री' स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) से संबंधित लेनदेन की ब्रॉडशीट का रखरखाव करेगा। पीएओ (एमएचएफडब्ल्यू) वित्तीय वर्ष समाप्त होने के बाद 'प्रधान मंत्री' स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन) के तहत व्यय और उपयोग नहीं की गई राशि को दर्शाते हुए एक विवरण स्वास्थ्य मंत्रालय के अपर सचिव और वित्तीय सलाहकार के माध्यम से स्वास्थ्य सचिव को प्रस्तुत करेगा।



10. 'प्रधान मंत्री स्वास्थ्य सुरक्षा निधि (पीएमएसएसएन)' से किए गए व्यय की स्वास्थ्य और परिवार कल्याण मंत्रालय के मुख्य लेखा नियंत्रक के कार्यालय द्वारा अंतरिक लेखा अंकेक्षण की जायेगी और सीएजी के कार्यालय द्वारा सांविधिक लेखा अंकेक्षण की जायेगी।

11. इसके अलावा, स्वास्थ्य और परिवार कल्याण मंत्रालय वित्त मंत्रालय के परामर्श से किन्हीं भावी कार्यक्रमों/योजनाओं के लिए धन आवंटित कर सकता है।

[फा. सं. 7/92/2020-एनएचएम-1]

विशाल चौहान, संयुक्त सचिव (नीति)

## MINISTRY OF HEALTH AND FAMILY WELFARE

(Department of Health and Family Welfare)

### NOTIFICATION

New Delhi, the 21st March, 2023

**S.O. 1357(E).**— In continuation of Notification of the Government of India, Ministry of Health & Family Welfare, Department of Health & Family Welfare, S.O. No. 1220 (E) dated 15.03.2021 published in the Gazette of India, Extraordinary Part-II, Section 3, Sub-section (ii), the accounting procedure of Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) has been approved to fulfill the commitment of the Government to provide and finance quality health services and universalized quality basic education and secondary and higher education, Section 2 (13) of the Finance Act 2018 provides for levying of Health and Education Cess on income tax at the rate of 4 percent. Consequently, Budget Division vide *OM No. 1(1)/B(AC)/2021 dated 10.02.2021 and Ministry of Education's OM No. G 21015/16/2020-IF-II dated 21.01.2021* have brought out the distribution of proceeds from Health and Education Cess in the following proportion:

Sl. No	Name of Sector	Percentage Allocation
a	Primary Education (Primary Shiksha Kosh)	50 percent of the total proceed (equivalent to 2 percent out of 4 percent Health and Education Cess)
b	Secondary & Higher Education (Madhyamik & Uchhatar Shiksha Kosh)	25 percent of the total proceed (equivalent to 1 percent out of 4 percent Health and Education Cess). It will be further divided into ie. 0.4 percent out of 4 percent to Secondary Education and 0.6 percent out of 4 percent to Higher Education.
c	Health (PMSSN)	25 percent of total proceeds (equivalent to 1 percent out of 4 percent Health and Education Cess)

The Health and Education Cess levied and collected will be accounted for in the Consolidated Fund of India by the O/o Pr.CCA, CBDT under the Minor Head '506 Health and Education Cess' below the following Major Heads:

0020 – Corporation Tax

0021 – Taxes on Income other than Corporation Tax

2. A new minor head with the nomenclature 'Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)' under the Major Head '8229- Development and Welfare Funds' in the non-interest bearing section of Public Account will be opened into which the portion relating to M/o Health and Family Welfare from the total proceeds of Health and Education Cess will be transferred. PMSSN will be maintained and administered by M/o Health and Family Welfare.

3. Office of Pr. Chief Controller of Accounts, CBDT will provide the details of receipts on account of Health and Education Cess to O/o CCA, M/o Health and Family Welfare on monthly basis to enable M/o H&FW to make suitable provisions under the following Major heads under the Detailed Demand for Grants of the Ministry of H&FW to facilitate transfer of proceeds of Health and Education Cess collected since 01.04.2018 :

Debit Major Head 2210 – Medical and Public Health  
05 – Medical Education, Training and Research  
797- Transfers to Reserve Fund/Deposit Account  
04 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)



Xr - Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) Medical and Public Health (Medical Education, Training and Research)

63— Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

00. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)-Medical and Public Health (Medical Education, Training and Research)**

OR

Debit Major Head 2210 – Medical and Public Health

06 – Public Health

797- Transfers to Reserve Fund/Deposit Account

03 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

Xx - Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)- Medical and Public Health (Public Health)

63 – Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

00. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)-Medical and Public Health (Public Health)**

OR

Debit Major Head 2210 – Medical and Public Health

80 – General

797- Transfers to Reserve Fund/Deposit Account

02 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

xx- Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)- Medical and Public Health (General)

63 – Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

00. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)-Medical and Public Health (General)**

OR

Debit Major Head 2211 – Family Welfare

00. 797- Transfers to Reserve Fund/Deposit Account

03 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

Xx - Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)- Family Welfare

00.63 – Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

00. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)-Family Welfare**

OR

Debit Major Head 3601 – Grants-in-aid to State Governments

06 – Centrally Sponsored Schemes

797- Transfers to Reserve Fund/Deposit Account



08 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

Xx - Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)- Grants-in-aid to State Governments (Centrally Sponsored Schemes)

63 – Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

00. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)-Grants-in-aid to State Governments (Centrally Sponsored Schemes)**

OR

Debit Major Head 3602 – Grants-in-aid to Union Territory Governments with Legislature

06 – Centrally Sponsored Schemes

797- Transfers to Reserve Fund/Deposit Account

07 – Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

Xx - Transfers to Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)- Grants-in-aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)

63 – Inter Account Transfer

To

Credit Major Head 8229 – Development and Welfare Funds

01. xxx - Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)

**XX – Pradhan Mantri Swasthya Suraksha Nidhi(PMSSN)-Grants-in-aid to Union Territory Governments with Legislature (Centrally Sponsored Schemes)**

Receipts collected during the financial year should be transferred to PMSSN.

4. The Department of Health and Family Welfare shall make necessary budget provisions in the detailed demand for grants under the relevant functional heads of the schemes as per Rule 8 of DFPR 1978 for the component to be funded from PMSSN.

5. An equal budget provision to the extent of funds to be met from PMSSN will also be provided in the Detailed Demand for grants under the relevant functional Major Heads.

6. With reference to the availability of funds under Pradhan Mantri Swasthya Suraksha Nidhi, the Ministry of Health and Family Welfare shall make necessary budget provisions under relevant functional Major Heads of the schemes/programmes being run by them. While incurring expenditure on a specific scheme, the concerned PAO will debit the relevant functional heads as detailed below:

**Department of Health and Family Welfare**

**(i) National Rural Health Mission**

(a) Major Head 2210 – Medical and Public Health

Sub-Major Head 06 – Public Health

Minor Head 001- Direction and Administration

(b) Major Head 2211 – Family Welfare

Sub-Major Head 00

Minor Head 109- Reproductive and Child Health Programme

(c) Major Head 3601 – Grants-in-aid to State Governments

Sub-Major Head 06 – Centrally Sponsored Schemes

Minor Head 101 – Central Assistance/Share

(d) 3601.06.789 – special Component Plan for Scheduled Caste

(e) 3601.06.796 – Tribal Area Sub-Plan

(f) Major Head 3602 –Grants- in-aid to Union Territory Governments with Legislature

Sub-Major Head 06 – Centrally Sponsored Schemes

Minor Head 101 – Central Assistance/Share

(g) 3602.06. 789- Special Component Plan for Scheduled Castes

(h) 3602.06.796 – Tribal Area Sub Plan

**(ii) Human Resources for Health and Medical Education**

(a) Major Head 2210 – Medical and Public Health

Sub-Major Head 05 – Medical Education, Training and Research



- Minor Head 105 - Allopathy
- (b) 2210.05.789 - Special Component Plan for Scheduled Castes
- (c) 2210.05.796 - Tribal Area Sub-Plan
- (d) Major Head 3601 - Grants-in-aid to State Governments  
Sub-Major Head 06 - Centrally Sponsored Schemes  
Minor Head 101 - Central Assistance/Share
- (e) 3601.06.789 - Special Component Plan for Scheduled Caste
- (f) 3601.06.796 - Tribal Area Sub-Plan
- (g) Major Head 3602 - Grants-in-aid to Union Territory Governments with Legislature  
Sub-Major Head 06 - Centrally Sponsored Schemes  
Minor Head 101 - Central Assistance/Share
- (h) 3602.06.789 - Special Component Plan for Scheduled Castes
- (i) 3602.06.796 - Tribal Area Sub Plan

(iii) **Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)**

- (a) Major Head 2210 - Medical and Public Health  
Sub-Major Head 80 - General  
Minor Head 101 - Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)
- (b) 2210.80.789 - Special Component Plan for Scheduled Caste
- (c) 2210.80.796 - Tribal Area Sub Plan

It may be ensured before issue of any expenditure sanction against this fund that at no time the balance in the PMSSN be negative i.e. expenditure may not be incurred more than balance in PMSSN.

7. Simultaneously, on incurring expenditure on a specific schemes as stated at point 6, the expenditure to be met from the PMSSN under functional heads will be met by M/o Health and Family Welfare by passing the following entries: -

Debit Major Head 8229 - Development and Welfare Funds

xxx - Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

Xx - ..... (Corresponding Functional Head concerned)

To

(-) Debit Functional Major Heads concerned

xx. 9xx- Deduct amount met from Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

01 - Amount met from ..... (corresponding Functional Head concerned)

00.70- Deduct Recovery

8. CCA, M/o Health and Family Welfare shall intimate to Director (Budget) through a statement showing expenditure incurred from 'Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)' by PAO (MHFW) on monthly basis for record.

9. The PAO (MHFW) shall maintain the broadsheet of transactions relating to 'Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)' indicating the opening balance, amount transferred to the Fund in Public Account during the year, expenditure incurred during the year, net balance available for carry forward to the next financial year. The PAO (MHFW) shall submit a statement, indicating the expenditure and un-utilized amounts under 'Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)' to the Secretary, Ministry of Health through AS&FA, Ministry of Health after close of the financial year.

10. The expenditure incurred out of the 'Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)' shall be subject to Internal Audit by O/o CCA, M/o H&FW and Statutory Audit by O/o C&AG.

11. Further, Ministry of Health and Family Welfare in consultation with Ministry of Finance can allocate funds for any future programmes/schemes.

[F. No. 7/92/2020-NHM-I]

VISHAL CHAUHAN, Jt. Secy. (Policy)







OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA  
Pocket -9, Deen Dayal Upadhyaya Marg  
New Delhi

Subject: Accounting procedure relating to National Disaster Response Fund

Office of the Controller General of Accounts may kindly refer to their office UO No. 9(2)2008/TA/456 dated 05-10-2009 on the subject cited. Accounting procedure and the proposal of opening new minor head under major head 8235 enabling operation of National Disaster Response Fund sent vide your office UOs No.9(2)2008/TA/292 dated 17-09-2008 and No.T-14018/14/2008-Codes/264-266 dated 24-09-2008 respectively, is agreed subject to the following conditions:

a) Disclosure about the position of the opening balance, receipts, expenditure and closing balance in respect of NDRF be made in the Finance Accounts on the lines being done in case of the National Small Savings Fund i.e. as a separate appendix.

b) Ministry administering NDRF will prescribe the type of records/documents and form of accounts to be maintained by the NEC in consultation with the CCA of the Ministry and seek CAG's concurrence thereafter, for the same, once the accounting procedure is finalized.

  
(Vidhu Sodhi)  
Director (Accounts)

Sh. H.K.Srivastav, Dy. Controller General of Accounts, Office of the Controller  
General of Accounts, 7th Floor, Lok Nayak Bhawan, Khan Market, New- Delhi-03.  
CAG's U.O.No. 756-ACI/SPI/63-2009 Dated 26 November 2009

Office of the Controller General of Accounts  
Department of Expenditure  
Ministry of Finance  
7th Floor, Lok Nayak Bhawan  
Khan Market, New Delhi- 110003.

**Sub: Accounting Procedure relating to National Disaster Response Fund (NDRF).**

Office of the Comptroller & Auditor General of India may please find enclosed draft accounting procedure referred to above.

2. A fund namely National Disaster Response Fund (NDRF) has been set up as per the provisions of Section 46(1) of the Disaster Management Act, 2005 for meeting any threatening disaster situation or disaster. The fund shall be applied for meeting the expenses for emergency response, relief and rehabilitation in accordance with the guidelines laid down by Central Government in consultation with the National Authority constituted for the purpose.

3. Office of the Comptroller & Auditor General of India may please examine the draft accounting procedure and offer their comments thereon.

*T. R. Padmavathy*  
(T. R. Padmavathy) 7/9/08  
Senior Accounts Officer (TA)

**Encl: As above**

Ms. Vidhu Sood, Director(A/cs), O/o C & AG of India, 10, B. S. Zafar Marg, ND 110002  
CGA's UO No. 9(2)2008/TA/ Dated.: 17-9-2008

Copy to:

1. CCA, M/o Home Affairs, North Block, New Delhi along with a copy of the draft accounting procedure referred to above.
2. Dy. Secretary (Budget), Department of Economic Affairs, Ministry of Finance along with a copy of the draft accounting procedure referred to above with a request to examine the same and offer comments thereon.
3. Sr. Accounts Officer, Codes Section for necessary action.

(T. R. Padmavathy)  
Senior Accounts Officer (TA)



### **Accounting Procedure relating to National Disaster Response Fund**

National Disaster Response Fund (NDRF) has been set up as per the provisions of Section 46(1) of the Disaster Management Act, 2005 for meeting any threatening disaster situation or disaster. There shall be credited to the fund

1. an amount which the Central Government may, after due appropriation made by Parliament by law in this behalf provide and
2. any grants that may be made by any person or institution for the purpose of disaster management

The fund shall be applied for meeting the expenses for emergency response, relief and rehabilitation in accordance with the guidelines laid down by Central Government in consultation with the National Authority.

### **National Executive Committee (NEC)**

2. A National Executive Committee (NEC) would be set up by the Government as per the provisions of the Section 8 of the Disaster Management Act, 2005. NDRF would be placed at the disposal of the NEC to be expended in accordance of the provisions of the said act.

### **Constitution of National Disaster Response Fund**

3. NDRF would be placed in the non-interest bearing section of the Public Account under the Major Head '8235- General and Other Reserve Funds'. A new minor head with the nomenclature "National Disaster Response Fund" would be opened under the said major head for the purpose. NDRF would be a non- lapsable fund.

### **Transfer to National Disaster Response Fund**

4. An amount of Rs. 100 crores (Rupees One hundred crores only) would be provided in the NDRF as initial corpus during the year 2008-09. Necessary Budget Provision would be made under the Demand for Grants of the Ministry of Home Affairs for the purpose, as detailed below. On receipt of sanction from the Competent Authority Pay & Accounts Officer (Sectt.), Ministry of Home Affairs would pass the following transfer entry in his books to effect the transfer of amount to the NDRF:

#### **Debit**

Major Head	2245- Relief on account of Natural Calamities
Sub-Major Head	80- General
Minor Head	797- Transfer to Reserve Fund/ Deposit Account
Sub- Head	** - Transfer to National Disaster Response Fund
Object Head	00.63- Inter Account Transfer

#### **To**

#### **Credit**

Major Head	8235- General and other Reserve Funds
Minor Head	*** - National Disaster Response Fund (Proposed head)

### **Expenditure from National Disaster Response Fund**

5. On the basis of the recommendations/ advice of the NEC the necessary sanctions would be issued by the Ministries/ Departments concerned. The expenditure from the fund would be incurred in accordance with the provisions of the act through various ministries/ state governments/ district authorities. Initially the PAO of the ministry/ department incurring expenditure on specified items of relief/ rehabilitation would classify the expenditure as debit under the relevant functional major head.

In case the funds are transferred to the State Government/ UT Government with legislature as Grants in aid the same would be debited to the head of account '3601- Grants in aid to State Governments/ 3602- Grants in aid to UT Governments'

At the end of each month an amount equivalent to the expenditure incurred would be recouped from the fund by per contra (-) Debit to the minor head 90X- Deduct amount met from National Disaster Response Fund below the major head to which the expenditure stands debited.

To account for the transactions stated above necessary provision for the expenditure would be made under the Demand for Grants of the ministry/ department concerned. Matching provision would also be made as below the line recovery under the same head of account.

PAO (Sectt), Ministry of Home Affairs would maintain a Broad Sheet indicating the Opening Balance, inflows, outflows and Closing Balance of the fund. The Principal Accounts Offices of the ministries/ departments incurring expenditure from the fund would send monthly expenditure statements to the PAO (Sectt), Ministry of Home Affairs so as to enable reconciliation of the transactions relating to the fund. Principal Accounts Office, MHA would ensure that there is no adverse balance in the fund at any point of time. Progressive figures relating to transactions from the fund for the year would be reported by Pr. AO, MHA to Finance Accounts Section of CGA to enable the latter to effect reconciliation of balances under the fund.

The balances under the head '8235- General and other Reserve Funds- \*\*\*- National Disaster Response Fund' would be netted in the books of Controller General of Accounts after consolidation of the Finance Accounts.

The relief executing agencies will furnish the detailed statement of expenditure in adjustment of the amount released to NEC.



### **Expenditure on National Executive Committee**

6. The Administrative and miscellaneous expenses of the National Executive Committee would be borne by the Ministry of Home Affairs from its Budget Provisions and would not be met from NDRF.

### **Accounts and Audit**

7. Detailed accounts of the NDRF would be maintained by an authorized officer of NEC and all related records would be maintained in such a manner and details as prescribed by the C&AG of India. C&AG would arrange for conducting audit of accounts of NDRF annually. Internal Audit wing of Chief Controller of Accounts, Ministry of Home Affairs would also conduct annual audit of accounts of NDRF.

### **Annual Report**

8. The National Executive Committee would furnish annual report on Natural Calamities/ disasters in the format prescribed for the purpose by Ministry of Home Affairs by 30<sup>th</sup> September of each year. A statement indicating debits and credits under the NDRF would be furnished by NEC to Pay & Accounts Officer (Sectt.) MHA by 30<sup>th</sup> April each year.



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**Accounting procedure for operation and maintenance of State Disaster Mitigation fund:****1. Introduction:**

Section 48(c) of the Disaster Management Act 2005 stipulates for constitution of fund to be called States Disaster Mitigation Fund for the purpose of the Act.

**2. Disaster Mitigation Measures**

The Disaster Management Act, 2005 (DM Act) defines mitigation as ‘measures aimed at reducing the risk, impact or effects of a disaster or threatening disaster situation’. Mitigation measures can be both structural and non-structural: Structural measures: It includes any physical construction to reduce or avoid possible impacts of hazards, or the application of engineering techniques to reduce or to achieve hazard resistance and resilience in structures or systems. It attempts to strengthen buildings to better endure future disasters like cyclones and earthquakes. Non-structural:- It does not involve physical construction but use of knowledge, practices, policies, Laws/Regulations etc. e.g. Building codes and Laws, location specific planning/strategies, forest management/restoration of mangroves, awareness campaigns etc.

**3. Constitution of SDMF:**

SDMF will be constituted with the nomenclature of ‘State Disaster Mitigation Fund’(SDMF) in the Public Account under the Reserve Fund bearing interest in the Major Head 8121 General and Other Reserve Funds . SDMF created under the Reserve Fund shall be an interest bearing Reserve Fund and hence will earn interest. The State Government shall pay interest for the amount not invested in the identified interest bearing instruments to the SDMF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The interest will be credited on a half yearly basis into the SDMF corpus. The closing balance as on 31.03.2021 in the SDMF shall be transferred to the SDMF as opening balance for 2021-22 and so on till 2025-26.

*SDMF will be operated by the State Executive Committee (SEC) in consultation with State Disaster Management Authority (SDMA) with the objective to release grants-in-aid to implementing partners for specific mitigation projects in their jurisdiction purposes. SDMF will be applied by SDMA for all operational purposes such as appraisal, monitoring and supervision of mitigation projects.*

#### 4. Allocation to the SDMF

The aggregate size of the SDMF of each State for each of the Financial years commencing from Financial Year 2020-21 would be as recommended by XV-FC. XV- FC has earmarked an amount of Rs. **37,828 Crore (20% of State Disaster Risk Management Fund (SDRMF) of Rs. 1,89,136 crore )** for SDMF of States for the year 2020-21.

Of the total size of SDMF, Government of India will contribute 75% for general Category States and 90 % for Special Category States (North-Eastern States and Himalayan States of Himachal Pradesh and Uttarakhand) of the total yearly allocation of grant. The balance 25% in case of General Category States and 10% in case of Special Category States will be contributed by the State Government concerned.

State Government/SDMA can also mobilize and pool funds in NDMF from various other sources viz. Reconstruction Bonds, Contingent Credit/Stand by facility with international financial institutions, counterpart funding from Implementing Partners, Crowd funding plate forms and Corporate Social Responsibility (CSR) window etc. ***Budget Provision for transferring funds to the SDMF shall be made in the Demand for Grants of respective States.***

#### 5. Scope of State Disaster Mitigation Fund

SDMF will fund mitigation projects at the state level. It will support and fund the following types of projects:

- i) Projects which are of State-level significance, protecting assets, eco-systems, and settlements within the state.
- ii) Projects within the State promoting a regional approach to mitigation.
- iii) Projects which support district within the state, promoting a regional approach to mitigation.
- iv) Projects which promote community-level mitigation, which due to its size, scope and technical complexity cannot be implemented through DDMF.
- v) Projects which provide technical assistance for a particular hazard to more than one district.



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- vi) Projects in districts, where DDMF funds are not available and projects are important from disaster mitigation point of view
- vii) Research and studies related to disaster mitigation.
- viii) Inter-sectoral cutting issues relating to disaster management.

The SDMF may however provide funds for the regional projects, which are initiated by the NDMF

#### **6. Implementing Partners:**

The following agencies/entities can apply for Mitigation Funds:

- a) State Government Ministries/Departments.
- b) SDMA/ DDMA's.
- c) State-level research and academic institutions with established credentials in Disaster management.
- d) Panchayati Raj Institutions and Municipalities.
- e) Projects can be initiated by SDMA

#### **7. Mechanism for processing of funding proposals:**

In pursuance of the recommendations of FC-XV, 'these funds shall be supervised by the SDMA at the State level. Therefore, for smooth functioning of the proposed mitigation fund, the following mechanism is put in place.

- i. SDMA will prepare an Action plan for 3 to 5 years about priority areas to be taken up for Mitigation Projects from SDMF in consultation with Stakeholders concerned.
- ii. SDMA will lay out the procedure for appraisal of projects to be funded from SDMF.
- iii. A Committee constituted by SDMA shall appraise the proposed interventions/proposals to be funded from SDMF as per procedure laid down by NDMA.
- iv. After appraisal, the committee shall make recommendations to the State Government for sanction of the project by the State Executive Committee (SEC).
- v. SDMA shall assist and provide technical advice to the State Government /Line Ministries/Departments from conceptualization to completion of the mitigation proposals under SDMF
- vi. SDMF shall supervise and monitor the mitigation projects/works and submit completion certificate as well as actual benefits achieved from it including population benefitted/nature of risks reduced/impact analysis etc. to State Government and NDMA.

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- vii. SDMA shall establish a Project Monitoring Unit manned by competent technical personnel as per details laid down in the Technical Guidelines.

**8. Release of Funds:**

The criteria for funds released under SDMF are :

- i. On the recommendations of the MHA, concerned Pay and Accounts Office of the respective State will release grants for all Mitigations projects from SDMF to Implementing Partners.
- ii. State Government will maintain SDMF under a separate minor head below Major Head 8121 and will credit to it 20% of the annual allocation of National Disaster Risk Management Fund.
- iii. Upon sanctioned by SEC , funds will be released from SDMF to the Implementing partners for mitigation projects/works.

**9. Unspent balance in the SDMF**

The unspent balance in SDMF account at the end of the Financial Year 2020-21 shall be the opening balance of SDMF account of the Financial Year 2021-22. Government of India will communicate the modalities for handling any balances available at the end of 2024-25 in the SDMF of the States. Otherwise, unless provided, the closing balance would be available for expenditure under SDMF in the ensuing period of 2025-26.

**10. Accounts and Audit:**

The norms for accounting and auditing of SDMF are ;-

- i. The State's SDMF account should distinctly show source of receipt into funds namely:-
  - a. Centre's share of SDMF
  - b. State's Share of SDMF
  - c. Return on investments
  - d. Redemption of investments
  - e. Contribution from CSR/Implementing Partners/Community etc.
  - f. Penal Interest (at the Bank Rate or Overdraft Rate as the case may be)
- ii. The actual expenditure out of SDMF should be booked under respective minor heads with Major Head 2245
- iii. The detailed accounts of Fund and investment thereof shall be maintained by Accountant General in-charge of Accounts of the States.



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- iv. The accounts of SDMF shall be audited annually by Comptroller & Auditor General. The State Government shall furnish a copy of audit Report of CAG to Ministry of Finance and MHA.

#### 11. Accounting Entries :

- i. On receiving Government of India's share to the SDMF, the same will be received as Grant-in- Aid and accounted for by the State Government in the following head:

**Credit** Major Head 1601 Grant-in-Aid from Central Government

**07 Finance Commission Grants**

**XXX Grant-in-Aid for State Disaster Mitigation Fund**

- ii. To enable transfer of the total amount of contribution to the SDMF (both centre's share and the States' share of contribution), the State Governments would make suitable budget provision under the 'MH 2245 Relief on account of Natural Calamities' and effect the following transfer entry in their account for transferring the fund:

**Debit** Major Head 2245 Relief on account of Natural Calamities

xx State Disaster Mitigation Fund

797 Transfer to Reserve Fund and Deposit Account

xx Transfer to State Disaster Mitigation Fund

00.63 Inter Account Transfer

To

**Credit** Major Head 8121 General and other Reserve Funds

00. xxx State Disaster Mitigation Fund (New Minor Head to be opened)

- iii. Any expenditure related to State Disaster Mitigation works will be initially booked under the 'Major Head 2245-xx State Disaster Mitigation Fund-xxx Disaster Mitigation.' Simultaneously, expenditure incurred under this head would be finally met from SDMF :

**Debit** Major Head 8121 General and other Reserve Funds

00. xxx State Disaster Mitigation Fund (New Minor Head to be opened)

To

**(-)Debit** Major Head 2245 Relief on account of Natural Calamities

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	xx	State Disaster Mitigation Fund	
Mitigation	90x	Deduct amount met from State Disaster Fund	
	00.00.70-	Deduct Recoveries	

iv. At the time of payment of interest by the State Government :

**Debit** Major Head 2049 Interest Payment

	05	Interest on Reserve Funds
	105	Interest on General & other Reserve Funds
	xx	Interest on State Disaster Mitigation Fund
	00.45	Interest

**To**

**Credit** Major Head 8121 General and other Reserve Funds

	00. xxx	State Disaster Mitigation Fund (New Minor Head to be opened)
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**Draft Accounting Procedure for Prarambhik Shiksha Kosh  
a non lapsable fund under Ministry of HRD, Department of  
Elementary Education and Literacy.**

\*\*\*

**Introduction**

1. An Education Cess @ 2% on Central taxes has been introduced through Finance (No.2 Act, 2004). To credit the proceeds of the Education Cess in the Public Account of India, a dedicated non lapsable fund entitled 'Prarambhik Shiksha Kosh' has been created vide GR No.1-11/2004-EE.IV dated 14.11.2005. Utilization of funds under PSK are to be governed by the following principles:-

- (i) PSK shall be maintained by the Ministry of Human Resource Development, Department of Elementary Education & Literacy and the amount available therein shall be non lapsable;
- (ii) All proceeds of the Education Cess shall be credited into PSK after obtaining due approval of the Parliament through Demands for Grants;
- (iii) Amount credited to the PSK shall be spent on (a) Sarva Shiksha Abhiyan and (b) Mid-Day Meal Scheme;
- (iv) The fund balances shall be utilized in the year after exhausting the Gross Budgetary Support allocated for the above mentioned two schemes by the Planning Commission.

**Periodicity and Modality of transfer of funds from Consolidated Fund of India to PSK**

2. The Education Cess is a tax revenue and being levied/collected since 1.10.2004, in accordance with Finance (No.2) Act, 2004 and being booked in Government Account under a distinct minor head below the following Major Heads:

1. 0020 - Corporation Tax
2. 0021 - Taxes on income other than Corporation Tax
3. 0037 - Customs
4. 0038 - Union Excise Duties
5. 0044 - Service Tax

A minor head with the nomenclature 'Prarambhik Shiksha Kosh' under the Major Head '8229-Development and Welfare Fund' in the non-interest bearing section of Public Account will be opened for crediting the amount received through 'Education Cess'.



3. Education Cess levied and collected by the Government is being accounted for in the Consolidated Fund of India by the Chief Controllers of Accounts, CBDT/CBEC. Since the account of PSK is being maintained by the CCA, Ministry of HRD, information regarding Receipts on account of Education Cess shall be procured by the CCA, Ministry of HRD from CCA, CBDT/CBEC, Department of Revenue to enable MHRD to make suitable provisions under the budget head 2202-General Education (MH), 01-Elementary Education, 797-Transfer to Reserve Fund/Deposit Account, 01-Transfer to Prarambhik Shiksha Kosh, 00.63-Inter Account Transfer, under the Demand for Grants of the Department of Elementary Education and Literacy to facilitate transfer of proceeds of Education Cess to PSK.

4. Updating of information relating to actual cess receipts against estimates projected will also be ascertained directly by CCA, MHRD from CCA, CBDT and CCA, CBEC, Department of Revenue from time to time as deemed necessary.

5. The PAO (Education) shall transfer periodically the budgeted amount available under the head

2202-General Education  
01-Elementary Education  
797-Transfer to Reserve Fund/Deposit Account  
01-Fund for transfer to Prarambhik Shiksha Kosh  
00.63-Inter Account Transfer

To

8229-Development and Welfare Fund -  
Prarambhik Shiksha Kosh ( a new minor head)

by book adjustment through transfer entry by debiting the former head of account and crediting the later during the financial year. This will be done on receipt of necessary administrative sanction from the Department of EE&L.

6. With reference to the availability of funds under PSK, the Department of EE&L shall make necessary budget provisions under relevant functional Major Heads for (i) Sarva Shiksha Abhiyan (ii) National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme). The relevant functional heads for this purpose are detailed below:

2202-General Education (Major Head)

01 - Elementary Education (Sub Major Head)

**Sarva Shiksha Abhiyan (New Minor Head)**

**National Programme of Nutritional Support to Primary Education (New Minor Head)**



3601 – Grant-in-Aid to State Governments (Major Head)

04 Grants for Centrally sponsored Plan Schemes (Sub Major Head)

*Elementary Education –*

**Sarva Shiksha Abhiyan (New Minor Head)**

*Elementary Education –*

**National Programme of Nutritional Support to Primary Education (New Minor Head)**

3602 – Grant-in-Aid to Union Territory Governments (Major Head)

04 Grants for Centrally sponsored Plan Schemes (Sub Major Head)

*Elementary Education –*

**Sarva Shiksha Abhiyan (New Minor Head)**

*Elementary Education –*

**National Programme of Nutritional Support to Primary Education (New Minor Head)**

7. Simultaneously, an equal budget provision to the extent of funds to be met from PSK will also be provided in the Detailed Demand for Grants under the following heads of accounts -

2202- General Education (Major Head)

01 – Elementary Education (Sub Major Head)

**Deduct Amount met from PSK (New Minor Head)**

3601 – Grant-in-Aid to State Governments (Major Head)

04 Grants for Centrally sponsored Plan Schemes (Sub Major Head)

**Deduct Amount met from PSK (New Minor Head)**

3602 – Grant-in-Aid to Union Territory Governments (Major Head)

04 Grants for Centrally sponsored Plan Schemes (Sub Major Head)

**Deduct Amount met from PSK (New Minor Head)**

8. Before closing of the accounts for the year, the entire expenditure incurred out of the PSK under the functional heads will be adjusted under the head mentioned below:

- '8229-Development and Welfare Fund
- Prarambhik Shiksha Kosh (New Minor Head)

in Public Account by per minus debit to the minor head '902-Deduct amount met from PSK' below the relevant functional head where the expenditure was initially booked, by book adjustments through Transfer Entry to be prepared by PAO (Education), subject to the provision under item 1(v).

9. The Department of EE&L shall issue necessary administrative sanction of the actual expenditure from PSK so incurred after necessary reconciliation with PAO (Education) with reference to their initial subsidiary records to be maintained by them. The expenditure figures as appeared in the books of PAO shall be final.

10. The PAO (Education) under CCA, HRD shall maintain the Broadsheet of Prarambhik Shiksha Kosh (PSK) indicating the opening balance, amount transferred under the Prarambhik Shiksha Kosh in Public Account during the year, expenditure incurred during the year, net balance available for carry forward the same to the next financial year. The PAO shall submit the statement of accounts, indicating the expenditure and un-utilized amounts under PSK to the Secretary EE&L through FA HRD after close of the financial year.

11. This accounting procedure shall also be subject to the budgetary procedure of the Government of India and also to the approval of Parliament.

12. The expenditure incurred out of the Prarambhik Shiksha Kosh shall be subject to internal and statutory Audit.

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**Accounting Procedure for Rashtriya Swachhata Kosh**  
**A non lapsable fund under Ministry of Drinking Water and Sanitation**

**Introduction**

1. A Swachh Bharat Cess @ 0.5% on Service tax has been introduced through Finance notification no. 22/2015. To credit the proceeds of the Swachh Bharat Cess in the Public Account of India, a dedicated non lapsable fund entitled 'Rashtriya Swachhata Kosh' is being created under Major Head 8235- General and other Reserve Funds. Utilization of funds under RSK are to be governed by the following principles:-

- (i) RSK shall be maintained by the Ministry of Drinking Water and Sanitation and amount available therein shall be non lapsable;
- (ii) The proceeds of the Swachh Bharat Cess, shall be credited into RSK after obtaining due approval of the Parliament through Demands for Grants;
- (iii) Amount credited to the RSK shall be spent on Swachh Bharat Mission (Gramin) & Swachh Bharat Mission (Urban), by the Ministry of Drinking Water and Sanitation and Ministry of Urban Development respectively.

**Periodicity and Modality of transfer of funds from Consolidated Fund of India to RSK**

2. The Swachh Bharat Cess is a tax revenue and being levied/collected since 15.11.2015, in accordance with Finance Notification No. 22/2015 and are being booked in Government Account under a distinct minor head 506-Swachh Bharat Cess below the Major Head- 0044 – Service Tax.

A minor head with the nomenclature 'Rashtriya Swachhata Kosh' under the Major Head '8235 – General and other Reserve Funds' in the non-interest bearing section of Public Account be opened in the Public Account of India for routing the transactions relating to Rashtriya Swachhata Kosh.

3. Swachh Bharat Cess levied and collected by the Government is being accounted for in the Consolidated Fund of India by the Chief Controllers of Accounts, CBEC. Since the account of RSK is to be maintained by the CCA, M/o DWS, information regarding receipts on account of swachh Bharat Cess shall be procured by CCA, M/o DWS from CCA, CBEC to enable MDWS to make suitable provisions under the Major head 2215- Water Supply and Sanitation (MH), 02- Sewerage and Sanitation (SMH), 797- Transfer to Reserve Fund/Deposit Account, \*\* – Transfer to Rashtriya Swachhata Kosh (to be opened), 00.63 – Inter Account Transfer under the Demand for Grants of the Ministry of Drinking Water and Sanitation to facilitate transfer of proceeds of Swachh Bharat Cess to RSK fund.

- 4. Updating of information relating to actual cess receipts against estimates projected will also be ascertained directly by CCA, MDWS from CCA, CBEC, Department of Revenue from time to time as deemed necessary.

5. The PAO (MDWS) shall transfer periodically the budgeted amount being sanctioned by the competent authority by passing/proposing the following entry in the Government account:

Debit      2215- Water Supply and Sanitation (MH)  
                  02- Sewerage and Sanitation (SMH)  
                  797- Transfer to Reserve Fund/Deposit Account  
                  ..... – Transfer to Rashtriya Swachhata Kosh  
                  ... 00.63 – Inter Account Transfer

To

Credit      8235 – General and other Reserve Funds -  
                  .....- Rashtriya Swachhata Kosh (a new minor head to be opened )

6. With reference to the availability of funds under RSK, the Ministry of Drinking Water and Sanitation and Ministry of Urban Development shall make necessary budget provisions under relevant functional Major Heads of the schemes/ programmes being run by them i.e. Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban) in their Detailed Demands for Grants. PAO of the concerned Ministry/Department shall debit the functional Major Head concerned while incurring expenditure on the schemes.

7. An amount equivalent to the above debited amount shall be then met from RSK by minus debiting the minor head 90\* - Deduct amount met from RSK (to be opened) below the concerned functional major head under which the expenditure was booked by per contra debit to

8235 – General and other Reserve Fund

\*\*\* - Rashtriya Swachhata Kosh (New minor head)

8. CCA, M/o Urban Development shall intimate CCA (DWS) and Director (DWS) through a statement showing expenditure incurred from Rashtriya Swachhata Kosh by PAO (UD) monthly, for record and enabling them to maintain broadsheet.

9. The Ministry of DWS shall issue necessary administrative sanction of the actual expenditure from RSK so incurred after necessary reconciliation with PAO (MDWS), with reference to their initial subsidiary records to be maintained by them. The expenditure figures as appeared in the books of PAO shall be final.

10. The PAO (MDWS) under CCA, DWS shall maintain the Broadsheet of Rashtriya Swachhata Kosh (RSK) indicating the opening balance, amount transferred under the Rashtriya Swachhata Kosh in Public Account during the year, expenditure incurred during the year, net balance available for carry forward the same to the next financial year. The PAO shall submit the statement of accounts, indicating the expenditure and un-utilized amounts under RSK to the Secretary DWS through FA, DWS after close of the financial year.

11. The expenditure incurred out of the Rashtriya Swachhata Kosh shall be subject to internal Audit and statutory Audit.



**National Mineral Exploration Trust Fund**

**Ministry of Mines**

**A. Establishment of Fund**

1. In exercise of the power conferred by sub section (1) of section 9C of Mines & Mineral (Development and Regulation) Act, 1957 as amended on 26<sup>th</sup> March 2015, the Central Government has established a Trust namely National Mineral Exploration Trust with the objective of augmenting mineral exploration in the country.

Accordingly, the Central Government has decided to establish a Fund to be called National Mineral Exploration Trust Fund.

2. The proposed Fund shall be non-lapsable and placed under non interest bearing section of Public Account of India and shall be administered by Ministry of Mines.

3. As per Section 9C (4) of Mines & Mineral (Development and Regulation) Act, 1957, the holder of a mining lease or a prospecting license-cum-mining lease shall pay to the Trust, a sum equivalent to two percent, of the royalty paid in terms of the second schedule, in such manner as may be prescribed by the Central Government.

4. The amount towards NMET Fund will be received by the Central Government from respective states Government, who will collect the same from miners.

**B. Administration of the Fund**

The nodal ministry for the administration of the fund shall be Ministry of Mines. The State Governments may be required to report the accretions each month / quarter through an MIS(electronically) as prescribed by Ministry of Mines and any other additional information for budget formulation for the fund.

**C. Accretions to the Fund**

Sum equivalent to two percent of the royalty paid in terms of second schedule shall be credited to NMET Fund. The sum so collected by State Government will be booked under a head in Public Account of State and will be transferred to the Consolidated fund of Government of India. The receipts will be classified as revenue receipts under Consolidated Fund of India by Ministry of Mines. The accretions will thereafter be periodically transferred to the NMET Fund under Public Account of India through appropriations during the year.

While the entire accretion in a year should be transferred before close of the financial year, each month the progressive accretion should have been transferred preferably. Suitable budget provisions for the inter-account transfer may be formulated.

**D. Utilization of the fund**

1. The fund shall be utilized for regional and detailed exploration for Minerals and it shall undertake such activities as may be deemed necessary by the Governing Body to achieve its objects including:-
  - (a) Funding special studies and projects designed to identify, explore, extract, beneficiate and refine deep-seated or concealed mineral deposits;
  - (b) Undertaking studies for mineral development, sustainable mining adoption of advanced scientific and technological practices and mineral extraction metallurgy;
  - (c) Taking up exploration of areas for regional and detailed exploration, giving priority particularly to strategic and critical minerals;
  - (d) Consulting Central Geological Programming Board to decide the priorities for exploration of the Trust;
  - (e) Facilitating exploration activities in such a manner that areas explored can be taken up for grant of mineral concessions in accordance with the provisions of the Act and the rules made there under;
  - (f) Facilitating completion of brown field regional exploration project in obvious geological potential areas (G3) including conduction high-risk exploration for deep-seated mineral deposits through modern technologies;
  - (g) Promoting completion of detailed exploration (G2 or G1) across India in the areas where G3 stage exploration has been completed;
  - (h) Facilitating geophysical, ground and aerial, survey and geochemical survey of obvious geological potential areas and rest of India;
  - (i) Facilitating a national core repository for encouraging research in earth sciences and for evaluation of the mineral prospects;
  - (j) Organizing capacity building programmes to raise technical capability of personnel engaged in or to be engaged in exploration; and
  - (k) Using the Trust Fund for such other purposes that the Governing Body may decided, or authorize the Executive Committee, to be necessary or expedient in the interest of

conservation, development and exploitation of mineral resources of India, not inconsistent with the provisions of the Act.

2. The dedicated schemes/activities to be funded from the NMET Fund shall be suitably included while notifying the Fund. The budget provisions for expenditure under said schemes/activities in the Consolidated Fund of India should be matched by recoupment from the said Fund. It may be ensured while making budget provisions for the earmarked schemes /activities from NMET fund that there is a sufficient balance in the said Fund.

**E. Maintenance of Accounting records and the Broadsheet of NMET Fund**

1. Pay and Accounts Office, M/o Mines will maintain a broadsheet of accretions to and payments from the NMET fund and effect reconciliation on monthly basis thereof with the concerned Division. It should be ensured that there are no adverse balances under the Reserve Fund at any moment of time. Principal Accounts Officer shall provide inputs for budget formulation.

2. The Appropriation Accounts of Mines shall reflect a synopsis of the transactions / flows and balances in the fund together with scheme wise utilization.

**F. Audit of NMET Fund**

The Accounts of NMET fund shall be subject to statutory audit by the Comptroller and Auditor General of India. The Accounts shall also be subject to audit by Internal Audit Wing of the O/o Chief Controller of Accounts, M/o Mines.

The Detailed Accounting Entries in this regard is as follows: -

- I. State Governments shall collect 2% of the royalty amount from miners and classify under the following Head of Account

Major Head	Existing	8449	Other Deposits
Minor Head	Proposed	XXX	National Mineral Exploration Trust Deposits

*(This head will be operated by State Government)*

- II. Receipts so collected by State Governments will be transferred to Central Government on monthly basis by debiting 8449.00.XXX – National Mineral Exploration Trust Deposits. Following head of account will be credited in the books of Central Government on receiving the amounts towards NMET Fund.

Major Head	Existing	0853	Non Ferrous Mining & Metallurgical Industries
Minor Head	Proposed	xxx	National Mineral Exploration Trust
Sub Head	Proposed	xx	Name of States will appear as various sub-heads

- III. The NMET Secretariat/concerned division of the Ministry shall provide estimates of receipts towards National Mineral Exploration Trust to Budget Division (M/o Finance) to enable them to make suitable provision under the Head 2853.02.797 under the Demands for Grants of Ministry of Mines to facilitate transfer to NMET Fund. Following entries shall be made on transfer of NMET receipts to NMET Fund.

<b>Debit</b>			
Major Head	Existing	2853	Non Ferrous Mining & Metallurgical Industries
Sub-Major Head	Existing	02	Regulation and Development of Mines
Minor Head	Existing	797	Transfer to Reserve Funds
Sub Head	Proposed	XX	Transfer to NMET Fund
Object Head	Existing	00.63	Inter Account Transfer
<b>Credit</b>			
Major Head	Existing	8235	General & Other Reserve Fund
Minor Head	Proposed	xxx	National Mineral Exploration Trust Fund



IV. Budget Provision shall also be made in the Demands for Grants of Ministry of Mines under MH 2853 for incurring expenditure under various Schemes under NMET. Equivalent amount shall be met from NMET Fund.

V. After due appropriation of funds and receipt of sanction of the Competent Authority the expenditure on schemes to be financed from NMET Fund will be incurred from the relevant sub-major/minor heads below the Major Head 2853.

On the basis of sanctions issued by the Ministry/Department, the Pay and Accounts Officer shall make the payment by debiting government account as below:

Major Head	Existing	2853	Non Ferrous Mining & Metallurgical Industries
Sub Major	Existing	02	Regulation & Development of Mines
Minor Head	Existing	102	Mineral exploration
Sub Head	Proposed	XX	Regional and detailed exploration and related activities under NMET fund
Detail Head	Proposed	XX	Regional and detailed exploration and related activities under NMET fund

VI. In order to meet the expenditure from NMET Fund, following entry will be made:-

<b>Debit</b>			
Major Head	Existing	8235	General and Other Reserve fund
Minor Head	Proposed	XXX	National Mineral Exploration Trust Fund
<b>(-) Debit</b>			
Major Head	Existing	2853	Non Ferrous Mining & Metallurgical Industries
Sub Major	Existing	02	Regulation & Development of Mines
Minor Head	Proposed	90*	Deduct amount met from NMET Fund
Sub Head		70	Deduct recoveries

## ACCOUNTING PROCEDURE RELATING TO THE CENTRAL ELECTRICITY REGULATORY COMMISSION FUND

### 1. Constitution of Fund

A fund called "Central Electricity Regulatory Fund" has been constituted in accordance with the provisions contained in Section 99(1) of the Electricity Act, 2003 published vide the Gazette of India dated 2<sup>nd</sup> June 2003.

### 2. Receipts to the Fund:

- (a) Any grant and loans made to the Central Commission by the Central Government under section 98 of the Electricity Act, 2003.
- (b) All fees received by the Central Commission under the Electricity Act, 2003.
- (c) All sums received by the Central Commission from such other sources as may be decided upon by the Central Government

### 3. Accounting Procedure:

- (a) All receipts of Central Electricity Regulatory Commission will be credited to the minor head "Central Electricity Regulatory Commission Fund" (new minor head to be opened) below the Major Head '8235 - General and other Reserve Funds' under the Public Accounts of India.
- (b) Based on the sanction issued by the Ministry of Power to release Grants in aid to the Central Electricity Regulatory Commission, Pay & Accounts Officer, Ministry of Power will prepare a transfer entry to transfer these amounts to the Central Electricity Regulatory Commission Fund by per contra debit to the Major Head

'2801 - Power

80 - General

797 - Transfer to Reserve Fund and Deposit Account

- Transfer to Central Electricity Regulatory Commission Fund

- © The Central Electricity Regulatory Commission will at the beginning of each financial year submit their requirement of funds to the Ministry taking into account the estimated receipts of Central Electricity Regulatory Commission Fund, who will make necessary provision of funds for them in Demand for Grants of the Ministry.

## 4. Mode of Payments

- (a) Ministry of Power will issue sanctions for release of payments to Central Electricity Regulatory Commission and DDO will submit a bill in this regard to the PAO (Sectt.), Ministry of Power for payment to the Central Electricity Regulatory Commission classifying the payments as debitable to the Major head.

2801 - Power  
 80 - General  
 800 - Other-Expenditure  
 14 - Central Electricity Regulatory Commission  
 14.00.31 - Grants-in-Aid

Equivalent amount shall be met from the CERC fund by (-) debiting the minor head '902 - Amount met from Central Electricity Regulatory Commission Fund 'below the Major Head "2801 - Power - 80 General"

## 5. Audit of Accounts

Besides that the accounts of Central Electricity Regulatory Commission shall be audited by the Comptroller and Auditor General of India as laid down in Section 100(2) of the Electricity Act, 2003 the accounts will also be subject to internal audit by the internal audit wing of the Controller of Accounts, Ministry of Power.

6. Pay & Accounts Officer, Ministry of Power will maintain a broadsheet of accretions to and payments from the Central Electricity Regulatory Commission fund and effect a monthly reconciliation thereof with the Central Electricity Regulatory Commission and the Ministry of Power.
7. Receipts of CERC lying outside the Government Account, if any, shall immediately be credited to the Central Electricity Regulatory Commission Fund.

**Accounting Procedure for the National Employment Guarantee Fund, a non lapsable Fund as per the National "Rural Employment Guarantee Act, 2005 under Department of Rural Development, Ministry of Rural Development.**

**Introduction:**

The National Rural Employment Guarantee Act, 2005 has been enacted by Parliament to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

**2. Constitution of Fund**

As per the provisions of Section 20 of the aforesaid Act a fund called National Employment Guarantee Fund is to be created.

"National Employment Guarantee Fund" is to be opened as a new Minor Head below a new Major Head '8232-Rural Employment Guarantee Fund' in the non-interest bearing Section of Public Account of India.

According to the Section 20(2) of the Act, the Central Government may, after due appropriation made by Parliament by law in this behalf, credit by way of grants or loans such sums of money as the Central Government may consider necessary, to the National Employment Guarantee Fund. The amount standing to the credit of the fund shall be utilised in such manner and subject to such conditions and limitations as may be prescribed by the Central Government.

On receipt of sanction from the Ministry for transfer of the amounts to the Fund, the Pay & Accounts Office, Rural Development will pass the following accounting entries in his books.

**Dr.** 2505 – Rural Employment (Major Head)  
 xx - Rural Employment Guarantee Scheme (New Sub-Major Head)  
 797- Transfer to Reserve Fund (minor head)  
     -Transfer to National Employment Guarantee Fund (sub-head)  
 63-Inter-account transfer



to

Cr. 8232-Rural Employment Guarantee Fund (New Major Head)  
xxx- National Employment Guarantee Fund (New Minor Head)

### 3. Payments to beneficiaries

On receipt of sanction from the Competent Authority for release of Grants-in-aid and submission of bills by the DDO, the Pay & Accounts Officer, M/o Rural Development will arrange for payment to the beneficiaries by classifying the same to the following head

2505- Rural Employment (Major Head)  
xx - Rural Employment Guarantee Scheme (New Sub-Major Head)  
xxx- Assistance for Rural Employment Guarantee Scheme  
Assistance to District Rural Development Agencies/ Other Agencies  
31- Grants-in-Aid

Simultaneously, in order to account for the payments under the National Employment Guarantee Fund, the Pay & Accounts Officer will make the following accounting entries in his books.

Dr. 8232-Rural Employment Guarantee Fund (New Major Head)  
xxx- National Employment Guarantee Fund (New Minor Head)

to

(-) Dr. 2505- Rural Employment (Major Head)  
xx - Rural Employment Guarantee Scheme (New Sub-Major Head)  
902- Deduct amount met from National Employment Guarantee Fund

### 4. Reconciliation and Audit

The Pay & Accounts Office, M/o Rural Development will be responsible for maintaining the Broadsheet relating to the transactions of the fund and reconciliation of the figures with the Department.

The expenditure relating to the National Employment Guarantee Fund will be subject to audit by Internal Audit wing of CCA, M/o Rural Development and CAG of India.

**Accounting Procedure relating to Pharmaceutical Research Development Support Fund” (PRDSF)**

The Dept. of Science & Technology in their Resolution No.VI/D&P/8/2001ITT dated 5-3-2004 have decided to establish Pharmaceuticals Research & Development Support Fund (PRDSF) for providing financial assistance for R&D projects proposed by industry/academic institutions/laboratories and also for creation of state of art facilities in this country. The Scheme of Pharmaceuticals Research & Development Support Fund will be administered by Dept. of Science and Technology.

2. The said Fund will be set up with a corpus of Rs.150 crores for which a provision of Rs.25 crores was made under the head 3425-Other Scientific Research - 60 - others in the year 2003-04. Financial assistance will be provided for R&D projects proposed by industry/academic institutions/laboratories out of the interest earned on the balances under the PRDSF. This Fund will be opened below the Major Head 8121 - General and Other Reserve Funds in the Public Account of India.

3. On receipt of formal sanction from Dept. of Science & Technology the PAO (Science & Technology) will make the following entries:

Debit: Major Head- 3425- Other Scientific Research  
       \*\*- Pharmaceuticals Research (New sub-major head to be opened)  
       797- Transfer to Reserve Fund and Deposit Account  
           Transfer to Pharmaceuticals Research and Development Support  
           Fund (PRDSF) (New sub head to be opened)  
       63 - Inter - account transfer

Credit: Major Head- 8121- General and other Reserve Funds  
       - Pharmaceuticals Research and Development Support  
       Fund (New minor Head to be opened)

4. The Principal Accounts Office will seek provision for interest on receipt of information regarding the rate of interest to be allowed from the Ministry of Finance.

5. At the end of each year after calculating the interest at the rate as decided by the Government on the balances under Major Head 8121 - General and Other Reserve Fund, which will include the unspent balance of interest of the previous year, the following entries will be made:

Debit: Major Head '2049 - Interest Payments  
       05 - Interest on Reserve Fund  
       105- Interest on General and Other Reserve Fund  
           - Interest on Pharmaceuticals Research and Development Support Fund  
           (New sub Head to be opened)

Credit: Major Head- 8121- General and other Reserve Funds  
       Pharmaceuticals Research and Development Support  
       Fund (New minor Head to be opened)

6. After this stage the DST will be apprised of the interest accrued on the Funds by the PAO (S&T) so as to enable the ministry to obtain the funds under MH 3425 - Other Scientific Research and MH 7425- Other Scientific Research to provide grants/Loans to national/academic institutions and in house R & D project and to setup national research facilities at the national research/academic institutions. Formal sanction for each grant/ loan will then be issued by the DST and bills thereof presented to P AO for payment to the grantee(s) as per the scheme. All the pre-audit checks as enumerated in the rules and regulations in

force will be followed and proper expenditure control through ECR both at DDO, DST and P AO levels will be maintained. All the bills for payment of grant(s)/ Loan so made will bear the following classification:

#### FOR GRANTS-IN-AID

Major Head- 3425- Other Scientific Research

\*\*- Pharmaceuticals Research (New sub-major head to be opened)

\*\*\*-Assistance for Pharmaceuticals Research (New minor head to be opened)

00.00.31 -Grants in aid

#### FOR LOANS

Major head- 7425- Loans for Other Scientific Research

\*\*\*-Assistance for Pharmaceuticals Research (New minor head to be opened)

00.00.55- Loans & advances

7. The actual expenditure incurred under above heads of accounts is to be drawn/met from the Reserve Fund. Therefore, the following accounting adjustment will be made by the P AO:

#### FOR GRANTS-IN-AID

Debit: Major Head- 8121- General and other Reserve Funds

- Pharmaceuticals Research and Development Support Fund

(-) Debit:

Major Head- 3425- Other Scientific Research

\*\*- Pharmaceuticals Research (New sub-major head to be opened)

902-Deduct amount met from Pharmaceuticals Research and Development Support Fund

(New minor Head to be opened)

#### FOR LOANS

Debit: Major Head- 8121- General and other Reserve Funds

Pharmaceuticals Research and Development Support Fund  
(New minor Head to be opened)

(-) Debit: Major Head- 7425- Loans for Other Scientific Research

902-Deduct amount met from Pharmaceuticals Research and Development Support Fund  
( New minor Head to be opened)

It shall be ensured by the PAO that at no time the draws from the fund are more than the interest transferred to the fund and no amounts shall be withdrawn from the corpus of the fund.

8. Reconciliation: PAO (DST) will intimate on monthly basis the updated expenditure vis-à-vis the funds available to the DST for reconciliation purpose and got the figure verified. The entire scheme

along with its funds be monitored by Drug Development Promotion Board who will operate the PRDSF under the administrative control of Department of Science & Technology and as such all the payments will be released at one place i.e. at DST, New Delhi.

9. As per Para 4.7.3 of Civil Accounts Manual, due care will be taken for making suitable provision in the service head of the Department and corresponding amount shown as credit by a deduct entry there under with contra debit to the Reserve Fund as mentioned above.

10. Rate of Interest on the balances under the Pharmaceutical Research and Development fund for the financial year 2004-05 would be 6%.



**Ministry of Road Transport and Highways**  
**Office of the Principal Chief Controller of Accounts**  
IDA Building, Jamnagar House, New Delhi.

**Accounting Procedure for the Collection, Reporting & Accounting of  
Consolidated Fee on Account of National Permit.**

**1. Background:**

- 1.1 As per the existing provisions of the Motor Vehicles Act, 1988, National Permit is issued to goods carriers for operation throughout the territory of India or at least four contiguous States including the home State (the State where the vehicle is registered) subject to payment of Composite Tax to the respective States. The rate of Composite Tax was fixed by the States at Rs.5,000/- or Rs.3,000/- per annum (for each state) under their respective States taxation laws. The home States which grants the National Permit collects the Demand Drafts for Composite Tax on behalf of other States and sends the same to the respective States by registered post. Delay in remittance of Composite Tax in the existing system, deficient practices followed at various stages etc. have become major barriers for seamless movement of goods vehicles across the country.
- 1.2 Transporters had been demanding to allow them to operate throughout the country on National Permit on payment of a lump sum amount annually towards a consolidated fee.
- 1.2.1 The matter has been considered by the Government of India in consultation with the State Governments and discussed by the Transport Development Council. It has now been decided by the Ministry of Road Transport & Highways (RTH) that the transporters would be required to pay Rs.15000/- per annum (National Permit Fee may be changed time to time as per decision of Government of India & notification thereto) per vehicle towards the Consolidated Fee. This would be collected by the Ministry of Road Transport & Highways, Govt. of India and distributed to the States/UTs as per the formula prescribed in the Central Motor Vehicles (Amendment) Rules, 2010. No amount would accrue to the Central Government.
- 1.3 The accounting procedure approved earlier was framed to meet the urgent requirement of implementation of the new National Permit System w.e.f. 08.05.2010. Under the approved accounting procedure, the collection of consolidated fee was allowed through payment by cash or demand draft at **designated** branches of State Bank of India. Mostly, there is one dealing / collecting branch corresponding to the permit issuing authority/RTO. The verification of payment status is ascertained through physical movement of the scroll from the dealing branch to the corresponding RTO. SBI, New Delhi Main Branch was the Focal Point Branch for submitting the consolidated

scroll to the PAO. Since this involves physical movement of the scroll, significant time is lost in receiving these scrolls from **designated** branches and subsequent submission thereof by the SBI focal point branch to the PAO (Secretariat), Ministry of Road Transport and Highways, New Delhi. This also resulted in difficulties in reconciliation and other check and balance process. The only option left is to switch over to electronic mode of collection of consolidated fee on national permit at the earliest. NIC has already developed a national permit portal **for e-collection which has been made effective from 15.09.2010**. SBI has been permitted integration with the system.

- 1.4 The under mentioned accounting procedure would be followed for collection and disbursement by all concerned in respect of the consolidated fee on national permit through National Permit Web Portal :-

**2. Action to be taken by the Transporter**

- 2.1 A transporter seeking National Permit will submit separate applications for each vehicle for grant/renewal of National Permit in the prescribed form specified under Central Motor Vehicle Rules, as amended from time to time, to the concerned Transport Authority in his home State. **Permit issuing authority/RTO shall verify the following factors:-**

- a) **Fitness Validity of the vehicle,**
- b) **Pending Enforcement details, if any,**
- c) **Insurance Validity,**
- d) **All types of Road Tax Payment Validity; and**
- e) **Owner Details.**

**If the status is 'OK', then the user will be allowed to pay Rs.1, 000/- as Home State authorization fee, through the existing application running at permit issuing authority.**

- 2.2.1 **Permit issuing authority/RTO will then access the National Permit Portal (<https://vahan.nic.in/npermit/>) and upload the request along with the necessary data (as mentioned in para 2.1 above) online.**

- 2.2.2 **After uploading of above details in the National Permit Web Portal (<https://vahan.nic.in/npermit/>) by the Permit issuing Authority/RTO, the transporter will have the options for making payment on account of National Permit fee of Rs.15,000/- either through Cash or online payment System or any other mode permissible under "the payment and Settlement Systems Act,2007" as amended from time to time for issue/renewal of National Permit.**

2.2.3 In case of payment through cash, three copies of auto-filled challan (containing all the critical parameters relating to National Permit mentioned at para 2.1 above) will be **printed/generated by the permit issuing authority/RTO** with unique transaction ID. The transporter shall get the printout of filled challan and deposit the National Permit Fee of Rs.15000/- by cash in any of the **designated** SBI branch or any other Public Sector Bank authorized for this purpose alongwith the printed challan 'in triplicate' and get these receipt challans stamped from the bank. The actual electronic confirmation of the receipt by cash will be uploaded by the designated branch of SBI or any other Public Sector Bank authorized for this purpose and the same will be remitted to Govt. Accounts on T+1 day basis. After up-loading of receipt status by the Bank within the stipulated period, the transporter will approach the concerned Transport Authority/Permit issuing Authority/RTO for issue of National Permit along with a copy of the challan (duly stamped by the bank) through which the Consolidated Fee (Rs.15000/-) was paid.

2.2.4 In case the payments is to be made through online, the transporter is require to visit the website [www.vahan.nic.in](http://www.vahan.nic.in) and select the option national permit displaced under portal. After that the transporter has to select the online payment option and by entering the vehicle number and last digits of chassis number the transporter can view all the details uploaded by the Permit issuing Authority/RTO alongwith the option available for making online payment. By selecting the proper mode and the bank displayed under portal, the transporter can proceed for online Payment. After successful transaction an e-receipt will be generated automatically from the portal with the details viz. Transaction Id, Transaction Date, Bank Reference Number. It also displays the status of the transaction whether it is successful or failed. In case of the online payment the system will directly update and confirm the receipt status on real time basis against consolidated fee for National Permit. The transporter ~~take~~ take the printout of the e-receipt and approach the RTO for issue of National Permit.

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### 3 Action to be taken by collecting (Accredited) Branch

3.1 In case of payment through online, the System will automatically update and confirm the status and will generate online e-receipt. However, in case of cash payments by the transporter, the consolidated fee will be collected in cash at any **of the designated** branch of the State Bank of India or any other Public Sector Bank authorized for this purpose across the country. On receipt of the consolidated fee as cash, the collecting branch shall directly credit these receipts into the relevant account operated by the Focal Point Branch of the State Bank of India or any other Public Sector Bank authorized for this purpose, through the CBS System for the purpose of accounting / reporting in respect of the consolidated receipts for the National Permit.

- 3.2 The collecting bank will accept the cash from the transporter and will stamp all the three auto-filled copies of challan indicating receipt of money and return two copies to the transporter.

#### 4 Action to be taken by the Focal Point Branch

- 4.1 Since, the consolidated fee in cash can be deposited at any *of the designated* branch of the SBI or any other Public Sector Bank to be authorized for this purpose across the country and the designated branch will remit the same to the Focal Point Branch through Core Banking System,

The Focal Point Branch of the accredited Bank will daily upload the payment status on the National Permit Web Portal. The receipt status *in respect of Cash Transactions would* be uploaded on the National Permit Portal on T+1 basis *by 1400 hrs on* next working day. *In case the payment made online the system will directly update and confirm the receipt status on real time basis against consolidated fee for National Permit.*

- 4.2 The Focal point branch would provide *extract containing National Permit Unique Identification Number, date, amount, branch code, mode of payment, registration number of the vehicle, name* of owner and upload the same on National Permit Portal on T+1 basis i.e. *by 1400 hrs. on* next working day.

In addition, the Focal Point Branch will provide a copy of the *Receipt* scroll containing *Transaction Date, Collecting Branch Code, Name of Vehicle owner, Vehicle Registration, National Permit Unique ID, Bank Reference No., amount and mode of payment* and forward it to the PAO (Sectt), Ministry of Road Transport & Highways after being duly checked and Authenticated by the Bank Authorities. The challan submitted by the transporters to the collecting branch need not accompany the scroll to the designated PAO.

- 4.3 The Focal Point Branch shall follow the normal procedure of reporting the government transactions as prescribed in the "Procedure for reporting and accounting of transactions of Departmentalized Ministries" by RBI in consultation with CGA, as amended from time to time as applicable to the Banks dealing with the government business.

- 4.4 The FPB shall remit the e-collections/cash of the Consolidated fee to RBI, CAS, Nagpur within the permissible time limit as prescribed by O/o the CGA i.e. within T+1 working days (excluding put through date).



## 5 Action to be taken by the designated Road Transport Office

- 5.1 On receipt of application from the transporter for issue of National Permit, the **Permit Issuing Authority/RTO** will verify the factors viz. a) Fitness Validity b) Enforcement Details c) Insurance Status, d) Tax status, e) Owner details etc. *After the status is found in order, the transporter will be allowed to deposit Rs.1000/- as Home State Authorization Fee.*
- 5.2 On exercising all the prescribed checks and verifying the application of the transporter, the **Permit Issuing Authority/RTO** will upload the details as *mentioned in Para 2.1* in the National Permit Portal. After the uploading the above details, the Permit issuing Authority/RTO will furnish three sets of pre-printed challans to the transporter in case the payment is to be made through cash. If the transporter desires to make the payment online, the triplicate copy of the challans is not require and the transporter can access the National Permit Portal for making online payment as mentioned at Para No. 2.2.4.
- 5.3 The Permit issuing Authority/RTO after confirming the receipt of National Permit Fee of Rs.15000/- through Unique Transaction ID on the National Permit Portal, will consider the grant or renewal of National Permit. If the same is considered for/granted, the Permit issuing Authority /RTO will issue the Document to the transporter on Security Printing Paper with the authenticated hologram of the issuing State/UT. For the purpose of computing the validity of the national permit, the date of authorization shall be the reference date.
- 5.4 The concerned Transport authority will compile the details relating to the number of permits issued or renewed on monthly basis and send the same to the State Transport Commissioner/Principal Secretary (Transport) by 2<sup>nd</sup> of the succeeding month. The State Transport Commissioner/Principal Secretary (Transport) after compiling the RTO-wise information, send the same through e-mail and post to the Ministry by 5<sup>th</sup> of every month.

6. **Action to be taken by designated Pay & Accounts Office**

- 6.1 On receipt of the Receipt Scrolls received from the Focal Point Branch, the PAO will account for the receipts (as per the Daily Scrolls) under the following heads of account:

Debit Major Head-8658 - Suspense Accounts  
Minor Head-108 - PSB Suspense

Credit Major Head-8449 - Other Deposits  
Minor Head-121 - National Permit Account (New minor head)  
Sub Head 01 - National Permit for Goods Transport Vehicles

On receipt of Put Through Statement from the RBI, CAS, Nagpur, the following entries will be made in the accounts :-

(-) Debit MH -8658 - Suspense Account  
Minor Head-108 PSB Suspense

Debit MH - 8675 Deposits with RBI  
Minor Head-101 Central - Civil

- 6.2 The Pay & Accounts Office shall verify and reconcile the daily scroll information of the FPB with reference to the remittances reported by the RBI.
- 6.3 The Pay and Accounts Officer may also verify the data in respect of a vehicle through the National Permit Portal.
- 6.4 The PAO will submit a monthly statement of collection of consolidated fee on National Permit to Director (RT) by 5<sup>th</sup> of every succeeding month for facilitating release of share to the States/UTs as per the prescribed norms..

7. **Responsibilities of Road Transport Division of M/o Road Transport & Highways**

- 7.1 The designated officer in the Road Transport Division of Ministry of Road Transport & Highways will maintain records relating to the National Permits Issued by the State Transport Authorities both RTO/State-wise, monthly receipts of consolidated fee on national permit and the distribution of consolidated fee to the States/UTs.
- 7.2 The Road Transport Division will ensure that at any point of time the accounting head of National Permit Fee does not lead to minus figure.

7.3 The Division will process the release of shares to the States / UTs of the consolidated receipt in respect of National Permit Fee on monthly basis by 10<sup>th</sup> of every succeeding month in accordance with the formula notified by the Ministry vide SO No.838 dated 4<sup>th</sup> May, 2010. The sanction order will be issued in consultation with Internal Finance Division of the Ministry on the basis of National Permit Fee receipts reported by the PAO (Sectt.) New Delhi.

7.3.1 The Road Transport Division will furnish a consolidated monthly statement to the PAO (Sectt) New Delhi detailing the total number of national permits issued / renewed both RTO/State-wise on 10<sup>th</sup> of the succeeding month after obtaining the details from the State Transport Authorities.

8. **Payment to States/U.T. Government(s).**

8.1 The payment to the States/UT Government(s) on account of consolidated fee on national permit will be made on a monthly basis. On receipt of the sanction of the competent authority, the Principal Accounts Office/PAO (Sectt.), Ministry of Road Transport & Highways, will issue Inter-governmental Advices to Reserve bank of India, CAS, Nagpur to credit the accounts of the respective State Government by debiting the balances of the Central Government. The following entries will be passed in the accounts of Ministry of Road Transport & Highways.

Debit Major Head-8449 - Other Deposits  
 Minor Head-121 - National Permit Account  
 Sub Head 01 - National Permit for Goods Transport Vehicles

Credit Major Head 8658- Suspense Accounts  
 Minor Head 110 Reserve Bank Suspense(CAO)

On receipt of Clearance Memo from the RBI, CAS, Nagpur the following adjustments will be made:

(Minus Cr) MH 8658-Suspense Accounts-110-Reserve Bank Suspense  
 Credit MH 8675-Deposits with Reserve Bank-101-Central-Civil

## 8.2 Payments to States/UTs not having banking operations with RBI

In cases where States/UTs Government do not have any arrangement with the RBI, CAS, Nagpur, for Banking Operations, the Pr. A.O., / PAO (Sectt.) Ministry of Road Transport & Highways will arrange to make payment on receipt of a bill from the designated DDO in the Road Transport Division of the Ministry by issuing a cheque/bank draft or any other mode prescribed by the Government of India prescribed time to time.

- 8.3 Before making any payment, the Principal Accounts Office/ PAO (Sectt.) shall ensure that the balances under the sub-head-"National Permit for Goods Transport Vehicles" would not lead to minus figures.

## 9. Audit of National Permit Account

- 9.1 The records pertaining to amount collected on account of consolidated National Permit Fee and disbursement of States/UTs shares viz. Register/Broadsheets for compiling the date-wise/ month-wise details of receipts and payments, RBI Advice Register, TE Register, Bill Register (By PAO-Sectt., New Delhi), State-wise details of National Permits Issued/Renewed, monthly collection and disbursement of consolidated fee to be maintained **by the Road Transport Division of the Ministry** will be subject to internal audit by the Internal Audit Wing of the Ministry and Statutory Audit by the Office of the C & AG of India.

## 10. Refund of excess fee deposited by the transporter

The transporter will submit the request to the Transport Development Council (TDC) of the Ministry of Road Transport & Highways or the Bank whenever any excess payment/wrong/double payment is made or uploaded on the portal. On receiving such request, the TDC will obtain the details and get such request verified from the bank, NIC and concerned Road Transport Office of the State (RTO) and issue a sanction order for refund of the admissible amount alongwith all the documentary evidence submit the same to PAO (Sectt), New Delhi in a form of bill/Sanction. PAO (Sectt.) after due scrutiny of the bill, if found in order will authorize the payment through DDO with the approval of Pr. Chief Controller of Accounts, Ministry of Road Transport & Highways, New Delhi. All such refunds will be adjusted against the Minor Head 121-National Permit Account through appropriate account entry. The same procedure will be followed both in respect of cash as well as online payment.



**Challan for payment of consolidated fee for National Permit**

Annexure I

(BY CASH ONLY)		(to be submitted in Triplicate)									
State Bank of India		<b>USE CBS SCREEN NO.-</b>									
(CASH CAN BE TENDRED AT ANY SBI BRANCH)		<b>FEE COLLECTION TYPE</b>									
Transaction Id/Reference No		<b>34</b>									
		<b>IN CBS Registration Id/Reg No.</b>									
		<b>IN CBS Date of Birth-Leave Blank</b>									
Name of the vehicle owner											
Address											
Registration number of the vehicle											
Name of the Road Transport Authority who is to issue National Permit											
Head of Account		8449-Other Deposits 121-National Permit Account 01-National Permit for Goods transport vehicles									
Accounts Officer by whom adjustable		<b>Pay &amp; Accounts Office (Secretariat)</b> <b>Ministry of Road Transport and Highways, New Delhi</b>									
Mode of payment		<b>Cash only</b>									
Consolidated Fee Amount		Rs.15000/- (Fifteen thousand only)**									
SBI branch who will report the consolidated amount of receipts (FPB)		State Bank of India, New Delhi Main Branch									
		Note : The user should deposit the cash after 2 hrs of the challan generation									
Details of Notes		Date									
		Signature of the depositor									
<b>For use in the Bank</b>											
Received payment of Rs.15000/- (Rupees fifteen thousand only) on											
<table border="1" style="display: inline-table;"> <tr> <td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> </table>				D	D	M	M	Y	Y	Y	Y
D	D	M	M	Y	Y	Y	Y				
BANK JOURNAL No. : (only numeric)											
Name of the Branch											
Signature of the authorized Signatory of the receiving branch with stamp.											

**OFFICE OF PR. CHIEF CONTROLLER OF ACCOUNTS  
M/O SHIPPING, ROAD TRANSPORT AND HIGHWAYS  
IDA BUILDING, JAM NAGAR HOUSE  
NEW DELHI**

\*\*\*

**A. Monetization of National Highways**

As per the proposal approved by the Cabinet Committee of Economic Affairs (CCEA), NHAI has been authorised for monetization of public funded, operational NH Projects under the "Toll Operate Transfer" (TOT) model. The right of collection of user fee (toll) in respect of selected operational NH stretches constructed through public funding is proposed to be assigned for a specific line period, to developers/investors against upfront payment of a lump sum amount to the government.

**B. Creation of Fund**

As per para 2.9.4 of the note submitted by the Ministry of RTH "the proceeds will go to the Consolidated Fund of India and be ring fenced for utilization by NHAI via a mechanism similar to the plough back through NTRP module". A Fund has thus been proposed to be created in the Public Account of India for utilization by NHAI on need basis in future years.

**C. Accounting Entries**

The detailed accounting entries in this regard are as follows:

1. Receipts of amount towards monetization of various National Highways shall be booked under Capital Receipt Head as under:

<b>Debit</b>	Major Head	8658	Suspense Account	
	Sub-Major	00	-	
	Head			
	Minor Head	108	Public Sector Bank Suspense	
	<b>To</b>			
	Major Head	4000	Miscellaneous Capital Receipt	<b>Credit</b>
	Sub-Major	01	Civil	
	Minor Head	xyz	Proceeds of Monetization of National Highways	
		106		

2. The amount thus received will then be transferred to the Monetization of National Highways Fund in Public Account of India as follows:

<b>Debit</b>	Major Head	3054	Roads and Bridges	
	Sub-Major Head	80	General	
	Minor Head	797	Transfer to Reserve Fund/Deposit Account	
	Sub Head	07	Transfers to Monetization of National Highways Fund	
	Object Head	00.63	Inter Account Transfer	
	<b>To</b>			
	Major Head	8225	Roads and Bridges Fund	<b>Credit</b>
	Sub-Major	03 <sub>xy</sub>	Monetization of National Highways Fund	
	Minor Head	10 <sub>xyz</sub>	Monetization of National Highways Fund	

3. Budget provision for incurring expenditure shall be made in the Detailed Demands for Grants of Ministry of Road Transport and Highways. While making budget provision for the same, it shall be ensured that sufficient balance are available in the Fund. After receipt of sanction of the Competent Authority, the expenditure shall be incurred by making following entry:

<b>Debit</b>	Major Head	5054	Capital Outlays on Roads and Bridges	
	Sub-Major Head	01	National Highways	
	Minor Head	337	Road Works	
	Sub Head	01	National Highways Authority of India	
	Detailed Head	63	Financed from Monetization of National Highways Fund	
	Object Head	53	Major Works	
	<b>To</b>			
	Major Head	8670	Cheques and Bills	<b>Credit</b>
	Sub-Major	00	-	
	Minor Head	102	Pay & Accounts Offices cheques	

4. The amount incurred above shall be recouped from the Fund by making the following entry: <sup>1</sup>

<b>Debit</b>	Major Head	8225	Roads and Bridges Fund	
	Sub-Major Head	xyz 03	Monetization of National Highways Fund	
	Minor Head	xyz 101	Monetization of National Highways Fund	
	<b>To</b>			
	Major Head	5054	Capital Outlays on Roads and Bridges	<b>(-) Debit</b>
	Sub-Major	01	National Highways	
	Minor Head	90*	Deduct amount met from Monetization of National Highways Fund	
	Sub-Head		Deduct recoveries	

**D. Maintenance of Broad-sheet**

Pay and Accounts Office, MoRTH shall maintain a broadsheet of accretions to and payments from the Fund and effect reconciliation on monthly basis.

**E. Audit of Monetization of National Highways Fund:**

Transactions relating to Monetization of National Highways Fund shall be subject to statutory audit by the Comptroller and Auditor General of India. The Accounts shall also be subject to audit by Internal Audit Wing of the O/o Pr.CCA (MORTH).



## SENIOR CITIZEN WELFARE FUND (SCWF)

### **A. Establishment of Fund**

1. As per Para 42 of Budget Speech 2016, Central Government has established a Fund to be called the Senior Citizens Welfare Fund for promoting the welfare of the Senior Citizens and for such other purpose as specified in Chapter VII of Finance Act, 2015 (20 of 2015).
2. The Senior Citizens Welfare Fund shall be an interest bearing Reserve Fund in the Public Account of India and shall be administered by a Committee notified as per Rule 4 (3) of the Notification No. GSR 322 (E) dated 18<sup>th</sup> March, 2016.
3. Under Section 122 (2) of the Act any credit balance in any of the accounts under the stipulated schemes remaining unclaimed for a period of seven years from the date of its declaration as an inoperative account (refer note below), shall be transferred by the respective Institutions to the Consolidated Fund of India after taking action as stipulated in para 7 of the Notification No GSR 322 (E) dated 18<sup>th</sup> March 2016. Every Institution through its Nodal Officer, shall transfer these balances lying under the schemes stipulated in the above Notification, viz.:-

- (a) Small savings and other savings schemes of the Central Government including the Post Office Savings Accounts, Post Office Recurring Deposit Accounts, Post Office Deposit Accounts, Post Office Monthly Income Accounts, Senior Citizens Savings Scheme Accounts, Kisan Vikas Patras, National Savings Certificates (all issues), Sukanya Samridhi Accounts and discontinued Small Savings Schemes;
- (b) Accounts of Public Provident Funds under the Public Provident Fund Schemes, 1968 maintained by the institutions concerned; and  
Accounts of Employee's Provident Fund under the Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

Note:- Inoperative account means an account under any of the schemes specified by or under sub-section (2) of section 122 of the said Act not operated upon for a period of three years if operable on regular basis, or if there is a date of maturity, from the date of maturity, as the case may be.

4. Under Section 125(1) of the Act, every Institution shall prepare list of unclaimed amounts lying as unclaimed deposits in the accounts and notify to the public in the manner provided under Rule 7 of Notification of SCWF dated 18.03.2016.
5. All unclaimed amounts, referred to in Section 122(2) of the Act shall be transferred by the Institutions to the Fund within one year from the date of notification of these rules in the Official Gazette:

Provided that the period so specified may be extended by such further period or periods, as the Ministry of Finance may deem fit, on a request for grant of such extension by the Institution.

6. The Institutions shall identify the unclaimed amounts on annual basis and make transfers to the Consolidated Fund of India on or before the 1<sup>st</sup> day of March, each year.

7. The transfers by the institutions shall be made on a net basis, i.e., the unclaimed deposits minus the claims accepted in accordance with the law for the time being in force, of the accounts whose balances have already been transferred to the Fund. O/o CCA, Ministry of Finance will account for the receipts in his accounts.

8. An institution wise and saving scheme/ fund wise ledger will be maintained by O/o CCA (Finance) to facilitate effective monitoring of the accruals and refunds from the fund. This office will also be responsible for maintenance of a broadsheet indicating opening balance, accretions, refunds and closing balance.

9. All refunds of unclaimed deposits shall be paid to Institutions by the Department of Economic Affairs, M/o Finance by seeking appropriation at the time of preparing BE/RE.

10. As interest will only be available for expenditure on the specified schemes by the Ministries/ Departments administering the scheme, O/o CCA (Finance) will be responsible for making refunds, in case, in any particular year the net accretions are negative i.e. refunds are more than accretions. The Institution will, however, be required to maintain individual wise records of the lapsed deposits and their refunds.

#### **B. Administration of Fund**

11. The nodal Ministry for the administration of the Fund shall be the Ministry of Social Justice and Empowerment. The Central Government has constituted an inter-Ministerial Committee for administration of the Fund consisting of a Chairperson and Members (Rule 4 (3) of the Notification dated 18<sup>th</sup> March, 2016 refers).

#### **C. Rate of Interest**

12. The eligible rate of interest for the money lying in the Fund shall be determined and notified by Ministry of Finance under sub-section (5) of the section 124 of the Act, on an annual or quarterly basis as decided from time to time.

#### **D. Utilization of Fund**

13. Interest earned on corpus (SCWF) will be utilized for funding the Schemes referred below. The Fund shall be utilized for such schemes for the promotion of the welfare of Senior Citizens in line with the National Policy on Older Person and the National Policy on Senior Citizens by respective Ministries/ Departments.

14. The schemes referred to above shall be :-

- (a) Schemes for promoting financial security of Senior Citizens, including but not limited to, old age pensions, long term saving instruments and employment in income generating activities.

- (b) Schemes for promoting healthcare and nutrition of Senior Citizens, including but not limited to, affordable health care programs, mental health services, health insurance schemes, nutrition education programs and training and orientation in health care of Senior Citizens.
  - (c) Schemes for promoting welfare of elderly widows.
  - (d) Schemes related to old age homes, short stay homes and day care of Senior Citizens.
  - (e) Schemes related to education training and information needs of Senior Citizens.
  - (f) Schemes related to research activity on ageing and information systems on Senior Citizens.
  - (g) Any other schemes, with the approval of the Committee.
- Any additional scheme approved may be duly incorporated in the accounting procedure and endorsed to all concerned.

**15. The sponsoring Ministry or the Department of the Government or the State Government concerned shall be responsible for the processing of the scheme, its monitoring and implementation.**

Provided that the proportion of the costs incurred towards the benefit of Senior Citizens only shall be funded from the **proceeds of the Fund**.

16. The committee may issue detailed guidelines for the implementation of any scheme for the welfare of the Senior Citizens under these rules. It should be ensured by inter-ministerial Committee that the projects are not approved in excess of the available interest component of the fund. The nodal Ministry (M/o Social Justice & Empowerment) shall also verify that the releases do not result in expenditure in excess of the available interest component of the Fund during a financial year.

**E. Claim of unclaimed amount from Ministry of Finance**

**17. An application for refund of unclaimed deposit transferred to SCWF shall be entertained in the following manner:**

1. Any person claiming to be entitled to the unclaimed amount transferred to the Fund may apply to the respective Institution with which the amount due was originally lying or deposited, at any time before the right to the amount is extinguished as provided in section 126 of the Act.
2. The person making the application shall bear the onus of establishing his right to receive the amount to which the application relates.
3. The Institution shall consider the application as expeditiously as possible, and make payment along with the eligible interest, in any case, within sixty days of the receipt of the application.
4. Any payment under this section shall discharge the Institution from liability in respect of the amount credited to the Fund.

5. The interest payable, if any, on the money transferred to the Fund shall be determined and notified by the Central Government.

#### **F. Annual Report**

#### **18. Annual report of the SCWF shall be laid before Parliament by Ministry of Social Justice & Empowerment:**

- (1) The nodal Ministry, referred to in rule 4 of notification shall prepare an annual report by the 1<sup>st</sup> day of May, each year, for the activities undertaken in the previous financial year.
- (2) The nodal Ministry shall make arrangements for the approval of the annual report by the Committee within one month of its preparation.
- (3) The annual report shall include the activities undertaken by the Committee, the schemes approved for funding, the major decisions of the committee, the schemes pending for approval and the details of the amounts credited and debited from the Fund.
- (4) The Committee may issue detailed guidelines for the preparation of the annual report.
- (5) The nodal Ministry shall make available the annual report on the website of the Ministry, after it is laid before the Parliament under sub-section (3) of section 127 of the Act.

**The detailed Accounting Procedure in this regard is as follows.**

#### **I Transfer of unclaimed deposits into Government Accounts**

The unclaimed deposits specified under Section 122(2) (a), (b) and (c) of the Finance Act, 2015 (20 of 2015) will be transferred by the Institution/Ministry/Department administering the funds concerned to Pay & Accounts Officer, M/o Finance who would credit the same to the following head

<b>Credit</b>			
Major Head	Existing	0250	Other Social Services
Minor Head	Proposed	00.xxx ✓	Receipts of unclaimed deposits specified under Section 122(2) of the Finance Act 20 of 2015
Sub-head		Xx	Name of the Fund from which the unclaimed deposit is transferred will reflect as a distinct sub-head
		xx	Name of the Institution transferring the unclaimed deposit will reflect as a distinct detailed head



Pay & Accounts Office, M/o Finance shall maintain Institute-wise ledger as indicated at 8 above.

## **II Transfer of unclaimed deposits into Senior Citizen Welfare Fund**

<b>Debit</b>			
Major Head	Existing	2250	Other Social Services
Minor Head	Existing	00.797	Transfer to Reserve Fund/ Deposit Accounts
		Xx    Δ	Transfer to Senior Citizen Welfare Fund
<b>Credit</b>			
Major Head	Existing	8121	General & Other Reserve Funds
Minor Head	Proposed	xxx    Δ	Senior Citizen Welfare Fund
Sub-head		01	Unclaimed Deposits

## **III When interest is paid on the Senior Citizen Welfare Fund**

<b>Debit</b>			
Major Head	Existing	2049	Interest Payment
Sub Major Head	Existing	05	Interest on Reserve Fund
Minor Head	Existing	105	Interest on General and other Reserve Fund
Sub Head	Proposed	xx	Interest on Senior Citizen Welfare Fund
<b>Credit</b>			
Major Head	Existing	8121	General & Other Reserve Funds
Minor Head	Proposed	xxx    Δ	Senior Citizen Welfare Fund
Sub-head		02	Interest on unclaimed deposits

Interest will be charged on the Fund Balance and credited to SCWF by PAO, Ministry of Finance every year providing necessary budget in their B.E./R.E.

## IV. Refund of unclaimed deposits

Refund of unclaimed deposit, if any, claimed when net accretion is negative.above.

<b>Debit</b>			
<b>Major Head</b>	Existing	2250	Other Social Services
<b>Minor Head</b>	Proposed	00.xxx	Payment to Institutions against refund of unclaimed deposits specified under Section 124(4) of the Finance Act, 2015 (20 of 2015)
<b>Sub-head</b>		Xx	<i>Name of the Fund from which the unclaimed deposit is refunded will reflect as a distinct sub-head</i>
		Yy	Name of the Institution transferring the unclaimed deposit will reflect as a distinct detailed head
		00.yyy	Payment to Institutions against interest on unclaimed deposits specified under Section 124(4) of the Finance Act, 2015 (20 of 2015) refunded.
		Yy	<i>Name of the Fund from which the unclaimed deposit is refunded will reflect as a distinct sub-head</i>

The above expenditure will be met from the Senior Citizen Welfare Fund as detailed below:

<b>Debit</b>			
<b>Major Head</b>	Existing	8121	General & Other Reserve Funds
<b>Minor Head</b>	Proposed	xxx	Senior Citizen Welfare Fund
<b>Sub head</b>		01	Unclaimed deposits
<b>Sub-head</b>		02	Interest on unclaimed deposits
<b>(-) Debit</b>			
<b>Major Head</b>		2250	Other Social Services
		00.90x	Amount met from Senior Citizen Welfare Fund
		01	Unclaimed deposits
		02	Interest on unclaimed deposits

**V(a) Disbursement of Fund to various Schemes of Senior Citizens from CFL.**

While incurring the expenditure to be financed from the Senior Citizen Welfare Fund the Pay & Accounts officer of the Ministry/ Department implementing the specified schemes will debit the functional head concerned. Simultaneously, the entry for recoupment of expenditure as given below shall be prepared by implementing Ministry/ Department on the same day.

**V(b) Recoupment of the expenditure of Scheme from Senior Citizen Welfare Fund**

The Pay & Accounts Officer indicated at V (a) above will then pass on the following accounting entry for meeting the expenditure from the Senior Citizen Welfare Fund

<b>Debit</b>			
Major Head	Existing	8121	General & Other Reserve Funds
Proposed	Proposed	Xxx	Senior Citizen Welfare Fund
Sub-head		02	Interest on unclaimed deposits
<b>(-) Debit</b>			
Major Head	Existing		Major/ Sub-major head under which the expenditure was debited
Minor Head	Proposed	9xx	Amount met from Senior Citizen Welfare Fund

All implementing Ministries/Departments will inform scheme-wise expenditure incurred from Senior Citizens Welfare Fund to M/o Social Justice and Empowerment, who will maintain a record for total expenditure incurred from the Fund and balance available in the Fund.

**V. Audit of the Fund**

The Accounts of the Senior Citizen Welfare Fund will be subject to Audit by the Internal Audit Wng of O/o CCA (HRD-SJE) and C&AG.

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**Accounting Procedure for Bharat Infrastructure Kosh (BIK)- A non-lapsable fund under Ministry of Urban Development**

**Introduction**

1. Infrastructure Cess at the rate of 4% of excise duty has been levied for the purpose of financing infrastructure projects. To credit the proceeds of the Infrastructure Cess in the Public Account of India, a dedicated non-lapsable fund entitled " Bharat Infrastructure Kosh (BIK)" is being created in the Public Account under Major Head 8235- General and other Reserve Funds . Utilization of funds under BIK are to be governed by the following principles:-
  - (i) BIK shall be maintained by the Ministry of Urban Development and amount available therein shall be non-lapsable.
  - (ii) The proceeds of the Infrastructure Cess shall be credited into " Bharat Infrastructure Kosh(BIK)" after obtaining due approval of the Parliament through Demands for Grants
  - (iii) Amount credited to the "Bharat Infrastructure Kosh (BIK)" shall be spent on schemes such as Smart Cities, AMRUT, Metro Projects, Sagarmala Development of Inland Waterways and such other infrastructure schemes/projects, as notified by Ministry of Finance from time to time.

**Periodicity and Modality of transfer of funds from CFI to BIK**

2. The Infrastructure Cess levied and collected by the Government is being accounted for in the Consolidated Fund of India (0038.03.506-Infrastructure Cess) by the CCA, CBEC.
3. CCA, CBEC will provide monthly information regarding the receipts on account of Infrastructure Cess to CCA, M/o Urban Development to enable Ministry of Urban Development to maintain a proforma account and make suitable provisions under Major Head 2217-Urban Development, 05-Other Urban Development Schemes , 797-Transfer to Reserve Fund /Deposit Account, \*\*-transfer to Bharat Infrastructure Kosh under the Demands for Grants of Ministry of Urban Development to facilitate transfer of proceeds of Infrastructure Cess to Bharat Infrastructure Kosh.
4. Consequent upon sanction by the competent authority, the PAO (Ministry of Urban Development) shall transfer the budgeted amount by passing/proposing the following entry in the Government Account:

Debit	2217- Urban Development
	05- Other Urban Development Schemes
	797- Transfer to Reserve Fund/Deposit Account
	.....- Transfer to Bharat Infrastructure Kosh



To

Credit 8235-General and other Reserve Fund

\*\*\*- Bharat Infrastructure Kosh (a new minor head to be opened)

***It should be ensured that the entire cess collected is fully transferred to the earmarked Fund.***

5. With reference to the availability of Fund under Bharat Infrastructure Kosh, the Ministry of Urban Development shall make necessary budget provisions under relevant Major Heads of the schemes/ programmes being run by them in their Detail Demand for Grants. Other Ministries implementing the schemes to be financed from Bharat Infrastructure Kosh (BIK) shall also make necessary Budget provision in their DDG pertaining to those schemes.
6. While incurring expenditure on the schemes, PAO of the concerned Ministry shall debit the functional Major Head concerned.
7. An amount equivalent to the above debited amount shall then be met from Bharat Infrastructure Kosh by debiting head 8235- General and other Reserve Fund, \*\*\*- Bharat Infrastructure Kosh by per minus debiting the Minor Head '9\*\*- Deduct amount met from Bharat Infrastructure Kosh' below the Major head from where expenditure has been incurred.
8. CCAs of the Ministries implementing schemes funded from BIK shall intimate to CCA, Ministry of Urban Development and Director (Budget) through a statement showing expenditure incurred from Bharat Infrastructure Kosh by PAOs (concerned Ministries) monthly, for record and enabling them to maintain broadsheet.
9. The Ministry of Urban Development shall issue necessary administrative sanction of the actual expenditure from BIK so incurred after necessary reconciliation with PAO(UD) with reference to their initial subsidiary records to be maintained by the them. The expenditure figures as appeared in the books of PAO shall be final.
10. The PAO (M/o Urban Development) under CCA, UD shall maintain the broadsheet of Bharat Infrastructure Kosh indicating the opening balance, amount transferred, expenditure incurred during the year, net balance available for carry forward to the next financial year under the Bharat Infrastructure Kosh in Public Account during the year. The PAO shall submit a statement indicating the expenditure and balance available under Bharat Infrastructure Kosh to the Secretary, Ministry of Urban Development through CCA, M/o UD and JS & FA, Ministry of Urban Development after close of the financial year.
11. The expenditure incurred out of the Bharat Infrastructure Kosh shall be subject to Internal Audit by O/o CCA, Urban Development and Statutory Audit by O/o the comptroller and Auditor General of India.