

**A HAND BOOK  
FOR  
DRAWING & DISBURSING OFFICERS**

**A COMPENDIUM OF FINANCIAL INSTRUCTIONS AS CONTAINED IN  
GENERAL FINANCIAL RULES, TREASURY RULES, FUNDAMENTAL  
AND SUPPLEMENTARY RULES, BENEVOLENT FUND AND GROUP INSURANCE RULES  
ETC.**

**UP-TO-DATE AMENDMENTS REVISED EDITION**

## FOREWORD

Our Constitution, like all other constitutions of the democratic world, lays down limits to the exercise of authority by government functionaries. It enjoins upon each and every officer to act in accordance with the basic law. The Constitution further stipulates that all the orders and instructions made by any government functionary must conform to laws and rules based on constitutional sanction.

The administrative instructions, which are termed as administrative legislation by jurists, regulate the organization of the various institutions of government, the powers entrusted to them and the manner in which these are to be exercised. Pakistan Public Administration Research Centre, an arm of the Management Services Division, Cabinet Secretariat, in its charter, is entrusted with the compilation, review, and revision and updating of the administrative manuals. The purpose; of these manuals is to inform the government functionaries of curbs ton their arbitrary acts, and to make them aware of the danger that non-observance of these rules and deviation from express limits to their authority may lead to mal-administration.

The Drawing and Disbursing Officer (D.D.O.) plays a vital role in the management of public funds and control of expenditure. The need for a Handbook for D.D.O., having an up-to-date and authentic collection of statutory and administrative instructions/circulars, can hardly be overemphasized.

The last edition of D.D.O. Handbook was published in 1982. A large number of changes in the instructions and assurance of new orders of the subject have made it necessary that the D.D.O's should be kept abreast of the current position of instruction son the subject. D.D.O. Handbook-now being published incorporates an authentic and up-date version of all instructions.

I hope that this edition will prove useful to the users of this book.

I would like to extend my appreciations to all the officers of manuals Cell, PPARC, who have contributed towards compilation and publication of this boom.

**Dr. M. S. Jillani**  
**Secretary**

## **PREFACE**

A most effective way to ensure administrative probity and check mal-administration is the compilation of manuals defining the functions and powers of government functionaries as well as the checks and balances devised to control the exercise of their authority. Keeping this in view, the PPARC has published a number of new manuals and brought out up-date and revised editions of those previously published.

The last edition of the Drawing and Disbursing Officer's Handbook was published in 1982. Instructions contained therein have undergone many changes and the need for a new edition has been felt for some time. While up-dating and revision this Handbook, we have made efforts to incorporate all amendments, circulars and instructions on matters covered in this volume. It is hoped that officers using this book will find it more useful for a proper and expeditious disposal of matters before them and also in training new entrants to government services.

Suggestions for the improvement of the Handbook are eagerly solicited and will be gratefully acknowledged. All communications in this regard may be addressed to the Director-General, Pakistan Public Administration Research Centre, Management Services Division Shaheed-e-Millat Secretariat F-6/1, Islamabad.

**Nabi Bux Khoso,  
Director-General, PPARC,  
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## PART - I

### FINANCIAL MANAGEMENT

#### FINANCIAL ADMINISTRATION

#### DEFINITIONS:

**1.1 (i) Public Finance:** The term comprises two words public and finance. The word public is a collective noun and means a collection of people. As an adjective it implies belonging to the people. But recently this word has acquired a specialised sense. Now it is used in contradistinction to the word "private". The word 'finance' means money. It also signifies money matters and their management. Taken together the term means money matters pertaining to a state. The term 'Public Finance' has been defined variously by various economists. A definition easier to understand is that of Lord Dalton, one time Chancellor of the Exchequer of the United Kingdom. He says that public finance is one of those subjects which lie on the border line between Economics and Politics and that it signifies the income and expenditure of public authorities and adjustment of one with the other. The term "Public Authorities", broadly speaking, includes Federal Government, Provincial Government, Autonomous organizations and Local Bodies.

**(ii) Fiscal:** ---Of Public Revenues: Financial; having to do with treasury or exchequer. The word is derived from the Latin word "fiscus" which means 'purse'.

**(iii) Exchequer:** ---Treasury of a state or nation. The word is derived from old French "Exchequer Chessboard" because the accounts were kept on a table marked in squares.

#### PUBLIC FINANCE; WHY NEEDED

**1.2** One can ask why a state should need the finance. The answer is not very far to seek. As human-beings people have certain wants which they can satisfy themselves, such as eating, drinking and clothing, etc. But there are certain wants such as protection of life and property, construction of railways, roads, bridges and irrigation canals and establishment of hospitals, universities and ordnance factories, etc., which one cannot do in his individual capacity and has to look to the state for doing the needful. In order to perform this task, the state does require finance, and that is done by means of raising revenue and then incurring expenditure.

**1.3** The finance is a fundamental moulding factor in Public Administration. The public services have to be paid for and, since with few exceptions, they are paid for by the recipient of the specific service, the cost must be borne by the Community, usually through the method of taxation. From times immemorial the tax collector has been one of the most active and also the most hated of officials: While carrying out the orders of a despot, perhaps, his reputation could be termed as well deserved. But in the present democratic set-up, even if the citizens' reactions have changed little, the position is very different. There may be still individuals who consider the state services as entirely non-productive, creating merely a charge that is to be paid out of the economic resources of private enterprise, but a moment's consideration of the many essential services that are now provided both by the state and the

various other public authorities, would convince all, except the most partisan one, that public Administration does provide services for which the term "unproductive" will be misnomer. Whatever views may be held on the subject it must be agreed that public Administration has to be paid for and that ultimately the size and quality of a service must rest upon the size and proportion of the resources that a community can afford to expend upon it. Problems of this nature relating to the national income and expenditure, methods of public accounting and principles of taxation fall within the sphere of the 'public finance'.

#### **OPERATION OF PUBLIC FINANCE:**

**1.4** The operation of public finance may be termed as involving a series of transfers of purchasing power. The purchasing power of certain individuals is transferred to "Public Authorities" by taxation and back again from these authorities to other individuals by way of public expenditure. Sometimes the transfer of purchasing power is not in cash, but in the form of goods and Services such as provision of uniforms, education and medical treatment, etc. As a result of these operations of public finance changes take place in the amount and in the nature of wealth which is produced and in the distribution of that among individuals and classes. The best system of public finance is one that secures the maximum social advantages greatest good of the greatest number from the operations which it conducts.

#### **TESTS OF MAXIMUM SOCIAL ADVANTAGES:**

**1.5** The primary requirement is the security of life and property. The nation should be secure against internal disorders and external, attacks. Then comes the promotion of welfare of the people. They should be well-fed, properly clothed and housed. Facilities for health and education should be available to all and sundry. This can be achieved by increase in the production of wealth and its proper distribution. One way of doing it is to transfer wealth from those who have comparatively more to those who have comparatively less. This is done by increased taxation on the former and providing more amenities to the latter.

#### **DIFFERENCE BETWEEN PUBLIC AND PRIVATE FINANCE:**

**1.6** Broadly speaking, an individual's income determines the amount of his possible expenditure, but a public authority's proposed expenditure determines the amount of its anticipated income. In other words, while an individual adjusts expenditure to income, a public authority adjusts income to expenditure. If the expenditure of an individual increases he tries to increase his income by working extra hours or by cutting down the expenditure. In such circumstances a public authority would either scale down the expenditure by retrenching the establishment and staff or by giving up more ambitious development schemes. They may also make efforts to find out other avenues of income. In good times, while an individual spends his savings on luxuries or investments, a public authority would extend more amenities to the people. In the present times, however, when the development plans are under operation, the income always falls short of expenditure and the deficit has to be made up by encouraging savings, raising internal and external loans and by availing of the aids and grants offered by the friendly countries. The other alternative could be the deficit financing, but that leads to inflation and should, therefore, be the last resort.

## PUBLIC INCOME:

**1.7** The income of a public authority includes all "incomings" and 'receipts'. Even public borrowings form part of public income. Professor Saligman, a noted writer on Public Finance, has classified public revenue into three broad categories, namely: -

**(i) Gratuitous Revenue.**

**(ii) Contractual Revenue.**

**(iii) Compulsory Revenue.**

**(i) Gratuitous Revenue.** Consists of gifts, donations and grants, etc., gratuitously made without any direct or indirect demand. They do not carry any obligation for goods and services to be paid in return. Such an income is neither very certain nor uniform.

**(ii) Contractual Revenue.** Comprises income derived from public property and industry. The state owns property in the form of lands and buildings. All rents received from such sources constitute 'Contractual Revenues'. The state may own industries such as railways, posts, telegraphs and irrigation canals, etc. The income received from these industries is also contractual revenue. Professor Saligman has called the contractual income as "Prices" also. This is because they resemble the prices charged by the producers for the goods and services they sell.

**(iii) Compulsory Revenue.** The income under this category is mainly derived by the use of penal and taxing powers of the state. The taxes are, by far, the most important source of revenues of a state. The 'Compulsory Revenue' is further subdivided into three heads Fees, Special Assessment and Taxes:

**(a) Fees.** A fee is a payment levied by the State in respect of services performed for the benefit of the individuals. Court fee, registration fee and licence fee are examples of this kind of revenue.

**(b) Special assessment.** It is a payment made by the owners of property in respect of any improvement made to their property by the public authority. If a park is built, this goes to enhance the value of the properties in the locality and, therefore, the owners may be required to pay extra tax in the form of special assessment. Educational cess or any other kind of special cess may also be covered by this. Iqra tax comes under this category. Toll tax collected on highways and bridges is another example.

**(c) Tax.** This is a compulsory charge imposed by a public authority for the purpose of defraying expenses in accordance with the common interest of all. The taxes can be direct as well as indirect. Income-tax, corporation-tax and super-tax are direct taxes, whereas import duties, excise duties and sales tax are indirect taxes.

## PUBLIC EXPENDITURE:

**1.8** The public expenditure may be broadly categorised as under:

**(i)** Maintenance and equipment of armed forces including police, (a) in peace and (b) in war;

**(ii)** Administration of Justice;

(iii) Maintenance of the ceremonial head of state and diplomatic representatives abroad;

(iv) Maintenance of the machinery of the civil government including ministries, legislature and civil servants;

(v) Public debt charges including payment of principal and interest;

(vi) Expenditure directly devoted in fostering industry and commerce; and

(vii) Social Welfare health, education, old-age pensions, famine relief and unemployment allowance, etc.

### **SCOPE OF FINANCIAL ADMINISTRATION:**

**1.9** The financial administration means the operations designed to make funds available to officials and to ensure their lawful and efficient use. The principal parties involved are:

(i) the executive bodies, which need funds;

(ii) the legislative bodies which alone can grant funds;

(iii) the executive offices that control the expenditure of funds; and

(iv) the auditing offices which determine the legality and propriety of the use of the funds.

In a small organization, the fiscal management is relatively simple but in big organizations like autonomous bodies, Provincial Governments and Federal Government, the set-up, procedures and problems are complex. The fiscal organizations deal with all the money aspects. The earning, saving, borrowing, spending and investing of monetary funds are parts of the fiscal management. It also consists of providing and utilizing the money, capital rights, credit and funds of any kind which are required in the operation of an organization.

**1.10** The object, underlying the study of fiscal management, is that of the operating official or executive who is responsible for the execution and enforcement of legislation and who needs funds to employ the necessary personnel to purchase equipment and to incur other appropriate expenditure. The first task of operating official is, therefore, to secure funds. The second task is to use the funds in the performance of his agency operation. He must also maintain accounts to show the flow of funds and to indicate the results of the expenditure. Finally, the executive is required to submit the records for an independent audit to determine the legality and propriety of their actions. The most important aspect of fiscal management, as a part of Public Administration, concerns the relationship involved in the series of operations and not in the amount of revenue and expenditure in general or in particular. The emphasis is on the relationships rather than on the figures.

### **GENERAL CHARACTERISTICS OF FINANCIAL ADMINISTRATION:**

**1.11** Financial administration has three broad objectives or responsibilities---Fiscal policy, accountability and management.

**1.12 Fiscal Policy:** ----The Fiscal policy includes such matters as taxation theory, the incidence of specific taxes, the overall effect of taxation and public debt upon the economy, the deficit financing and probable force of unemployment. No other branch of the economics

has undergone such revolutionary development in recent years as fiscal policy and theory. Although there have been many developments with reference to advance economies, yet no systematic and integrated theory of fiscal policy appropriate to an underdeveloped but developing economy has yet been formulated. This does not mean that problems of fiscal policy in under-developed economies have not been receiving the due attention. As a matter of fact many individual agencies have been applying their brains both at the theoretical and at the administrative levels. In a few words the fiscal policy may be defined as "a policy under which the government uses its expenditure and revenue programme to produce desirable effects and avoid undesirable effects on the national income, production and employment."

**1.13** In the days gone by the attitude of the economists had been to give little consideration to the impact of the government finance upon the entire economy. Their Primary concern had been to find new sources to meet ever-growing demand of expending agencies. The single objective pursued by them was increasing the revenues. They would not very much concern themselves with issues, which had an overall impact on incidence of taxation and their general repercussions. Instead of finding out who will ultimately be taxed and whether he can afford, the main question had been how to get more revenue with the least cost. This approach can be termed as pragmatic rather than objective. The correct approach would be that pragmatism must make room for planning. What is necessary is that more and more attention should be paid to the relation of government expenditure to the economy as a whole.

**1.14** The Objectives of fiscal policy are more or less the same in developed as in under-developed countries. In case of under-developed countries, however, the economic objectives of tax and budgetary policy are to promote investment, to maintain stability and to reduce extreme inequalities in wealth and income. These objectives are not basically different from the economic goals of allocative efficiency, economic growth, stability and optimum income distribution, which guide fiscal policy in, advanced countries on a free enterprise basis. The great importance of fiscal policy in many underdeveloped countries arises from the fact that there the state, under the democratic auspices, is called upon to play an active and important role in promoting economic development. For various reasons, especially the low ratio of savings to national income, the government of all under-developed countries virtually have been forced to play this role. In order to do this effectively they have to interfere in the economic life of the country, control and regulate economic activities and compel and induce people to behave in different ways. Another important reason, why public finance assumes importance in under-developed countries, is the capital accumulation which is the key problem. Efforts have to be made to achieve a higher ratio of savings to national income than that exists at present. In the Communist countries this has been achieved by keeping down the standard of living of the people, by dictatorial restriction of resources allocated for the production of consumer goods but this method is not open to the under-developed countries which have chosen the democratic way. The temper of the time simply will not tolerate great inequality of income and wealth. There is a clamour for higher and higher wages. It is difficult to resist this clamour as long as the rich are allowed to indulge in conspicuous consumption. The only way out of the dilemma seems to be to have recourse to public investment to a significant extent side by side with the private investment. Taxation could be used to ensure collective saving and at the same time to promote private investment. By this

means the sacrifices involved in capital formation can be distributed more equitably and the poor sections assured that all classes are making sacrifices in potential consumption.

**1.15 Accountability.** The question is who is accountable to whom and for what In matters of financial accountability both for money and property, such accountability applies not only to the officers of higher status but also to the rank and file. This problem' of accountability pervades all activities where funds and property are involved whether the institution is a small shop, a big store, a corporation or a government department. A store manager must see that his inventory conforms to the record of income and sale, a cashier must balance his cash, and a pharmacist must all time account for his supply of medicines.

**1.16** Accountability of Such a type is accomplished by a system of internal checks based upon record keeping. Thus when a store-keeper receives an order to issue a particular item of store, he makes an entry to that effect in the issue register and obtains the acknowledgement of the person concerned. Similarly if a cashier has to pay some money, he has to get an acknowledgment for it and to make necessary entries in the cash book. These entries are checked and rechecked by the Supervisors.

This procedure may seem quite elaborate to call for shortening the red-tape. But it should be remembered that unless there is a system of internal checks the correct amount cannot be vouch-saved. For this reason, in matters of financial transaction there is a tremendous amount of record keeping whether in private business houses or in Government Offices. Government environment, however, require and tolerate more record-keeping than private business houses. This is because Government departments are accountable to the public for the details of their operations and do not have the same degree of internal freedom as is enjoyed by private firms. The public business is every body's business, whereas the private business is concern of an individual or a group of individuals.

**1.17** The main reasons for the government to keep a large number of records may be explained like this:

(i) Many government records are required by law rather than the needs of management;

(ii) There may be more record-keeping for its own sake in government because of the stratification of hierarchy which in turn causes resistance to change;

(iii) There may be more record-keeping for its own sake in government record-keeping a. holy rite, because the rite has the sanction of time and was approved by the fore-fathers, only the profane would suggest abolition or alteration; and

(iv) A vested interest record-keeping may be easier to defend in government.

**1.18** What is the primary purpose of fiscal accountability, namely democratic responsibility to the public at large A public official has two types of such accountability:

(i) fiduciary; and

(ii) accountability for the exercise of wisdom and judgment in making fiscal decision.

Fiduciary refers to faith, trust and confidence. This is a quality expected of bankers, trustees and treasurers. The fiduciary accountability plays a very important role in those areas

where custodianship predominates, the work of treasurers and cashiers, investment of trust funds and warehousing. Loss in these areas is fairly well-guarded by traditional bonding, auditing, record-keeping, reporting and regulation by law. The other type of accountability involves more discretion. It goes farther than custody and stewardship and enlists the dynamic policy determining quality of management. In other words, this kind of accountability asks whether the fiscal officers are 'good managers'.

**1.19 Management:** ---One can presume that leaks are more likely to occur as a result of bad management. While the honesty of man is always a matter of concern, government costs are now more sensitive to management inaptitude than to defalcation. There can be no denying the fact that good management is the best antidote and preventive for dishonesty. The costs of government can be traced to overstaffing, incompetent personnel practices, poor motivation, unwise spending, poor accounting practices, and unimaginative leadership. The cure for these ills does not lie in the negative prescription backed up by a paralyzing division of authority. The proper treatment lies in dynamic and constructive administrative leadership and holding it responsible for stewardship.

**1.20** The greatest need in this whole area of accountability lies in the realm of standards. What are people to be held accountable for? The answer is obvious for doing a good job. But what constitutes a good job? The answer is not obvious at all because one does not know what is the proper standard of performance in the most activities. In the western countries they have developed certain standards for measuring the performance. In the United States, particularly, the emphasis is on 'performance budgeting'. But this is more effective for a big industrial house rather than in the government. The performance budgeting means budgeting units of work rather than things that are bought and paid for, such as papers and personal services etc. The theory is that the tax payer can hold the bureaucrat accountable when it is known that a given amount of money should buy X miles of a street sweeping or Y acres of soil conservation. The object is laudable but the question is whether Pakistan can adopt this practice in the present day conditions.

#### **ORGANIZATION FOR FINANCIAL ADMINISTRATION:**

**1.21** All administrative systems have much in common irrespective of size, historical evolution or cultural foundations. Among their universal aspects are machinery and procedures for collecting revenue, making appropriations, keeping accounts and auditing the records. Finance and administration cannot be divorced. Every administrative act has its financial implications, as inseparable as a man and his shadow. Nothing can be done without the expenditure of money at the very minimum for the compensation of the officials or employees who act. Finance is, therefore, one of the first and inescapable responsibilities of Government executives.

**1.22** To carry on fiscal operation a considerable organization is required, part of which lies within the major operating departments, part of which is outside consisting of budget officers, directors of finance, comptrollers, accountants and auditors. Organization for fiscal management is pervasive running all the way from top-management through middle management including line staff and auxiliary agencies. All top-management chief executives, departmental heads and their immediate assistants are involved. All middle management has to play its role since estimates and work programmes are dependent on each other.

**1.23** The present system of the fiscal management is based on checks and balances, in which control is divided among a number of public authorities. There are three ingredients in this control, first administrative control, secondly control by the National Assembly and thirdly control and audit by the Auditor-General of Pakistan. The centre of gravity is, however, the executive rather than the National Assembly though the latter has always the last word.

#### **ADMINISTRATIVE CONTROL:**

**1.24** The administrative control is exercised by the executive through the Ministry of Finance. The budget is prepared by the various administrative units, which is finally consolidated by the Ministry of Finance and then presented to the National Assembly. After the budget is passed, the execution thereof is the responsibility of the Ministry of Finance. It is concerned not only with the supervision of all aspects of the nation's finances, as its name would imply, but also with the economic planning in collaboration with the Planning and Economic Affairs Divisions. The control of the Ministry of Finance is an all pervasive characteristic of the public administrative system.

#### **PARLIAMENTARY CONTROL**

**1.25** The financial business of the National Assembly is divided into two distinct, but inter-weaving processes, that is authorizing the supply and the raising of necessary moneys. At the outset, a fundamental accounting arrangement may be mentioned which is a key influence in the operation of the government finance machine. This is the system under which the financial year, from July to June, is the standard accounting period and all authorizations of supply and payments apply specifically to that accounting period. This means that the unspent moneys have to be surrendered at the end of the financial year and excess payments, so as to be held valid, must receive specific authorization. Each financial year is treated as a self-contained period and authority has to be sought for every transaction to be included therein, whether or not it has already been previously approved. Financial provision begins with the making of policy which is inescapably conditioned by the resources in terms of finances and which the implementation of policy is likely to require. All proposals regarding income and expenditure have to be made to the National Assembly on behalf of the President. It is for the National Assembly to grant supply at the request of the President and, incidentally before doing so, to take the most of the opportunity to air the grievances.

#### **INDEPENDENT CONTROL**

**1.26.** Independent control in the system of finance is embodied in the functions of the Auditor-General, an official appointed by the President. This control is exercised by him on the lines of the professional audit adopted by the outside business concerns.

**1.27** The above mentioned controls have been touched here very briefly. The subjects will be discussed at length later on.

#### **TRENDS IN FISCAL ORGANIZATION:**

**1.28** The administration in Pakistan is under-going profound and constructive change. The system inherited from the British was suited to a colonial administration but in no way it would cater for the needs of an independent and developing country. The changes, however,

could not be introduced overnight. The evolutionary process which has been bringing about a transformation is not yet complete. The emphasis, on the exploitation of the natural resources for the benefit of the colonial rulers and maintenance of law and order, in those days, has now been shifted to a welfare state.

**1.29** The fiscal management at the time of independence was authoritarian and centralized. It did not meet the requirements of a democratic and developing country. So the present trend is towards decentralization and democratization of the management. One prevailing view is that the administrative management constituted the unitary process in which finances, personnel, planning and direction are blended together. Effective administration is not attained by compartmentalization and isolation of each management process. The ultimate aim is to secure a rational distribution of government income, one that has not been distorted by parochial tendencies, regional loyalties and power pressures. The underlying philosophy should tend strongly towards genuine democratic concept and practices.

**1.30** In order to achieve the objects mentioned above the greatest emphasis is on planning. All the development schemes have to be thoroughly planned well in advance. Not only that the expenditure to be incurred on the plans has to be correctly estimated but the resources from which the expenditure is likely to be met have also to be taken into consideration. For this purpose the Planning Commission was established. The Planning Commission prepared the First Five Year Plan which covered the period from 1955 to 1960 and so on. All types of development programmes covering the entire field of governmental and private activities' have to be covered by these plans. The Central and Provincial projects are drawn in the light of the targets fixed under these plans. So the planning is the sheet anchor of all fiscal activities of the Government.

**1.31** The second important change which was brought about in 1960 is regarding the preparation of budget. The preparation of budget is now a continuous process rather than being a seasonal activity as was the position upto 1960. Different schemes and projects are processed all the year round with reference to the targets fixed by the plan and are approved as soon as they mature.

**1.32** The third important change brought about in Pakistan is in respect of the decentralization. On the one hand the Provinces have been given more freedom in regard to the planning and execution of different development projects. On the other hand the Departments and Ministries have been given more financial freedom. Once the budget has been approved by the National Assembly, the Ministries are not required any longer, to go to the Ministry of Finance again and again for getting the expenditure sanction. The operational agencies enjoy more freedom of action and execution.

### **PUBLIC ACCOUNTS AND ACCOUNTING CONTROL:**

**1.33** Accounting is the science of producing promptly and presenting clearly the facts relating to financial condition and operations that are required as a basis of management. The primary functions of a system of accounts are:

- (i) to make a financial record;
- (ii) to protect those handling funds;

(iii) to reveal the financial condition of the organization in all its branches or purposes at any time;

(iv) to facilitate necessary adjustments in rate of expenditure;

(v) to give information to those in responsible positions on the basis of which plans for future financial and operating programmes can rest; and

(vi) to aid in the making of an audit.

**1.34** From the point of view of the departmental head or the top executive, quick and accurate accounting reports are necessary in order to direct the course of work and future expenditure. They also provide top executive with the essential record to demonstrate the appropriate and legal use of funds making certain that each sub-division of an organization is actually using money for the purposes for which it was appropriated. The accounts and supporting financial documents provide the evidence on the basis of which each spending officer justifies his expenditure, either to controlling authority or to the audit. While the accounting system is thus essential as a means of preventing the wrongful use of funds, it also underlies all other types of executive control of fiscal operations. It is the basis on which executives act to prevent deficit, as well as the documentary foundation for questioning the care and wisdom with which funds have been used.

**1.35** Beyond these primarily fiscal purposes, the accounting reports are essential to management. In the business world the information currently disclosed by the accounting system is one of the main sources on which policy is predicted. In the Ministries and Divisions, the monthly, quarterly and annual accounting reports are now relied upon, as in business, for guidance as to executive policy and programme.

#### **ACCOUNTABILITY AND AUDIT:**

**1.36** Much of the business of any government is conducted away from the capital in field offices and establishments, army installations and civilian institutions. Some of the business of the Federal Government has always been carried on overseas. In any case, it is convenient and usually necessary to advance funds to disbursing officers to pay for current services, supplies and equipment. They are accountable for the funds they receive.

**1.37** Collection of the public revenue also occurs at many points mostly outside the capital city. Collectors of customs, taxation officers and other receivers of public money are scattered far and wide. They are accountable for the funds they collect. The general rule is that every official or employee receiving, collecting or using public money is accountable for its proper application. A Head of the Department is as accountable as a lower functionary. In modern times, the first accountability is to the employing agency by means already described, involving agency accounting and fiscal officers. The second and conclusive accountability is to an independent audit and National Assembly. Finally everyone is accountable to Almighty Allah.

**1.38** Fiscal accountability in simple terms means that a receiving officer must demonstrate that his collection was authorized by law, was correct, was supported by authenticating documents, and was deposited in full; all in accordance with statutory requirements. Similarly, a disbursing officer must demonstrate that the payments he made were authorized by law, authenticated by supporting documents, was correct and in strict

accord with all formalities. The proof in each case must be completed, and must satisfy an independent auditing officer whose business it is to detect errors, irregularities or misrepresentations.

**1.39** Financial transaction must not only be correct in fact, but must be supported by proper documentary proof. For instance to determine the validity of a disbursement, an auditor will need to have evidence of the authority of the disbursing officer, the appropriation on the basis of which the disbursement was made and the effect of any relevant statutory language in the Appropriation Act, the receipt of the money by the proper person, proof that the service for which payment was made was actually performed, proof that the charge was not excessive, and presence of the signatures of the disbursing officer and such of his superiors as may be required. The auditor will also ascertain that funds were available in proper appropriation head, that all the papers were in order, that the arithmetical computations were correct, and that the claim was not a duplicate. To audit a complex transaction is a difficult operation requiring often knowledge of law precedents, and financial regulations and practice as well as the principles of accounting and auditing.

**1.40** The normal sequence of events, seen from the point of view of accountable officer, is this:

- (i) he receives and acknowledges an advance;
- (ii) he disburses particular sums and takes receipts and other evidence of the transactions;
- (iii) he submits periodically a statement of his transactions, with all the supporting documents to the auditor;
- (iv) the auditor examines the documents, and if they are in order he settles the account, thus clearing the disbursing officer of any further responsibility;
- (v) if the auditor finds an error or is otherwise not satisfied he raises an objection and reports it to the disbursing officer;
- (vi) the latter then furnishes any further explanation or justification, leading at times to extensive correspondence;
- (vii) if the auditor remains unsatisfied, the disbursing officer has in principle, only two resources: -
  - (a) to pay the disputed balance out of his personal funds; or
  - (b) to appeal to the higher authorities to regularise the transaction.

**1.41** The audit is designed to prevent embezzlement frauds, carelessness or innocent error. Embezzlement is now relatively rare, but the knowledge that an audit is to be made is doubtless still a necessary deterrent. Most controversies between executive and audit turn on different interpretations of law and misunderstanding of procedure, less commonly, on lack of supporting documents.

#### **BASIC FUNCTIONS OF AUDIT:**

**1.42** The audit is a function undertaken on behalf of the appropriating body, and is, therefore, a legislative, not an executive, task. It is part of the external control over administration maintained by the representative body not a part of the internal responsibility of official to the Principal Accounting Officer. In principle, it is unrelated to and independent of any means of fiscal control which executives may require to facilitate the overhead management and direction of work for which they are responsible. Its primary task is to enforce accountability by the independent examination of every financial transaction. In the words of the Comptroller General of the United States 'one of the important objectives of the audit is to fix the accountability of the officer of the Government for any illegal, improper or incorrect payments made resulting from any false, inaccurate, or misleading certifications made by them, as well as for any payment prohibited by Law or which did not represent a legal obligation under the appropriation or fund involved. At the same time an audit is a protection to responsible executives; a double check against malfeasance of subordinates, a shield against irresponsible charges, and an assurance to a new official taking over a going concern.

**1.43** Historically, an audit took place subsequent to expenditure. In its simplest form it was a scrutiny of books and supporting documents (payrolls, vouchers etc.) at the close of a fiscal year. The full year's operations were then available for study and criticism, surpluses or deficits were disclosed, and the net result of fiscal operations could be ascertained and reported to the appropriating body. The deterrent effect upon misuse of funds lay in the danger of ultimate discovery, not in prohibition at the moment. In its more highly developed form audit became a continuous operation, the flow of financial transactions through the auditor's office being uninterrupted throughout the fiscal year. It still remained, however, subsequent to the event. More recently the pre-audit was invented by which payroll, bills, and claims pass through the auditor's hands before payment. An audit is still usually, although not necessarily, an operation conducted after payments have been fully authorised and actually made.

**1.44** Much confusion has existed between the ancient function of audit and the modern function of administrative examination of accounts. An audit does not replace the operation involved in administrative control of expenditure, although the procedures are similar in part. The basic objectives of an audit are to see that:

- (a) the funds have been used only for the purpose for which those were intended;
- (b) the expenditure was in accordance with the conditions established by law;
- (c) to check the accuracy of accounts and inventories;
- (d) to ensure against embezzlement or loss of funds; and
- (e) to report findings to the proper agency, i. e., the administrative agency, in case of unauthorized expenditure, the prosecuting officers, in case of wrong-doing and the legislative body in case of inefficiency or unsatisfactory operation of the fiscal system.

The purpose of administrative examination of expenditure is to ensure care and good business judgement in the funds, as well as regularity and accuracy and more broadly to enable the top-executive to bring his influence to bear upon work programmes and administrative policy as reflected in expenditure. The end of an audit is to ensure legality and correctness of administrative control to avoid deficits, to supervise current expenditure, and

to ensure that all fiscal programmes are in conformity with the master-plan of the Government. These objectives overlap in part, but not entirely.

## **CHAPTER II BUDGET**

### **HISTORY OF BUDGET:**

**2.1** The institution of budget originated in the West. During the days of absolute monarchy the treasury was at the disposal of the king, who spent out of it in any manner he liked. There was no control whatsoever on the purse strings. It is a well-known historical fact that struggle for representative government in England began with the right to control the purse. When this was acquired, the right to control expenditure through appropriation was asserted. By and by the executive was required to produce for the approval of the Parliament every year a complete plan of income and expenditure. Nearer home in the Indo-Pakistan sub-continent there was the same story. There was no better way of asserting that control than to require the government to submit a comprehensive plan for the approval of the legislature showing how much money they needed for any one year and how they proposed to raise and spend it. This plan was called the BUDGET.

### **ORIGIN OF THE WORD "BUDGET":**

**2.2** The word 'Budget' is derived from the French word 'Bougette' a diminutive of the old French word 'Bouge' meaning a small bag or wallet. In its present sense the word was first used in 1733 in connection with Sir Robert Walpole's financial scheme in an anonymous pamphlet entitled 'The Budget Opened' in which Walpole was ridiculed as a conjurer, the budget being his wallet or bag of tricks and deceptions. The phrase, however, stuck. The meaning of the word 'budget' has now shifted from the bag to the documents containing the financial proposals and is accepted as such in the parliamentary phraseology.

### **BUDGET AND BUDGET ADMINISTRATION:**

**2.3** Gladstone, whose advance in British politics rested in large measure on the brilliant way in which he filled the office of Chancellor of the Exchequer, once said 'Budgets are not merely affairs of Arithmetic, but in a thousand ways go to the root of prosperity of individuals, the relation of classes and the strength of kingdoms'. To this observation might be added another: "The efficiency, the reputation and the development of the programme of the government of the day are advanced or retarded by the effectiveness not only of budget procedures but of devices of fiscal control".

### **THE PURPOSE OF BUDGET:**

**2.4** 'No man' said Swift "will take counsel, but every man will take money. Therefore, money is better than counsel". The aphorism with some modification applies to government agencies. Just as the eventual control of government activities by the legislature stems from the power of the purse (the revenue system and the appropriation system), so the direction by the chief executive is aided by his authority over projected and actual expenditure.

**2.5** The budget is a fiscal blue-print of projected government activity put side by side with the record of past years and joined to an estimate of public revenues. It has been referred to as "the direction of public expenditure with the purpose of obtaining the maximum estimated social income". The budget is not only an estimate but a justification. Nor is it merely a loose leaf compilation of separate expense sheets; it is correlated master-plan of

government outlays. Its preparation is not the work of isolated agencies; it is a centrally supervised operation.

**2.6** Nor does the budget system end with the drafting of the document. It is followed by a thorough consideration at the hands of the legislative branch. For it is here that the action of the executive department must be subjected to scrutiny. Approved, the budget becomes a handbook of administrators, guiding their courses and fencing their ambitions, behind a wall of rupee signs—or dollars or pounds, or francs or roubles.

### **BUDGET STRATEGY AND TACTICS:**

**2.7** The story of budget procedure and practice gives little indication of the complex inter-play of powerful forces that are involved in reaching budget decisions. These forces are continuously at work, through the whole process of government policy-making programme planning, financing and executing—and shift their emphasis from the executive to the legislative branch and back again, or at times seek to build strength by cultivating a favourable public opinion..

### **THE BUDGET AS EQUILIBRIUM OF COMPETING FORCES:**

**2.8** A budget as finally approved by a chief executive and submitted to a legislative body is a momentary balance between two sets of forces, one for spending, and one against. The appropriation act or acts represent another equilibrium achieved by the balance of the same pressures at work in legislative chambers. The balance is only a temporary one, destined to stand at most for a year or two and once painfully achieved is already an object of sapping and mining. Intertwined with the equilibrium is another balance between competing expenditure groups. The pressures in favour of spending are very great; they arise out of acutely felt needs by considerable number of the people who seek advantages from publicly supported programmes. One large group of such pressures stems from the demand for improved services or for new services. Characteristic of the first type are the frequent campaigns for better police -work—more effective training, more complete utilization of present resources, friendlier relations with the public. These may mean a bigger police budget, but the main pressure on public expenditure arises from the claim for more police, higher salaries, and modern equipment.

**2.9** Demands for new services (and new expenditures) are always pushing forward in varying degrees of readiness for action. The history of government at all levels has been one of expanding functions and of new programmes. Over a hundred years ago a frustrated member of the American Congress exclaimed, "Sir, there are two things that never go back: one the increase of officers, the other the increase of their salaries. We never decrease officers; we never decrease salaries.

### **THE ETERNAL PROBLEM OF VALUES:**

**2.10** Although not denying the progress that has been made in the technical realm, critics would have the budgeters grapple more effectively with values. They would bring into the budgetary process those who could deal with the fundamental problems, of economics, political theories and social sciences. Answers must be found to questions such as the following. What is the effect of different levels of public expenditure upon the private economy? Is it more desirable from the standpoint of the nation as a whole to spend money on guns or butter, atomic research or social welfare? What would be the relative effect of

financing through borrowing or a new tax? Are the claims of pressure groups in favour of additional appropriations sound from a technical and "public interest" standpoint? Is too much expenditure going into special project because of the political strength of their sponsors? What are alternatives to the present allocation of funds, and what are the factual data to support such alternatives?

### **PERFORMANCE BUDGET:**

**2.11** Performance budgeting entails adoption of the budget based upon functions, activities and projects. The essence of this is the development of work load statistics. The argument in favour of this type of budgeting is that it permits administrators, legislators, and tax-payers to know what the money is buying and to make some fairly accurate estimates of whether they are getting value received. It replaces flying by guesswork with flying by navigation instruments, and thereby provides guide-posts that indicate general direction. This approach should make budget 'padding' more difficult, particularly after there has been sufficient experience to establish norms. It should make far happier relations between the legislature and administrative agencies because administrators will be able to present their budget requests in terms of alternate work programme. The legislature that wants to reduce expenses will be told how it can do so in terms of work units rather than by a flat percentage cut. The basis for controversy will then be what work is to be done in terms of the funds available. It puts political decisions in the hands of the political authorities where they should be. Of course, there will still be plenty of rooms for argument as to the correctness of the work units, but that should produce beneficial results by encouraging budget staff agencies to carry on current research. There would be constant efforts to ascertain better ways of doing things, with the result that a common reservoir of work performance information would be available. Under such circumstances it would be rather difficult for agencies to get out of line.

**2.12** The difficulty with this type of budgeting is that people resist its introduction. There are numbers of reasons for this, but perhaps the chief one is the insecurity aroused when one's job is studied. It is the same type of resistance encountered in all efforts to study and analyse work in administrative research and work simplification. Functionaries right from the head of department down to the level of a B-I employee are apprehensive that they will be required to do more work, will have to learn new methods, will be criticized or will lose their jobs. Performance budgeting actually does imply continuous study and reappraisal of jobs and methods. From an overall management view-point, this is all to the good, but individuals resist it. Thus a great deal of orientation is required to induce an organization to accept a continuous work review and measurement.

**2.13** Budget planning as well as all other types of planning must be based upon information which can be obtained by an orderly gathering of statistical data. Performance budgeting requires statistical data relative to production and productivity, which in turn is tied into fiscal accounting. The more complete and accurate these data are, the more effective the planning will be. But this requires considerable record-keeping.

### **DECENTRALIZATION:**

**2.14** Another advantage of performance budgeting is that it will force decentralization which is generally regarded as desirable because it pushes decision-making down to the operating level. It will do this because the performance units which go into budget planning

and control must be developed at the level where direct production takes place. These performances will be based upon study of actual job experience. Delegation will be encouraged by removing one of its principal obstacles, namely lack of information at headquarters about performance at the grass roots. Delegation and decentralization, perhaps the dominant goals of modern administrative management, are nourished by performance standards. The formula stated above runs as follows: headquarters says: (i) what is to be done (ii) what services are to be performed at stated levels of quality (iii) headquarters develops standards of performance on the basis of field studies, historical experience, and professional training; (iv) authority commensurate with responsibility is delegated to the work level, whether at the centre or in the field. The people on the production level proceed to make the decision necessary to carry out objectives. In doing so they are guided by standards set by headquarters, these standards being general guide-posts rather than minute sanctions. Headquarters control by knowing what is going on rather than by making day to day operating decisions. It obtains the knowledge necessary for such control by means of written report and by planned inspection visit to the field.

**2.15** The pattern of budget planning in most jurisdictions, however, is one of detailed decisions being made by the Ministry of Finance. It has been held that greater emphasis should be put on the development of policies to govern the preparation of estimates and on "the development of adequate budget work in the departments, themselves, and comparatively less on the review by its own staff of the review of departmental estimates". The notion that they could obtain a balanced budget only by detailed review of departmental estimates and by using a blue pencil on them does not hold ground any longer. But it is also true that it is probably, neither possible nor desirable to eliminate central scrutiny of departmental estimates. The development of performance and work load standards should reduce snap decisions made hurriedly on the basis of inadequate data.

### **DEMOCRATIC BUDGETING:**

**2.16** Modern management philosophy tends strongly towards democratic concept and practices. People understand how and why budget decisions were made even though they may have been adversely affected.

**2.17** It is highly desirable that the budgetary process be democratized for two reasons: (i) it is the heart of administrative management (ii) there is a tendency among finance officers to be authoritarian. As to the first, if one believes in the new philosophy of democratic motivation, he must also apply it to budgeting. Traditional concepts of management that a manager was helpless unless he had unlimited power to hire fire and transfer people at will, is now yielding ground to the human relations. Organization effectiveness can be obtained only by treating each of the specialists as an integral member of the management team. Budgeting can never attain its maximum possibilities until it is regarded as a tool of management rather than the scourge of God. Moreover, it must be treated as a tool for the remote Held supervisor as well as for the Minister for Finance.

### **BUDGETING COD PLANNING:**

**2.18** A budget is a proposed work programme, with estimates of the funds necessary to execute it. A work programme is a plan. The process of preparing estimates and organizing them into a coherent agency budget necessarily involves planning. The budget may,

therefore, be said to represent a plan or a considerable number of plans in different areas of public functions.

**2.19** The plan represented in a set of annual or biennial estimates is not, however, a complete plan. It is the annual segment of a plan that normally may require two, three, five or ten years to bring fruition. It is consequently related to the annual segments of a plan that was represented in previous budgets, and that will be represented in future budgets. Once, President, Harry S. Truman told the Congress, "The fact is that the financial programme of the Government cannot be planned in terms of the single year. It must be planned in the light of security, economic, and budgetary goals—not for the ensuing year but for three and even four years ahead.

**2.20** It follows that the budget for any fiscal year is an expression both of a part of programme for the year and also of parts of programmes for several years ahead. The planning that is represented in budget estimates is the product of the departments and their sub-ordinate offices, not the work of the Ministry of Finance. No budget agency can do more than review and criticize the plans of the operating establishments. The initiative does not lie among the budget examiners.

**2.21** Planning and budgeting are, therefore, two complementary operations. Policy and programme planning come first: the translation of annual or biennial segments of a plan into figures follows. The departments take the initiative; the budget men review and criticize and the legislative bodies decide both on plans and estimates.

**2.22** Much budget-making, however, hardly represents a plan beyond the mere projection of presently available sums into the next fiscal year. Since the signal for legislature's challenge of estimates is variation from the existing level of expenditure many figures are justified, because they are identical with their predecessors. Such reasoning avoids the question whether they should be more or less. Indeed, in the broader sense of the term, the opportunity for planning on a comprehensive scale, with a genuine decision on the relative values of spending more or less, or here rather than there, hardly exists. Some agencies can and do plan for long-range goals within their specialty, and this is a notable advance. Whether afforestation or soil conservation, or civil defence is entitled to priority in an overall evaluation of social plans and necessities is a problem for the final resolution of which no institutional means exist, or probably could exist, other than those found in the National Assembly.

#### **FINANCIAL PROCEDURE UNDER THE CONSTITUTION:**

**2.23 Federal Consolidated Fund (Article 78).**—All revenues received and all loans raised by the Federal Government in repayment of any loan, shall form part of a consolidated fund to be known as the Federal Consolidated Fund.

**2.24** All other moneys received by or on behalf of Federal Government or received by or deposited with the Supreme Court or any other Court established under the authority of the Federation should be credited into the Public Account of the Federation.

#### **CUSTODY, ETC. OF FEDERAL CONSOLIDATED FUND AND PUBLIC ACCOUNT (ARTICLE 79):**

**2.25** The custody of the Federal Consolidated Fund, payment of moneys into the fund, the withdrawal of moneys therefrom, the custody of other moneys received by or on behalf of the Federal Government, their payment into, and withdrawal from, the Public Account of the Federation and all matters connected with or ancillary to the matters aforesaid, shall be regulated by Act of Parliament or, until provision in that behalf is so made, by rules made by the President.

**ANNUAL BUDGET STATEMENT (ARTICLE 80):**

**2.26 (i)** The Federal Government shall, in respect of every financial year, cause to be laid before the National Assembly a statement of the estimated receipts and expenditure of the Federal Government for that year, in this Part referred to as the Annual Budget Statement.

**(ii)** The Annual Budget Statement shall show separately—

**(a)** the sums required to meet expenditure described by the Constitution as expenditure charged upon the Federal Consolidated Fund ; and

**(b)** the sums required to meet the other expenditure proposed to be made from the Federal Consolidated Fund ;

and shall distinguish expenditure on revenue account from other expenditure

**EXPENDITURE CHARGED UPON FEDERAL CONSOLIDATED FUND (ARTICLE 81):**

**2.27** The following expenditure shall be expenditure charged upon the Federal Consolidated Fund:

**(a)** the remuneration payable to the President and other expenditure relating to his office, and the remuneration payable to—

**(i)** The Judges of the Supreme Court;

**(ii)** The Chief Election Commissioner;

**(iii)** The Chairman and the Deputy Chairman of the Senate;

**(iv)** The Speaker and the Deputy Speaker of National Assembly;

**(v)** The Auditor General.

**(b)** the administrative expenses, including the remuneration payable to officers and servants of Supreme Court, the department of the Auditor-General and the office of the Chief Election Commissioner and the Election Commission and the Secretariat of the Senate and the National Assembly ;

**(c)** all debt charges for which the Federal Government is liable, including interest, sinking fund charges, the repayment or amortisation of capital and other expenditure in connection with the raising of loans and the service and redemption of debt on the security of the Federal Consolidated Fund ;

**(d)** any sums required to satisfy any judgment decree or award against Pakistan by any court or tribunal ; and

(e) any other sums declared by the Constitution or by Act of Parliament to be so charged.

**PROCEDURE RELATING TO ANNUAL BUDGET STATEMENT (ARTICLE 82):**

**2.28 (i)** So much of the Annual Budget Statement as relates to expenditure charged upon the Federal Consolidated fund may be discussed in, but shall not be submitted to the vote of the National Assembly, **(ii)** So much of the Annual Budget Statement as relates to other expenditure shall be submitted to the National Assembly in the form of demands for grants and the Assembly shall have power to assent to, or to refuse to, any demand, or to assent to any demand subject to a reduction of the amount specified therein **(iii)** No demand for a grant shall be made except on the recommendation of the Federal Government.

**AUTHENTICATION OF SCHEDULE OF AUTHORISED EXPENDITURE (ARTICLE 83):**

**2.29 (i)** The Prime Minister shall authenticate by his signature a schedule specifying:—

**(a)** the grants made or deemed to have been made by the National Assembly under Article 82; and

**(b)** the several sums required to meet the expenditure charged upon Uie Federal Consolidated Fund but not exceeding, in the case of any sum, the sum shown in the statement previously laid before the National Assembly.

**(ii)** The schedule so authenticated shall be laid before the National Assembly, but shall not be open to discussion or vote thereon.

**(iii)** Subject to the constitution, no expenditure from the Federal Consolidated Fund shall be deemed to be duly authorised unless it is specified in the schedule so authenticated and such schedule is laid before the National Assembly as required by clause (ii).

**SUPPLEMENTARY AND EXCESS GRANTS (ARTICLE 84):**

**2.30 (i)** If in respect of any financial year it is found:-

**(a)** that the amount authorised to be expended for a particular service for the current financial year is insufficient or that a need has arisen for expenditure upon some new service not included in the Annual Budget Statement for the year ; or

**(b)** that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year;

the Federal Government shall have power to authorise expenditure from the Federal Consolidated Fund, whether the expenditure is charged by the Constitution upon that r-und or not, and shall cause to be laid before the National Assembly a Supplementary Budget Statement or, as the case may be, an excess Budget Statement, setting out the amount of that expenditure, and the provision of Articles 80 to 83 shall apply to those statements, as they apply to the Annual Budget Statement

<sup>1</sup>(ii) The Finance Division has clarified that if there is excess in the "Other Expenditure" (voted) the Federal Government has the power, under Article 84 of the Constitution to authorise expenditure from the Federal Consolidated Fund, and that it is immaterial whether the excess expenditure is authorised by the Federal Government out of the savings from the 'charged' expenditure. Similarly, if there is excess in the 'charged' expenditure the Federal Government has the power to authorise the excess expenditure by re-appropriation of savings from the 'voted' expenditure, there being no bar in the Constitution that the savings from the voted expenditure provided in the Budget cannot be utilized for this purpose. The only condition laid down in Constitution (Article 84) is that the Federal Government "shall cause to be laid down before the National Assembly a Supplementary Budget Statement or, as 'the case may be, an Excess Budget Statement setting out the amount of that expenditure, and the provision of Articles 80 to 83 shall apply to those statements as they apply to the Annual Budget Statements".

#### **VOTES ON ACCOUNTS (ARTICLE 85):**

**2.31** Notwithstanding anything contained in the foregoing provisions relating to financial matters, the National Assembly shall have power to make any grant in advance in respect of estimated expenditure for a part of any financial year, not exceeding four months, pending completion of the procedure prescribed in Article 82 for the voting of such grant and the authentication of the schedule of authorised expenditure in accordance with the provisions of Article 83 in relation to the expenditure.

#### **POWER TO AUTHORISE EXPENDITURE WHEN ASSEMBLY STANDS DISSOLVED (ARTICLE 86);**

**2.32** Notwithstanding anything contained in the foregoing provisions relating to financial matters, at any time when the National Assembly stands dissolved, the Federal Government may authorise expenditure from the Federal Consolidated Fund in respect of the estimated expenditure for a period not exceeding four months in any financial year, pending completion of the procedure prescribed in article 82 for the voting or grants and the authentication of the schedule of authorised expenditure in accordance with the provisions of Article 83 in relation to the expenditure.

#### **REVISED SYSTEM OF FINANCIAL CONTROL AND BUDGETING:**

**2.33 (i)** The system of financial control and budgeting which was carried over to Pakistan from the Government of India, envisaged a heavy concentration of financial powers in the Ministry of Finance with a little delegation to the administrative Divisions and Heads of Departments. The system was the product of colonial administration under which the country had no defined social objectives and bulk of expenditure related to administration, with pronounced emphasis on law and order and defence. This limited purpose enabled control to be exercised by the Finance Department in two ways: budgetary control and expenditure control. The cumbersome procedures for release of funds were a great impediment to the execution of the projects according to schedule. Unnecessary delays in the release of funds resulted in lapsing of the unspent funds on the close of the Financial Year. The inherent shortcomings of the system and its incompatibility with socio-economic

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<sup>1</sup> c.f Finance Division O.M No F. I (4) R. 12-81 dated 15<sup>th</sup> April, 1981.

requirements of an independent and developing nation were too soon clear to the Government.

(ii) The Administrative Reorganisation Committee (1959) which examined the system in detail concluded thus:

"(a) The system of financial control, particularly the procedure involving "expenditure sanction" is unsuited to modern administrative needs and, in particular, has a serious hampering effect on the implementation of development programmes and execution of approved projects.

(b) The Administrative Ministries at present do not share financial responsibility due to its excessive centralisation in the Ministry of Finance. They are, therefore, tempted to submit exaggerated demands to the Ministry of Finance, and to regard the exercise of sound financial judgment as none of their business.

(c) The system minimizes the importance of the budget as an effective instrument of financial control and planning".

The Committee, therefore, recommended the scraping of the outmoded system and its replacement by the 'revised system of financial control and budgeting'. The revised system, as approved by the Government, was introduced w.e.f. 1st July, 1960, and, with certain modification, is still in force.

**2.34** Under the system the proposals in respect of establishments and projects submitted by the administrative Ministries are carefully scrutinized by the Ministry of Finance/Development Working Party/National Economic Council before making provision in the budget. But once the scheme has been finally approved by the competent authority and provision therefor made in the budget the Administrative Ministries have full authority to sanction expenditure subject to the powers delegated to them (within the budget grants).

**2.35** The Secretary (which term includes an Acting Secretary, Additional Secretary or a Joint Secretary Incharge of a Ministry/Division) is the Principal Accounting Officer of the Ministry/Division, its Attached Departments and subordinate offices for expenditure incurred against the demand or demands controlled by his Ministry/Division. The Principal Accounting Officer is responsible for ensuring:—

(a) that the funds allotted to his Ministry/Division, its Attached Departments or subordinate offices are spent for the purpose for which they are allocated and that the expenditure falls within the ambit of a grant;

(b) that the funds are spent in accordance with the powers delegated to him under the relevant rules and regulations ;

(c) that the actual expenditure does not exceed the budget allocations, all the payments are correctly classified under the appropriate major functions, minor functions, detailed functions and major objects, minor objects and detailed objects and departmental accounts are reconciled—every month with those of the Audit; and timely action is taken for adjustments of excess and savings;

(d) that the expenditure is incurred with due regard to high standards of financial propriety ; and

(e) to ensure that in the matter of receipts pertaining to his Ministry/Division adequate machinery exists for collection and bringing to account of all receipts.

**2.36** This responsibility was assigned to the Secretaries in recognition of the fact that due regard can never be paid to financial considerations if finance and administration are divorced and finance is kept separate from other factors which enter into policy decisions. It was, therefore, decided that \* finance would henceforth be regarded as an essential element in the consideration of all policy questions from the very outset and the administrative head of the Ministry/Division would make sure, as a pre-requisite for efficient and economic administration, that the financial considerations are taken into account at all stages by his Ministry/Division in framing and reaching decisions of policy and their execution. Moreover, as a Principal Accounting Officer, he must be prepared to answer for the efficient and economical conduct of business assigned to the Ministry/Division as a whole.

**2.37** The two main principles to be observed by the Principal Accounting Officers were to be the economy and regularity; as the success of any system depended upon the vigour with which they were observed in day to day examination. Economy means getting the full value for money and by regularity is meant the spending of money for the purpose prescribed by law. The two are not necessarily the same thing for it is conceivable to spend money without constitutional irregularity and yet wastefully. The requirement that the funds allocated to a Ministry/Division, etc. are spent for the purpose or purposes for which they are allocated constitutes an important part of the legislative control over expenditure. This control would be rendered nugatory if the executive authority sanctioned application of funds for purposes other than those authorized by the legislature. It was, therefore, the duty of the Principal Accounting Officer to ensure that the expenditure falls within the ambit of a grant or an appropriation. While sanctioning expenditure he should ensure by issuing necessary instructions to his subordinates that the requirements of the relevant rules and regulations are fully met and that the approval of the Ministry of Finance is obtained, where necessary

**2.38** The appropriation accounts of the Federal Government are considered by the Public Accounts Committee, which inter-alia is always keen to know the case of apparent waste and extravagance in administration. The Committee normally expects that the Principal Accounting Officer would satisfy them that the polity approved by the legislature has been carried out with due regard to economy and to furnish them with explanations of any example to the contrary to which their attention might have been drawn. He should, therefore, personally look into the financial matters as he would be answerable for laxity in matters of control over expenditure including that on the part of his subordinates. For this purpose, he should ensure that neither he nor his subordinates disregard the instructions issued by Government from time to time for the proper utilisation of funds placed at his disposal. The principle of personal answerability is not applicable in a case in which the Principal Accounting Officer has been over-ruled by the Minister. It may sometimes happen that the Principal Accounting Officer is over-ruled by his Minister on a matter of importance affecting the Financial administration of his Ministry/Division and is required to take a course of action which he regards as inconsistent with his duties as Principal Accounting Officer. In such cases he would not hesitate to resubmit the case to the Minister-in-Charge explaining how that particular course of action is inconsistent with his duties as the Principal Accounting Officer. In the performance of these duties the Principal Accounting Officer should not hesitate to consult the Financial Adviser attached to the Ministry/Division. It is

essential that there should be closest contact and cooperation between the administrative Ministry/Division and the Ministry of Finance.

**FINANCE AND ACCOUNTS OFFICER:**

**2.39** In each Ministry/Division there is a Deputy Secretary or a Section Officer designated as Finance and Accounts Officer. He is responsible for advising Principal Accounting Officer on all financial, budgetary and accounts matters and is under the administrative control of the Ministry/ Division concerned. His duties and responsibilities are as under:—

(i) Coordination and internal scrutiny of the budget estimates of receipts and expenditure of the Ministry/Division including New-Item Statements in accordance with the Budget Call Circular from the Finance Division and proposals for additional funds to be met out of the supplementary grant;

(ii) Consolidation of Annual Development Programme and to ensure that the development schemes of the Ministry/Division are prepared in accordance with the prescribed procedure and instructions;

(iii) To tender advice in the delegated field, where called upon;

(iv) To process, in accordance with the prescribed procedure, all cases relating to the non-delegated field, foreign exchange and demands for supplementary grants, which are required to be referred to the main Finance Division through the Financial Adviser;

(v) proper maintenance of accounts and their timely reconciliation with the actuals of the Audit Department and maintenance of 'Liability Register\*' in the Ministry/Division, its Attached Departments and subordinate offices and to watch the progress of the expenditure and receipts and furnishing monthly figures of departmental expenditure to the Financial Adviser by the twenty first of the month following the month to which the data relate;

(vi) All work relating to Public Accounts Committee and audit observations on appropriation accounts and ensuring compliance with the Committee observations and recommendations;

(vii) to exercise internal checks on irregularities, waste and fraud in terms of para 13 of General Financial Rules, Vol. I; and

(viii) to ensure compliance of all other rules and orders contained in the Federal Treasury Rules, General Financial Rules and instructions issued by the Finance Division from time to time.

**REFERENCE TO FINANCIAL ADVISER/FINANCE DIVISION: ---**

**2.40 (a)** In cases where a reference to the Financial Adviser is necessary, the Finance and Accounts Officer Should ensure that:—

(i) the reference is really necessary under the rules or instructions ;

(ii) the case is properly examined in accordance with the relevant rules and orders; and

(iii) the facts of the case and the point of reference are clearly stated in a self-contained note or office memorandum, which should be submitted in duplicate.

(b) The Finance and Accounts Officer should also furnish such further data and provide such further information as may be asked for by the Financial Adviser for the proper disposal of the issues referred to him.

(c) Similarly, in cases where the Financial Adviser has to refer a case to any other Wing of the Finance Division, he should do so, without a further reference to the administrative Ministry/Division in accordance with the instructions detailed above.

#### **FINANCIAL ADVISER: -----**

**2.41 (i)** For each Ministry/Division there is a Financial Adviser with such supporting officers and staff as may be necessary for advising the Secretary-in-Charge on all financial, budgetary and accounts matters. Financial Advisers are under the administrative control of the Ministry of Finance and are paid from the Budget Grant of the Finance Division and exercise powers of Joint Secretary of that Ministry in relation to the Ministry/Division to which they are attached. The matters relating to the interpretation, application and relaxation of service regulations and allocations of foreign exchange continue to be the responsibility of the Ministry of Finance and such cases are sent directly to the Finance Division (Regulation Wing) and not routed through the Financial Advisers. On the way back cases pass through the Financial Adviser.

In the performance of his duties the Principal Accounting Officer should not hesitate to consult Financial Adviser attached to the Ministry/ Division. It is essential that there should be close contact and cooperation between the administrative Ministry/Division and the Ministry of Finance.

(ii) The main aim and object of the F.A 's scheme is to make available ready financial advice to the Principal Accounting Officers of the Ministries/Divisions and to render assistance to them in the following fields:—

- (a) Processing of the development scheme;
- (b) Scrutiny of budget proposals;
- (c) Examination of proposals of the autonomous organizations relating to financial matters etc;
- (d) Tendering advice in cases falling outside the field of delegated powers; and
- (e) Rendering services in all matters of payment and<sup>2</sup> matters affecting accounts or any matter touching propriety and regularity of the transaction.

(iii) In order to make the role of the Financial Advisers more effective and meaningful it is necessary that the Financial Advisers are closely associated with the working of the concerned Ministry/Division, their Attached Departments, subordinate offices and autonomous organizations/ corporations. Also, they should be involved in important assignments, projects and matters relating to financial management of the Ministries/ Divisions; their Attached Departments, subordinate offices and autonomous organizations/corporations.

#### **ROLE AND POWERS OF THE FINANCIAL ADVISERS:**

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<sup>2</sup> Finance Division DO No F 1 (1) R. 12-81 dated 24th February, 1981.

**2.42** Under the existing orders, the powers specified below are exercised by the Financial Advisers/Deputy Financial Advisers etc in respect of Ministries/Divisions to which they are attached:

**(A) CURRENT (NON-DEVELOPMENT) EXPENDITURE:**

**(i) Proposals for Supplementary Grant in respect of unexpected expenditure.—**Proposals for Supplementary Grant will be examined by the Financial Adviser concerned like other expenditure proposals.

**(ii) Lumpsum Provision.—**Proposal which is intended to be financed from lumpsum provision will be finally examined and disposed of by the Financial Advisers.

**(iii) Re-appropriation of funds.—**The powers of appropriation and re-appropriation of the Finance Division, as set out in Serial No. 4 of Annex II to the Ministry of Finance O.M. No. F. 1(5) R. 12-80 dated 11th March, 1981, will be exercised by the Financial Advisers.

**(iv) Sanction of Expenditure.—**Powers of the officers of Finance Division to sanction expenditure against authorised budget provision will be as indicated below:—

Sr #		Recurring Rs.	Non-recurring Rs.
1	SOs (Expenditure)	100,000	200,000
2	Dy. Secretaries/DFAs	500,000	1,000,000
3	Joint Secretaries/FAs.		No limit, except that cases involving important issues of policy may be submitted to the Additional Finance Secretary (Exp.)/Finance Secretary/ Finance Minister.

**(B) DEVELOPMENT SCHEMES:**

**(a)** Financial Advisers will be associated with the processing of all the development schemes from beginning to end. They will be responsible for the following:—

**(i)** Scrutiny and approval of development schemes of the Federal Government costing below Rs. 10.00 millions (non-recurring) and Rs. 1.0 million (recurring) which does not require submission to the Central Development Working Party. Before, however, according his approval, F.A. will consult JS (Dev.) where necessary, to ensure policy coordination as in (b) below.

(ii) Scrutiny of all other Development Schemes sponsored by the Federal Ministries/Divisions for consideration of the Central Development Working Party. In case, FAs are satisfied with the financial aspects of the schemes requiring a reference to the Central Development Working Party, they would clear the schemes for submission to the Planning Commission (CDWP) and the Ministries concerned will mention this fact in the proforma of the scheme or in the covering letters with which the schemes are sent to the Planning Division. But if the FAs have some observations/comments on the schemes, these should invariably be communicated to JS (Dev)/Additional Secretary (Exp.) for presentation/discussion in the meeting of the CDWP.

(b) The Policy coordination in regard to development work would be the responsibility of the Development Wing. The Development Wing will also ensure the following:—

(i) The scheme fits into the overall development plan.

(ii) The scheme does not clash with any other schemes of any other Ministry/Division/Department either in principle or in detail and that there is no contradictory policy being followed in schemes of two different Ministries/Divisions/Departments.

(iii) There is no duplication in the schemes of the various Ministries/Divisions/Departments both in major work and in detailed working.

(c) Meetings of the Development Working Parties shall be attended by:—

(i) the Joint Secretary (Dev.) in respect of schemes costing Rs. 10.00 million or more but less than Rs. 50.00 million (non-recurring) and over 1.00 million (recurring); and

(ii) The Additional Secretary Finance (Exp.) in respect of schemes costing Rs. 50.00 million or more.

**(C) WRITE OFF OF LOSSES:**

The case of writing off of losses may, on behalf of the Finance Secretary, be disposed of finally by the officers of the Finance Division as indicated below:—

(i)	Deputy Secretary/DFAs/ OSD of identical rank.	Cases of losses not exceeding Rs. 100,000
(ii)	Joint Secretary/FAs.	No limit except that cases involving important issues of policy or departures from important principles may be submitted to Additional Finance Secretary (Exp.).

**(D) REPRESENTATION OF FINANCE DIVISION AT VARIOUS COMMITTEES/MEETINGS:**

FAs accredited to the administrative Ministries/Divisions will represent the Finance Division, at the appropriate level, at various Committees/ meetings. Where the Finance Secretary or the Additional Finance Secretary (Exp.) may himself like to attend a particular meeting, relevant brief shall be prepared by the F.A. concerned and submitted to the Finance Secretary or the Additional Finance Secretary (Exp.).

of Finance Division O.M. No. F. 1 (5) R-12/80 dated 11th March. 1981.

**POWER OF SANCTIONING PROJECTS**

**2.43** The sanctioning powers of various authorities are indicated below: ---

Authority	Sanctioning Power
ECNEC	All schemes costing above Rs. 30.00 million (non-recurring).
CDWP	Federal schemes costing between Rs. 10.00 to Rs. 30.00 million (non-recurring) subject to the condition that the Ministry of Finance does not disagree.
Federal Ministries	<p>All schemes costing below Rs. 10.00 million (non-recurring). This power will be subject to the following conditions :—</p> <p>(i) The Ministry concerned shall create a proper planning and monitoring unit within the organization and set up* a departmental development working party in which a representative of the Ministry of Finance should also be included.</p> <p>(ii) The Ministry of Finance does not disagree with the decision of the Departmental Development Working Party. In case there is a disagreement the scheme will be submitted to the CDWP/ECNEC.</p> <p>(iii) A copy of PC-I of the scheme shall be furnished to the Planning and Development Division at least 10 days before the meeting of the Departmental Development Working Party. The Planning and Development Division will also have the right to express their views on the PC-1 and to attend the meeting of the Departmental Development Working Party.</p> <p>(iv) A copy of the scheme finally approved by the Departmental Development Working Party will be promptly furnished to the Planning and Development Division and Ministry of Finance (Development Wing).</p>
Commercial Organizations having Finance Member/Director appointed in consultation with the Finance Division.	All schemes costing below Rs 10.00 million (non-recurring) and/or Rs.1.00 million (recurring) with the concurrence of the Ministry of Finance. The power is subject to the conditions mentioned against Federal Ministries.
Corporations/Non Commercial Organizations having a Director Member Finance approved by	All schemes costing below Rs. 4.00 million (non-recurring) and/or Rs. 1.00 million (recurring). The power is subject to the conditions mentioned against Federal Ministries.

Finance Division.	
Northern Areas Council.	All schemes costing below Rs. 10.00 million (non-recurring) and/or Rs. 2.00 million (recurring). The power will be subject to the conditions mentioned against Federal Ministries.
Islamabad Development Working party.	All schemes costing below Rs.10.00 million (non-recurring) and/or Rs. 2.00' million (recurring). The power will be subject to the conditions mentioned against Federal Ministries.
FATADC.	All schemes costing below Rs. 10.00 million (non-recurring), and/or Rs. 2.00 million (recurring). The powers will be subject to the conditions mentioned against Federal Ministries.
FATA	Governor NWFP empowered to sanction FATA scheme to the extent permissible in respect of Provincial schemes, i.e., all FATA schemes costing up to and including Rs. 30.00 million (non-recurring) after they have been processed by the PDWP.

#### DELEGATION OF POWERS:

**2.44** Additional powers have been conferred on the Ministries and Divisions vide Annexure II to the Ministry of Finance O.M. No. F. 1(5) R. 12/80 of 11th March, 1981, as amended from time to time. These can be exercised by them subject to:—

(a) The availability of funds by valid appropriation from within the sanctioned budget grant;

(b) The foreign exchange, where required from within the allocation of foreign exchange sanctioned for them.

The financial powers already conferred on them under the F.Rs. and GFRs prior to the introduction of new system will continue to be exercised by them. These powers may be exercised by the Ministries/Divisions without consulting their Financial Advisers. The advice, if any, given by the Financial Advisers in such cases, is not binding and may be overruled by the Secretary of the Ministry/Division concerned.

**2.45.** The administrative Ministries/Divisions are also empowered to delegate such of their powers as may be appropriate to the Heads of Attached Departments and subordinate offices under them as follows:

(i) By the Secretaries of the administrative Ministries/Divisions, to the officers subordinate to them in the Ministries/Divisions, without consulting their Financial Adviser ;

(ii) By the Secretaries of the administrative Ministries/Divisions to other officers subordinate to them in consultation with their Financial Adviser ;

(iii) By the Heads of Departments, to officers subordinate to them, in their headquarters office without consulting the Financial Adviser ;

(iv) By the Heads of Departments, to other officers subordinate to them in consultation with the Financial Adviser.

In respect of the schemes relating to current expenditure which have been prepared in detail and included in the budget expenditure sanctions may be accorded by the administrative Ministries/Divisions without the concurrence of the Ministry of Finance. Where lumpsum provision is made in the budget expenditure sanction can be given with the concurrence of the Financial Adviser to the extent of his powers as a Joint Secretary of the Ministry of Finance. Cases which are beyond the powers of the Financial Advisers are to be submitted by him to the Finance Secretary for his concurrence.

**2.46** The advice given by the Financial Advisers in cases which do not fall within the powers delegated to the administrative Ministries/Divisions is binding. In case the advice of the Financial Adviser is not acceptable to the Ministries/Divisions, the Secretary of the Ministry/Division may take up the case with Additional Finance Secretary (Exp.), Finance Secretary or the Minister concerned may take it up with the Finance Minister.

#### **BUDGETARY PROCEDURE:**

**2.47** The budget is an essential instrument of financial control. The scrutiny of all expenditure proposed by the Ministries/Divisions through the Financial Adviser is undertaken by the Finance Division as a pre-budget exercise. The budget proposals should, therefore, be carefully scrutinized by the Financial Adviser before agreeing to budget provision. Once provision for expenditure has been made in the budget and the budget has become effective the Ministries/Divisions have authority to sanction expenditure from within the sanctioned budget grant and subject to the financial powers delegated to them. To enable them to issue expenditure sanction without further consultation with Financial Adviser, in cases within their financial competence, the Ministries/Divisions should ensure that item-wise details are shown both in Part I and Part II Estimates. The budget procedure to be followed is as under:—

(i) Budgeting being a continuous process, the preparation of the budget should begin well ahead of the year to which it relates. The proposals for establishment and other items of expenditure should be cleared with the Financial Adviser as and when the proposals are ready.

(ii) Part I of the budget and Part II Estimates and new items statements are to be finally scrutinized by the Financial Advisor. He will issue to the Budget Wing of the Finance Division and the Accountant General, Pakistan Revenues, copies of the budget orders in respect of Part I Estimates and verified copies of new items Statements in respect of Part II Estimates. The admitted Part I & Part II estimates, should be compiled together in the

'Demands' by the Finance and Accounts Officer, and sent through the Financial Adviser to the Budget Wing of the Finance Division.

**(iii)** Estimates of revenue receipts and capital receipts should in the first instance be coordinated and scrutinized by the Finance and Accounts Officer and after verification and approval by the Financial Adviser sent to the Budget Wing of the Finance Division.

**(iv)** Lump sum provision should not be proposed except in the most exceptional circumstances which should be recorded. Where such a provision has been made expenditure therefrom should be sanctioned only with the prior concurrence of the Financial Adviser. In case a lumpsum provision for temporary posts the Financial Adviser can exercise his power to the extent available to him as Joint Secretary of the Finance Division. Cases beyond those powers have to be submitted to the Additional Finance Secretary (Expenditure)/Finance Secretary for concurrence.

**3(v)** As a general policy no allocation shall be provided in the ADP for new/unapproved development schemes except in the most exceptional circumstances which shall invariably be recorded both in the Budget as well as in the ADP Books. Releases against such provisions shall, however, be made only after approval of such new schemes by the competent authority and with the prior approval of the Financial Adviser's Organization concerned.

**4(vi)** Similarly no sector wise lump sum allocation shall be made in the ADP as a general policy, except in most exceptional circumstances which shall invariably be recorded. In respect of such lumpsum provisions, the sponsoring Ministries/Divisions/Departments concerned shall invariably furnish a list of approved Schemes indicating bifurcation of the lumpsum allocation against each scheme to F As/Planning Division and other Organization concerned. Releases against this provision will be made with the prior approval of Financial Adviser.

**5(vii)** All releases against the allocation provided in the ADP for individual schemes as have already been approved formally by the competent authority or have been given anticipatory approval by the Chairman, ECNEC, will also be made with the prior approval of FA's Organization concerned.

**(viii)** Demands for Supplementary Grants shall not be made, except in extraordinary circumstances, for which full justification shall be furnished to the Financial Adviser/Finance Division with reasons why the additional expenditure could not be foreseen at the time of submitting of proposals for budget provision. No. expenditure shall be incurred without the prior concurrence of the Financial Adviser/Finance Division.

**(ix)** Foreign Exchange budget shall be prepared in accordance with the instructions issued by the External Finance Wing from time to time.

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<sup>3</sup> c..f Finance Division O.M No. F. 1(5) R. 12-80 dated 11<sup>th</sup> March, 1981.

<sup>4</sup> c.f Finance division O.M. No, F. 1(5) R. 12-80 dated 11<sup>th</sup> March,

<sup>5</sup>c.f Finance division O.M. No, F. 1(5) R. 12-80 dated 11<sup>th</sup> March,

## **GENERAL INSTRUCTIONS REGARDING PREPARATION OF BUDGET:**

**2.48** The Annual Budget Statement containing the estimated annual revenue and expenditure together with the all other receipts and disbursements arising both in Pakistan and abroad, is laid before the National Assembly. The material on which the budget and Demands for Grants are based is obtained by the Ministry of Finance in the form of detailed estimates submitted by other Ministries, which in turn depend for the material on heads of departments, heads of offices and other officers, who collect the revenue or incur expenditure. The Accountant General is responsible for rendering such assistance in the preparation, check and consolidation of Budget Estimates and Demands for Grants as may be settled by the Ministry of Finance in consultation with the Auditor General of Pakistan. The form of the budget and Demands for grants is laid down by the Ministry of Finance and no alteration of arrangement or classification can be made without their approval.

**2.49** In framing budget estimates the estimating authorities should exercise the utmost foresight. All items of receipts and expenditure that can be foreseen should be provided for under the proper heads. This exhortation to show foresight should not, however, be taken as an invitation to provide for unnecessary items of expenditure. While care shall be taken to see that all items of expenditure that can be foreseen are provided for, it is equally essential that the amount of the provision is restricted to what is really necessary. The Ministry of Finance can and does exercise its right to excise or reduce the provision for any item which it thinks unjustifiable, (A scientific basis has to be evolved to scrutinise the budget proposals). The past level of actual expenditure/provision is no doubt, by and large, the usual yardstick for determining the provisions for the next year but it has its limitations when it comes to abnormal expenditure and justification, therefore, needs to be examined on merits. Pay and allowances (including recreation allowance) can be subjected to straight arithmetical calculation. In providing for stores and equipment it is necessary to ensure that the estimates are based on approved and workable norms for the supply and replacement of consumable stores and spare parts, as well as for the supply of new equipment, and that they are properly tied up with their price schedules. The estimates in all cases should take into account the items already in stock. The aim is that the budget provision should have a rational basis and should be worked out with prudence and all precaution.

**2.50** The basic rules for the preparation of the detailed estimates are as follows.

(i) the estimates should be prepared on the basis of what is expected to be actually received or paid (under sanction) during the ensuing year, including arrears of previous years and not only the demands or the liability falling due within the year. In other words the estimates should include all receipts and payments during the coming year, irrespective of the fact that such receipts or payments relate to the transactions of that year or the previous years. For instance, materials to be ordered in August, 87 but not expected to be paid for till August, 88 will be provided for in the budget estimates for the year 1988-89 and not in the estimates for the year 1987-88. Similarly revenue due in August, 1987 but not expected to be

received in the treasury till August, 1988 will be provided for in the receipt estimates for the year 1988-89 and not 1987-88.

(ii) The estimates should not show merely the- net receipts or net charges. The gross transaction in the case of both receipts and charges in each department should be shown separately. Receipts are to be estimated as receipts on the receipt side of the estimates and expenditure on the expenditure side. It is not permissible to deduct receipts from charges or charges from receipts and frame estimates of net receipts or net charges. The practice of framing estimates on a gross and not on a net basis enabled the Legislature to exercise control over expenditure which it could not do if the executive approached the Legislature for authority merely for that part of the expenditure which could not be met from receipts. Yet in certain cases budgeting is on a net basis. For instance, refunds of revenue are deducted from gross collection and the estimates are prepared only for the net receipts, the reason being that refunds do not really represent the expenditure.

(iii) No provision should be made in Part I for items of expenditure not covered by sanction, either general or specific. If any provision is considered necessary for any unsanctioned item, it should be included in Part II. It should on no account be incorporated in Part I (Standing and Fluctuating Charges).

(iv) Under the provision 'Pay of officers' and 'Pay of Establishment' details should be furnished in a separate form (GFR-I) showing names, designation, increments due, etc.

(v) In the case of sanctioned establishment, whether permanent or temporary, full amount of the pay-including increments which are likely to be drawn by the incumbents on duty during the period should be provided;

(vi) Where no Leave Reserve exists provision should be made for leave salary both for the officers and the establishment on the basis of past actuals,' regard being paid to any new factor.

(vii) Provision should not be made for those who are on deputation or are otherwise absent and are not likely to return in the year for which estimates are being prepared, but the names of such personnel should be shown in Form GFR I.

(viii) No provision should be made for posts which it has been decided to leave unfilled or which have been kept in abeyance as a measure of economy. If it is desired^ to revive any of such posts prior consent of the Ministry of Finance should be obtained before making any provision in the estimates on this account;

(ix) For all fixed recoveries and fixed payments (other than establishment charges) the sanction fixing the amount should be quoted;

(x) Every department should provide, for the whole receipts and charges with which it deals finally;

(xi) No lumpsum provision should be made except, with the concurrence of Ministry of Finance, in most exceptional circumstances, the reasons for which should be recorded in writing;

(xii) Provision for losses should not be made in the estimates. If however, the nature of work of a department is such that losses must be regarded as inevitable each year, provision may be made with the special sanction of the Ministry of Finance in each case;

(xiii) the estimates of receipts and varying charges should not be merely arithmetical average of the last three years' figures, the average is a guide, but it should not be taken absolutely; and

(xiv) a lump deduction Should be made if savings are anticipated for posts likely to remain vacant or for other reasons.

### **TIME TABLE AND DETAILED PROCEDURE FOR PREPARATION OF BUDGET ESTIMATES:**

**2.51** The annual budget estimates should be prepared in accordance with the 'Budget Call' letter issued by the Ministry of Finance in October every year. Separate estimates have to be prepared in respect of:—

- (i) Receipts;
- (ii) Non-Development Expenditure;
- (iii) Development Expenditure.

The following detailed procedure is to be followed:

#### **RECEIPTS: ---**

The estimates are to be prepared in accordance with the following heads of receipts:-

<b>Heads of Receipts</b>	<b>Estimating Authorities</b>
Principal Heads of Revenue	Central Board of Revenue.
Other Revenue Receipts/ Capital Receipts.	Administrative Ministries/ Divisions.
Foreign Aid	Economic Affairs Division.
Debt, Deposits and Remittance Heads.	Financial Advisers, Ministries of Defence and Communications, State Bank of Pakistan, Central Directorate of National Savings and Administrative Ministries/Divisions.

The first preliminary, second preliminary and final estimates should be submitted to the Ministry of Finance on the prescribed dates. These will include both internal and external resources and will form the basis for determining the size of Annual Development Plan for the next year.

**2.52** Estimates of foreign loans and credits are required to be supported by details of individual projects and purposes and are to be drawn up separately for each of the following categories:—

Category I.	Loans for Federal Projects.
Category II.	Loans for purchase of Non-project commodities.
Category III	Loans for Provincial Projects.
Category IV.	Loans for Railways.
Category V.	Loans for Autonomous Bodies, Local Funds, etc., under the Federal Government.
Category VI	Loans for Autonomous Bodies, Local Funds etc. under the Provincial Governments.
Category VII.	Loans for credit Agencies for Private Sector Projects.

Estimates of guaranteed loans and credits are, however, to be shown separately from other foreign loans and these should also be supported by details of individual projects.

**2.53** Estimates for foreign aid grants from Countries and specialised agencies such as those mentioned below are to be submitted with complete details:—

- (a) Australia,
- (b) Canada,
- (c) Ford Foundation,
- (d) U.N. and its specialised Agencies.
- (e) U.S. AID, and
- (f) Other countries (Agencies to be shown separately).

The estimates of foreign project assistance, both loans and grants have to be fully tied up with the relevant projects and wholly reflected in the Annual Development Programme and the budget of the concerned agencies of the Federal or Provincial or Autonomous Bodies. This aspect will need to be fully taken care of by the Economic Affairs Division by preparing the relevant estimates in close consultation with the executing agencies of those projects. The executing agencies are required to afford all assistance to the Economic Affairs Division in this regard so as to enable them to submit the estimates in time.

The projection of all financial outlays developmental or non-developmental, call's for a correct estimation of resources and that the time schedule for the various stages of budget making is strictly adhered to. These aspects should be borne in mind by all estimating authorities. Further it will facilitate the task of the Finance Division if the estimates of revenue and capital receipts are prepared and furnished in the prescribed proforma. The estimates in respect of Debt, Deposits and remittances and other capital receipts will continue to be prepared as at present.

Administrative Divisions should coordinate the estimates of the different estimating authorities under them and to submit the verified and consolidated estimates to their Financial Adviser. The Financial Advisers will scrutinize the estimates and forward them with their comments to the Budget Wing by the prescribed date addressed to Deputy Secretary (Resources).

**2.54** Estimates of receipts accruing to Government by way of dividends on investments made in various autonomous bodies/corporations, etc, on preference and ordinary shares should be submitted with details mentioning the rate of dividend fixed by the Government on such shares, if any. The reasons for non-inclusion of such receipts in the estimates on any shortfall in the estimates on account of dividend receipt should be fully explained.

**NON-DEVELOPMENT EXPENDITURE:**

**2.55** Budget preparation has to begin well ahead of the year to which it relates. The proposals for establishments and other items of expenditure are required to be cleared by the administrative agencies with their Financial Advisers as and when they are ready without waiting for the 'Budget Call' circular from the Ministry of Finance. It should be ensured that the Budget Estimates submitted to the Financial Adviser for scrutiny and acceptance contain only the agreed items of expenditure. The classification of expenditure in terms of functions and objects should be correctly shown in the NISs. Due to computerization a new format of BO/NIS has been adopted. The instructions to fill this format should be followed strictly

**REVISED ESTIMATES FOR THE CURRENT YEAR:**

**2.56** The preparation of Revised Estimates for the current year should precede the framing of Budget Estimates for the next year. The following factors have to be taken into account in preparing the Revised Estimates:

- (i) Actuals for the first 4 months of the current year;
- (ii) The actuals for the last 8 months of the previous years;
- (iii) The 12 months' actuals of the past three years;
- (iv) Order issued or proposed to be issued regarding —
  - (a) Appropriation or reappropriation within the sanctioned grant;
  - (b) New items of expenditure sanctioned through supplementary grants; and
  - (c) surrenders already made or likely to be made during the year.
- (v) Any other relevant factors.

Any information required from the Accountant General in connection with these estimates should be obtained from him separately.

**2.57** Where Revised Estimates of expenditure for the current financial year exceed the sanctioned grant, it should be stated whether the increase has been authorised by competent authority and, if so, attested copies of the relevant orders should be appended to the estimates. It should also be indicated how the increase is proposed to be met (i.e. by reappropriation of savings within the grant or through supplementary grant). The revised estimates should be accompanied by a list of supplementary grants already sanctioned and included in the said Revised Estimates. When the revised estimates are less than the

authorised grant reasons for savings should be given. These requirements are applicable to both Part I and Part II Estimates.

### **BUDGET ESTIMATES FOR THE ENSUING YEAR:**

**2.58** The estimates are to be prepared in two parts:

**Part I:** Relates to standing charges which though may vary from year to year are not dependent on the volition of the Head of Department, e.g., permanent establishments (both officers and staff), travelling and other fixed allowances and other ordinary contingent expenditure.

**Part II:** Relates to fresh charges which may include new items of expenditure, such as temporary additions to existing establishments or to services, facilities and organizations which are either continued from year to year on a temporary basis or have been newly sanctioned and have not been provided for in the current year's budget. Only those proposals should be included which have already been cleared with the Financial Adviser. These should be submitted through the Financial Adviser in the form of self-contained note/memoranda, accompanied by supporting details to facilitate scrutiny. Lumpsum provision in the budget should not be made or proposed except in most exceptional circumstances which should be invariably recorded. As far as possible items under the object classification should be proposed according to the prescribed detailed heads of expenditure so that the number of references to the Financial Advisers/Finance Division is reduced to the minimum.

Part I Estimates are prepared on printed forms supplied by the Accountant General in whose circle of account the expenditure is to be booked. These forms contain separate columns to show:—

- (i) Code No. (Major, minor and detailed objects)
- (ii) The actuals of the last three years under each sub-head and detailed head. These actuals are required to be filled in by the Accountant General.
- (iii) Actuals for the last eight months of the previous year and the first four months of the current year.
- (iv) The sanctioned budget for the current year,
- (v) The revised estimates for the current year; and
- (vi) The budget estimates for the ensuing year.

The actuals of the last three years are noted by the Accountant General in the relevant columns of the forms sent out by him to the estimating authorities. The estimating authorities fill in the rest of the columns. Since the revised estimates, like the past actuals, are one of the material factors to be taken into account in preparing the budget estimates, the revised estimates should be prepared with great care and should include or omit the commitments that are likely to materialize or not likely to materialize during the year

The Budget Estimates of non-development expenditure for ensuing year should be accompanied by such details as nominal rolls in the prescribed form, calculation of Allowances, Honorarium, etc. and other charges so as to permit proper scrutiny. They should

further be supported by a comparative statement in Form S-203 showing the position of past three years actuals, the sanctioned grant and the Revised Estimates for current year and the proposed Budget Estimates for the next year.

**BREAK-DOWN OF ESTIMATES TO BE INCLUDED IN THE DEMAND .FOR GRANTS AND APPROPRIATION:**

**2.59.** The estimates of expenditure included in the Budget Estimates should be broken down into 'Charged' and 'Other than Charged' expenditure and also should show Revenue Account Expenditure separately from Development Expenditure.

**BUDGET ESTIMATES IN RESPECT OF DEVELOPMENT EXPENDITURE:**

**2.60** The revised estimates for the current year should not exceed the original budget, estimates, plus supplementary grants already sanctioned minus surrenders and shortfalls in utilization of foreign projects assistance. These should be accompanied by a list of supplementaries already sanctioned and included in the Revised Estimates.

**2.61** The estimates should not include any scheme which has not been approved in accordance with the prescribed procedure. Simultaneously with the formulation and submission of their Annual Development Programme to the Planning Division, the administrative Ministries/Divisions should supply a copy of their programme to their respective Financial Adviser. This should be accompanied by detailed expenditure estimates for budget provision in respect of individual projects. Other relevant information or material should be supplied according to the time-table.

**2.62** In the case of on-going projects, the estimates should also be accompanied by relevant files in which the budget provisions for the current year were admitted. AH new projects for which budget provision is proposed for the first time should be supported by the relevant PC-I or PC-II Form. If any provision is to be made for work\$ expenditure a separate statement in PPWD Form 4 should also be submitted. The Works Division will compile them according to individual development projects included in the ADP and furnish a copy to the Budget Wing of the Finance Division within three days after the finalization of budget estimates in respect of development project.

**2.63 (i)** when proposing budget estimates for projects/schemes in the ADP it should be ensured that there is no overlapping as to the nature and scope of project/scheme between items proposed in the development and non-development budget. Where certain activities/operations are to be carried out partly through the development budget and partly from non-development budget a consolidated picture should be presented to the Financial Adviser while submitting the budget estimates for development expenditure. .

**(ii)** In order fully to support the provision for development expenditure, the estimating authorities should furnish separate information under the following headings alongwith the estimates of individual projects/scheme to their Financial Adviser who after scrutiny will pass it on to the Budget Wing :---

- (a)** Name of the project/scheme.
- (b)** Expected date of completion.
- (c)** Physical targets envisaged in the project/scheme.

- (d) Expenditure to the end of the previous years.
- (e) Percentage of completion till 30th June of the previous year.
- (f) Revised Estimates and targets likely to be achieved.
- (g) Budget estimates for next year,
- (h) Targets proposed for next year.

(i) Basis for determining targets for the current and next year (i.e. unit cost or any other unit of measurement).

When furnishing the above information the estimating authorities should, as far as possible, specify the physical targets in quantitative terms (e.g., road mileage to be constructed, hospital beds to be provided, number of new school seats to be made available, acreage to be covered by Plant protection measures, etc., etc.). In cases where quantitative assessment of physical targets is not feasible, the likely achievements should be specified in broad details.

**2.64 (i)** Fair copies of New Item Statements in respect of accepted estimates of development expenditure should be distinctly marked to indicate that the provision relates to development expenditure. The classification of expenditure in terms of functions and objects should be correctly shown on the NISs. Due to computerization a new format to NIS has been adopted. The instructions to fill this should be followed strictly.

(ii) Budget orders in respect of Part I estimates relating to all Circles of account issued by the Financial Advisers should be addressed to the Accountant General, Pakistan revenues, Islamabad. Budget orders issued thereafter, if any, should be addressed to the Finance Division (Budget Wing), Islamabad. Copies of all Budget Orders issued in respect of Part I estimates whether before or after the 15th March should invariably be sent to the Finance Division (Budget Wing) Islamabad in duplicate alongwith copies of the relevant Part I estimates and a memorandum explaining the variations between :—

(a) Current year's sanctioned grant and the Revised Estimates as admitted;  
and

(b) The admitted Budget Estimates for the current year and those for the next year.

(iii) The budget orders should not be in the form merely of modifications to the estimates. Such orders on Part I Estimates for the next year should invariably give details of accepted provision that will appear in the Details of Demands for Grants and Appropriations and should also show :—

(a) The number of posts in each grade and related provision under the Establishment Charges;

(b) The provision for different objects of expenditure under the 'Regular Allowances' and other items of expenditure formerly classified as contingent charges ; and

(c) The details of recoveries, if any, should invariably be shown by specific nomenclature

(iv) Fair copies of all NISs should be sent to the Finance Division (Budget Wing) as well as to the Accountant General Pakistan Revenues, Islamabad, accompanied by a copy of memorandum explaining the variation between (a) the Budget Estimates and the Revised Estimates for the current year and (b) the Budget Estimates for the current year and the admitted Part I Budget Estimates for the next year. No Budget Order or NIS would be accepted without the approved Memorandum explaining the variation.

#### **COMMUNICATION AND DISTRIBUTION OF GRANTS:**

**2.65** The Grants voted by the National Assembly, together with any sums sanctioned for non-votable expenditure are communicated by the Ministry of Finance to the administrative Ministries/Divisions/Departments, and the Accountant General concerned in the shape of lump sums known as primary units of appropriation. The administrative Ministries and Departments then arrange the distribution of sanctioned funds, where necessary 'among the controlling and disbursing officers subordinate to them. The whole or part of the appropriation for a primary unit may be placed at the disposal of controlling or a disbursing officer. The primary units may also be broken up into a number of secondary units and the appropriation for any of these wholly or in part, may be placed at the disposal of a subordinate officer. An appropriation is intended to cover all the charge, including the liabilities of any previous year, to be paid during the year or to be adjusted in the accounts thereof. It can be authorised by competent authority at any time before, but not after the expiry of the financial year.

#### **CONTROL OF EXPENDITURE:**

**2.66** The authority administering a grant is ultimately responsible for watching the progress of expenditure on public services under its control and for keeping expenditure within the grant. In order to keep an effective control over the expenditure the administrative Ministries/Departments should adopt the procedure laid down in Rule 89 of the GFRs Vol. 1, so that the position of expenditure from month to month, viz-a-viz, the appropriation may be kept under constant review and suitable action may be taken in respect of savings and excess.

#### **SURRENDER OF ANTICIPATED SAVINGS:**

**2.67** During the course of financial year Head of a Department or a Disbursing Officer may find that expenditure under a particular object is likely to be less than the provision in the budget due to the following causes :—

- (a) actual postponement of expenditure ;
- (b) real savings due to economy ; and
- (c) normal savings due to original over-estimating or on account of the usual administrative causes.

**2.68** The savings under (a) above should not be utilised by re-appropriation to meet new items of expenditure without the sanction of the competent authority. If savings under (b) have been affected deliberately to provide for an unforeseen emergency, these should not ordinarily be utilized for new items of expenditure. All anticipated savings should be

surrendered to the Government immediately they are foreseen <sup>6</sup>but not later than 31st March of each year in any case, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time (see para 98, GFR, Vol I). However, savings accruing from funds provided after 31st March shall be surrendered to Government immediately they are foreseen but not later than 30th June of each year. The savings should not be held in reserve to meet possible future excesses.

**2.69** It is never desirable to spend the money in a hurry or in ill-considered matter merely because it is available or in order to avoid the lapse of a grant. It is in the interest of public service that if a grant cannot be utilised profitably it should be surrendered. A rush of expenditure particularly in the closing months of the financial year is a breach of the principles of financial propriety.

#### **RE-APPROPRIATION OF FUNDS:**

**2.70** Re-appropriation means the transfer of funds from one unit of appropriation to another such unit. The reappropriation may be sanctioned by a competent authority in terms of the powers delegated to the Ministries/ Divisions vide item 4 of the Annex II to the Ministry of Finance O.M. No. F. 1(5) R-12/80, dated the 11th March, 1981.

#### **SUPPLEMENTARY GRANTS:**

**2.71 (i)** Normally no expenditure should be incurred for which no provision has been made in the original estimate. If, however, at any stage it is found that an excess is likely to occur owing either to an unforeseen emergency or under-estimating or on account of insufficient allowance for factors leading to growth of expenditure, the expenditure, if possible, should either be postponed, or met through re-appropriation provided the officer concerned is competent to do so. If neither the savings are available nor the expenditure can be postponed, an application should be made to the Ministry of Finance for a supplementary grant. The application should be accompanied by a brief explanation of the reason for the excess and of the impossibility of providing funds to meet it from within the sanctioned budget grant.

**(ii)** The Application should be made by the date as may be prescribed by the Ministry of Finance from time to time. The Ministries/Divisions/ Departments should not, however, hold up applications till the last date, but forward each application to the Ministry of Finance as soon as it is known that a Supplementary Grant will be necessary. On receipt of an application, the Ministry of Finance will review the position of the grant as a whole with reference to the known actuals of the year to-date and actuals and estimates for the previous years. If after the examination of the Ministry of Finance is convinced that the expenditure can neither be postponed nor can be met from savings under other objects and that a supplementary grant is necessary, a demand will be placed before the National Assembly as soon as it is practicable.

**2.72 (a)** Keeping in view the above principles, the request for a supplementary grant should be made in a self-contained summary to be signed by the Secretary concerned in his

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<sup>6</sup> Finance Division Notification No 3(5)-Reg 12/81 dt 20-12-84.

capacity as the Principal Accounting Officer. The summary should contain the following information:

(i) Total expenditure involved in the proposal in the current year and the following years both recurring and non-recurring.

(ii) Classification of the expenditure whether it is 'Charged on the Federal Consolidated Fund' or "Other Expenditure" and also whether it is Revenue expenditure or development expenditure

(iii) An analysis of the budget grant to which the expenditure is debitable indicating:—

(a) Amounts provided object-wise;

(b) Particulars of expenditure already incurred under each object; and

(c) Particulars of commitments (including sanctions already issued) and plan of expenditure under each object for remaining part of the financial year.

(iv) Detailed justification of the proposal and reasons why provision was not made in the budget.

(v) The reasons why some of the contemplated expenditure at (iii) (c) above cannot be dropped/curtailed to accommodate the present proposal.

(vi) The reasons why the proposed expenditure cannot be postponed to a subsequent year.

(b) The summary may be forwarded to the Financial Adviser concerned who will examine the proposal and submit it to the Additional Finance Secretary (Expenditure) with his recommendations. If the proposal is approved by the Ministry of Finance, necessary sanction will be issued by the Ministry/Division concerned under intimation to the Budget Wing of the Ministry of Finance. The sanction letter will state that it issues with the concurrence of the Finance Division and a copy of the sanction will be endorsed to Audit by the Deputy Financial Adviser concerned.

#### **AUDIT REPORT AND APPROPRIATION ACCOUNTS:**

**2.73** (i) Under Article 171 of the Constitution, the Auditor-General of Pakistan is required to submit to the President the reports relating to the accounts of the Federation, who causes them to be laid down before the National Assembly. Accordingly an Audit Report and the audited accounts in the form of appropriation Accounts of the entire expenditure (Voted or Charged) of the Government for each financial year are prepared. The Audit Report contains such comments on the regularity and propriety of expenditure as are deemed necessary and proper as a result of audit investigations. It also brings to the notice of the Legislature the result of audit of all trading, manufacturing and profit and loss accounts and balance sheets kept in respect of Government commercial or quasi-commercial undertaking. Besides, it includes the report which the Auditor-General is required to make on his examination of any receipts and accounts of stores and stock with such comments as he may think fit on any important irregularity discovered in the course of audit of such receipts and accounts.

(ii) The appropriation accounts mainly depend on explanation furnished by the Ministries/Divisions/Departments to the Accountant General as to the cause of variations between the appropriation and expenditure. The explanation in respect of variations between appropriation and expenditure and of any apparent failure to exercise adequate financial control over expenditure should be concise, accurate and fully informative. Vaguely worded phrases as due to "over-estimating" "covered by reappropriation" or "reappropriation proved inadequate or unnecessary" should be avoided. In any case, the Public Accounts Committee is interested to know whether the variation was inevitable and whether it could not have been foreseen.

#### **PUBLIC ACCOUNTS COMMITTEE:**

**2.74** At the commencement of each session, a Standing Committee of the Legislature, at the Centre and in the Provinces respectively, is constituted for the purpose of scrutinising the appropriation accounts and the audit report thereon in terms of Article 171 of the Constitution. The Committee consists of • members elected by the Legislature. The term of office of members of the Committee is one year, but any member is eligible for re-election. The Chairman is elected by the Committee from among its members. In the case of an equality of votes on any matter, the Chairman has a second or casting vote. In England, the convention is that a well known member of the Opposition is elected as Chairman so that there may be proper opportunity for review and criticism, if necessary, of the financial proceedings of Government of the day.

**2.75** The Accountant General is not a member, but is usually invited to attend the meetings of the Provincial Public Accounts Committee. In the case of the Central Public Accounts Committee the Auditor General is similarly invited.

**2.76** The main function of the Committee is to see that the money granted by the Legislature has been spent by the Executive within the scope of the demand. This means that the Committee has to satisfy itself that—

(i) The money recorded as spent against the grant was actually spent and is not larger than the amount granted;

(ii) The money has not been spent for a purpose not approved by the Legislature; and

(iii) There are no other irregularities in the spending of public money by the Executive.

**2.77** Strictly speaking, the Committee is concerned only with voted expenditure, but by a convention which has been observed ever since the introduction of Public Accounts Committee, the Committee deals with both voted and non-voted expenditure. In case where accounts of receipts and of stores and stock are audited by the Auditor General the Committee also considers the audit reports thereon in much the same details as in the case of expenditure.

**2.78** The Committee has the power to examine the representatives of the departments concerned and to summon the officers more directly responsible whenever necessary. The Committee is entitled to offer criticism and recommendations upon any matter discussed in an appropriation account or in the audit report thereon. But the Committee is not an executive

body. It has no power, even after the minutest examination and on the clearest evidence, to disallow any item or to issue an order. It can only call attention to an irregularity of failure to deal with it adequately and express its opinion thereon and record its findings and recommendations.

**2.79** After it has completed its examination of the accounts the recommendations of the Committee are embodied in a report which is laid before the Legislature. A day is usually allotted for the discussion of the report when several important points are raised which are of great interest to the general public. In respect of accounts spent over and above the grant authorised by the Legislature votes are taken in each case.

## CHAPTER III

### AUDIT

#### **FUNCTIONS AND POWERS OF THE AUDITOR GENERAL OF PAKISTAN:**

**3.1** In terms of Article 168 et seq of the Constitution of the Islamic Republic of Pakistan, there is an Auditor-General, who is appointed by the President. He performs such functions and exercises such powers and prepares such reports in relation to the expenditure and accounts of the Federation and of the Provinces as may be determined by an Act of the Parliament and, until so determined, by Order of President. In pursuance of Articles 168 and 169 of the Constitution, the terms and conditions of service of the Auditor General and his functions and powers, in relation to the accounts of the Federal, the Provinces and accounts of the any authority or body established by the Federation or a Province are laid down in the Pakistan (Audit and Accounts) Order, 1973 promulgated as the President's Order No. 21 of 1973 and as further amended from time to time.

**3.2** The functions and powers of the Auditor General as laid down in Article 9, 10 and 11 of the President Order No. 21, 1973, as amended from time to time, are as under:-

#### **A-ACCOUNTS**

**(i)** Auditor General shall be responsible for the keeping of the accounts of the Federation of each Province, other than the accounts of the Federation relating to Defence or Railways:

Provided that the President may, by any general or special order, require the Auditor General to keep the accounts of the Federation relating to Defence or Railways or the accounts of any authority or body established by the Federation or a Province.

**(ii)** As respects accounts of the Federation, the President and as respects accounts of a Province, the Governor may, after consultation with the Auditor General, make provision by rules for relieving the Auditor General of responsibility for the keeping of the accounts of any particular service or department.

**(iii)** The President may, after consultation with the Auditor General, make provision by rules relieving the Auditor General, of responsibility for keeping accounts of any particular class or character.

**(iv)** The Auditor General shall, from the accounts kept by him and by other persons responsible for keeping public accounts prepare in each year accounts (including) in the case of accounts kept by him, appropriation account showing the annual receipt and disbursement for the purposes of Federation and of each Province, distinguished under the respective heads thereof, and shall submit those accounts to the Federal Government, or as the case may be, to the Government of the Province on such dates as he may, with the concurrence of the Government concerned, determine.

**(v)** The Auditor General shall comply with any general or special orders of the President or, as the case may be, a Governor as to the head of account under which any specified transaction or transactions of any specified class is, or is to be included:

Provided that, before issuing any such order as aforesaid, the President or, as the case may be, the Governor shall consult the Auditor-General.

### **B-GENERAL FINANCIAL STATEMENT**

It shall be the duty of the Auditor General to prepare annually in such form as he, with the concurrence of the President, may determine and to submit to the President a General Financial Statement incorporating a summary of the accounts of the Federation and of all the Provinces for the last preceding year and particulars of their balances and outstanding liabilities and containing such other information as to their financial position as the President may direct to be included in the statement.

### **C-AUDIT**

**I.** It shall be the duty of the Auditor-General: -

(i) to audit all expenditure from the revenues of the Federation and of the Provinces and to ascertain whether moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it;

(ii) to audit all transactions of the Federation and of the Provinces relating to debt, deposits, sinking funds, advances, suspense accounts and remittance business;

(iii) to audit all trading, manufacturing and profit and loss accounts and balance sheets kept by order of the President or of the Governor of a Province in any department of the Federal Government or of a Province; and

(iv) to audit the accounts of any authority or body established by the Federation or a Province; and in each case to report to the President or, as the case may be, to the Governor on the expenditure transactions or accounts so audited by him.

**II** The Auditor-General may, with the approval of, and shall, if so required by, the President or the Governor of any Province, audit and report on

(a) The receipts of any department of the Federal Government or, as the case may be, of the Province; and

(b) The accounts of stores and stock kept in any office or department of the Federal Government or, as the case may be, of the Province.

**III** The President or the Governor of a Province may, after consultation with the Auditor General make regulations with respect to the conduct of audits under clause (2).

**3.3** The Pakistan Audit Department performs all such duties and functions as have been assigned to or are undertaken by the Auditor General, but subject to such special or general instructions that may be issued by him from time to time.

**3.4** In order to enable the Auditor General to discharge his functions properly he should be supplied free of charge annual budget estimates of the Federation and Provinces and all other publications issued by them. He should also be furnished with information or documents or books which may be required by him for preparation of reports or accounts. The Auditor General has also the authority to inspect any treasury or office responsible for the keeping of initial and subsidiary accounts.

**3.5** The reports of the Auditor General, relating to the accounts of Federation and Provinces are submitted to the President and Governors respectively, who cause them to be laid before the Legislature concerned. The accounts and audit reports so submitted embrace, besides the Appropriation Accounts, the whole of the accounts of the Federal Government or of the Provinces including accounts of receipts and of all transactions relating to Debt and Remittance heads.

#### **GENERAL PRINCIPLES OF AUDIT:**

**3.6** The primary function of audit is to verify the accuracy and completeness of accounts so as to ensure that all revenue and receipts have been brought to account under proper head and that all expenditure and disbursements have been authorised, vouched and correctly classified. The Audit is also required to see that the final account represents a complete and true statement, of the financial transactions it purports to exhibit. This object can be achieved through an independent scrutiny. Accordingly the statutory provisions pertaining to functions of the Auditor General fully recognize his independence in the sphere of audit.

**3.7** The public audit has a dual role. Firstly on behalf of the Executive Government to check whether its officers and authorities subordinate to it comply with the orders issued by it in the discharge of its responsibility to the Legislature. Secondly, on behalf of the Legislature, to secure that the Executive Government acts in accordance with the law.

**3.8** It is essential that there should be a clear cut demarcation between the auditorial and administrative functions. It is the Executive Government which makes financial rules and orders and its subordinate officials apply them. The Audit has to see that the rules and orders satisfy the provisions of the law and are properly applied so as to be free from audit objections. It is not the function of audit to prescribe as to what the rules or orders should be. The criticism offered by the Audit should be limited to financial aspects and based on the accounts. It should not extend to administrative or other aspects. Nor the audit should offer any suggestions as to how Government may be better conducted. Although the Executive Government is itself responsible for enforcing economy in the expenditure of public money yet the Audit can bring to its notice any instance of wastefulness or infructuous expenditure. Government also welcomes suggestions to promote economy, based on information from the accounts. In short the audit of the Auditor General is a financial and not an administrative audit.

#### **AUDIT OF CLASSIFICATION:**

**3.9** One of the primary duties of Audit in examining an account is to verify that all financial transactions are properly recorded in the accounts and are allocated to the proper codes. It should be ensured that no "Charged" expenditure should be debited to the "Voted", "charged" and vice-versa. Although the ultimate authority for determining the function cum-object code under which a transaction is to be included rests with the President, but Audit, in its auditorial capacity, has every right to criticise the validity of a classification, which is inconsistent with the provision in the budget or which renders the accounts incorrect or misleading representation of the facts.

**3.10** It should also be remembered that the decision whether expenditure should be met from current revenues or from borrowed money rests with the Executive -cum Legislature. It is nevertheless, the duty of Audit to point out the occasions on which the classification of

expenditure between revenue and development expenditure or its distribution between current revenue and loan funds appears to be contrary to the dictates of sound and prudent financial administration.

### **AUDIT OF EXPENDITURE**

**3.11** The audit of expenditure on Government account is the responsibility of the Pakistan Audit Department but it will facilitate the work of the Executive to a great extent if the essential requirements of Audit are known to it. There can be a lot of saving in the time and labour and substantial correspondence avoided, if the sanctions issued by the Executive are in conformity with the basic requirements of Audit.

**3.12** There should be provision of funds authorised by competent authority fixing the limits within which expenditure can be incurred. This is the most important point which the Audit should see. It should be ascertained that the money expended applied to the purpose or purposes for which the Grants and Appropriation were intended to provide and that the expenditure so incurred does not exceed the amount of the Grant or Appropriation. It is no doubt true that the responsibility for watching the progress of expenditure and keeping it within the limit of a Grant or Appropriation devolves on the Executive but Audit is expected to render all legitimate assistance to the Executive in the matter. It should also see that the suitable and adequate arrangements exist in all Departments of Government for the control of expenditure.

**3.13** The Audit should also see that the expenditure incurred should conform to the relevant provision of the Constitution or of the Orders made there under and should be in accordance with the financial rules and regulations framed by competent authority. While examining the financial rules or orders the Audit has to ensure that those are intra vires and are not inconsistent with any provisions of the Constitution or orders issued thereunder. Further the orders should be consistent with the essential requirements of audit and accounts as determined by the Auditor General. Moreover, the orders should not conflict with the orders or rules issued by a higher authority. The responsibility of Audit in relation to regularity of expenditure is of a quasi judicial character. It involves the interpretation of statute, rules and orders with reference to the case law or previous decisions and precedents, interpretation by Audit should be based on the plain meaning of the section, rule or order. In such a case the inconsistency should be referred to the competent authority for resolution or removal. In no case the interpretation by Audit should ever verge on legislation.

**3.14** The next important consideration is that there should exist a sanction, either special or general accorded by competent authority, authorising expenditure. In this behalf Audit has not only to see that the expenditure is covered by a sanction but has also to satisfy itself that the authority sanctioning an expenditure is competent to do so by virtue of the powers vested in it by the provisions of the Constitution or by the Rules or Orders made thereunder or by the rules of delegation of financial authority made by a competent authority. Further it should be seen that the sanction is definite and needs no reference to the sanctioning authority or a higher authority.

**3.15** Finally comes the audit against propriety. It is an essential function of Audit to bring to light not only case of clear irregularity, but also every matter which in its judgement appears to involve improper expenditure or waste of public money or stores. It is equally

important to see that the broad principles of orthodox finance are borne in mind not only by the disbursing officers but also by sanctioning authority. The crux of the matter is that no burden should be imposed on the revenues of the Federation or Provinces except for the purposes of Pakistan or some part of Pakistan.

#### **AUDIT REPORT:**

**3.16** In terms of Article 171 of the Constitution the report of the Auditor-General relating to the accounts of the Federal Government or Provinces are submitted by him to the President or the Governor as the case may be who causes them to be laid before the respective Legislatures. Two separate reports Audit Report on the Appropriation Accounts and Audit Report on the Finance Accounts are compiled in this behalf. In the case of the Federal Government the Audit Report on Appropriation Accounts is submitted in four separate volumes:

- (i) Audit Report on the Appropriation Accounts of the Defence Services;
- (ii) Audit Report on the Appropriation Accounts of the Posts and Telegraphs;
- (iii) Audit Report on the Appropriation Accounts of Railways; and
- (iv) Audit Report on the Appropriation Accounts Civil, i.e. for the remaining Departments of the Federal Government.

**3.17** The Audit Report on the Appropriation Accounts contains the audited accounts in the form of appropriation accounts of the entire expenditure "Voted" or "Charged" for each financial year. It also, includes such comments on the regularity and propriety of expenditure which are deemed necessary as a result of audit investigation. The report brings to the notice of National Assembly the result of audit of all trading, manufacturing profit and loss accounts and balance sheets in respect of Government Commercial or quasi-commercial undertakings. The results of audit of receipts and accounts of stores and stock are also incorporated in the report and suitable comments made, where necessary.

**3.18** The Audit report on the Appropriation Accounts is self-contained in respect of all matters with which it deals. It gives a detached, dispassionate and technical presentation of the audited accounts and is free from bias or a political opinion. The report, as a matter of fact, has been designed to serve a dual purpose. To the Government concerned the report shows the extent to which its subordinate officials and authorities are complying with its rules and orders and can be amplified or modified-with advantage. To the Legislature the report reveals the extent to which the Executive Government have complied with the views expressed by the Legislature, through the Public Accounts Committee, in matters of importance and in particular how far moneys placed at the disposal of the Government were regularly and properly spent. In order to perform adequately the latter function, the report, in addition to the points arising out of the audit against provisions of funds brings to the notice of the Legislature the important financial irregularities such as deficiencies of sanction, failure to enforce prescribed rules or procedure, offence against universally accepted standard of official conduct or financial administration or any other class of irregularity. It also points out cases of losses, writes off or nugatory expenditure,

**3.19** Before an irregularity or overpayment, etc., is incorporated 'in the Audit Report it is desirable that the Government concerned should be given an opportunity of making

observations and comments, it deems necessary. The draft paragraph should be shown to the Ministry/Division concerned before final inclusion in the report so that the department may get an opportunity to suggest a correction or modification. In predominantly administrative and technical matters the question of financial propriety can be raised by the Accountant General only if he is fully satisfied that the raising of such a point is a legitimate audit function and it is likely to serve some practical purpose. On such important matters it is better to hold a discussion between the Accountant General and the Department. The discussion should be for the purpose of clarifying issue and eliminating points of controversy. The points which remain unsolved are then stated in a definite form as may be agreed to between the Accountant General and the Ministry/Division concerned. Even if the Ministry/Division does not agree to the inclusion of a paragraph in a particular form the Accountant General has every right to incorporate it in the Audit Report as he may deem fit. It is, however, not advisable to initiate a premature and wide ranging controversy in the Audit Report.

**3.20** The object of the Audit Report on "Finance Accounts" is to present to the Legislature a report on the financial result disclosed by the different accounts and other data coming under examination. It includes accounts of the receipts and expenditure of the Government for each financial year, the Revenue and Capital accounts, the accounts of the Public Debt, and the accounts of the assets and liabilities of the Government as deduced from the balance recorded in various books. The Audit Report on Finance Accounts, as a matter of fact, supplements the Audit Report on the Appropriation Accounts;

**3.21** The "Finance Accounts" is an auditor's presentation of the general state of accounts of the Government to the Legislature giving some elucidation and narrative presentation of new or salient features. There is nothing in the report by way of financial appreciation, praise or blame, nor there are any comments on the merits of the financial administration of the Government. In short, the sole purpose of the report is to convey a just and impartial picture of the financial position of the Government.

**3.22** Both these reports are laid before the Legislature which gets them scrutinized through the Public Accounts Committee. The observations and recommendations of the Public Accounts Committee are circulated by the Ministry of Finance and the Ministries concerned are expected to comply with them. A compliance report for the previous years is submitted to the Public Accounts Committee in its next meeting.

## **CHAPTER IV**

### **FEDERAL AND PROVINCIAL ACCOUNTS**

#### **FEDERAL AND PROVINCIAL ACCOUNTING SYSTEMS:**

**4.1** The Federal Government and the Provincial Governments have separate Public Accounts of their own into which moneys received on account of the revenue of the Federal Government or of the Provinces, are paid or credited and from which all disbursements of or on behalf of the Federal Government or of the Provinces are met. The procedure to be followed for the payments into, and the withdrawal, transfer, disbursement of money from the Public Account and for the custody of money standing in that account is regulated by the rules contained in the General Financial Rules, Treasury Rules and Audit Code and Accounts Code, etc.

**4.2** The Federal Government and each Provincial Government have made separate agreements with the State Bank of Pakistan by virtue of which the general banking business by these Governments is carried on and transacted by the State Bank. The Federal Government operates on every office and branch of the State Bank of Pakistan and on every branch of the National Bank of Pakistan acting as agent of the State Bank of Pakistan. The operations of the Provinces are, however, confined to the offices and branches of the two banks which fall within the area of the respective Provinces. Where there is no branch of the Bank, the cash business is conducted by the Treasury.

**4.3** Each branch of the Bank keeps two separate accounts of the transactions undertaken by it on behalf of the Government one for the transactions of the Federal Government and the other for the transactions of the Provincial Government within whose area it is situated. Separate statements of transactions in the Federal and Provincial Governments Accounts together with all the supporting vouchers, etc. are transmitted by each office and branch of the bank daily to the Treasury Officer or to the Accountant General, as the case may be. At the close of each month the balances of the two accounts are transferred to the Central Accounts section of the State Bank of Pakistan, Karachi. The Central Accounts Section of the State Bank of Pakistan, Karachi, acts as a general clearing house for; he adjustment of transactions between the different Governments.

**4.4** At the beginning of each month, each Accountant General receives from the Treasuries under his jurisdiction monthly accounts supported by schedules, vouchers, etc. in respect of the transactions which took place in the Treasury during the previous month. From the accounts furnished by the Treasury and other Civil Departmental officers accounts are compiled by Civil Accounts Offices showing the monthly receipts and the payments pertaining to each Department for the whole accounts circle classified under the Functions cum- Objects. Separate accounts are maintained for each Department, each group of small Departments or each major function. The transactions relating to Debt and Remittances appearing in the Treasury cash accounts are collected for the whole circle of accounts under each Code head from month to month. The final stage of compilation is the preparation of the accounts by major functions totals showing the receipts and disbursements under relevant

code during and to the end of the month. From these consolidated accounts are compiled the monthly and the annual accounts of the Federal and Provincial Governments.

**4.5** The transactions in Government accounts represent the actual cash receipts and disbursements during the financial years as distinguished from amounts due to or by Government during the same period. The book adjustment may also be authorized by any general or special orders issued by the Government.

**4.6** The accounts are maintained in Pakistan currency. The transactions occurring in the U. K. are, however, in terms of Sterling in certain cases. Accounts in the Pakistan Foreign Missions are maintained in two currencies the local currency as well as Pakistan currency. All accounts are, however, rendered in terms of the Pakistan Currency.

**4.7** The following are the four divisions of the Government Accounts:

1. Revenue.
2. Capital
3. Debt.
4. Remittance.

**4.8** The Revenue deals with the proceeds of taxation and other receipts classed as revenue and the expenditure therefrom. The Capital deals with expenditure met usually from borrowed funds, the expenditure being incurred with the object of either increasing concrete assets of material character or of reducing recurring liabilities. It also includes final receipts of a capital nature intended to be applied as a set off to the capital expenditure. The debt comprises receipts and payments, in respect of which Government becomes liable to repay the money received or has a claim to recover the amounts paid together with the repayments of the former and the recoveries of the latter. The Remittance embraces merely the adjusting heads under which the remittances between treasuries and items in transit between the different accounts officers appear. The initial debits or credits under the remittance heads are cleared eventually by corresponding receipts or payments either within the same circle of account or in another accounts circle.

#### **CHART OF CLASSIFICATION OF THE FEDERAL AND PROVINCIAL GOVERNMENTS RECEIPTS & DISBURSEMENTS:**

**4.9** The Auditor-General of Pakistan has issued a new chart of classification with the approval of the President, under Article 170 of the Constitution of the Islamic Republic of Pakistan, 1973 in superession of the existing "List of Major & Minor Heads of Accounts". The need for issuing the new chart was that since Independence, Governments have undertaken much wider responsibilities effecting the economic growth of the country and the welfare of the people. With these added responsibilities, the need to improve the knowledge about the economic and social effects of their actions for taking well-informed and well conceived policy has increased. Hence the chart of classification, which in addition to classifying receipts and expenditure on a functional basis for purposes of accountability, reflects a plan of grouping transactions according to their economic character in a readily comprehensible form. This plan facilitates the determination of aggregates of national income and expenditure apart from bringing out the inter-relationship between major sections of the economy. The chart also seeks to provide a scientific information base for national

policy decisions with a view to facilitating judicious allocation of available resources amongst competing demands and their economic use. The new classification is readily adaptable to data processing methods and will facilitate processing of accounts on the Computer.

**4.10** The Chart is divided into two parts namely the Consolidated Fund and the Public Account. All revenues received by a Government, all moneys received by it in repayment of any loans and the Public Debt raised by it are credited to the Consolidated Fund. The expenditure on revenue or capital account or on servicing the Public Debt is debited to it. The Public account comprises all other moneys received by or on behalf of the Government or those deposited with the courts of law and the remittances, suspense accounts etc.

**4.11** In Part I, i. e., Consolidated Fund, the receipts are to be classified by assigning a Major Head, a Minor Head and a Detailed Receipts Head. The expenditure is classified in two parts, 'namely, 'Functional Classification' and 'Object Classification'. The functions are divided into Major, Minor and Detailed Functions and an item of expenditure will be assigned a Major, a Minor and a Detailed Function. The objects are divided into Major, Minor and Detailed Function. The objects are divided into Major, Minor and Detailed Objects and an item of expenditure, in addition to functions, will bear a Major, a Minor and a Detailed Object. Thus the expenditure is to be so classified that it will at once show both the government functional responsibility for which it is set apart and the object or purpose which it tends to serve. In part II, i. e. Public Account the transactions are divided into Major, Minor and Detailed Heads of Accounts.

**4.12** The Function-cum-Object Classification has been introduced by the Federal Government with effect from the 1st July, 1979 and by the Provincial Government from the 1st July, 1980.

**4.13** The proper classification of accounts under the appropriate heads is very important. As a general rule classification of transactions should have closer reference to Department in which the revenue or expenditure occurs, then to the object of the revenue expenditure or grant on which it is sanctioned, e. g., expenditure in the Public Works Department on buildings which are under the administrative control but are in the use of other Department, is debitable to the Public Works Accounts rather than the Department benefited by the expenditure.

**4.14** As for the classification of pay and allowances, the whole pay and allowances of a Government Servant holding a post should be taken against the Department and the post in which he is actually serving. When a Government servant whose main duties and post fall under one head of charge is entrusted with additional duties coming under another head, no portion of pay and allowances should be debited to the latter head, unless there are specific orders of the Government to the contrary. The transit pay and allowances of a Government servant should, in the absence of pay special orders to the contrary, be debited to the office to which he is proceeding. The traveling advance of a Government servant is charged to the same head of account as his pay. In the following cases, however, the traveling allowance may be debited to a different head: -

(i) In case a Government servant is required to travel on duty connected with outside body or fund;

(ii) When Government consider it necessary to show separately the cost of special services; and

(iii) In cases covered by general or special orders of the Government authorizing deviation from the general rule.

**4.15** The advance of pay and Travelling Allowance on transfer paid to a Government servant is debited under the Major Head "4000 Advances not bearing interest". The advance for house building and for purpose of conveyances is charged to Major Objects "800---Loans and Repayments bearing interest". The accounts of G.P. Fund are kept under the head "1000--Unfunded Debt".

**4.16** For the purposes of inter-departmental payments, the Departments of a Government are divided into Service Departments and Commercial Departments according to the following principles:—

(a) **Service Departments:** — These are constituted for discharge of those functions which—

(i) either are inseparable from and form part of the idea of Government, or

(ii) are necessary to and form part of the general conduct of the business of the Government.

Given below are few illustrations of the Service Departments:—

Departments of Administration of Justice, Jails, Police, Education, Medical, Public Health, Forest and Defence etc

(b) **Commercial departments or undertakings.**—These are maintained mainly for the purpose of rendering services or providing supplies on payment for the services rendered or for the articles supplied. These departments perform functions which are not necessarily Government functions. They are required to work to a financial result determined through accounts maintained on commercial basis. The examples of the Commercial Departments can be Railways, Posts, Telegraph and Telephone Department.

**4.17** A Service Department should not make charge against another Department for services or supplies which fall within the class of duties for which the former Department is constituted. On the other hand, the Commercial Departments ordinarily charge and be charged for any supplies and services to or by other Departments of Government.

**4.18** The payments of amounts due by one Department of Government to another are ordinarily made by book transfer except where such transfers do not suit the methods of accounts or of business adopted by the receiving departments.

## CHAPTER V

### GENERAL FINANCIAL RULES

#### INTRODUCTION:

**5.1** The rules contained in the compilation of General Financial Rules which are essentially executive orders of the President, describe primarily the financial powers of different authorities subordinate to the Federal Government and the procedure prescribed by the President which should be followed by them in securing and spending of funds required for discharge of functions entrusted to them. All departmental authorities are expected to follow these rules, supplemented or modified by the special rules and instructions, if any, contained in their departmental regulations and other special orders applicable to them.

#### GENERAL PRINCIPLES REGARDING RECEIPT OF MONEY (RULES 4—8):

**5.2** The fundamental principle of the public finance is that all monetary transactions to which a Government servant may be a party in his public capacity should be brought to account without delay. All the money received as due to the Government or for deposit in the custody of the Government should be credited to the public account by depositing it in the bank or treasury. If a Government Officer receives in his public capacity any moneys, which are not Government dues or authorised by Government these should be kept separate from the Government account. A separate account should be opened for that money in a branch of State Bank or National Bank or Post Office Saving Bank or in any other bank with the prior approval of the Government and the money deposited therein. The officer concerned shall be personally responsible to see that money out of that account has been spent strictly in accordance with the regulations governing that particular fund. Proper account is kept of all the transactions and accounts are subjected to proper audit checks.

**5.3** As regards the revenues and other receipts of the Government, it is the primary duty of the officers concerned to see that dues of Government are correctly and promptly assessed, quickly realised and immediately deposited into the Government treasury.

#### WITHDRAWAL OF MONEY FROM THE PUBLIC ACCOUNT:

**5.4** No authority can incur expenditure or enter into any liability involving expenditure from the public account, until the expenditure has been sanctioned by a general or special order of the President or of any other authority, to which the powers have been delegated. Further the proposed expenditure should have been provided for in the authorised grants and appropriations for the year. No money can be removed from the public account for investment or deposit elsewhere without the prior consent of Ministry of Finance.

#### STANDARDS OF FINANCIAL PROPRIETY (RULE 10):

**5.5** Every officer authorised to incur expenditure from the public funds should observe high standards of financial propriety; a few of them are:

(i) Every public servant is expected to exercise the same vigilance in respect of expenditure from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money;

(ii) The expenditure should not be prima-facie more than the occasion demands;

(iii) No authority should pass any order which will be directly or indirectly to his own benefit;

(iv) Public moneys should not be utilised for the benefit of a particular person or section of the community unless:—

(a) The expenditure involved is insignificant; or

(b) A claim for the amount can be enforced in a Court of Law; or

(c) The expenditure is in pursuance of a recognized policy or custom; and

(v) The amount of allowances should be so regulated that it is not, on the whole, a source of profit to the recipients.

### **CONTROL OF EXPENDITURE (ROLES 11 TO 17):**

**5.6** All Heads of Departments are responsible for enforcing financial order and strict economy at every step. They should ensure that all financial rules are strictly adhered to.

**5.7 (i)** The duty of controlling officer is not only to see that the total expenditure is kept within the limits of the appropriation, but he has also to see that the funds are expended in the public interest and for those objects only for which the money was provided. In order to exercise proper control he should keep himself informed of what has actually been spent against an appropriation and that what commitments and liabilities have been and will be incurred against it. In the discharge of these duties he has to assume full responsibility before the Government and the Public Accounts Committee. He has to justify the excesses or explain financial irregularities that may be pointed out by the audit or otherwise.

**(ii) Internal check against irregularities, waste and fraud.**—In the discharge of his ultimate responsibilities for the administration of an appropriation or part of an appropriation placed at his disposal, every Controlling Officer must satisfy himself not only that adequate provisions exist within the departmental organisation for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores, but also that the prescribed checks are effectively applied. For this purpose each Head of the Department will get the accounts of his office and those of the subordinate disbursing officers, if any, inspected at least once in every financial year by a Senior Officer not connected with the account matters to see whether:—

(a) Rules on handling and custody of cash are properly understood and applied;

(b) Effective system of internal check exists for securing regularity and propriety in the various transactions including receipt and issue of stores, etc., if any; and

(c) Satisfactory arrangement exists for systematic and proper maintenance of Account Books and other ancillary records concerned with the Initial Accounts.

**(iii)** The results of these inspections should be incorporated in the form of an inspection report, copy of which should be endorsed to Audit. The Head of the Department should, after his scrutiny of the report, communicate to the Audit a copy of his remarks thereon and any orders issued in that connection.

Note.—The term "Senior Officer" should be taken to mean that the officer who inspects the accounts should be higher in status than the officer who maintains or prepares the accounts. It has necessarily to be left to the discretion of the competent authority to appoint such an officer for the inspection of the accounts as could give him an independent report on the state of accounts, records etc., proposed to be subjected to review. In exercising his discretion in the matter, the competent authority would no doubt, ensure that the contemplated inspection is entrusted to a senior B.P.S. 17 Officer or above who has had sufficient background of the Financial Rules and Orders and could carry out the check satisfactorily.

**5.8** There should be no delay in the payment of money indisputably due by Government as it is contrary to all rules and budgetary principles.

**5.9 (i)** Every controlling officer is personally responsible for the accuracy and completeness of the accounts in respect of public money.

**(ii)** An Officer who signs or countersigns a certificate is personally responsible for the facts certified to, so far as it is his duty to know or to the extent to which he may reasonably be expected to be aware of them. The fact that a certificate is printed is no justification for his signing it unless it represents the facts of the case. If in its printed form it does not represent the facts, it is his duty to make any necessary amendment which will call attention to the deviation and so to give the authority concerned the opportunity of deciding whether the amendment covers the requirements.

**5.10** It is the duty of every Department/Controlling Officer to afford all reasonable facilities to the Accountant General in the discharge of his functions. He should be furnished the fullest possible information which he may ask for in connection with the preparation of an account or report which it is his duty to prepare. No information or book should be withheld which is within the statutory rights of the Auditor-General to see.

#### **CONTRACTS — GENERAL PRINCIPLES (RULES 18 & 19):**

**5.11** Contracts can be entered into only by those officers who have been empowered by or under the orders of the President. The following general principles should be followed by all authorities who have to enter into contract or agreements involving expenditure from the public account:—

**(a)** The terms of contract should be precise and definite leaving no room for ambiguity or mis-construction;

**(b)** Before the contracts are finally drawn legal and financial advice should be obtained, where possible;

**(c)** Standard forms of contract should be adopted, wherever possible and the terms should be subjected to adequate prior scrutiny;

**(d)** The terms of contract, once entered into, should not be materially varied except with the prior consent of the competent authority. No payments to contractors by way of compensation, or otherwise, outside the strict terms of the contract or in excess of the contract rates may be authorised without the previous approval of the Ministry of Finance:

(e) Any uncertain or indefinite liability or any condition of unusual character should not be included in a contract without the prior approval of the Ministry of Finance;

(f) Whenever practicable and advantageous contracts, should be placed only after inviting tenders, if the lowest tender is not accepted reasons therefor should be recorded;

(g) While selecting tenders for acceptance, the financial status of the bidders should be taken into consideration;

(h) Even if in certain cases a formal contract is not deemed necessary, there should be a written agreement as to the price, while placing an order;

(i) In cases where Government property is entrusted to a contractor, there should be a provision in the contract for safe-guarding it; and

(j) When & contract is likely to run for a period of more than 5 years it should include a provision for an unconditional power of revocation and cancellation by Government at any time on the expiry of 6 months notice to that effect.

#### **DEFALCATIONS AND LOSSES ETC. (RULES 20 & 23):**

**5.12 (i)** The losses of public money, departmental receipts, stamps and stores etc., caused by defalcation or otherwise should be reported immediately by the officer concerned to his superiors and to the Accountant General, even if the loss has been made good by the party responsible for it. This report should not be held up while detailed enquiries are being made. After full investigations a detailed report should follow on the nature and extent of loss, errors or neglect of rules which caused the loss and prospects, if any, of effecting a recovery should be fully brought out. The departmental officer who receives the above report should himself submit a detailed report to the higher authorities/Government, which should incorporate the causes or circumstances which led to the loss, the steps taken to prevent its recurrence and disciplinary action taken against the delinquents.

**(ii)** Every Government officer should realise fully that he will be held responsible for any loss sustained by the Government through fraud or negligence on his part or on the part of any other officer to the extent to which it may be proved that he contributed through his own negligence or action.

**5.13(i)** The following instructions shall be observed by the Ministries/ Divisions and their Attached Departments and subordinate offices in dealing with cases of loss to Government:—

**1.** The first and the foremost duty of those concerned, in the event of any loss to Government coming to notice, is to initiate timely and prompt action for fixing the responsibility for such losses.

**2.** Thereafter, prompt suitable action must be initiated against those found responsible. Disciplinary cases, if initiated and/or court cases filed, must be pursued vigorously for securing the earliest possible decisions on them.

**3.** If anyone dealing with these cases, at any stage is found to have glossed over the defaults or deliberately or negligently delayed to initiate action at (1) & (2) above or slackened in the vigorous pursuit of action so initiated, in order to secure the final decision at the earliest possible, he should be subjected to due disciplinary action.

(ii) Attention is also drawn to the instructions contained in Appendix 2 to the Compilation of the General Financial Rules, Vol. I in which it has, inter-alia, been stressed that it is of the greatest importance to avoid delay in the investigation of any loss due to fraud, negligence, financial irregularity, etc. Should the administrative authority require the assistance of the Accountant General in pursuing the investigation, he may call on that officer for\* all vouchers and other documents that may be relevant to the investigation; and if the investigation is complex and he needs the assistance of an expert audit officer to unravel it, he should apply forthwith \_ for that assistance to Government which will then negotiate with the Accountant General for the services of an investigation staff. Thereafter, the administrative authority and the audit authority will be personally responsible, within their respective spheres for the expeditious conduct of the enquiry.

(Finance Division O.M No F. 3 (1)-R. 12/81, dated 14th April, 1981)

**5.14** Any serious loss of Government immovable property through flood, fire or earthquake, etc., should be reported immediately to the higher authorities. The causes and extent of loss should be fully brought out in the report and copy thereof sent to the Accountant General.

#### **DEPARTMENTAL REGULATIONS:**

**5.15** All Departmental regulations embodying orders or instructions of financial character should be made with the approval of the Ministry of Finance.

#### **REVENUE AND RECEIPTS (RULES 26 TO 38):**

**5.16** The departmental controlling officers have to ensure that all sums due to Government are regularly and promptly assessed, realised and duly credited to the public account. They should obtain monthly accounts and returns of receipts from their subordinates and compare them with those of the treasury as received through the Accountant-General. Any error, omission or discrepancy coming to notice should be notified immediately and got rectified. No amount due to government should be left-outstanding without sufficient reasons and where any dues appear to be finally irrecoverable, suitable action should be initiated for their write off. No sums should be credited to revenue with debit to a suspense head. Credit must follow and not precede actual realization.

**5.17** Detailed rules and procedure should be laid down for assessment, collection, remission, etc., of revenue and the Ministry of Finance should be kept fully informed of the progress of collection of revenue. Any important variations compared with the budget estimates should also be brought to their notice.

#### **POWER OF SUCTION (RIDES 39 TO 49):**

**5.18 (i)** The responsibility for financial operations of the Federal Government, in exercise of executive authority, rests with the President, whose sanction (given either directly or by persons to whom necessary powers have been delegated) is necessary to all expenditure from the Federal Consolidated Fund and Public Account. The general orders regarding delegation of financial powers to Ministries/Divisions, Heads of Departments and Ambassadors etc., are contained in Appendices 3, 3-A, 4 and 5 of the Compilation of General financial Rules, read with the Ministry of Finance O.M. No. F. 1 (5) R. 12/80 dated 11-3-1981.

(ii) The financial powers of the Federal Government, which have not been delegated to any other Ministry, Department or authority vest in the Ministry of Finance.

(iii) Unless otherwise provided by any special rule or order of Government a higher authority may exercise the powers delegated to an authority subordinate to it.

**5.19** (i) Subject to the limits and conditions specified by the Finance Division a competent authority may sanction the write off of the irrecoverable value of stores, public money lost by fraud, negligence of individuals or other causes. This is, however, subject to the condition that the loss does not disclose a defect of system, the amendment of which requires the orders of higher authority and there has not been any serious negligence on the part of some individual Government officer or officers, which may call for disciplinary action requiring the orders of a higher authority.

(ii) Ministries/Divisions of the Federal Government may waive the recovery of an amount disallowed by an audit officer otherwise found to have been overpaid to a Government servant provided:—

(i) The amount disallowed has been drawn by the Government servant in good faith (that he was entitled to it);

(ii) The enforcement of recovery would be physically impossible or is likely to cause undue hardship to the Government servant concerned;

(iii) The Government servant is not in receipt of pay exceeding Rs. 12,000 per year; and

(iv) The overdrawal has not been occasioned by delay in notifying a promotion or reversion.

**5.20** All sanctions to forego recovery should be communicated to the Accountant-General. It is open to the Accountant-General to insist that the action taken should be referred to the Ministry of Finance for orders.

#### **COMMUNICATION OF SANCTIONS (RULES 51 TO 59):**

**5.21** All financial sanctions and orders issued by various authorities within the financial powers delegated to them are communicated direct to the Accountant-General. All sanctions beyond the powers of the Ministries and Divisions should be sent through the Ministry of Finance. The Accountant-General will not refuse obedience to a sanction which was sent to him direct, but will report to the Ministry of Finance that such an order has been issued and may be communicated to him in due course. Where prior concurrence has been obtained from the Ministry of Finance, Financial Adviser, Deputy Financial Adviser, Assistant Financial Adviser and Auditor-General, this fact should duly be embodied in the sanction.

**5.22** The orders conveying sanction for the grant of additions to pay such as special pay or compensatory allowance should contain a brief summary of the reasons for such additions. This would enable the Accountant-General to classify the additions to pay properly. In cases where the communications of reasons is not considered desirable in an open letter, the reasons may be communicated to the Accountant-General confidentially.

**5.23** All sanctions to expenditure should invariably indicate the source of appropriation. If the expenditure is to be met by re-appropriation, supplementary grant' or in anticipation of the communication of the budget grant, it may be so stated.

**5.24** All sanctions to expenditure have effect from the date of orders conveying the sanction. Normally retrospective effect should not be given to financial sanction, but when special circumstances so require, the approval of the Ministry of Finance should be obtained. A sanction which is not acted upon during the course of a financial year lapses with the end of the year.

**ESTABLISHMENT (RULES 108 TO 113):**

**5.25 (a)** The powers of various authorities regarding creation of permanent and temporary posts are given in the Finance Division O.M No F. 1 (5) R. 12/80 dated the 11th March, 1981. The proposals for additions to establishment, whether permanent or temporary, or for the increase in emoluments of the existing establishment should be scrutinized by the Heads of Departments with greatest care. In submitting proposals for the expansion of establishment, the following information should also be given:—

- (i) The present cost of the establishment;
- (ii) Details of the pay of the post or posts and the number of posts which it is proposed to add or modify;
- (iii) As accurate an estimate as possible of the extra cost (both pay and allowances even possible claims for pension) involved and
- (iv) The funds, whether within the budget grant or through reappropriation or supplementary grant.

**(b)** No head of office is at liberty to readjust the pay of Government servants by giving one Government servant more and another less than the sanctioned pay of the post, nor can he distribute the pay of an absentee otherwise than as provided for in the rules. But in the case of non-gazetted establishment divided into separate units or cadres, carrying different scales of pay, it is permissible to make excess appointments in a lower unit or cadre against an equal or greater number of vacancies left unfilled in the higher one.

**HEADQUARTERS OF A GOVERNMENT SERVANT AND TRANSFER OF CHARGE: (REIES 114-115):**

**5.26 (i)** As a general rule, and subject to any special orders to the contrary in particular cases, the headquarters of a Government servant or the staff of a Government, as for instance, a Secretary to a Government, or a clerk in a Government Secretariat are the headquarters, for the time being, of the Government, to which he is attached.

**(ii)** The headquarters of any other Government servant are either the station which has been declared to be his headquarters by the authority which appoints him, or, in the absence of such declaration the station where the records of his office are kept.

(c.f paras 1 — 3, part II. Appendix 3 FR & SR, Vol II)

**5.27 (i)** The charge of an office must be made-over at its headquarters, both the relieving and the relieved Government servants being present, unless for special recorded

reasons (which must be of a public nature) the authority under whose orders the transfer takes place permits or requires it to be made in any particular case elsewhere, or otherwise.

(ii) Officers proceeding on long leave, transfer or retirement should sign a certificate of transfer of charge (Form TR-I) under Rule 114 of General Financial Rules, Vol. I. In cases where the transfer of charge involves assumption of responsibility for cash, stores, etc., the instructions laid down in rule 44 of Treasury Rules, Volume I and rules 115 and 150 of the General Financial Rules, Vol. I should be followed. As regards maintenance and handing/taking over of classified and accountable documents adequate instructions exist vide paras 25 to 29 of the booklet "Security of Classified Matters in Government Departments".

(iii) Apart from the procedure being followed in respect of cash, stores etc. mentioned in para 1 above, the officer proceeding on leave, transfer or retirement should also prepare a brief note (Note to successor) describing important cases, major issues and the directions in which they are developing and any other matter that his successor should know.

(Finance Division O.M No F. 8/6/74-F. I. dated the 7th February, 1974)

(iv) Transfer of charge of a gazetted officer should be reported to the Accountant General. The copies of charge reports should also be sent to the Head of the Department and other controlling officers, where the assumption of charge involves responsibility in respect of cash, stores, and stamps, the following instructions should also be followed:—

(i) The cash book or imprest account should be closed on the date of transfer and a note recorded to that effect over the signature of the relieved and the relieving officers. The cash in hand and unused cheques should be duly counted and result thereof recorded;

(ii) The relieving officer should examine the accounts, inspect the stores, count, weigh and measure certain selected articles and bring to notice anything irregular or objectionable. He should also describe the state of accounts records; and

(iii) In the case of a sudden casualty occurring or any emergent necessity arising for an officer to quit charge, the next senior officer of the department should take charge. Where the next man available is not a gazetted officer, he should immediately inform his nearest departmental superior and obtain necessary orders.

#### **DATE OF BIRTH (RULES 116 A 117):**

**5.28** On appointment every Government servant is required to declare his date of birth according to the Christian era and the declaration should be duly supported by a Matriculation Certificate or Municipal Birth Certificate, etc.

The date of birth should be duly recorded in the Service Book, Service Roll and History of Service, etc.

Where the actual date of birth is not known, the following procedure should be adopted and date of birth determined accordingly:—

(i) Where the year and month of birth are known, the 16th of the month should be treated as date of birth;

(ii) where only the year of birth is known, 1st July should be the date of birth; and

(iii) in case both year and month are not known, the Government servant should be asked to state his approximate age. The number of years representing his age should be deducted from his date of appointment and the corresponding date will be the date of birth.

(iv) when a person who first entered Military employ is subsequently employed in a civil department, the date of birth for the purpose of the civil department should be the date stated by him at the time of enrolment, or if at the time of enrolment he stated only his age, the date of birth should be deduced with reference to that age according to the method indicated in sub-para (iii) above.

#### **LEAVE APPLICATION (ROLE 118):**

**5.29** The leave applications should be submitted to the higher authorities in form G.F.R. 13.

#### **SERVICE BOOKS (ROLES 120 TO 122):**

**5.30** At a fixed time every year the service books should be taken up by the head of the office and after satisfying himself that all the relevant entries have been correctly made therein, record the following certificate:—

"Service verified up to-----from (the record from which the verification is made)

**5.31** When a Government servant is transferred to another office his service should be verified up to the date of transfer and his service book forwarded to the office to which he has been transferred.

**5.32** In case of non-gazetted Government servants, who officiate as gazetted officers, their service books should be kept by the head of office to which the Government servants permanently belong and when they are confirmed as gazetted officers, the service books should be forwarded to the Accountant-General's office for record.

#### **ARREAR CLAIMS (RULES 123 TO 126):**

**5.33 (i)** A treasury officer cannot entertain the claim of pay and allowances of a Government servant, if it has not been preferred within six months of their becoming due without an authority from the Accountant-General. Similarly an Accountant-General cannot audit a claim which is more than one-year old, unless he is authorised by a competent authority to investigate the claim.

**(ii)** The claims, which are more than three-year old are time-barred and cannot be paid unless sanctioned by the Ministry of Finance. Normally all time-barred claims should be refused at the very outset, unless there are very strong reasons, such as, their effects on pension, etc.

#### **POWERS OF SUBORDINATE AUTHORITIES TO SANCTION CONTINGENT EXPENDITURE (ROLES 130 AND 131):**

**5.34** The financial powers of various authorities to sanction contingent expenditure are laid down in Appendix 8 to the G.F.R. Vol. II, read with SI. No. 15, Annexure II, of the Ministry of Finance O.M. No. F. 1(5) R. 12/80 dated the 11th March, 1981. Within the limits of these powers expenditure can be incurred on contingencies, provided the amount of appropriation is available for the purpose. Where any special rules, restriction, limit or scales have been laid down for the expenditure on contingencies, those should be adhered to. Contingent expenditure of an unusual character or involving departure from a set practice

should not be incurred, nor any liability undertaken in connection therewith, without the previous sanction of the Government.

**PERMANENT ADVANCE (RULE 132):**

**5.35** Permanent advance is granted to officers who have to make payments, before they place themselves in funds by drawing on the treasury. The amount of advance is fixed by the Government up to the amount advised as appropriate by the Accountant-General. The Heads of Departments may sanction permanent advances for their subordinate officers in consultation with the Accountant-General, but in the case of a Head of Department himself, it will be sanctioned by the next superior administrative authority. All applications for revision or increase of advance should be submitted to the sanctioning authority through the Accountant-General who will advise as to the appropriate amount of advance. If there is difference of opinion between the former and latter, the matter should be referred to the Government for orders.

**5.36** The advances should not be multiplied unnecessarily. If the subordinates of an officer require petty sums, he should spare a small portion of his own advance rather than apply for a separate advance for them. He can advance the money to them after taking acknowledgements as usual.

**5.37** This advance is primarily intended to provide for emergent petty advances of all kinds. If a BPS-1 or 2 Government servant is required to travel by rail, his fare may be paid from this advance. The cost of service books required for office establishment may be met initially from the permanent advance, which will be recouped from the amount realised by the sale of the books to Government servants.

**5.38 (i)** The holder of the advance is responsible for its safe custody and he must always be ready to account for the total amount of money. In case of transfer of charge and yearly on the 15th July, each officer holding an advance must send an acknowledgement to the Accountant General, of the amount due from and accountable for by himself as on the 30th June, preceding.

**(ii)** Finance Division has decided that the FAs/DFAs may fix special imprest for obtaining P.O.L. supplies from petrol pump set up by the Benevolent Fund without referring the matter to the AGPR, relaxation of Para 132 (iii) of GFR Vol. I. subject to the following conditions:

**(a)** In no case the special imprest for POL supplies shall exceed Rs.50,000.

**(b)** Concurrence of AGPR shall be obtained later in each case before furnishing the requisite details mentioned in the Note below para 132 (Hi) of GFR Vol. I.

[Finance Division O.M No F. 3 (15) E.V/80-R.12 dated 22-3-81]

**PURCHASE AND ACQUISITION OF STORES (ROLES 141 TO 147):**

**5.39 (i)** An authority, which is competent to incur contingent expenditure, may sanction the purchase of stores required for use in the public service in accordance with the instructions contained in Appendix 8 of the G.F.Rs Vol. II, or any general or special orders issued from time to time. The purchase must be made in the most economical manner, and in

conformity with the definite requirements of the public service. Piecemeal purchases should be avoided as far as possible.

(ii) It is advisable to prepare periodical -indents and make bulk purchases, but this does not mean that stores may be purchased much in advance of the actual requirements. Where scales of consumption have been laid down by competent authorities, care should be taken that the scale is not exceeded. The purchase orders should not be split up in order to avoid the necessity of obtaining the sanction of higher authority.

(iii) The detailed procedure for procurement of stores from within the country and through the Pakistan Missions abroad is contained in Annexure 'A' to Rule 144 of the G.F.Rs Vol. I and should be rigidly followed.

**5.40** While examining the accounts of the Federal Government for the year 1971-72 it was inter-alia, noticed by the Ad-Hoc Public Accounts Committee that in a case where tenders had been invited, negotiations were held with the highest bidder and the firm which had quoted the lowest rate was ignored and not asked to bid again. Thus, the negotiations were, firstly, entered into with only one of the tenders and that also the highest one. Secondly, the lowest bidder was not given any opportunity at all to quote for the second time. The sanctity of the tender was hence violated and the Government interest went by the board. The Committee, therefore, recommended that the Government departments be again advised to ensure that irregularities of this nature were strictly guarded against and those found responsible for them should be dealt with severely, according to the rules.

[Finance Division O.M No F. 3(1)—R.12/81, dated 14-4-1981]

**RECEIPT OF STORES (RULE 148):**

**5.41** All stores received should be examined, counted, measured or weighed, as the case may be, when delivery is taken. The officer responsible for the stores should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer should also record a certificate to the effect that he has actually received the material and recorded them in the appropriate stock register.

**ISSUE OF STORES (RULE 149):**

**5.42** When material is issued from the stock, this should be done on receipt of an indent in the prescribed form. The material should be delivered only after obtaining an acknowledgement therefor and making necessary entries in the relevant stock registers.

**CUSTODY AND ACCOUNTS OF STORES (RULES 151 TO 157):**

**5.43** All the officers entrusted with stores are required to take special care for their safe custody, keeping them in good and efficient condition and protect them from loss, damage or deterioration. Suitable accommodation should be provided for valuable and combustible stores. Suitable accounts and inventories should be kept for all kinds of stores—Dead Stock, consumable articles, perishable stores and Library Books, etc. The stock accounts may vary according to the nature of stores. It is preferable to keep the inventories at the site of the stores.

**5.44** In the case of Government Commercial Undertakings priced accounts have to be kept. In such cases the fixation of prices should be done with reasonable accuracy. The prices

once fixed should be periodically reviewed and revised, if necessary<sup>1</sup>, in accordance with the market prices of the stores. The losses and depreciation should also be exhibited properly.

**PHYSICAL VERIFICATION (RULES 158 TO 162):**

**5.45** A physical verification of stores should be carried out at least once a year by a competent authority. The work should not, however, be entrusted to a person:-

(i) Who is the custodian, the ledger keeper or the accountant of the stores to be verified or who is a nominee or is employed under the store keeper, ledger keeper or the accountant?

(ii) Who is not conversant with the classification, nomenclature or technique of the stores to be verified-; or

(iii) Who is a low paid subordinate?

As far as possible this work should be entrusted to a responsible officer who is independent of the superior executive officer in charge of the stores. While carrying out the physical verification it is necessary that it should be done in the presence of the custodian of stores or of a responsible person deputed by him.

**5.46** A certificate of verification of stores with its results should be recorded on the inventory. All discrepancies should be brought to account immediately, so that the stores account may represent the true state of stores. Shortages, damages and unserviceable stores should be reported to the competent authority to write off the loss.

**5.47** The stores should not be held in excess of requirements of a reasonable period or in excess of any prescribed maximum limit. For this purpose a periodical inspection should be conducted by a responsible officer, who should submit a report in respect of surplus and obsolete stores. This inspection should be done yearly and in respect of perishable stores six monthly.

**SALE AND DISPOSAL OF STORES (RULES 166 TO 168):**

**5.48** (i) the previous sanction of competent authority is required to writing off all losses, deficiencies or depreciation in the value of stores.

(ii) The obsolete, surplus or unserviceable stores may be disposed of by sale or otherwise under the orders of competent authority, but all orders declaring the stores as unserviceable should contain reasons for condemning them as unserviceable. The cost of those stores, which have either been lost or damaged should be written off under the orders of the competent authority.

**WORKS (RULES 176 TO 200):**

**5.49** All the central buildings and other works are divided into the following classes for the purpose of administration and control:

(i) **Military works**—Buildings, defence works and ancillary services intended for different branches of the Defence Services, which are carried out by or on behalf of the Military Engineering Services;

(ii) **Public works**—Civil Works, Irrigation, Navigation, Embankment and Drainage Works under the administrative control of the Pakistan Public Works Department; and

(iii) Buildings and other works under the administrative control of the Departments; using or requiring them, e.g.—

(a) all works pertaining to the Railways, Posts and Telephones, Telegraphs, Forest, Salt, Lighthouses, Broadcasting and other quasi-commercial departments and undertakings;

(b) works pertaining to the Mint;

(c) Archaeological works in connection with conservation of ancient monuments;

(d) Construction and maintenance of civil aerodromes; and

(e) Any other works or class of works allotted under orders of the Government to the Departments using or requiring them.

**5.50** The administrative control means, inter alia, the assumption of full responsibility for the construction, maintenance and upkeep of buildings and other works and the provision of funds for the execution of these projects. The initiation, authorisation and execution of these works should be regulated by detailed rules and orders contained in the respective departmental regulations and other special orders applicable to them.

**5.51** As a general rule no work should be commenced or liability incurred until:—

(a) Administrative approval has been obtained from an appropriate authority;

(b) Expenditure sanction has been obtained;

(c) A properly detailed design and estimate has been sanctioned; and

(d) Funds to cover the charge during the year have been provided by a competent authority.

**5.52** If due to certain emergent reasons a superior authority requires the execution of certain work and that involves the infringement of these fundamental rules the authority concerned should be asked to convey its orders in writing and the audit officer apprised of this situation. The approximate amount of the liability should also be intimated to him

**5.53** The powers delegated to various authorities regarding administrative approval, expenditure sanction and appropriation and re-appropriation of funds are contained in the Finance Division O.M. No. F. 1 (5)-R. 12/80 dated the 11th March, 1981. For the purpose of approval and sanction, a group of works which forms one project should be treated as one work. The necessity of obtaining the sanction of the higher authority for a project, which consists of a group of such works, should not be avoided simply because each particular work within the project is within the power of approval of a lower authority. 'Similarly an authority granted by a sanction to an estimate should be treated as strictly limited to the precise objects which the estimate was intended to provide. All anticipated or actual savings on a sanctioned estimate for a definite project should not, without specific authority, be applied to carry out additional work not contemplated in the original estimate. Any development of project deemed necessary while the work is in progress, should always be covered by a supplementary estimate.

**5.54.** In order to facilitate the preparation of estimates and finalization of contract agreements, a schedule of rates for each kind of work commonly executed should be maintained in each locality and kept up-to-date. These rates should generally agree with those of the estimates. Where there is any deviation ample reasons therefor should be given.

**5.55** The provision for expenditure in respect of all buildings and works pertaining to civil departments which have not been specifically allotted so other departments is included in the grant for 'Civil Works' to be administered and accounted for by the P.P. W.D. No work is executed with the funds partly provided in the budget of the department and partly from the budget for civil works. All the Civil Works are charged to the Major Function.300 Community Services and Major Object 300 Construction of Works.

**5.56** All rules relating to execution of works, appropriating and re-appropriating of funds are contained in the Central Public Works Department Code and Central Public Works Account Code. These rules will be applicable in those cases also where certain works are executed by Provincial P.W.D. and Military Engineering Service, etc., as an agency for the P.P.W.D.

**5.57** In cases where for administrative or economic reasons certain buildings under the charge of P.P.W.D, are entrusted to any civil department original works and special repairs costing Rs. 2,500 or less and all ordinary repairs irrespective of cost in respect of such buildings may be carried out by the Head of Department concerned in accordance with such instructions as are issued by the P.P.W.D. Provision for such work will be made under the Major Object as mentioned in Para 5.55 In such cases while the full budgetary control rests with the P.P.W.D., the charges incurred by a civil department may be drawn under the rules and procedure governing contingent expenditure In all other cases in which a civil department is entrusted with the execution of Central Public Works, the Departmental Officer carrying out the work will act as a Public Work Disburser and will be guided by the rules and regulations of the P.P.W.D.

**5.58** In respect of those buildings and works which are under the administrative control of departments other than the P.P.W.D. all original works and special repairs costing more than \*Rs. 25,000 should be executed through the agency of the P.P.W.D., unless there are specific orders to the contrary. This work can be entrusted to a Provincial P. W.D., or M .E.S. also as agency of the P.P.W.D. In case it is not convenient to entrust the work to any of these, the audit officer should invariably be consulted at the initial stage; i.e. prior to an agreement being entered into with an architect or contractor, so that suitable arrangements may be made for normal audit and financial control.

\*[Finance Division O.M No F. 3(I4) R. 12/88 dt. 5-4 1988]

**5.59** The works and repairs connected with sanitary, water supply and electric installations to Government buildings, where such buildings are not in charge of the M.E.S. or Railways are carried out by or through the agency of P.P.W.D. except in special cases under orders of Government.

**5.60 (i)** No authority lower than the Head of Local Administration is competent to authorise the acquisition of a building by purchase despite the fact that the purchase might have been sanctioned by a competent authority, in all these cases a survey and valuation report is submitted by the P.P.W.D to the head of the local administration.

(ii) Any public building which is not a purely temporary structure should not be sold or dismantled without the previous sanction of the Government, if the cost exceeds Rs. 10,000, or of the Chief Engineer. Pak P.W.D. or of the Head of Local Administration, if otherwise

**GRANTS-IB-AID (RULES 206 TO 209):**

**5.61** The powers of sanction for payment of grants-in-aid are contained in Annexure II, item (xxiv), Finance Division O.M. No. F. 1(5) R.12/80 dated 11-3-1981. Every order sanctioning a grant should specify clearly the object for which the grant is given and conditions governing it. In case of nonrecurring grants for specified objects the time limit within which the grant is to be spent should be clearly stipulated. Only that much part of the grant should be paid during any financial year as is likely to be expended during that year. The grant may be made in installments also according to the need of work such as buildings, water supply schemes, etc. The authority signing or countersigning a bill for grant-in-aid should see that money is not drawn in advance of requirements. There should be no occasion for rush of payments of these grants in the month of June.

**5.62** All the bodies and institutions receiving the grants should be required to produce audited accounts for every year. It is not necessary that audit should be done by Pakistan Audit Department only. It would be sufficient if the accounts are certified as correct by a registered accountant or other recognized body of auditors. This is very necessary in order to ensure that grant-in-aid is justified by the financial position of the grantee and that the previous grant was spent for the purpose for which it was intended. In case of smaller institutions which cannot afford to get their accounts audited, the sanctioning authority can exercise its discretion of exempting them from submission of the audited accounts.

**5.63** In all sanctions for grant-in-aid communicated to the Accountant General, it should be stated whether the audited statements of accounts have been received or whether the grantee has been exempted from submitting the statement.

**5.64** Where conditions are attached to the utilisation of a grant in the form of specification of particular objects of expenditure or the time within which the money should be spent, or otherwise, the officer who signs or countersigns the bill for grant-in-aid will be primarily responsible for certifying to the Accountant General the fulfilment of the prescribed conditions. This certificate should be furnished in such form and at such intervals as may be agreed to between the Department and the Accountant General. The manner in which the departmental officer will satisfy himself before furnishing the certificate is for him to decide. He may, for example, call for progress reports from time to time or arrange for periodical inspections.

**5.65** Every grant made for a specified object is subject to the following implied conditions:—

(i) that the grant will be spent on the object within a reasonable time, even if no time limit has been specified; and

(ii) that any portion of the amount which is not ultimately required for expenditure on that objects should be duly surrendered to the Government. All "grants-in-laid not utilised within the financial year or any unspent balance thereof lapse and the amount should be surrendered<sup>1</sup> back to the Government.

#### **LOANS AND ADVANCES:**

**5.66** The loans and advances made by Government fall under two main heads—Loans and Advances bearing interest and Interest-free Advances. In the former category are loans made to Provincial Governments, Local Funds and private individuals and also advances made to Government servants for building houses and for purchase of conveyances, etc. Under the latter category come advances made to Government servants on tour and transfer.

#### **GENERAL CONDITIONS (RULES 249 TO 253):**

**5.67** As a general rule advances are not payable to Government servants who are not in permanent employ, because their pay does not constitute adequate security for the advances. In special cases, however, and subject to such conditions as may be deemed appropriate temporary Government servants may also be allowed the advances.

**5.68 (i)** Simple interests at the rate fixed by Government should be charged on advances granted to Government servants for building houses or for purchase of conveyances. Where an advance is drawn in more than one instalment, the rate of interest recoverable should be determined with reference to the date on which the first instalment was drawn. The interest is calculated on balances outstanding on the last day of each month. If a Government servant dies before retirement no recovery will be made on account of interest. In case recoveries on account of interest were in progress at the time of death, no recovery will be made for the remaining amount of interest.

(ii) The following exceptions are permissible to the general rule quoted in (i) above,—

(a) No interest will be charged, from government servants on advances for the purchase of cycles granted from Government funds on or after December 2, 1978, or on an advance which is in the process of repayment on that date.

(b) No interest will be charged from Government servants in BPS 1 to 15 on house-building advances sanctioned on or after the December 2, 1978, or on an advance which is in the process of repayment on that date.

(c) In case a Government servant, who was in BPS 15 or below at the time when house-building advance was sanctioned to him, if promoted to BPS 16 or above, no interest shall be charged from him. However, if the amount of advance is revised on the basis of his pay in BPS-16 or above, interest will become payable under the normal rules/orders.

(d) In case a government servant, who was in BPS-16 or above when house-building advance was sanctioned to him is reverted to a post in BPS-15 or below, interest will be charged from him under the normal rules and orders.

(e) The government servants, who do not claim interest on G.P. Fund balances, will be granted House Building Advance, Motor Car Advance & Motor Cycle

Advance free of interest if sanctioned on or after 1st July, 1983 and no interest is claimed on G.P. Fund balances by the Government Servant concerned on or after this date.

[F. I (I) Imp/83 dated 18th August. 1983 read with Ministry of Finance O.M No F.7(8) R7/83 dated 9th July. 1984]

(f) The Government servants, who had made their (J.P. Fund account interest free prior to 1st July, 1983 no interest would be charged on the balance of the advance that stood outstanding against them on or after 1st July, 1983. For the balance outstanding against them on 30th June, 1983, interest would be remitted to the extent of the amount of interest foregone by such Government servants on their G.P. Fund account.

[Ministry of Finance O.M. No. 7(8) R7/83 Vol II dated 27<sup>th</sup> February. 1986]

**5.69 (i)** The amount of the advance is recovered from the monthly pay bills ,n such instalments as may be specified. This should not be effected by the fact of the borrower being on leave of any kind and drawing leave salary or bring under suspension drawing the subsistence grant. During the extra ordinary leave without pay and allowance the instalments should be recovered in cash. If the Government servant fails to pay the instalment in cash, the arrears of instalments should be recovered in lumpsum from the first payment of pay and allowances, which may become due at the end of leave.

(ii) For all interest bearing advances a competent authority should not issue a sanction unless the Accountant-General has certified the availability of funds in the year in which payment is proposed to be made.

**5.70 House building advance.**-A. competent authority may sanction the grant of advance to a Government servant for construction of house, purchasing a house, completely reconstructing a house or extending or renovating a house already owned by him at any place in Pakistan including Azad Kashmir for occupation by himself.

**5.71** The advance is granted only once in service for the construction of new houses and for the bonafide residential requirements of the Government servant himself. In case of construction of a house at Islamabad, however, a second advance may be granted to a Government servant", provided the previous advance drawn by him has been repaid in full together with the interest. An advance can be drawn for purchase of a house built by the Federal or a Provincial Government or local authority.

**5.72** House Building advance for the purchase of flats in multi-storeyed buildings may be granted to Government servants to the extent and subject to the usual conditions prescribed for the admissibility of house building advance. This shall be subject to the following further provisions: —

(a) Before receiving the amount of the advance, or payment of the amount to the construction agency direct, the Government servant concerned should be required to execute an Agreement in the prescribed Form; and after the purchase of the flat is completed to execute and register the Mortgage deed in the prescribed form as security for repayment of the amount advanced with interest;

(b) Satisfactory evidence will have to be produced within 3 months of the drawl of the advance to show that the amount has beer spent on the purchase of flat. This can be done

by showing the valid legal receipt issued by the Construction Agency concerned in token of the purchase deed.

**5.73** Where a Government servant desired that the payment of advance sanctioned under the above orders be made direct to the construction agency, he may indicate it in his application for the grant of advance. In such a case, the Drawing & Disbursing Officer will arrange for the direct payment of the sanctioned amount to the agency concerned and obtain a valid receipt in the name of the Government servant from that agency and hand over the same to him.

**5.74** The advance should not exceed 36 months pay of a Government servant. The advances should be paid by instalments; the amount of the each instalment being such as is likely to be spent during the next three months. The borrower should produce satisfactory evidence before the sanctioning authority to the effect that the instalment previously drawn has actually been utilized towards the construction of house and then only a second instalment will be paid. All the bills for the drawl of advances, when presented to the audit office should be duly supported by the following certificate from the controlling officer in respect of officers BPS 16 and above and from drawing officer in respect of others:—

"Certified that the amount of Rs.....:..... ....being..... ..instalment towards the house building advance granted to Mr. ....is likely to be required for expenditure in the next three months, and that I am satisfied that the amount previously advanced (if any) had actually been utilized for the purpose for which it was drawn".

**5.75** Advance from G.P. Fund account for the construction of house will not be taken into account for the purposes of calculating total house building advance to which a Government servant is entitled. An advance for the construction of a new house may be drawn in two equal instalments. The first instalment will be paid on production of documents establishing proprietary rights on the land and the second will be paid only when the house reaches plinth level. An advance granted for purchase, reconstructing or renovating a house may be drawn in one instalment, provided the execution and registration of mortgage deed is duly completed and Government interest is fully secured. The total amount drawn in one instalment should be utilised within eighteen months of its drawl. The recipient is also required to give a certificate at the end of financial year duly supported by a certificate of his immediate superior, as to how much money drawn has been utilized for the purpose for which it was drawn and the reasons for short utilization.

**5.76** The repayment of advance commences from the fourth issue of pay after the first instalment is taken and is completed in 120 equal instalments. In case of Government servants of BPS 1 to 3 the recovery is affected in 240 instalments. The interest is recovered in one or more instalments from the month following that in which the recovery of the principal amount is completed, each such instalment being not more than the amount of instalment by which the principal amount was recovered. The monthly rate of recovery should be fixed in whole rupee except in the case of last instalment when the remaining balance including the fraction of a rupee should be recovered.

**5.77** Those Government servants who are likely to retire from Government service within 10 years and are paid the house building advance, the instalments of recovery in their case should be so fixed that the recovery of principal together with the interest accrued

thereon is completed before the date of retirement. The rate of instalment should not exceed one fourth of the pay of a Government servant and if the rate of recovery exceeds that limit due to earlier anticipated retirement of the Government servant, amount of advance may be so reduced that it is recovered together with the interest before retirement.

**5.78** In case of BPS 1 to 3 employees the grant of advance will be regulated by the age limits indicated below:—

(i) Full amount of house building advance, i.e., 36 months pay recoverable in 240 instalments may be granted up to the age of 40 years.

(ii) Full amount may also be granted between the ages of 40 to 48 subject to the written undertaking being furnished by the government servant to the effect that recovery of the advance may be made from his pay at such a uniform rate not exceeding 1/4th of pay so that amount of the advance is repaid in full before attaining the age of 60 years.

(iii) In the case of government servants who are above the age of 48 years the amount of the advance will be reduced so much as would enable the recovery of the advance at a rate not exceeding 1/4th of pay in any one month, being made possible before attaining the age of 60 years.

**5.79** In order to secure Government from loss consequent on a Government servant dying or quitting service before the repayment of advance together with the interest is completed, the house so built and the land on which it stands, should be mortgaged to the President of Pakistan, which will be released only when the entire amount of advance and interest is liquidated. The mortgage deed should be executed in Form GFR 23, 24, 25 or 29 as the case may be. The sanctioning authority should scrutinize the deed and record a certificate regarding its correctness. The mortgage deed should be registered within 4 months of its execution. The deed will be kept in the safe custody of the sanctioning authority, until the advance with interest is fully repaid.

**5.80** The officer applying for the advance must satisfy the sanctioning authority regarding his title to the land upon which the house is proposed to be built. In case of doubt the Revenue, Registration and law authorities may be consulted. It should be seen that the officer concerned has undisputed title to land and there is no legal obstacle to the property being mortgaged to the Government and right of fore-closing on the conditions mentioned in the mortgage bond. There is no objection to grant of advance to a Government servant who has a lease on a plot of land, of which the unexpired portion is of a term and value sufficient to justify the grant of the advance and that there is no danger of the lease lapsing or of Government being unable to dispose of it, should it become necessary to fore-close the mortgage.

**5.81** The house building advance may also be granted to those Government servants, who have taken plot of land on lease from the Government in Nizamabad Karachi, or for the lands acquired through the Cooperative Housing Societies, which have duly been registered. The Government servants concerned should be asked to produce the original documents showing that the land has actually been allotted to them. In the first instance they may be paid the development charges demanded by the Societies. When the actual construction is intended to be started, they may be allowed up to 25% of the total amount of advance, so as to enable them to build the house at least up to the plinth level. As soon as practicable and, in

any case but not later than three months alter the date the 25% of the advance was drawn, the borrower should produce a certificate from the Executive Engineer (as may be nominated by the Government for the purpose) that the house has been built up to the plinth. Then the Government servant should be asked to mortgage the land and structure built upon it to the President in Form G.F.R. 25 which should be registered within 4 months: Further installments will be allowed only after the execution of the mortgage deed.

**5.82** If the land is mortgaged and the deed registered it is permissible to advance up to 70% of the total amount of house building advance.

**5.83** Advance may also be given where considered necessary to Government servants who are members of the Cooperative Housing Societies and the Government servants who purchase land in Islamabad from the Capital Development Authority, for the purchase of land or for leasing land on which to construct a house, if the other conditions, laid down in regard to the grant of house building advance are satisfied and the total amount of the advance for the purchase of leasing of the land and the construction of the house does not exceed 36 months" pay of the official concerned: As prescribed under the rules the drawl of advance is permissible by instalments and each such instalment should not exceed the amount which is actually required for expenditure within three months. Each instalment is usually limited to 25% of the total house building advance. However, the first instalment of the advance on account of cost of land in Islamabad purchased from the Capital Development Authority may be raised from 25% to 40% of the total amount of the advance admissible to the Government servant and allowed subject to fulfilment of other conditions laid down in the rules. The balance of the advance on account of construction of house may be drawn in two equal instalments after the necessary formalities required under the rules have been completed.

**5.84** The recoveries in respect of the House Building Advance which have been drawn only to the extent of the amounts payable to the CDA towards the cost of land (including the balance payable to the CDA on that account) may be made in 40 monthly instalments. The rate of recovery should not be increased until the government servants concerned have actually drawn further instalments required for the construction of the houses. After drawl of the instalments for the purpose of construction the rate of recovery should be so regulated that the entire advance together with the interest thereon is recovered within 10/20 years calculated from the date of which recovery of the advance commenced. This period of 10 years will be suitably reduced in the case of those who have attained the age of 45 years on or before the date on which recoveries start in accordance with the existing orders, to enable the recovery of the total advance plus interest, being affected before the date of retirement.

**5.85** The above relaxation will not be allowed to Government servants who obtain House Building Advance for constructing houses at stations other than Islamabad.

**5.86** A Government servant may draw an advance for house building advance everywhere in Pakistan (partly or whole of it) from the amount standing at his credit in his G.P. Fund account on the following conditions:—

(i) The advance should not exceed 36 months pay of the subscriber or 80 per cent of the amount at the credit of the subscriber In the Fund, whichever is lesser.

(ii) The land and house should be mortgaged to the President within three months after the advance is drawn and registered within 4 months of its execution.

(iii) Recovery will be made @ 7% of the subscriber's pay commencing from the fourth issue of pay after the first instalment is drawn. Where advance has partly been drawn from Government and partly from the G.P.F. the recovery for the G.P.F. portion will commence immediately after the loan from the Government with interest accrued thereon has been fully repaid.

(iv) If a subscriber is due to attain the age of compulsory retirement within 10 years of the date on which an advance is to be granted, he may be sanctioned as advance from his GPF for the construction of a house anywhere in Pakistan on land owned by him or by his wife and children or by any one of them. No recovery will be made from the subscriber on account of this advance and this will be treated as a part of the final payment of the amount standing at his credit. The land and house built thereon will not be required to be mortgaged to the President. The first instalment will be paid only after the subscriber has executed an agreement in the prescribed form. In case the land or house so built is sold or otherwise alienated by its owner to any other person, while he is still in service, he should be required to repay forthwith into the Fund the entire amount of advance together with the interest accrued thereon in lumpsum.

**5.87** The house building advance may be granted to temporary government servants also, on the following conditions; —

(i) The temporary Government servant has completed at least 10 years continuous service. BPS 1 & 2 temporary employees are eligible irrespective of the length of temporary service.

(ii) Head of the department certifies that the services of the Government servant concerned are not likely to be terminated within the period prescribed for the repayment of advance;

(iii) Security of two permanent Government servants (who are not likely to retire before the house is built and mortgaged) is furnished which will be released when the house has been built and mortgaged to the Government;

(iv) Where the land has already been acquired, it should be mortgaged together with the house to be built thereon before the advance is sanctioned;

(v) In case the advance is required for the purchase of land, the first instalment should be limited to 25% of the total advance or the actual cost of land, whichever is less;

(vi) the Government servant concerned should produce a certificate from the appropriate house building society, improvement trust or CDA etc., that the land has been allotted to him. This should also indicate the price and the amount of instalment immediately payable after allotment.

**5.88** If, however, a temporary Government servant wishes to draw the entire house building advance from his G.P.F. it can be sanctioned to him subject to the following conditions:—

1. the temporary government servant concerned has completed at least 5 years continuous service;

2. a certificate is produced from the Head of Department to the effect that his services are not likely to be terminated within the period prescribed for the repayment of the advance; and

3. Surety from the permanent Government servants is furnished

**5.89** The revision of House Building Advance is admissible if the following conditions are fulfilled:—

(i) the increase in pay otherwise than by accrual of time scale . increments is not less than 20%;

(ii) the net amount payable against the revised sanction be arrived at after the adjustment of any amount drawn against the original sanction, whether that amount, or any part thereof, has been repaid or not;

(iii) the instalments of recovery will be refixed so as to recover the total amount minus the amount already repaid within the maximum period originally prescribed;

(iv) the revision will be admissible only if the event entitling the Government servant for the revision of the advance takes place within a period of 12 months prescribed for the completion of house from the date of the drawl of the first instalment of advance for construction, as distinct from the instalment for development charges;

(v) the revision will not be allowed, if the house has been completed and occupied by anyone; and

(vi) if the mortgage deed already executed and registered for the advance originally sanctioned, the mortgagor may be required to execute a new separate deed in Form GFR 34 The new deed should also be registered under the Registration Act.

**5.90 Advance for purchase of conveyance (Rules 254 & 255).**—The Government servants may be granted advances for purchase of conveyances (including animals) if the competent authority is satisfied that the maintenance of a conveyance will be in the interest of public service. The advance may be sanctioned by the Ministries/Head of Departments.

**5.91 Advance for purchase of motor car (Rule 256).**—A Government servant drawing pay of 7Rs. 27IO/- p.m. or above may be granted advance for the purchase of motor car. A Minister of the Government of Pakistan may also be allowed the advance; but he will have to refund the entire amount in lumpsum together with the interest if he demits office before the recovery is completed. The total amount advanced should not exceed 8@ Rs. 3 5,000 or eighteen months<sup>1</sup> pay of the Government servant or the anticipated price of car whichever is less. If the actual price paid is less than the advance drawn by a Government servant, he should forthwith refund the balance to the Government: In case of those Government servants who draw the advance in England the 'actual price' may include the amount of

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7[Ministry of Finance O.M.No F 8(2)-Reg.(7)/87-1145 dated 16<sup>th</sup> September. 1981]

8 Finance Division O.M. No F 4(5) Pt.111[82-83] 1614 dated 22-8-1982 & O.M.No F.8(7) /83 dated 19th June, 1984.

freight actually paid on the car up to a Pakistani port, the cost of its insurance during the voyage and the Customs duty paid in Pakistan.

**5.92** When the advance has been approved for a Government servant, who is on leave or about to proceed on leave he should not be allowed to draw the advance earlier than a week before the expiry of leave, but if he is on leave outside Pakistan. Burma, India, Ceylon and Nepal or is about to proceed on such leave, he may be allowed to draw it from the Embassy of Pakistan in U.K. six weeks before his departure for Pakistan. The advance is, however, not admissible to a Government servant who goes on deputation out of Pakistan and desires a motor car for use during the deputation.

**5.93** The recovery of the advance will start from the first issue of pay after the drawl of the advance, will be in whole rupees and completed in 60 (sixty) equal instalments. It may be recovered in smaller number of instalments if the Government servant concerned so desires. The interest will be recovered in one or more instalments, the amount of instalment not being higher than that of the principal. The recover)' of interest should commence from the month following the month in which the recovery of the principal is completed

[Finance Division O.M No F8 (2)-R 8/77 dt. 20.6-1979]

**5.94** If the recovery of the advance has not been completed and a Government servant wants to sell the car purchased with the aid of advance, he should obtain the permission of the competent authority. The car so purchased may be transferred to another Government servant, with the prior approval of the competent authority, if the maintenance of a car by the former is in interest of public service and he records a declaration to the effect that he is aware that the car being transferred to him is subject to the mortgage bond and that he is bound by its terms and conditions. In all cases where a car is proposed to be sold before the complete recovery of the advance together with the interest, the sale proceeds must be utilised towards the repayment thereof. If the car is sold in order to purchase another car, a competent authority may allow the sale proceeds to be applied for the purchase of another car on the conditions that:—

- (i) The amount outstanding should not be permitted to exceed the cost of new car;
- (ii) The amount outstanding will be continued to be repaid at the rate already fixed; and
- (iii) The new car should be mortgaged and insured as usual.

**5.95** When a Government servant has drawn the advance he is expected to complete the negotiations for purchase of car and pay finally within one month of the date of drawl of advance. If this is not done, the entire amount together with the interest should be refunded to the Government immediately except in such cases where competent authority has granted him an extension.

**5.96** At the time of drawl of advance the Government servant should execute an agreement in Form G.F.R. 16. The controlling officer should scrutinize the agreement and record a certificate on the bill that the agreement is in order. When the purchase has been finalised the Government servant should execute a mortgage deed in Form G.F.R. 17 hypothecating the car to the President as security for the advance. The cost price of the car should be entered in the schedule of specification attached to the mortgage deed. The mortgage bond should be kept in the safe custody of the sanctioning authority until the

recovery of the advance is completed and then it may be cancelled and returned to the Government servant concerned after the Accountant General has given a clearance certificate.

**5.97** The car must be insured against full loss by fire, theft or accident. It should be a comprehensive insurance policy and not a 'Third Party Insurance' etc. In case of purchase of second hand cars third party insurance is permissible, provided the Government servant furnishes the following undertaking:—

(i) He will not seek any abatement, relief or waiver of the outstanding amount of advance in case of damage to or loss of vehicle; and

(ii) In the event of the Government servant's demise the balance will be recovered from the gratuity/pension or other dues payable to the heirs.

The insurance should be affected within one month of the date of purchase.

[Finance Division O.M No F. 8(1) Reg. 8/76, dated 19-11-1976.]

**5.98** As soon as the purchase is finalised, mortgage deed executed and insurance affected the following documents should be submitted to the Accountant General:

(i) Vendor's receipt:

(ii) Mortgage Bond:

(iii) Insurance Policy; and

(iv) A letter in Form G.F.R. 18.

The Accountant General will scrutinize the above documents and with the exception of the last item return them to the sanctioning authority for further necessary action. The letter in Form G.F.R. 18 will be sent by him to the Insurance Company, so as to notify to them the fact that the President is interested in the insurance policy secured.

**5.99** The Government servants who are in foreign service may also be paid the advance for purchase of motor car by the foreign employers out of their own funds, but sanction thereof will be issued by the Government. If, however, the financial position of the foreign employer does not permit it, then the advance may be paid by the Government.

**5.100** A second advance for the purchase of motor car is not admissible even if the previous advance together with the interest accrued thereon has been fully repaid.

[Ministry of Finance O.M No 8 (3) R7/83-649 dated 19th July.1983.]

**ADVANCE FOR THE PURCHASE OF MOTOR CYCLE (RULE 262):**

**5.101** An advance for the purchase of motor cycle may be granted to a Government servant drawing pay @ Rs. 1,036/- and above but not more than Rs. 2,709/- per month. The advance should not exceed eighteen months pay of the Government servant or Rs. 12,000/- or the anticipated price of the motor cycle, whichever is less. Other conditions will be the same as in the case of motor car.

[Ministry of Finance O.M No F-8(2)-.Reg. (7)/87-1145 dated 16th September, 1987]

**ADVANCE FOR THE PURCHASE OF BICYCLE (RULE 263):**

**5.102** Advance for purchase of bicycle may be granted to Government servants, who are temporary or permanent and are in receipt of pay not exceeding Rs. 1,035/~ per month subject to the following conditions:—

- (i) The amount of advance should not exceed Rs.800/-
- (ii) Recovery to be made in 48 instalments from permanent government servants and in 30 instalments from those who are not permanent;
- (iii) Temporary Government servants should produce a surety from a permanent Government servant. In case of temporary BPS I to 3 Government servants advance is admissible to those only who have at least 3 years service at their credit;
- (iv) The sanctioning authority should satisfy itself that the Government servant will continue in service till the completion of the recovery of advance. If the Government servant quits the service earlier, the advance should be recovered in lumpsum;
- (v) The sanctioning authority should also satisfy itself that the advance has actually been utilised towards purchase of a cycle; and
- (vi) a second advance cannot be drawn before expiry of three years from the drawl of previous advance.

[Ministry of Finance O.M No F 8(1) Reg (7)/ 87 dated 14th April, 1987 read with Ministry of Finance O.M. No F 8(2) Reg (7)/87 dated 16th September, 1987.]

**5.103 Interest-free Loans**-No interest should be charged on the house building and conveyance advances drawn by a Government servants before 1st July, 1983 whose deposits in the Provident Fund account carry no interest subject to the following conditions:—

(i) The Government servant has not received interest on his Provident Fund accumulations prior to the drawl of the advance from the Government;

(ii) the interest to be remitted under these orders shall not exceed the amount of interest foregone by the Government servant concerned on his Provident Fund account up to the date on which the interest on Government loans would become due for payment;

(iii) If at any time in future the Government servant who has availed himself of this concession chooses to take interest on his G.P. Fund deposits, he will be required to pay in full to the Government the amount of interest accrued on the advances drawn by him from the Government.

The above decision will also applicable in the case of Government servants who have already drawn advance from the Government but the recovery of interest charges accrued thereon has not been made from them.

[Finance Division O.M No F 6(1)-8/74 dated 18th October 1975]

**5.104 Advances on transfer (Rule 265).**—(a) A Government servant under orders of transfer may be allowed advance of pay not exceeding one month's substantive pay. He may also, be paid advance of traveling allowance as admissible under the rules. Such advances may be sanctioned by a Head of Office or any other authority empowered in this behalf. Such an authority may sanction advance for itself also. The Government servant on leave, if transferred, can be paid the advance The advance of pay can also be drawn at the new station, if it is not drawn at the old station. There is no objection to a Government servant drawing a second advance of Travelling Allowance if any member of his family did not accompany him at the time of transfer but joins him afterwards within 6 months.

(b) These advances should be recorded in the Last Pay Certificate. The advance of pay is recoverable in 3 equal instalments and recovery will commence from the month in which pay or leave salary is drawn for the full month on joining the new appointment. The advance of Traveling Allowance is adjusted through the travelling allowance bill. The advance of Travelling Allowance may be adjusted partly, if a member of the family is to join afterwards and then another Travelling Allowance bill may be submitted.

**5.105 Advances for journeys on tour (Rule 269).**—Advance of Travelling Allowance on tour may be granted to B-1 to B-15 Government servants by a competent authority. The amount of advance should be sufficient to cover their personal travelling expenses for a month. The B-16 and above Government servants may also be granted advance if they proceed on long and expensive tours and the cost of travelling is so heavy as to be a serious tax on their private resources. The amount should be sufficient to cover travelling Expenses for a month.

**5.106** The authority competent to grant advance may sanction advance for itself also.

**5.107** The advance should be adjusted through Travelling Allowance bill immediately on return to headquarters or on 30th June, whichever is earlier. Second advance cannot be allowed until the previous advance has been adjusted. If a Government servant has been paid an advance

for a particular journey the Travelling Allowance bill for that journey will not be admitted in audit unless the advance drawn for the purpose is properly adjusted.

## CHAPTER VI

### TREASURY RULES OF THE FEDERAL GOVERNMENT

#### INTRODUCTION AND DEFINITION (RULES 1-2):

**6.1** The "Treasury Rules of the Federal Government" primarily deal with the procedure which should be followed in treasuries including offices or agencies of State Bank conducting the cash business of treasuries.

**6.2** These rules also provide vital principles and important safeguards of general applicability for the Departments which generally deal with the receipt, custody and disbursement of Government money.

**6.3** In these rules unless the context requires otherwise: -

(i) "Accountant General" means the head of an office of accounts and audit or of accounts, who keep the accounts of the Federal Government and when used in relation to a treasury, the head of an office of accounts to whom the accounts of treasury are rendered.

(ii) "Audit Officer" means an officer subordinate to, or under the superintendence of the Auditor-General of Pakistan, who exercises audit functions.

(iii) "The Bank" means the State Bank of Pakistan or any Office or agency of the State Bank of Pakistan and includes any branch of the National Bank of Pakistan, acting as the agent of the State Bank of Pakistan.

(iv) "Collector" means the head of a district, or an officer nominated by the Government to be the Collector in respect of a Federal Treasury, and includes any other officer for the time being authorized by the Government to discharge the duties of the Collector for the purposes of these rules; and

(v) "Competent authority" means the Government or any other authority to whom the relevant powers may be delegated by the Government.

(vi) "District" includes any area whether described as a District, a Political Agency, a Consulate or otherwise, which is served by a treasury placed in the direct relation with an Accountant General and the term 'District Treasury' shall be construed accordingly.

(vii) "Federal Consolidated Fund" means the consolidated fund of which all revenues received and all loans raised by the Federal Government, and all moneys received by the Federal Government in repayment of any loan, form part.

(viii) "Public Account of the Federation" means the account to which are credited all moneys other than those forming part of the Federal Consolidated Fund including those received by or deposited with the Supreme Court or any other Court established under the authority of the Federation.

(ix) "Public Moneys" means the moneys forming part of the Federal Consolidated Fund and the Public Account of the Federation.

**Note---**"Public Account of the Federation" would include unfunded debt and, unless the contrary intention appears; such receipts of a banking or deposit nature as by virtue of any statutory provision or of any general or special

executive order of the Government have to be held in the custody of the Government.

(x) "Treasury" includes a "sub-treasury" "Bank treasury" means a treasury the cash business of which is conducted by the Bank and a "Non-Bank Treasury" means a treasury other than a Bank Treasury.

"Federal Treasury" means and includes any treasury or sub-treasury not being a Treasury or sub-treasury under the control of a Province.

### **LOCATION OF PUBLIC MONEYS (RULE 3):**

**6.4** Subject to the Provisions of Sub-rules (2) and (3) or Rule 7 and Sub rule (1) of Rule 33, public moneys of the Federal Government must either be held in a Federal Treasury or in the Bank. Moneys deposited in the Bank is considered as one general fund held in the Books of the Bank on behalf of the Government.

The deposit of such money in the Bank is governed by the provisions of Section 21 of the State Bank of Pakistan Act. 1956 (Act XXXIII of 1956)

### **GENERAL SYSTEM OF CONTROL OVER FEDERAL TREASURY (RULES 4 & 5):**

**6.5** Normally there is a treasury in each district, where the cash transactions are not conducted by the Bank, the treasury is divided into two departments. a department of account under an accountant and a department of cash, stamps and opium under over-all charge of Collector who entrusts the immediate executive control of the treasury to a treasury officer. The Treasury Officer is, no doubt, subordinate to him, but this does not divest the Collector of his responsibility for the administrative control. The latter is responsible for the proper observance of procedure and for punctual submission of returns to the Government, the Accountant General and the Bank, as may be required under the rules. The Collector is also responsible for verifying and certifying the monthly cash balance and for rendering the accounts to the Accountant General. The Collector may authorise any other officer to act in this behalf, but he should verify and certify the cash balance in person at least once every six months. Whenever a new Collector is appointed he should notify the fact of his appointment to the Accountant General and also certify to him the amount of cash balance, stamps and opium stores taken over by him. The Federal Government has established Federal Treasuries at Islamabad and Karachi. These are under the administrative control of the A. G. P. R.

**6.6** One or more sub-treasuries may be established in a District under the district treasury if the interests of the public service so demand. The arrangements for the administration and conduct of business should be made by the Head of local administration in consultation with the Accountant General. The daily accounts of receipts and payments of moneys at a sub-treasury must be included in the accounts of the district treasury.

**6.7** The Pakistan Audit Department is not responsible in any way regarding the proper management and working of the treasuries. The inspection of treasuries by the Accountant General does not relieve the Collector of his responsibilities for management and inspection.

### **OTHER COLLECTING AND DISBURSING OFFICER (RULE 6):**

**6.8** The Officers in charge of Military Treasure Chests. Officers of the Posts and Telegraph Departments or of any other Departments authorised in this, behalf, maintain

separate departmental cash balances outside the balances in the treasury or the Bank. They are required to perform all the prescribed duties of Treasury Officer in respect of receipt of and payments from the Government money.

**6.9** An Accountant General may be authorized by the Government in consultation with the Auditor General, to perform all or any prescribed duties of a Treasury Officer in respect of claims against the Government that may fall due for disbursement and moneys that may be tendered for credit to the public account.

**PAYMENT OF REVENUES INTO THE PUBLIC ACCOUNT (RULES 7 TO 10):**

**6.10** All moneys received by or tendered to Government Officers on account of revenues should be deposited in a treasury or Bank in full without any delay and included in the Federal Consolidated Fund or in respect of the Pakistan foreign missions, the money should be deposited in such bank or banks as have been specified by the Ministry of Finance in consultation with the State Bank of Pakistan.

As a general rule, money so received should not be appropriated to meet departmental expenditure nor should it be kept apart from the public account. The following departments have, however, been authorized to appropriate departmental receipts towards departmental expenditure:

(i) Postmasters and other heads of offices of Telegraph and Telephones Department.

(ii) Civil and Criminal Courts in respect of service of summons and diet-money of witnesses, etc.

(iii) Civil Courts in respect of receipts and refund of deposit.

(iv) Fees received by Notaries Public and defraying of legal expenses by them.

(v) Public Works Departments, Department of Federal Excise and Land Customs for current works expenditure and in exceptional cases for disbursement of pay and allowances

(vi) Collector of Customs

(vii) Forest Department

(viii) Superintendents of Jails in respect of cash found on the persons of prisoners at the time of their admission to jail for repayment to other prisoners on their release

(ix) Railways.

(x) Survey of Pakistan Payment of commission to map agents out of map sale receipts.

(xi) Government Libraries replacement of books lost by borrowers out of their deposit money.

(xii) Branch Military Dairies.

(xiii) Military Unit Allowance Fund sale proceeds of office furniture etc. for the purpose of fund.

(xiv) Collectorate of Sea-Customs and Federal Excise and Land Customs for payment of commission to duly authorized auctioneers out of the sale proceeds of the auctioned goods.

(xv) Department of Investment Promotion and Supplies for payment of commission to duly authorized auctioneers out of the sale proceeds of the auctioned goods.

**6.11** The authority conferred on the above Departments to appropriate departmental receipts towards departmental expenditure in certain circumstances, should not be construed as an authority to keep the departmental receipts and expenditure defrayed therefrom outside the account of the payments into and withdraws from the Federal Consolidated Fund.

**6.12** The moneys which are received by a Government Officer in his official capacity or otherwise and which do not relate to or form part of the revenues of the Government should not be included in the Federal Consolidated Fund. Unless authorized as a special case, no money should be withdrawn from Public Account or the Federal Consolidated Fund and deposited in a bank.

**6.13** The grant drawn by the Chief of Staff in advance in accordance with the departmental regulations may be kept in a bank under the official title. Similarly the officers commanding units and other concerned with the administration of Public Funds in the Defence Services may open current accounts for such funds with the bank in their official capacity.

**6.14** The Bank is responsible for the safe custody of the Government money deposited in the Banks.

#### **WITHDRAWALS OF MONEY FROM THE PUBLIC ACCOUNT (RULES 12 TO 28):**

**6.15** The withdrawal means the withdrawal of funds from the Federal Consolidated Fund or the Public Account for disbursement of or on behalf of the Government. The payments made by the Pakistan Diplomatic Missions abroad for and on behalf of the Government are also included in the above term.

**6.16** The most important and primary Principle is that no money can be withdrawn from the Federal Consolidated Fund or the Public Account without the written permission of the District Accounts Offices', Treasury Officer or of an Officer of the Pakistan Audit Department authorized by the Accountant General. In other words unless there is a written pay order of an authorized officer, no payment can be made. The Accountant General may authorise the withdrawal offunds within his own jurisdiction. Unless specifically authorized by a competent authority to do so. he cannot permit withdrawal beyond the limits of his own jurisdiction. Normally the treasuries and banks located within a Province are under the jurisdiction of the respective Accountant General. The Accountant General Pakistan Revenues, Islamabad can operate directly on the State Bank of Pakistan, Islamabad, Rawalpindi and Karachi and at (he two Federal Treasuries, at Islamabad and Karachi. The Sub-offices of the A. G. P. R. at Lahore, Karachi, Quetta, Peshawar and Gilgit can operate on the Bank, Treasures & District Accounts Offices located in the respective Provinces & Northern Areas respectively. If any Accountant General desires to make a payment through a treasury which is not in his jurisdiction, he had to issue an authority to the respective Accountant General who in turn will direct the Treasury Officer/Bank to make the payment.

**6.17** Broadly speaking a Treasury Officer is competent to permit withdrawal for all or any of the following purposes:

- (i) to pay sums due from the Government to the drawing officer;
- (ii) to provide the drawing officer with funds to meet claims likely to be presented against the Government in the immediate future by other Government servant- or private parties;
- (iii) to enable the drawing officer to supply funds to another Government officer from which to meet similar claims;
- (iv) to pay directly from the treasury or bank the sums due by the Government to a private party;
- (v) to pay a Government officer or authority who is empowered to make investments of money, standing in the Public Account, for the purpose of such investment.

**6.18** A Treasury Officer cannot make any payments other than those specified above, unless he has been authorized by the Accountant General to do so as a special case. Normally a payment should be made in the District in which a claim arises. The authority of a Treasury Officer is limited to the making of payments authorized by or under the provisions of the Treasury Rules. If a demand is presented to the Treasury Officer which is not covered by the provisions of these rules or by an authority from the Accountant General, he would be perfectly justified to refuse such payment. A treasury officer has no authority to act under an order of the Government sanctioning the payment. Such orders should normally be sent through the Accountant General, but if there is an emergency, the order may be sent directly and the Treasury Officer has to comply with it.

**6.19** Every Treasury Officer is responsible to the Accountant General for acceptance of the validity of a claim against which the later has permitted withdrawal and for satisfying him that the payee has actually received the payment. The Treasury Officer should also obtain sufficient information as to the nature of every payment he is to make and should not accept a claim which does not supply the requisite information. If he is of the opinion that a claim is disputable he should not honour it and direct the party concerned to refer the matter to the Accountant General.

**6.20** No pension can be paid nor can a gazetted officer be allowed to draw pay, allowances, reward and honorarium etc., until the Accountant General has authorized the Treasury Officer to make the payment. In exceptional cases, the Government may, with the concurrence of the Auditor General, waive the above conditions.

**6.21** With me exception of the newly appointed person in whose case medical certificate of fitness is necessary, the Treasury Officer should not make payment of pay and allowances to a Government servant for the first time, if the claim is not supported by a Last Pay Certificate. In cases where the Treasury Officer has himself issued a Last Pay Certificate, he should not make any further payment unless the Last Pay Certificate is surrendered back to him.

**6.22** A Treasury Officer may correct an arithmetical error or an obvious mistake in the bill presented to him for payment. The drawing officer should be apprised of such corrections.

**6.23** In the emergencies a Collector is empowered to require a Treasury Officer by an order in writing, to make payment, other than a pension, without complying with the provisions of the rules. In all such cases the Collector should forward a copy of his orders to the Accountant General detailing the circumstances in which he had resorted to such a course of action. The Treasury Officer should also inform the Accountant General about the payment made by him.

**6.24** Whenever the Accountant General directs a Treasury Officer to recover an amount from an officer, to whom it has been overpaid or wrongly paid, he should forthwith effect the recovery without listening to any submissions or representations made by the party concerned. The drawing officers are also expected to comply with the orders of the Accountant General in this behalf without resorting to unnecessary and avoidable correspondence.

**6.25** Every Government officer who is supplied with Government funds for expenditure is fully responsible for them until he has rendered an account for the same to the satisfaction of the Accountant General. He is also responsible to ensure that payments are made to persons entitled to receive them.

#### **GENERAL INSTRUCTIONS FOR HANDLING CASH (RULES 76 TO 77):**

**6.26** Moneys tendered as dues of the Government or for deposit in the custody of the Government shall not pass through the hands of a departmental officer unnecessarily. Direct payment into the Treasury or into the Bank by the person who tenders such money shall be insisted on, and direct payments arranged whenever this is practicable.

**6.27** In every department or office, wherever the Government cash is handled, a cash book should be maintained in Form TR-4. Before opening a cash book the number of pages should be counted and certificate to that effect recorded on the first page. All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of office or by any gazetted officer authorized by him in this behalf, in token of his having checked it.

The cash book should be closed regularly on all days, whenever there is any transaction. The totals should be checked by the head of office himself or should be got checked through some responsible subordinate other than the writer of the cash book. The totals should be initialled as correct by the Head of the office. The cash balance is required to be verified at frequent intervals of not more than a week. At the end of the month when the cash book is finally closed, the cash balance should be verified by the head of office and a signed and dated certificate recorded to that effect in the cash book. The cash in hand should be mentioned in figures as well as in words. The balance in hand should also be analysed.

**6.28** The entries in the cash book should be very neat and clean. Erasures and over-writing must be avoided. If there is an error, it should be corrected by drawing the pen through the incorrect entry and inserting the correct entry in red in between the lines. All the corrections should be duly attested over the dated initials of the Head of office.

**6.29** Whenever any amount in the custody of a Government officer is deposited into treasury or bank, the entry in the cash book should be compared by the Head of office, with the treasury receipt, chalan or bank pass book and then the attestation may be done. When the deposits into Banks/Treasury are appreciable, the Treasury Officer may be asked to issue a

consolidated receipt for all remittances made during the month, which should be compared with the postings made in the cash book.

**6.30** If an officer has to handle non-Government money in his official capacity, such cash should be kept in a separate chest and accounted for in a separate set of books, so as to keep it entirely out of the Government account.

**6.31** As a matter of policy Grade 1 to 3 servants should not be deputed to fetch or carry the cash. But if it is unavoidable, only senior man of reliable character should be put on the job. Whenever the amount is large, police guards should be procured and sent to accompany the cashier/messenger.

#### **RECEIPTS OF GOVERNMENT MONEY (RULES 78 TO 81):**

**6.32** Ordinarily the Government dues should be realised in legal tender coins or notes only. Where the cash business of the treasury is conducted by the Bank crossed cheques and demand drafts may also be accepted towards the payment of Government dues. But as long as a cheque is not cleared the payment will not be treated as having been made. Consequently when a cheque is tendered, a final receipt cannot be issued. At the most a receipt for the actual cheque may be given in the first instance and final receipt given only after the clearance. Any collection charges of the Bank will have to be borne by the party concerned. If on presentation a cheque is dishonoured, the party concerned should be notified immediately and a demand sent to it for paying in cash. The Government will not accept any liability for damages or loss caused to the party for a possible delay in notifying the fact that the cheque has been dishonoured, it is in the interest of the parties paying the Government dues through cheques to take suitable precautions to ensure that their cheques reach the treasury or the receiving office, at the latest, on the working day preceding the date on which payment is required to be made. The receiving officer may, at his discretion, refuse to accept cheques in payment of the Government dues on the last date.

#### **GRANT OF RECEIPT TO THE PAYER (RULES 82 TO 86):**

**6.33** Every Government officer receiving money on behalf of the Government must issue a receipt to the payer. The receipt should be duly signed by; an authorized officer, who should satisfy himself before signing the receipt that money, has actually been realised and accounted for in the cash book. The amount shown in the receipts should be in words as well as in figures.

**6.34** Unless there is particular form for a certain Department all officers receiving money on behalf of the Government should use the receipt books in machine numbered Form T.R.5 which may be obtained from the Deputy Controller of Stationery & Forms Government of Pakistan, Karachi. The receipt books must be kept under lock and key in the personal custody of the authorized officer. A proper stock register should be maintained for the receipt and issue of blank receipt books. Whenever a new receipt book is put into use the number of forms in the book should be counted and a certificate to the effect recorded at some conspicuous place in the book over the signatures of the authorized officer.

**6.35** A duplicate receipt should not be issued in any circumstances even if the original one is reported to be lost. At the most a certificate may be given that on a specified date a certain sum on a certain account was received from a certain person, if however, the departmental regulations envisage issue of a duplicate receipt, it can be issued

**PROCEDURE FOR PAYING PUBLIC MONEYS (RULES 88 TO 96):**

**6.36** Normally all remittances to the Bank should be in cash but cheques and bank drafts etc. are also, accepted, with certain reservations as stated in para 6.32. In case of these Departments which are authorized to appropriate revenues towards expenditure, the gross receipts and payments made therefrom should be entered as receipts and payments in the appropriate records. If the receipts are in excess of payments the excess should be remitted to the treasury/bank. The officer making the remittance should note on the chalan the full amount of cash actually received by him and per contra, the expenses disbursed therefrom and not merely the net receipts.

**6.37** Any person paying money into a Treasury or Bank on Government account should present with it a chalan, wherein the nature of payment, the person or Government officer on whose account it is made, the head of account and all other relevant information should be duly incorporated. The chalan will be in Form T. R. 6 and should be presented in duplicate. Special chalan forms have been prescribed for payment of Income-tax, Sales tax and Estate Duty.

**PRESENTATION OF CLAIMS (RULES 130 TO 134):**

**6.38** The money is withdrawn from the Federal Consolidated Fund or the Public Account only through the presentation of bills. The bill, as a matter of fact, is a statement of claims against the Government containing specification of the nature of claim, amount claimed, either in gross or by items. The bill may be in the form of a simple receipt also. The bill becomes a voucher as soon as it is receipted and stamped paid.

**6.39** All the bills or cheques in payment of claims against the Government should be presented at the treasury or at an authorized office of disbursement e. g., an audit and accounts office or a foreign mission. The bill should be duly receipted and stamped if the amount claimed exceeds Rs. 20. A cash memo, however, is not required to bear revenue stamps (not liable to duty under Stamp Act, 1899). When a person, who is not in Government employment and has rendered services or supplied articles, prefers a claim, it should be submitted through the department. All bills in respect of grants in-aid and contributions etc., to local bodies, religious, charitable or educational institutions and other non Government bodies and persons should be presented for payment either through some responsible Government servant or after those have been countersigned by him. Ordinarily no claims against Government not preferred within six months of their becoming due can be presented without an authority from the Accountant General except petty claims of Rs. 5 or less.

**INSTRUCTIONS REGARDING PREPARATION AND FORM OF BILLS (RULE 138):**

**6.40** Printed forms in English should be used. If the bill is in some other language, it should be translated into English or at least an abstract of the bill should be prepared in English stating the amount, the name of the payee and nature of the payment. The abstract should be, prepared under the signature of the preferring officer. All bills must be filled in and signed in ink. The amount claimed should be mentioned both in figures and words. Where the claim is for whole rupees, the word "only" should be added to the amount given in words. If it is fraction of rupee, the paisa may be written in figures after rupees.

**6.41** Erasures and overwritings should strictly be avoided. In case of an error, pen should be drawn over the wrong entry and a correct entry neatly made in red ink, which should be duly attested by the drawing officer over his dated initials. Similarly all alterations and changes in the bill should be attested and signed as many times as are the alterations or corrections.

**6.42** The Drawing Officer must record the accounts classification on each bill. The classification given in the budget should serve as a guide in this behalf. The classification should show, inter-alia, whether the expenditure is voted or charged. Charges against two or more objects should not be included in one bill. Separate bills should be submitted where the expenditure is debitable to different detailed objects

**6.43** Where the expenditure has been incurred in pursuance of some special sanction the bill in respect thereof should be duly supported by a copy of the letter of sanction which should be attested by the drawing officer.

**6.44** Dates of payments should be noted in acknowledgements, in subvouchers and acquittance rolls. Where due to illiteracy of the payee or on account of any other reason the date of payment cannot be given the disbursing officer should himself record the dates over his initials. If payment is required to be made to some other person or agency or through a cheque proper endorsement should be made in the bill.

**6.45** When the drawing officer requires payment to be made to some other person or agency, he should specifically endorse an order or furnish an authority in this regard. If the payment is desired wholly or partly by a Stale Bank draft an application for the draft should accompany the bill and the manner in which payment is desired, should be indicated in the drawer's receipt on the bill in case whole or part of the amount of a bill is to be remitted by Postal Money Order, the bill should be accompanied by properly prepared money order form(s). The amount of money order as well as the amount of commission should be shown as deduction in the bill. The purpose of the money order should be stated briefly on the acknowledgement portion of the money order in continuation of the entry "Received the sum specified on the reverse on....." having sufficient space for the signature or thumb impression of the payee.

#### **SIGNATURE OR COUNTERSIGNATURE OF BILLS (RULES 141 TO 144):**

**6.46** No payment can be made on a bill or order signed by clerk instead of the Head of office or where the signature of the drawing officer arc with rubber stamps. In all cases where signature on a bill is given by a mark or seal or thumb impression it should be attested by some known person. Signatures in vernacular except in Urdu are required to be transliterated into English.

**6.47** The head of an office may authorise any gazetted officer serving under him to act as drawing and disbursing officer and to sign bills and orders for him. His name and specimen signature should be communicated to the audit officer/treasury/bank. Whenever there is a change in the incumbency of the drawing officer, it should be duly intimated to all concerned and his specimen signatures supplied as usual. The appointment of a drawing and disbursing officer, however, does not relieve the head of office of his responsibility for the accuracy of the bill or for the disposal of money received in payment.

**6.48** All those bills which require countersignature should not be presented unless the countersignature has been obtained.

**DUPLICATE COPIES OF THE BILLS (RULE 145):**

**6.49** If a bill is presented for payment, is duly passed for payment by the Treasury/Accountant General and is lost before the actual payment is made, the drawing and disbursing officer may submit a duplicate bill with the word "duplicate" prominently marked in red ink on the top of it. The following certificate should also be recorded on the bill: -

"Certified that no payment has been received against the original bill. I undertake to refund the amount immediately, if payment is made against the original bill in future".

The audit officer/treasury/bank after satisfying themselves that no payment was made against the original bill, pass the duplicate bill for payment.

**6.50** Whenever any bill is prepared in duplicate or triplicate, only one copy of it should be signed in full and rest of the copies simply initialled. Only the copy signed in full should be presented for payment.

**MODE OF MAKING PAYMENTS AGAINST BILLS (RULES 147 TO 167):**

**6.51** There are two systems of making payments against bills. Where the payment is made by the treasury either by itself or through the Bank, pay order is recorded on the bill and payment is made in cash. The other one is called the preaudit cheque system and in all those cases where the treasury functions have been entrusted to the audit officers, payment is made through cheques. The bills are presented at the Public counter of those officers, a token in lieu thereof is issued and after the bill has been passed for payment and a cheque prepared therefor it is delivered to the payee or his representative on his surrendering the token. The cheques for more than Rs. 200/- drawn in favour of Corporate or Local Bodies, firms, private persons or Government servants (in respect of their personal claims) shall always be crossed. This rule will, however, not apply to Federal Government Servants in receipt of pay and allowances upto Rs. 2, 000/- p. m.

[Finance Division Notification No F 3(13) I R III/82 dt. 15-3-1988]

**SPECIMEN SIGNATURES AND OTHER SAFEGUARDS (RULES 172 TO 174):**

**6.52** An officer who is authorized to draw cheques or sign or countersign bills payable by the Accountant General/Treasury should send a set of his specimen signatures to the Accountant General/Treasury/State Bank of Pakistan duly attested by another officer, whose signatures are already on record of the office concerned. Whenever a transfer of charge occurs the relieved officer should furnish the specimen signatures of the relieving officer to all concerned, duly attested by the former. Specimen signatures, when forwarded on a sheet of paper other than the forwarding letter itself, should be attested by the officer signing the forwarding letter. Similarly the Accountant General will forward the specimen signatures of the officers authorized by him to sign cheques and payment authorities on his behalf, to the Treasury/State Bank of Pakistan/Other Accountant General. All payment authorities issued by an Accountant General have to be embossed with a special seal duly countersigned by an officer authorized in this behalf.

**CHECKS TO BE APPLIED TO CLAIMS (RULES 177 TO 188):**

**6.53** Whenever a bill is presented for payment to the Department/ Treasury/Audit office the normal audit checks are to see if the claim is admissible, authority is good, arithmetical calculations are correct, signatures/counter signatures are genuine and legal quittance is in order. Where the payment has to be made to an authorized agent or banker the endorsement should be in order and complete in all respects. If the bill is found in order it is passed for payment.

**6.54** When a person not in Government employ claims payment for work done, services rendered or articles supplied the bill should be submitted through the Head of Department or other responsible Government officers concerned. While forwarding the bill to the Accountant General/Treasury Officer, the departmental officer should record his acceptance of the amount, both in figures and words on the body of the bill. It is the responsibility of the disbursing officer to see that the payment is made to the correct person.

**6.55** The Treasury Officer/Audit Officer is also required to inform the income tax authorities regarding the payments made to officials and non-officials, etc., in respect of remunerations, fee, commission and bonus, etc. The names and addresses of the payees should be duly intimated.

**RESPONSIBILITY FOR THE MONEY WITHDRAWN (RULES 205 TO 216):**

**6.56** Every Government officer entrusted with the payment of money should obtain for every payment he makes a voucher setting forth the full and clear particulars regarding the claims and all relevant information necessary for its proper identification and classification in accounts. Every voucher must bear to have attached to it an acknowledgement of payment signed by the person by whom or on whose behalf the claim is put forward. Where it is not possible to obtain an acknowledgement, a certificate of disbursement should be in manuscript, signed by the disbursing officer and countersigned by the superior officer. A memorandum detailing the reasons for not obtaining an acknowledgement should also be drawn and kept on record.

**6.57** Every voucher must bear a pay order signed by the authorized drawing officer, specifying the amount payable both in words and figures. The pay order should be signed by hand in ink. The vouchers and sub-vouchers should be stamped "paid" and cancelled so that they cannot be used a second time. Vouchers below Rs. 100/- which are not required to be submitted to the audit officer, should be properly recorded as important documents.

**6.58** All objections and orders communicated by an audit officer should be promptly attended to. Wherever he disallows any payment as unauthorised the disbursing officer should not only recover the amount paid despite all protests and submission, but refuse to pay in future, unless the audit officer authorises him to resume payments. In respect of retrenchments a disbursing officer should not enter into correspondence with the audit officer and the Government servant concerned. His duty is simply to carry out the orders he has received. The aggrieved person may take up his case, with proper quarters, if he so desires. If a Government servant, from whom a recovery is ordered by the Accountant General, is transferred to the jurisdiction of another disbursing officer, the order of recovery should be passed on to him without delay.

**6.59** Except in those cases where the Government servant acted contrary to orders or without due justification, the recoveries in respect of over-payments should not exceed one-third of the pay of the Government servant concerned.

**6.60** In order to keep the record of retrenchments and recoveries in a proper way, a register should be maintained by every disbursing officer wherein the retrenchments ordered by the Accountant-General, should be recorded. Separate columns should be provided to show the name and office of the person from whom the recovery is to be affected, the nature and amount of over-payment and the method by which the over-payment is adjusted.

**DUE DATE OF SUBMISSION OF MONTHLY PAY BILLS (RULES 217 TO 219):**

**6.61** The Government servants may sign the bill for monthly pay and fixed allowances on the last working day of the month for the labour of which such pay and allowances are earned. The amount so claimed will be due for payment on the next working day. Pay and establishment bills of the Secretariat and other offices of the Federal Government may be signed and presented five days (7 days in the case of Karachi, Rawalpindi, Islamabad and provincial Headquarters) before the last working day of the month to which they relate. Even if the Accountant-General, issues cheques for the bills before the 1st of the next month, he endorses on them the words "not payable before first proximo" so that in any case the pay and allowances are paid not earlier than the first day of the next month. In case of foreign missions pay may be disbursed on the last day of the month if it is customary in that particular country. In the following circumstances a Government servant may be allowed to draw pay due for a part of the month and these bills may be passed for payment before the end of the month: -

(a) When a Government servant proceeds, out of Pakistan, on temporary duty or on leave or on vacation. If, however, the leave salary is payable in Pakistan it will be drawn alongwith the duty pay at the commencement of the next month.

(b) When a Government servant is transferred to another audit circle or within the same audit circle to and from the P. P. W. D. or Forest Department or from one P. P. W. D. Division to another.

(c) When a Government servant finally quits service of the Government or goes on foreign service.

(d) When a Government servant serving in a Pakistan Mission abroad relinquishes charge and leaves the country in which he was serving, either on transfer or on leave.

**6.62** If the first two days of a month are public holidays and pay and allowances cannot be disbursed during those days, a competent authority may direct the payment on the last working day before the holidays of the non-gazetted Government servants drawing pay and allowances not exceeding Rs. 700 per month. In other special cases, the Government may also relax the provisions of the above rules.

**6.63** If the Eidul-Fitr, Eidul Azha, the festivals of Dusserah, Diwali, Guru Nanak's Birthday, Good Friday, Easter Monday, Christmas or Parghat Day of Guru Balmik Swamiji falls within last ten days of the month, the pay and allowances of that month may be drawn in advance and disbursed to Government servants belonging to the community observing the

festival. The advance should not be disbursed earlier than five days before the date of the festival.

#### **DEDUCTIONS FROM PAY BILLS (RULES 221 TO 299):**

**6.64** The drawing officer in respect of the non-gazetted Government servants and gazetted officers themselves are responsible to see that the deduction from the bills on account of subscription to the provident funds, postal life insurance, income tax, super tax. Benevolent Fund and Group Insurance premia etc. are made in accordance with the rules and regulations and Income-Tax Act, 1922. The same applies to account of the house rent. The demand statement in respect of the house rents are sent by the P. P. W. D. /Estate Officer in duplicate. The deduction should be made accordingly and one copy of the statement after recording the fact of recovery in the appropriate column returned to the P. P. W. D. /Estate Officer. Where the rent recoverable is a percentage of the emoluments of a Government servant, the rate of emoluments should be intimated from time to time to the authorities concerned. In the case of gazetted officers the audit officer endorses a copy of the salary slip to the Estate Officer so that he may keep his records up-to-date.

**6.65** When the pay of a Government servant is attached by an order of a Court of Law, it is the duty of the officer receiving the court attachment order to see that proper deduction is made in satisfaction of such order from the pay of the Government servant concerned. Only the pay of a Government servant and not any allowances can be attached. The maximum amount of attachment in a month will be the amount available after paying the salary to the Government servant to the extent of first 100 rupees and one-half of the remainder, e. g., if the pay of a Government servant is Rs. 500 he will be allowed to retain first hundred rupees plus 50 per cent of the remainder, viz., Rs. 200 and the balance of Rs. 200 can be attached. Any deduction on account of subscriptions to the Provident Fund, taxes on income and recoveries of advance, etc., will be made from the non attachable portion of the Government servant's salary. On an Attachment Order recovery can be made for a maximum period of 24 months. If there is another Attachment Order recovery will start after the expiry of 12 months from the last deduction on account of a previous Attachment Order.

**6.66** The procedure for deductions on account of attachment will be that gross amount of pay and allowances are drawn on pay bill, the net amount after deducting the amount recoverable under the attachment order, will be disbursed to the Government servant concerned. The authority making the deductions will remit the attached pay to the Court concerned. In such cases the audit officer generally records two pay orders on a bill one in respect of the amount payable to the Government servant concerned and the other in favor of the Court ordering the attachment and accordingly two separate cheques are issued. In case a judgment debtor does not sign his acquittance roll, if he is non-gazetted or abstaining from preferring a pay bill if he is gazetted officer in order to evade the payment of the attached amount, the Head of office or administrative officer concerned may draw the pay of judgment debtor in satisfaction of the attachment order and remit the amount to the Court concerned. The cost, if any on account of the remittance to Court is deducted from the amount realized and only net amount remitted.

#### **FIRST PAYMENT OF PAY AND ALLOWANCES (RULES 230 TO 231):**

**6.67** When a Government servant presents his pay bill for payment for the first time, it should be duly supported by a medical certificate of fitness, if it is a fresh appointment or re-employment after resignation or forfeiture of past service. In other cases the pay bill should be supported by the Last Pay Certificate issued by the Treasury/Audit Office from which he last drew his pay. If a pensioner is re-employed, this fact should be stated in the bill. In all cases of transfer the responsibility of obtaining his Last Pay Certificate from the last disbursing officer rests upon the Government servant himself.

**PAYMENT ON QUITTING THE SERVICE (RULE 232):**

**6.68** Whenever a gazetted Government servant finally quits the service by retirement, resignation, dismissal, death or otherwise or is placed under suspension, the last payment of pay and allowances should not be made to him until a 'no demand certificate' is issued by the Department concerned, audit office, and the Estate Office, etc.

However, the last payment of pay or allowances of a Government Servant finally quitting service by retirement shall not be held up merely for verifying that no demand is outstanding against him. The payment may be made if the Government servant or in the event of his death before payment, the person entitled to receive payment agrees in writing that any demand coming to notice within a period of one year from the date of such payment may be recovered from the pension. The official failing to intimate demand within the period of one year from the date of retirement of an officer shall be personally liable for the amount involved.

**DEATH OF PAYEE (RULES 233-234):**

**6.69** A Government servant is entitled to the pay and allowances for the day of his death irrespective of the hour at which the death took place. The "day" for the purpose of this rule means a calendar day beginning and ending at midnight.

**6.70** Pay and allowances of a deceased Government servant may be paid to his heirs. If the amount payable is less than Rs. 500 payment can be made by a competent authority after making an enquiry regarding the rights and title of claimants. Where the amount exceeds Rs. 500 the payment can be made under the orders of the Head of Department on execution of an indemnity bond, with such sureties as he may require and after fully satisfying himself regarding the right and title of the claimants. The latter course is adopted only in such cases where the head of department is convinced of the fact that undue delay and hardship would be caused by insisting on the production of a Succession Certificate. In all other cases and specially those of a doubtful character, payment should be made only to the claimants producing the legal authority.

**PLACE OF PAYMENT (RULES 235 TO 243):**

**6.71** The bills for pay and allowances are payable only in the District where the claim arises, The leave salary of a gazetted Government servant who draws his leave salary in Pakistan may be paid at any treasury in Pakistan. But a non-gazetted Government servant will be paid his leave salary only at the place where he draws his duty pay. He may, however, make his own arrangements for getting his leave salary remitted to him.

**6.72** A Government servant whose duties require him to travel extensively on inspection should take with him his Last Pay Certificate. This would enable him to draw such portion of

his pay from the nearest treasury/audit office, as he desires. The balance may be drawn by him at his headquarters. In case he passes from the jurisdiction of one Accountant-General to that of another during the course of his tour, his Last Pay Certificate will require countersignature of both of them. In such a case no advance is made and no recovery or adjustment becomes necessary. Similarly, he can draw his traveling allowance bills after getting them countersigned by the Controlling Officer. But he cannot be paid any advance of traveling allowance. The same procedure will be followed in respect of establishment, if any, which accompanies him.

**PAYMENT OF PAY, LEAVE SALARY ETC., THROUGH AGENTS (RULES 244 TO 246):**

**6.73** A Government servant may be allowed to receive the payment of his pay and allowances or leave salary through a messenger duly authorized by him to receive money in his account. But there should be no endorsement on the bill to pay to any such person. The Government does not accept any responsibility in respect of money or cheque handed over to the messenger. In case of gazetted officers the bills may be made payable to some well-known banker or agent, provided there is a written request to that effect. The receipt given by the banker or agent will not be treated as final quittance, unless the bill has duly been endorsed in favour of the agent or banker. The payment to an agent will be made only if he holds a valid power of attorney to act for the Government Servant concerned. Government servants proceeding for training to a country outside Pakistan under a scheme sponsored by the Government, may draw a part of their pay in the currency of the country to which they are sent for training subject to such limit as may be prescribed by the Government from time to time, and the balance in Rupees in Pakistan. The pay of Government Servant (gazetted or non-gazetted) may, however, be drawn by the Head of his office and the amount disbursed to the nominee of the Government Servant concerned unless the Government servant prefers to make his own arrangement to receive payment in accordance with the prescribed procedure.

**6.74** The gazetted officers claiming leave salary in Pakistan should either appear in person at the place of payment or furnish a certificate signed by a responsible Government officer or some other well-known or trustworthy person. If he draws it through an agent, the latter should produce such a certificate.

**BILLS OF B-16 AND ABOVE GOVERNMENT SERVANTS, (RULES 248 TO 261):**

**6.75** The pay and fixed allowances of B-16 and above Government servants are drawn on bills in Form T. R. 16 if drawn from treasury and in Form T. R. 17 if the pay is drawn from an Accountant General. The claims relating to leave salary, Honorarium, fees, etc., are also drawn in the same forms. The travelling allowance bills are drawn in Form T. R. 20.

**6.76** The B-16 and above officers are not allowed to draw increased or changed rate of pay, leave salary, fixed allowances, reward or honorarium, etc., unless the Accountant-General has issued an authority in respect of the same. When such an officer draws his pay from a treasury, he can draw advance of pay and traveling allowance without any authority from the Accountant-General, but an authority is necessary in respect of all other personal advances.

**BILLS OF B-1 TO B-15 GOVERNMENT SERVANTS (RULES 262 TO 282):**

**6.77** The bills for pay leave salaries and fixed allowances of B-1 to B-15 Government servants are drawn in Form T. R. 22. Separate bills should be prepared for permanent and temporary establishments. The name of every substantive, officiating or temporary incumbent should be shown against each post. In respect of temporary establishment, the number and date of sanction letter is also required to be quoted. The rate of pay claimed should always be noted and when the pay is drawn for a part of the month, the number of days is mentioned against the name of the Government servant concerned. The various sections comprising the establishment should be shown separately, the description of each section as well as the sanctioned number of posts included therein being prominently written in red ink at the top. Whenever the leave salary is drawn, the bill should be accompanied by a statement, attested by the drawing officer, showing the calculation of the leave salary. If due to certain reasons the leave salary of an incumbent cannot be calculated, the amount of pay to which he would have been entitled had he remained on duty should be entered in the money column of the form which is intended to show leave salary, the amount being left undisbursed and treated as held over pending the fixation of the amount of leave salary.

**6.78** The entries in all the money column of the bill should be totalled under each section and the totals written in the red ink. The totals are required to be checked by the drawing officer himself or through some responsible person other than that who has prepared the bill.

**6.79** The names of incumbents without permanent posts in a substantive capacity, in B-1, 2 and 3 and head-constables and constables may be omitted from pay bills and the following certificate recorded on the body of the bill.

"Certified that all persons whose names are omitted from, but whose pay has been drawn in this bill have actually been employed during the month and that full details of the names of the persons concerned and the emoluments drawn for them working upto the total included in this bill have been duly shown in the office copy. "

**6.80** The claims of Government servants in such cases are not lumped together and entered as a single item in the bill, but the bills, should show separately the number on different rates of pay or with different designations. The head of Local Administration may extend the provisions of these rules, in consultation with the Accountant General, to any specific classes of establishment.

**6.81** The other instructions printed on the bill form should be observed very carefully.

**6.82** If any Government servant is absent during a month, either on special duty or under suspension, or with or without leave, other than casual leave, the monthly bill should be supported by an absentee statement in Form T. R.23. In case of amalgamated establishments, a consolidated absence statement showing the complete chain of arrangements, should be furnished to the Accountant General. Whenever leave salary is drawn in respect of a B-1 to B-15 Government servant who has served under another Government or Department, which is treated as a separate unit for purposes of allocation of leave salary, a detailed statement of allocation of leave salary should be prepared and attached to the leave salary bill.

**6.83** When the increment of a B-1 to B-15 Government servant is drawn, a periodical increment certificate in Form T. R. 24 should be attached to the first pay bill in which the increment is drawn. The periods of duty and absence with or without leave should be shown in the appropriate columns of the increment certificate.

**6.84** Every bill in respect of an overtime allowance should bear the following certificates: -

"Certified that-

(a) the men for whom overtime allowance is claimed have actually earned it by working overtime;

(b) the periods for which overtime allowance has been claimed, have been checked with initial records and found correct;

(c) the rates of overtime allowance have been sanctioned by a competent authority; and

(d) the overtime allowance has been taken into consideration for calculating the income-tax due from the Government servant. "

Where overtime allowance is paid from the fees realized from the private parties and credited to the Public account, the drawing officer should certify that fees has been realized and credited into the public account.

**6.85** Arrears on account of pay, allowances and leave salary should not be drawn in the ordinary monthly pay bill, but in a separate bill. The amount claimed for each month should be entered separately with full cross reference of the bill from which the charge was omitted or withheld or on which it was refunded by deduction. A note for the arrear bill should invariably be made on the office copy of the bills for the period to which the claim pertains. This should be done over the dated initials of the drawing officer, so that the risk of the arrears being claimed again, may be avoided.

**6.86** The traveling allowance bill in respect of establishment should be drawn in Form T. R. 25 and the instructions printed thereupon adhered to carefully and the bill prepared accordingly.

**6.87** The head of an office is personally responsible for the amount drawn on a bill signed by him or on his behalf until he has paid it to the persons entitled to receive it and obtained a legally valid quittance on the office copy of the bill. In large establishments it is permissible to obtain quittance on a separate acquittance roll in Form T. R. 28. The quittance rolls and office copies of the bills are not required to be submitted to the Accountant General but being important records, they should be stamped 'paid' and preserved carefully for the period prescribed under the rules.

**6.88** If due to certain reasons payment cannot be made within the month, the amount drawn for the payee should be refunded by short withdrawal in the next month bill. The amounts so refunded can be redrawn whenever the payment is proposed to be made. But if in any case the drawing officer considers that the refund would be inconvenient, he can retain the undisbursed amount for a period not exceeding three months. This should be done only if proper arrangements can be made for the safe custody of the cash retained.

**6.89** The undisbursed pay and allowances should not be placed in deposit in a treasury under any circumstances.

**6.90** Pakistan Missions abroad may make payment to their staff by cheque.

### **COMPUTERIZED PAYROLL:**

**6.91** Computerised payroll system has been introduced with effect from 1st July, 1969 for disbursement of pay and allowances to the Government Servants, maintaining the G. P. Fund accounts, accounting for the various items of receipts and expenditure arising thereupon. The scheme has been designed to computerise gradually payroll of all the Ministries/Divisions and Departments.

**6.92** The manual preparation and submission of regular monthly paybills are dispensed with under the Computerized payroll system. The officers (B-16 and above) and staff (B-15 and below) are treated alike in this system and as such the input data and output reports are processed in respect of officers and staff without any distinction.

The detailed audit of payments and deductions in respect of the officers (B-16 and above) is conducted by the Audit office and the Drawing and Disbursing Officer is responsible for all payments/deduction in respect of the staff (B-15 and below) in accordance with existing rules and orders of the Government.

**6.93** The Drawing and Disbursing Officers of the Administrative Ministries/Divisions and Departments are required to provide to Audit Office all the initial data in respect of all the officers and staff of their respective Departments for creation of master-file each month. The detailed instructions for furnishing the input data, handling the output reports, of pay and allowances etc., have been laid down in the "Audit and Accounting Procedure for Computerised Pay roll in respect of Government servants." The copy of this procedure has been supplied to the concerned Ministries/Divisions and Departments.

**6.94** The Computer Agencies who design and run the Computerized Payroll system on the Computer provide the procedure booklet containing the detailed technical information and instructions in respect of input data, output reports, code lists, filling in of all input forms processing of the data, etc. Initial training is imparted to the officers and staff of a new Department, who's Payrolls, is to be computerized in order to acquaint them with the computerised payroll system.

**6.95** The most important responsibility of the drawing and disbursing officer in this regard is to ensure that all input data is correctly supplied and all changes like promotions, demotions, leave, transfers, retirements and variations in the rates of entitlements and deductions, etc., are promptly reported through change statements. Any omission or delay in this regard may result into over payment.

### **CONTINGENCIES (RULES 284 TO 317)**

#### **GENERAL RULES:**

**6.96** The term "Contingent Charges" or "Contingencies" means all incidental and other expenses which are incurred for the management of an office as an office or for the technical working of a Department. The expenditure incurred on "Works", "Stocks", "Tools" and "Plants", etc., is, however, not included in the contingencies.

**CLASSIFICATION OF CHARGES (RULE 287):**

**6.97** Contingent charges incurred on the Public Service are divided into the following classification adopted in each department or office being determined by orders of competent authority;

(i) **Contract Contingencies**---- are those for which a lump sum is placed annually at the disposal of disbursing officer for expenditure without further sanction of any kind. These consist of the charges the annual incidence of which can be averaged with reasonable accuracy.

(ii) **Sale-regulated Contingencies**---- comprise such contingent charges as may be regulated by scales laid down by a competent authority, e. g., reward for destruction of wild animals and supply of liveries to Government Servants, etc.

(iii) **Special Contingencies**----- include such contingent charges whether recurring or non-recurring as cannot be incurred without the previous sanction of the competent authority.

(iv) **Countersigned Contingencies**---- include such contingent charges as may require the approval of some controlling authority before they can be admitted as legitimate expenditure, such approval usually taking the form of countersignature after payment on a detailed bill submitted to the Accountant General.

(v) **Fully-Vouched Contingencies**---- comprise charges which require neither special sanction nor countersignature, but may be incurred by the head of office on his authority. These may be passed on fully vouched bills without countersignature

**6.98** The above classes of contingencies are not necessarily mutually exclusive. There may be cases where special contingencies are regulated by scale or in which a bill for scale-regulated contingencies requires countersignature. In a case of this nature the rules relating to both the kinds of contingencies will be applicable.

**PERMANENT ADVANCE; ITS GENERAL LIMITATIONS (RULES 288 TO 294):**

**6.99** The Government officers who have to make payment on account of contingent expenditure before they can place themselves in funds may make such payments from the payment advance or imprest, which can be recouped as usual. The charges incurred should be drawn and paid at once. It is very irregular to keep a claim pending to be paid out of the funds for the next year. Money should be drawn only when it is required to be paid immediately. Withdrawal of money in anticipation of demands or in order to prevent the lapse of budget grant is strictly prohibited. The charges relating to two or more detailed objects should neither be claimed in one bill nor shown in one register.

**6.100** No pay of any kind can be drawn on bills for contingent expenditure, but in case of Government servants in BPS 1 of the following categories, who have been declared by a competent authority to be ineligible for pension, their pay may be treated as a contingent expenditure:

(i) Hot weather establishment;

(ii) Coolies engaged on manual labour and paid daily or monthly wages;

(iii) Sweepers; and

(iv) Other Grades 1-3 Government servants, e. g., dhobies, tailors, syces and farashes etc.

The bill on account of labour charges for coolies should be supported by certificate to the effect that they were actually entertained and paid. In respect of other B.P.S.1 employees the disbursing officer should certify that all such employees whose pay has been charged in the bill were actually entertained in Government service during the period concerned.

#### **RESPONSIBILITY OF THE DRAWING OFFICER (RULE 295):**

**6.101** Every Government officer is expected to exercise the same vigilance in respect of the petty contingent expenditure, as a man of ordinary prudence would do in respect of his own money. The drawing officer should see that less regarding the preparation of contingent bills are observed and only that amount is drawn which is required for immediate disbursement or has already been paid from the permanent advance. He should also see that the expenditure is within the sanctioned budget and if it is exceeded or is likely to exceed, he should take prompt steps to obtain additional appropriation. In regard to the Contract contingencies he should see that expenditure is not in excess of the contract grant.

#### **RESPONSIBILITY OF THE CONTROLLING AUTHORITY (RULE 296):**

**6.102** The controlling authority should see that the expenditure incurred was of obvious necessity, the rates were fair and reasonable, requisite sanctions had been obtained, arithmetical calculations were correct and the expenditure was within the appropriation. If he felt that the expenditure was progressing too idly, he should intimate the fact to the drawing officer and insist on its being checked.

#### **CANCELLATION AND DESTRUCTION OF VOUCHERS (RULES 297):**

**6.103** The subvouchers should not be destroyed before three years. If the local audit has not been conducted these should be retained even beyond three years, so that the audit may be in a position to check them. The vouchers which are not required to be submitted to the Accountant General or the controlling officer should be cancelled by means of a rubber stamp or by an endorsement in red ink across the voucher. The cancellation should be initialled by the drawing officer. The cancellation should be done when the contingent bill is signed, in which the vouchers or sub-vouchers are included. The vouchers which are submitted to the controlling officer and which are not required to be submitted to the Accountant General should be cancelled by him under proper initials. In the bill submitted to the Accountant General, it should be certified by the drawing officer/controlling officer that the vouchers/sub-vouchers retained by them have duly been cancelled. The vouchers/sub-vouchers required to be submitted to the Accountant General should be cancelled, as the duty of canceling them in order to prevent their fraudulent use devolves upon him.

#### **RECORD OF CONTINGENT EXPENDITURE (RULES 298 TO 301):**

**6.104** A register of contingent expenditure should be maintained in Form T. R. 29. The various columns regarding detailed objects may be modified to suit the requirement of each

department and office. The appropriation should be noted at the top of each column. As each payment is made entries should be made in the contingent register regarding the date of payment and the name of payee, the No. of sub-voucher and the amount paid. Every entry should be initialed by the officer incurring the expenditure. In order to enable a disbursing officer to keep a watch over the progress of expenditure under each detailed head, a progressive total of all the months should be worked out immediately after the monthly total, from the commencement of the financial year up to the end of last expired month.

#### **BILLS FOR CONTINGENT CHARGES (RULES 302 TO 314):**

**6.105** Whenever money is required to be drawn for contingent expenditure whether to recoup the interest or at the time of transfer of charge and in any case at the end of each month a red line should be drawn across the page of the contingent register, various columns should be added up and separate bills prepared for each kind of contingent expenditure. The entries in the bills, vouchers/sub-vouchers should be compared carefully with those of the contingent register and only then the bill should be signed and presented for payment. In case of bills of suppliers, the amount of which is too large to be paid from the interest, these may be endorsed for payment to the party concerned direct. When paying rewards to the informers or in other cases where the names of payees cannot be disclosed due to the Public reasons, the drawing and disbursing officer should record a certificate in his own hand writing to the effect that the payment has duly been made and this certificate will be submitted to the Accountant General in lieu of the payees receipt.

**6.106** The bills in respect of the Contract Contingencies should be drawn in Form T. R. 30. The Fully Vouched Contingent Charges should also be drawn on the same form and full detail of the charges given therein. The charges regulated by the scales and those relating to the special Contingencies are drawn in Form T. R. 31. In the case of Special Contingencies the No. and date of letter of sanction should be quoted invariably. Where the sanction has been accorded for a lump sum amount and the special sanction is continued for more than one month, the second and subsequent month's bill should bear a note of how much has been spent up-to-date under the special sanction.

**6.107** Except in those cases where prior counter signatures are required the charges on account of items falling under Countersigned Contingencies may be drawn on abstract bills in Form T. R. 31, subject to the condition that a detailed bill will be prepared and submitted to the controlling officer and Accountant General in due course. A certificate should also be recorded on the bill to the effect that detailed bill has been submitted to the controlling officer in respect of the abstract bills drawn in the previous month on such and such date. No. abstract bill should be cashed after the tenth of a month without this certificate. The detailed bill should be prepared in Form. T. R. 32 headed "not payable at treasury" and showing the monthly total of each column with description of each charge. The No. and date of sub-vouchers and those of abstract bills should be quoted. The amount of all abstract bills drawn during the month should agree with the total of the detailed bill. If there is a difference, it should be explained adequately. The bill should be signed by the Head of office and then submitted to the controlling officer, who will review it with sub vouchers. After he has been fully satisfied, the bill will go to the Accountant General, for audit scrutiny. Any

disallowance ordered by the former will be responded by the Head of the office through refund by means of short withdrawal in the next bill.

**SERVICE POSTAGE STAMPS (RULE 317):**

**6.108** For purposes of obtaining service postage stamps, and adjusting their value, a bill should be prepared in Form T. R. 34. This should contain acknowledgement of the drawing officer for the receipt of stamps indented for. The bill will be treated in the same way as if drawing the cash. The bill will be passed for payment by transfer by the Accountant General. Then it should be presented to the treasury, where the stamps will be issued and the amount will be entered in the list of payments crediting the value of the stamps in the same manner as if the cash was realized.

## **CHAPTER VII**

### **FUNDAMENTAL RULES**

#### **INTRODUCTION:**

**7.1** The Fundamental Rules were enforced by the late Government of India with effect from the 1st January, 1922, to regulate the conditions of service, such as, age of retirement, leave, joining time, fixation of pay, dismissal, removal from service and suspension, travelling allowance etc. in replacement of corresponding rules in the Civil Service Regulations. These are among the few sets of very old rules which on independence were inherited from the late Government of India. There were then two sets of Fundamental Rules, the one which were applicable to the members of Services subject to the rule-making control of the late Secretary of State-in-Council and the other which were applicable to the members of the Services subject to the rule-making control of the Governor-General-in-Council. In the wake of Independence control of all Services and Cadres was transferred to the Governor-General-in-Council. In consequence the Fundamental Rules in the first category became applicable to all Government servants whose pay was debitable to the civil estimates.

#### **VALIDITY OF FUNDAMENTAL RULES:**

**7.2** The Fundamental Rules have remained in force with necessary adaptations and modifications, etc. on the strength of saving provisions in the successive constitutional enactments. Article 268 of the 1973 Constitution, read with Article 2 of the Provisional Constitutional Order, 1981 (CMLA Order of 1981) may be referred to in the present context. Attention may also be invited to Article 241 of the Constitution and Sub-section (2) of Section 25 of the Civil Servants Act, 1973, according to which any rules, orders or instructions in respect of any term and condition of service of Civil Servants duly made or issued by an authority competent to make them and in force immediately before the commencement of the Act shall, in so far as such rules, orders or instructions are not inconsistent with the provisions of the Act shall be deemed to be rules made under the Act. All previous rules have to be read in the light of this legal and constitutional position. The leave and T. A. Rules contained in the Fundamental Rules have since been replaced by new set of rules. The age of retirement of Government Servants is now regulated under Section 13 of the Civil Servants Act, 1973.

**7.3** Section 23 of the Civil Servants Act, 1973 provides that provisions of the Act or any rules shall not be construed to limit or abridge the powers of the President to deal with the case of a civil servant in such manner as may appear to him to be just and equitable. This is, however, subject to the condition that his case will not be decided in any manner less favourable to him than the provisions of the Act or such rule.

#### **EXTENT OF APPLICATION:**

**7.4** The Fundamental Rules apply to all Government servants who are subject to the rule-making power of the President and whose pay is debitable to civil estimates and to any

other class of Government servants to which the President may by general or special order declare them to be applicable.

**7.5** The Fundamental Rules do not apply to Government servants whose conditions of service are governed by Army, Navy and Air Force Regulations. If any officer of these services is temporarily transferred to service paid from Civil Estimates, he will ipso facto, become subject to the Fundamental Rules except for leave rules while so transferred. On the contrary, however, a Government servant, paid from Civil Estimates, who is temporarily transferred to service paid from Defence Estimates, will continue to remain subject to the Fundamental Rules.

**7.6** The powers specially granted by the Fundamental Rules to Local Governments may be exercised by them in respect of the Government servants under their administrative control. These powers may be exercised by the President in respect of all other Government servants.

**7.7** The Provincial Governors exercise the powers to make rules or general orders as conferred upon Local Governments by the Fundamental Rules. A Local Government may relax the provisions of rules or orders so made by it in such a manner that it is just and equitable, subject to the limit of its powers to make such rules and orders. This is subject to the condition that where such rule or order is applicable to the case of any person, the case should not be dealt with in any manner less favourable to him than that provided by the rule or order.

**7.8** The powers conferred upon the Local Government by the Fundamental Rules can be delegated to any of its officers, subject to any conditions it may think fit to impose, with the following exceptions: -

(i) All powers to make rules; and

(ii) the other powers conferred by rules 6, 9 (6) 44, 45-A, 45-B, 45-C, 108-A, 119, 121 and 127 (C) and the first proviso to clause (i) of rule 30.

**7.9** The powers delegated by the Government of Pakistan in its capacity as a Local Government under different Fundamental Rules, are contained in Appendix 4 of F. R. Vol II as amended from time to time.

**7.10** The powers under Fundamental Rules may be exercised or delegated only after consultation with the Ministry of Finance. It is for the Ministry of Finance to prescribe by general or special order, cases in which its consent may be presumed to have been given.

**7.11** The powers to interpret the Fundamental Rules is reserved to the President of Pakistan.

## DEFINITIONS AND ORDERS ISSUED UNDER F, R. 9:

7.12 Unless there is something repugnant in the subject or context, the terms defined below are used in the rules in sense here explained:

(1) **Act.** The act means the Government of India Act, 1935 as adapted by the Pakistan (Provisional Constitution) Order, 1947.

(2) **Average Pay.** Average pay means the average monthly pay earned during the twelve complete months immediately preceding the month in which the event occurs, which necessitates the calculation of average pay.

The "12 complete months" given above should be interpreted literally, e. g. a Government servant, who has been on leave from the 23rd March, 1986, to 22nd July, 1986, inclusive is granted leave from 4th February, 1987, the average pay is to be calculated on the pay earned from 1st February, 1986 to 22nd March, 1986, and 23rd July, 1986 to 31st January, 1987. If the Government servant happens to be on leave for more than 12 months immediately preceding the month in which the leave is taken, the average should be taken of the monthly pay earned during the 12 complete months immediately preceding the months in which the previous leave commenced.

In the case of a Government servant on foreign service out of Pakistan lasting for more than 12 months who, on reversion to the Government service, immediately takes leave, the calculation of average pay should be based on the pay drawn by him during the 12 complete months preceding the month in which he was transferred to foreign service.

The period of joining time taken either under clause (b) or under clause (c) of F. R. 105 during the preceding 12 months should be ignored in calculating average pay as no pay is drawn in respect of such joining time.

Where the Government servant belongs to a vacation Department, the vacation falling in the period of 12 complete months immediately preceding the month in which the leave is taken should be treated as duty and the pay drawn by the Government servant during the vacation should be taken into account in determining his leave salary during the succeeding leave.

(3) **Cadre.** Cadre means the strength of a service or a part of a service sanctioned as a separate unit.

(4) **Compensatory Allowance.** (i) Compensatory Allowance means an allowance granted to meet personal expenditure necessitated by the special circumstances in which duty is performed. It includes a travelling allowance but does not include a sumptuary allowance nor the grant of free passage by sea to or from any place outside Pakistan.

(ii) The circumstances which justify the grant of special pay to an officer are entirely different in character from those which justify the grant of a compensatory allowance, a difference emphasized in the definitions of those terms embodied in the F. Rs.

These definitions should be strictly construed, and an exact compliance required with the conditions stated in them as antecedent to the grant of either special pay or compensatory allowance.

(iii) In view of the importance attached to the correct classification of additions to pay such as special pay and compensatory allowance, the reasons for the grant of such additions to pay should be briefly recorded in the letter conveying the sanction.

(5) Duty. ----Duty includes: -

(A)(a) Service as a probationer or apprentice, provided that such service is followed by confirmation.

(b) Joining time.

(B) A local Government may issue orders declaring that in circumstances similar to those mentioned below; a Government servant may be treated as on duty:

(a) In the case of a student stipendiary or otherwise, who is entitled to be appointed to the service of the Government on passing through a course of training at a university, college or school in Pakistan, during the interval between the satisfactory completion of the course and his assumption of duties?

(b) During preparation in Pakistan for an examination in any oriental language.

(c) On the first arrival in Pakistan of Government servants appointed in England who do not, before they report themselves at the seat of the Local Government servant concerned, receive orders to take charge of a specified post, during the interval between the date of such report and the date on which they take charge of their duties.

(C) In terms of (5) (B) above the President has issued the following general orders applicable to all Government servants under his administrative control:

(i) A Government servant who has been substantively appointed to a post or cadre in Government service is treated on duty during any course of instruction or training which he may be required or permitted to undergo in accordance with the terms of any general or special order of the President.

(ii) A student, stipendiary or otherwise, who is entitled to be appointed to the Government service on passing through a course of training at a university, college or school is, unless in any case it be otherwise expressly provided in the terms of his appointment, treated as on duty during the interval between the satisfactory completion of the course and his assumption of duties.

(iii) A Government servant is treated on duty during any period he is permitted to spend in preparation for an examination in Urdu, Persian or Arabic. The period to be spent in preparation is limited to six months in the case of examination by the Degree of Honour Test in Arabic or Persian and to three months in all other cases.

(iv) When a Government servant is treated as on duty under (i) to (iii) above, his right to draw during such period any Compensatory Allowance attached to the post on which he holds lien is governed, as though he was on leave, by S. R. 6 et seq.

(v) The period spent in training and on the journey to and from the place of training by the Reservists of the Pakistan Army and Pakistan Navy in Civil Government employ, when called upon for periodical military and naval training respectively is treated as on duty for purposes of civil leave and increment of civil pay.

(vi) The period spent by an employee of the Federal Government on the Civil Defence Training with the permission of the Head of his office is treated as duty.

(vii) A Government servant required to attend an obligatory departmental examination, or permitted to present himself at an examination the passing of which is a condition of preferment in Government service may be treated as on duty during the day or days of examination and during the reasonable time required for the journey, if any, to and from the place of examination- in this connection the Government have decided that the phrase "obligatory examination" covers only compulsory or optional examination for promotion within the normal scope of the Government servant's department or office.

**Note.** According to audit rulings the status of a probationer is so be considered as having the attributes of a substantive status except where the rules prescribe otherwise. No person appointed substantively to a permanent post in a cadre is a probationer, unless definite conditions of probation have been attached to his appointment, such as the conditions that he must remain on probation pending the passing of certain examination. The term 'probationer' does not cover a Government servant, who holds substantively a permanent post in a cadre and is appointed on probation to another post.

**(6-A) Fee----** Means a recurring or non-recurring payment to a Government servant from a source other than general revenues, whether made directly to the Government servant or indirectly through the intermediary of Government.

**(7) Foreign Service,** Means service in which a Government servant receives his substantive pay with the sanction of Government from any source other than the revenues of the Governor General or of a Province or the Railway Fund

**(8) General Revenues of Pakistan: ---**Includes the revenues allocated to local Government and exclude the revenues of Local Funds. The term 'General Revenues of Pakistan' is no longer an appropriate term. Since the recasting of this term will necessitate several modifications in other rules, it is proposed that this definition may be allowed to stand for the present.

**(9) Honorarium.** Means a recurring or non-recurring payment granted to a Government servant from general revenues as remuneration for special work of an occasional or intermittent character.

**(10) Joining Time.** Means the time allowed to a Government servant in which to join a new post or to travel to or from a station to which he is posted.

**(11) Leave on Full or Half Pay-**Means leave on leave salary equal to the pay or half pay last drawn by the Government servant before the commencement of the leave.

**(12) Leave Salary.** Means the monthly amount paid by Government to a Government servant on leave.

**(13) Lien.** Means the title of a Government servant to hold substantively either immediately or on the termination of a period or periods of absence, a permanent post, including a tenure post, to which he has been appointed substantively.

**(14) Local Fund.** Means

(a) revenues administered by bodies which by law or rule having the force of law come under the control of the Government, whether in regard to the proceedings generally or to specific matters, such as the sanctioning of their budgets, sanction to the creation or filling up of particular posts or the enactment of leave, pension or similar rules; and

(b) the revenues of any body which may be specially notified by the President as such.

**(15) Local Government.** Local Government for the purposes of these rules does not include a Chief Commissioner.

**(16)(a) Military Commissioned Officer.** Means a commissioned officer other than

(i) a departmental commissioned officer; and

(ii) a commissioned officer of the Pakistan Medical Department. It does not include a warrant officer.

(b) **Military Officer.** Means any officer falling within the definition, of military commissioned officer, or included in sub-clause (i) or (ii) of clause (a) above or any warrant officer.

**(17) Ministerial Servant.** Means a Government servant of a subordinate service whose duties are entirely clerical and any other class of servant specially defined as such by general or special order of a Local Government.

The members of Class II service whose duties are predominantly clerical are classed as ministerial servants.

**Note.** With effect from the 21st August, 1973 all 'classes-' among Government servants, have been abolished and replaced by a unified graded structure. Consequently, the old definition as in the above rule may be construed, in the present context, to apply to all Government servants Grade 16 and below whose duties are entirely or predominantly clerical.

**(18) Month.** Means a calendar month. In calculating a period expressed in terms of months and days, complete calendar months, irrespective of the number of days in each, should first be calculated and the odd number of days calculated subsequently.

For the sake of illustration in calculating a period of 3 months and 20 days from 25th January, 3 months should be taken as ending on 24th April, and the 20 days on the 14th May. In the same way the period from 30th January to 2nd March should be reckoned as 1 month and 2 days, because one month from 30th January ends on 28th February. A period of one month and 29 days commencing from 1st January will expire in an ordinary year (in which February is a month of 28 days) on the last day of February, because a period of 29 days

cannot obviously mean to exceed a period of full calendar month and leave for 2 months from 1st January will end on the last day of February. The same would be the case if February was a month of 29 days or if the broken period were 28 days (in an ordinary year).

**(19) Officiate.** A Government servant officiates in a post when he performs the duties of a post on which another person holds a lien. A Local Government may, if it thinks fit, appoint a Government servant to officiate in a vacant post on which no other Government servant holds a lien.

In the case of a Government servant with a substantive post on a permanent establishment, who is appointed to officiate in a permanent post which is substantively vacant or which is temporarily vacant in consequence of the absence of the substantive incumbent on extraordinary leave or on transfer to foreign service, and is allowed to draw the full officiating pay or salary admissible under the rules, the difference between the substantive pay and officiating pay counts as emoluments for pension.

**(20)** Deleted.

**(21) Pay .**Means the amount drawn monthly by a

**(a)** Government servant as:

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

**(ii)** technical pay special pay and personal pay;

and

**(iii)** any other emoluments which may be specially classed as pay by the Governor-General.

**(b)** In the case of a military officer pay includes the amount which he receives monthly, under the following designations: -

**(i)** pay of appointment, lodging allowance and marriage allowance; and

**(ii)** pay of rank, command pay, additional pay, Pakistan Army allowance, lodging allowance and marriage allowance.

The following also are classed as pay: ----

Judicial pay, language pay, Staff pay, Frontier allowance, and Pashto allowance.

**(22) Permanent Post.**Means a post carrying a definite rate of pay sanctioned without limit of time.

**(23) Personal Pay.**Means additional pay granted to a Government servant:

**(a)** to save him from the loss of substantive pay in respect of a permanent post other than a tenure post due to a revision of pay or to any reduction of such substantive pay otherwise than as a disciplinary measure; or

**(b)** in exceptional circumstances, on other personal considerations.

The cases in which it is proposed to grant personal pay under 9(23) (b) should be referred to the Ministry of Finance through the administrative Ministry concerned. No case

can be entertained which is not of an entirely exceptional character and in submitting cases for the grant of personal pay this should be carefully borne in mind.

**(24) Presumptive Pay.** Presumptive pay of a post, when used with reference to a particular Government servant, means the pay to which he would be entitled if he held the post substantively and were performing its duties but it does not include special pay unless the government servant performs or discharge the work or responsibility or it is exposed to unhealthy conditions, in consideration of which the special pay was sanctioned.

**(25) Special Pay.** Means an addition of the nature of pay, to the emoluments of a post or of a Government servant, granted in consideration of

(a) the specially arduous nature of the duties; or

(b) a specific addition to the work or responsibility; or

(c) the unhealthiness of the locality in which the work is performed.

A provision in the contract of a Government servant appointed to particular post that he should "also do all things that may be required of him" does not contemplate his being required to perform onerous additional duties in another post without remuneration.

**(26)** Deleted.

**(27) Subsistence Grant.** Means a monthly grant made to a Government servant who is not in receipt of pay or leave salary.

**(28) Substantive Pay.** Means the pay other than Special pay, personal pay, or emoluments classed as pay by the Governor-General under Rule 9(21) (a) iii) to which a government servant is entitled on account of post to which he has been appointed substantively or by reason of his substantive position in a cadre.

Marriage Allowance and Lodging Allowance of Military Officers in the Army come within the definition of "substantive pay" so long as they continue to be treated as part of 'pay'.

**(29) Technical Pay.** Means pay granted to a Government servant by virtue of his possessing minimum technical qualifications required for a post.

The definition given in the F. R. is obsolete.

**(30) Temporary Post. (i)** Means a post carrying a definite rate of pay sanctioned for a limited time.

**(ii)** The temporary post can be held either substantively or in an officiating capacity. But the substantive appointment to the temporary posts should be made in a limited number of cases as e. g., when posts are for all intents and purposes quasi-permanent or when they have been sanctioned for a period of not less than or there is reason to believe that they will not terminate within a period of three years. In all other cases, appointment to temporary posts would be made in an officiating capacity only.

**(30-A) Tenure Post: ---** Means a permanent post which an individual Government servant may not hold for more than a limited period.

**(31)(a) Time Scale Pay.** Means pay which subject to any conditions prescribed in the rules, rises by periodical increments from a minimum to a maximum.

**(b) Identical Time Scale.** Time scales are said to be identical if the minimum, the maximum, the period of increment and the rate of increment of the time-scales are identical.

**(c) Same Time Scale.** A post is said to be on the same time-scale as another post on a time-scale if the two time-scales are identical and the posts fall within a cadre, or a class, in a cadre, such cadre or class having been created in order to fill all posts involving duties of approximately the same character or degree of responsibility, in a service or establishment or group of establishments so that the pay of the holder of any particular post is determined by his position in the cadre of class and not by the fact that he holds that post.

**(32) Travelling Allowance.** Means an allowance granted to a Government servant to cover the expenses which he incurs in travelling in the interest of the public service. It includes allowances granted for the maintenance of conveyances, horses and tents.

## **GENERAL CONDITIONS OF SERVICE**

### **PRODUCTION OF HEALTH CERTIFICATE ON FIRST APPOINTMENT (F. R. 10):**

**7.13** No person can be appointed to a post in Government service in Pakistan without a medical certificate of health. This certificate must be affixed to the first pay bill to be submitted to the audit officer or the treasury officer as the case may be. The Local Governments can make rules prescribing the form in which the medical certificates are to be prepared and the particular medical officer or other officer by whom they can be signed. A Local government, may, however, in individual cases, dispense with the production of a certificate, and may by general orders exempt any specified class of Government servants from the operation of these rules.

**7.14** The rules framed by the Federal Government in its capacity as Local Government are contained in S. Rs. 3, 4 and 4-A. (Please see para 8.3-7).

**7.15** Once a person has been asked to produce a medical certificate of fitness and has actually been examined and declared unfit, it is not open to the Local Government to use their discretion to ignore the certificate that has been produced.

### **MEDICAL EXAMINATION DURING THE COURSE OF SERVICE (F. R. 10-A):**

**7.16** Where an authority competent to fill the post held by a Government servant, is of the opinion that the Government servant is suffering from a disease which renders him unfit for the proper and efficient discharge of his duties or from a disease which is communicable and is likely to endanger the health of the other Government servants, the Government servant concerned may be required to appear before the medical authority for medical examination. If the medical authority concerned, after examining the Government servant, certifies that he requires a period of absence from duty for the purpose of rest and recreation and that there is a reasonable prospect of recovery, the competent authority may grant him leave including extraordinary leave for such period as the medical authority recommends. The leave will be granted if it is due and admissible to the Government servant and in a manner as if the Government servant had himself applied for the leave.

**7.17** In case the medical authority after examining the government servant certifies that he is permanently incapacitated for service, the finding of the medical authority should be communicated to the Government servant immediately. The Government servant may within 7 days of the receipt by him of the official intimation of the findings of medical authority apply to the Director-General, Health for a review of his case by second medical board. Such an application should be accompanied by a fee. the amount of which will be fixed by the Director-General, Health. The Director-General then should arrange for convening of a reviewing medical board which should consist of persons who were not the members of the first medical board. If the reviewing medical board also certified that the Government servant is incapacitated for further service, the competent authority may require the Government servant to retire from service and grant to him such invalid pension or gratuity as may be admissible under the rules. This will be granted as if the Government servant had himself applied for an invalid pension.

**7.18** In case the reviewing medical board is of the opinion that the Government servant is fit for Government service, he should be reinstated forthwith and the period of absence treated as duty. If, however, the board certifies that the Government servant is not fit but there is a reasonable prospect of his recovery he may be granted such leave as is recommended by the board and is due and admissible to him.

**7.19** Where a Government servant does not apply for a review of his case within 7 days of the receipt of the official intimation of the findings of the first medical board, the competent authority may require him to retire from service and grant to him invalid pension or gratuity as admissible under the rules.

**7.20** The Federal Government may make rules prescribing the form in which the medical certificate should be prepared and the medical officers by whom it should be signed.

**WHOLE-TIME EMPLOYMENT (F.R. 11):**

**7.21** The whole-time of a Government servant is at the disposal of the Government which pays him, unless it is distinctly provided otherwise. He may be employed in any manner required by appropriate authority without claim for additional remuneration irrespective of the fact that the services required of him are remunerated from general revenues or from a Local Fund.

**LIEN (F. RS. 12 TO 15):**

**7.22** In F. R. 9(13) lien is explained as the title of a government servant to hold a permanent post in a substantive capacity. In the following rules other aspects of the lien, i. e., holding of lien, suspension and revival thereof have been dealt with.

**7.23** Two or more Government servants cannot be appointed substantively to the same permanent post at the same time. Likewise, a Government servant cannot be appointed substantively, except as a temporary measure, to two or more permanent posts at the same time. If a Government servant holds a lien on a certain post, no other Government servant can be appointed substantively to that post. Broadly speaking, there is only one substantive holder of a given permanent post. When a Government servant is appointed to a permanent post in a substantive capacity, he acquires a lien on that post and simultaneously ceases to hold lien previously acquired on any other post. From the administrative point of view, when it is proposed to confirm a Government servant in a certain post he should be asked to give in writing that he agrees to the termination of his lien on any other permanent post held by him in a substantive capacity.

**7.24** A Government servant holding a permanent post substantively retains a lien on the post, under the following circumstances---

- (a) while performing the duties of that post;
- (b) while on foreign service, or holding a temporary post, or officiating in another post;
- (c) during joining time on transfer to another post; unless he is transferred substantively to a post on lower pay, in that case his lien will be transferred to the lower post from the date of his relief; and
- (d) while under suspension.

**7.25** A Government servant sent on deputation to another office retains a lien on his permanent post on his parent Department and as such he is governed by the rules of the lending Department/Government in respect of pay, leave and pension etc. which have a right to recall him from deputation. The lending Government have accordingly a right to determine in consultation with the borrowing Government the terms and conditions of his employment under the latter and those terms should not be varied by the borrowing Government without first consulting the lending Government. In accordance with this principle a convention has been established between the Federal Government and the Provincial governments and between the Provincial Governments themselves that no increase in pay or improvements in other service prospects should be offered to any officer without consulting the lending Government.

**7.26** The officers of the Army in Pakistan Reserve of Officers and employed under the federal Government whenever called to Army service, retain a lien on their civil posts during the period for which they are called to Army Service.

**7.27** A competent authority suspends the lien of a Government servant holding a permanent post in a substantive capacity, whenever he is appointed substantively against a tenure post, or to a permanent post outside the cadre on which he is borne or if he is appointed in a provisional substantive capacity against a post on which another Government servant would hold a lien, if his lien had not been suspended. The competent authority may also, at his option, suspend the lien of a Government servant holding a permanent post substantively if he is deputed out of Pakistan or goes on foreign service, or is transferred in a substantive or officiating capacity to a post in another cadre, provided there is a reason to believe that the period of deputation out of Pakistan, foreign service or, appointment to another post respectively would not be less than three years.

**7.28** A Government servant's lien on a tenure post cannot be suspended in any circumstances. If he is appointed in a substantive permanent capacity to another permanent post, the lien on the tenure post must be terminated.

**7.29** If a Government servant's lien on a permanent post is suspended, the post can be filled substantively and the Government servant appointed to the post in a substantive capacity acquires a lien on this post. But if the suspended lien is revived at a later stage, the consequential arrangements will have to be reversed. The appointments of this nature are termed as provisional appointments. Nevertheless, the lien acquired in this manner too can be suspended in accordance with the foregoing provisions of the rules.

**7.30** If a Government servant's lien is suspended due to his substantive appointment to a tenure post, or to a post outside the cadre or to a post on which another Government servant holds a lien, the suspended lien will revive as soon as he ceases to hold a lien against any one of these posts. Similarly, if a Government servant ceases to be on deputation out of Pakistan or on foreign service or to hold a post in another cadre, the suspended lien will revive. If, however, a Government servant, while on deputation out of Pakistan or on foreign service or holding a post in another cadre, takes leave and there is reason to believe that on the expiry of leave, the Government servant concerned would continue to be on deputation out of Pakistan, or on foreign service or to hold a post in another cadre and the total period of absence on duty will not fall short of three years, the lien may not be revived.

**7.31** If a Government servant, on transfer to a post outside his cadre, is due to retire on superannuation pension within three years of his transfer, his lien on the permanent post cannot be suspended.

**7.32** The lien of a Government servant, with the exception of that of a Governor and Chief Engineer, P. W. D. cannot be terminated, even with the consent of the Government servant concerned, in any circumstances, if such termination would leave him without a lien or a suspended lien on any post. In the case of those officers who are appointed in a substantive capacity as a Governor or Chief Engineer, P. W. D., their lien is terminated against the substantive permanent post held by them prior to the above appointments.

**7.33** If a Government servant is substantively appointed to a permanent post outside the cadre on which he is borne, his lien or suspended lien on his previous post can be terminated on the Government servant's concerned written request for the termination of the lien and not otherwise.

**7.34** Subject to the provisions of F.R.15, the lien of a Government servant, even if it has been suspended, can be transferred to another permanent post in the same cadre, if he is not performing the duties of the post to which the lien relates.

#### **TRANSFER FROM ONE POST TO ANOTHER (F.R.15):**

**7.35 (i)** A Competent authority may transfer a Government servant from one post to another. But a Government servant cannot be transferred in a substantive or officiating capacity to a post carrying less pay than the pay of the permanent post on which a Government servant holds a lien, unless the transfer has been occasioned as a disciplinary measure, on account of inefficiency or misbehaviour or the Government servant concerned has made a written request for being transferred to a lower post.

**(ii)** The combination of appointments in terms of F.R.49, the retransfer of a Government servant to the post on which he would hold a lien, had his lien not been suspended and permanent transfer from a higher to a lower scale in anticipation of the abolition of a post are not transfers to lower posts within the meaning of F.R.15.

#### **SUBSCRIPTION TO A PROVIDENT FUND (F. R. 16):**

**7.36** A Government servant may be required to subscribe to a provident and or a family pension fund or any other fund in accordance with the rules as may be framed by the President.

#### **TENURE OF POST (F. R. 17):**

**7.37** A Government servant draws the pay and allowances of a post from the date he assumes the charge of that post and ceases to draw them as soon as he relinquishes charge of that post. If the charge of a post has been assumed in the afternoon of a day, the title to the pay and allowances commences from the following day. Similarly if the charge of a post is relinquished in the forenoon of a day, no pay and allowances will be admissible for that day.

**7.38** If a person is recruited overseas, the date from which he would be entitled to the pay and allowances will be determined by the general or special orders of the authority by which he is appointed.

Note. For instructions regarding 'transfer of charge pl see Chapter V.

**CONTINUOUS ABSENCE (F. R. 18):**

**7.39** If a Government servant is continuously absent from duty, elsewhere than on foreign service in Pakistan, whether with or without leave, for more than five years, he ceases to be in Government employ, unless the President decides otherwise in view of some special circumstances.

**PAY**

**7.40 General principle (F R. 19)** The Local Government is competent to fix the pay of a Government servant. Except in these cases, where the personal pay is allowed to a Government servant on certain considerations, the pay of a Government servant cannot be so increased as to exceed the pay sanctioned for his post. If the increase is necessary due to one reason or the, other it can be done only with sanction of an authority competent to create post in the same cadre on a rate of pay equal to the pay when increased.

**7.41** The above rule does not empower a Local Government to grant less pay than what is permissible under the rules. Likewise it does not give to the Local Government the. power to grant pay in excess of what is permissible under the rules. Normally, a Government servant is entitled to the initial pay as admissible under F. R 22. But once an initial pay is fixed in the manner, a competent authority may grant advance increments immediately under F. R. 27. Thus F. Rs 22 and 27 read together enable a competent authority to fix the initial pay in excess of what would have been admissible under F. R. 22.

**7.42 Admissibility of pay during training ora course of instructions (f. r. 20):** If a Government servant is treated as on duly under F. R. 9(6) (b) the Local Government may allow him, at their option, either to draw the pay of his substantive appointment or any lower rate of pay considered suitable. If it is a course of training or instruction, the Local Government may allow a Government servant to draw the pay of the officiating appointment held by the officer at the time he was placed on training or course of instructions etc. The officiating pay cannot however, be allowed for a period longer than that during which the officer would have held the officiating appointment had he not been placed on training. This would mean that if a Government servant was holding an officiating appointment at the time when he was placed on training he would draw the officiating pay on every occasion during the period of instructions and training which he would have held that officiating appointment but for such course of instruction or training. The officiating pay would be equivalent to what he would have drawn had he been holding the officiating appointment.

**7.43** A reservist of the Pakistan Army or Pakistan Navy in civil employ, when called up for periodical military or naval training is entitled to receive military or naval pay and allowances respectively. He is also entitled to receive the excess, if any, of the civil pay over his military/naval pay, provided this concession is specifically sanctioned by the competent authority. The extra expenditure thus involved will not be chargeable to Army/Defence Estimates, if the civil pay is not paid from the Army/Defence Estimates and will be charged to the Civil Estimates.

**FIXATION OF PAY:**

**7.44 (i)** On first appointment to a post, the pay of a Government servant should be fixed at the minimum of the scale of the post.

(ii) In case of first appointment under Government fixation of initial pay can be done by grant of not more than six premature increments subject to the conditions:

(a) In cases of persons recruited through the Federal Public Service Commission premature increments should be granted on their recommendations of the F. P. S. C. and in consideration of the fact that suitable persons of requisite qualifications are not available on the minimum pay of the post.

(b) No premature increment should be granted in cases of ad hoc appointments in anticipation of FPSC recommendations.

(c) In posts where recruitment is not made through F. P. S. C. premature increments should be granted only after the appointing authority certifies that suitable persons of requisite qualifications are not available on the minimum of the sanctioned pay scale of the posts.

(Item 16 of Annexure II to the of the Ministry of Finance O. M. No. F. 1(5) R-12/80, dated 11<sup>th</sup> March, 1981 and F.1 (7) R-12/81, dated 14<sup>th</sup> October, 1981.)

(iii) In cases other than cases of re-employment after resignation from public service or after removal from public service for inefficiency, misconduct or as a disciplinary measure, a Government servant has previously held substantively or officiated in

(a) the same post, or

(b) a permanent or temporary post on the same time-scale, or

(c) a permanent post other than a tenure post on an identical time-scale, or

(d) a temporary post on an identical time-scale, such post being on the same time scale as a permanent post, or

(e) is appointed substantively to a tenure post on a time-scale identical with that of another tenure post, which he has previously held substantively or in which he has previously officiated,

then his initial pay should not be less than the pay, other than special pay and personal pay etc., which he drew on last such occasion. The period during which the Government servant drew that pay on such last or previous occasions will also count for increment.

**7.45** The condition that the temporary post should be on the same time scale as a permanent post should not be enforced when a temporary post is (i) created by one Government or Department for the purpose of work of the same nature as the ordinary work for which permanent posts exist, in a cadre under a different Government or Department and (ii) sanctioned on a time-scale identical with the time-scale applicable to the permanent posts in the cadre under the different Government or Department.

**7.46** The following principles of general application should also be kept in view, while dealing with the cases of fixation of pay:

(i) The Ministry of the Head of an Administrative Department is competent to declare, as to the relative degree of responsibility of two posts for the purpose of these rules.

(ii) A temporary post on a certain rate of pay (fixed or time-scale) which is converted into a permanent post on a different rate of pay is not the same post as the

permanent post even though the duties remain the same, for purposes of these rules. The temporary post would be regarded as having ceased to exist and to have been replaced by the permanent post.

(iii) The substantive pay of a Government servant in respect of a 'provisional substantive appointment' against a post on which another Government servant holds a suspended lien will be treated a 'substantive pay' for the purposes of these rules, which would mean that the substantive pay in respect of a provisional substantive appointment is taken into consideration in determining the initial pay of a Government servant on his appointment to another post. When the initial pay of a Government servant in a post is thus fixed, it will not be affected even if during the tenure of his appointment to that post he reverts from his provisional appointment.

(iv) If a Government servant has been officiating in a post and is later on appointed against the same post in substantive capacity he is entitled to get his pay fixed anew under F. R. 22 with reference to his substantive pay at the time in respect of his old permanent post.

(v) If the pay last drawn by a Government servant in temporary post has been inflated by the grant of premature increments, the pay which he would have drawn but for the grant of these increments should be taken into account for the purposes of fixation of pay under F.R. 22, unless the competent authority decides otherwise.

(vi) When a Government servant is appointed to officiate in a post on a time-scale of pay, but in terms of F. R. 35 his pay is fixed below the minimum of the time-scale, he must not be treated as having effectually officiated in that post within the meaning of F. R. 22 or counted towards duty for purposes of increments under F. R. 26.

(vii) If the time-scale of a post is reduced for reasons other than a diminution in the duties or responsibilities attached to that post and a Government servant appointed to it is not entitled to draw pay on the time-scale as it stood prior to the reduction on re-appointment to that post his pay should be fixed under F. R. 22 in such a way as if the reduced time-scale was in force from the very beginning.

(viii) Where a civil servant is not transferred from one post to another, but is transferred from a lower to a higher scale, initial pay in the higher scale will be fixed at the stage next above the pay admissible in the lower scale as on the eve of transfer to the higher scale. This decision is applicable with effect from 1st March, 1972.

[c. f. M/o Finance O.M. No. D-438-R 4/75-F. 2(31) RI/75, dated 18-6-1975].

**7.47 Fixation of pay on the change of scale of a post (F. R. 23):** If the scale of pay of a post is changed the holder of the post is treated as having been transferred to another post on the new pay and his pay is re-fixed under para 7.45 (viii) as if the transfer to the new post did not involve assumption of higher responsibilities. In such cases where the pay of a post is changed, the government servant concerned has an option to retain his old pay until the date on which he earns his next increment or any subsequent increments in the old scale, or until he vacates his post or ceases to draw pay in the time-scale. The option once exercised is deemed as final.

**7.48** A very important point which has to be borne in mind in the context of this rule is that the substantive part of the rule and its proviso cannot be operative at one and the same time. During the period the option exercised under the proviso operates, the substantive position of the rule remains inoperative. Any failure to exercise the option from whatever cause entails forfeiture of the benefit of the rule.

**7.49** The provisions of this rule apply to officiating as well as substantive holder of a post. The expression 'subsequent increment in the old scale' includes grade promotion in cases in which time-scale of pay has been substituted by a graded scale of pay.

**7.50** If the maximum of pay of a post is changed without affecting the minimum and the rate of increment the re-fixation of pay should be done as if the Government servant was transferred to a post which did not involve assumption of higher responsibilities even if the Government servant might be holding the post substantively.

**7.51 Drawal of increment (F.R.24):** The increment in a time-scale is drawn as a matter of course, unless it is withheld by the competent authority as a disciplinary measure due to misconduct or unsatisfactory work. Whenever an increment is withheld, the authority withholding the increment should state the period for which the increment has been stopped

**7.52 Conditions of service for increments (F.R.26):** The service in a post in a time-scale counts for increments, as follows: -

(a) All duty in a post on a time-scale and periods of leave other than extraordinary leave count for increments in that time-scale.

(b) If a Government servant holds a lien or a suspended lien against a post, the service in another post, whether in a substantive or officiating capacity, service on deputation count for increment in that post. If the President is satisfied that extraordinary leave was taken

on account of illness or for any other cause beyond the Government servant's control, he can direct that the extraordinary leave may count towards increment.

(c) If a Government servant officiating in a post or holding a temporary post in a time-scale is appointed to officiate in another post which does not carry less pay than the pay of his original post, then on reappointment to the lower post the service in the higher post counts for increments in the lower post. But the period officiating service in the higher post, which would count for increment in the lower post would be restricted to the period during which the Government servant would have held the lower post but for his appointment in the higher post. This also covers the case of a Government servant who might not actually have been officiating in the lower post at the time of his appointment to the higher post, but he would have officiated as such but for appointment to the higher post.

(d) Foreign service counts for increments in the time-scale of the post in Government service on which the Government servant holds a lien or a suspended lien. If the Government servant receives any officiating promotion while he is on foreign service, the period counts for increment for the duration of such promotion the foreign service counts for increment in a temporary post also, if the Government servant returns to the temporary post.

**7.53** Following are the important decisions having a bearing on the calculation of increments: -

(i) When a Government servant officiating in a post is transferred to officiate in another post, the period of joining time should be treated as duty in the post, the pay of which is drawn by the Government servant during the joining time and it is to count for increment in the same post.

(ii) If a Government servant is allowed to draw his officiating pay during a course of instruction or training, the period of training will count towards increment in the time-scale of the post.

(iii) If a probationer is confirmed at the end of a period of probation exceeding twelve months he is entitled to claim retrospectively the increments which but for his probation, he would have received in an ordinary course.

(iv) The concession contemplated in F. R. 26(c) is admissible irrespective of the fact whether the higher post is within or outside the Department to which the Government servant belongs. This equally applies to the Provincial Civil Service officers holding the 'Listed Posts'.

**7.54 Grant of advance increments (F.R.27):** An authority competent to create a permanent post in the same cadre on the same scale of pay can grant premature increment to a Government servant on a time-scale of pay.

**7.55** In regard to the grant of advance increment, usually the intention is that the officer should be entitled to the increments in the same manner as if he had reached his position in the scale in the normal course, and unless there are orders otherwise, he should be placed on exactly the same footing as an officer who has so risen. It would mean that normally an officer will get the next increment after completion of duty for one year at the stage from the date the advance increment was granted. However, if the orders envisage that the original date of increment will not be disturbed the increment may be allowed accordingly.

**7.56** The expression "Scale of pay" represents the maximum of the scale which is to be taken into consideration for determining the authority competent to sanction increments rather than the stage to which the advance increment has been given.

**FIXATION OF PAY ON REVERSION TO A LOWER POST OR REDUCTION OF STAGE (F. RS. 28 & 29):**

**7.57** If a Government servant is transferred from a higher to a lower grade or post as measure of punishment, the competent authority may allow him to draw any pay as it may deem proper subject to the condition that it should not exceed the maximum of the scale of pay of the lower grade or post. In a case where a Government servant on account of misconduct or inefficiency is reduced to a lower grade or post or to a lower stage in the time-scale, the competent authority should clearly state the period for which the punishment would be effective and whether, on restoration it should operate to postpone future increments, and, if so, to what extent. The authority concerned should specifically mention whether the reduction would have the cumulative effect and if the increments would be admissible during the period the reduction was in force. In short the contents of the orders in this respect should be specific and leave no room for any doubt or equivocation.

**7.58 Presumptive pay of the post (F.R.31):** A Government servant officiating in a post draws the presumptive pay of the post except in those cases where the pay has been restricted under F. Rs.30 and 35. But if at any stage the presumptive pay of the post on which the Government servant holds a lien or a suspended lien is greater than the presumptive pay of the officiating post, he draws the presumptive pay of the permanent post. The cases of those Government servants who have been appointed to certain posts at their own request under F. R. 15 are, however, excluded from the provision of the latter part of the rule.

**7.59** As an officiating Government servant on proceeding on leave is reverted to his substantive post, he is entitled to get his pay refixed in the higher post on return from regular leave. It sometimes happened that their substantive pay had increased in the mean-time and when the refixation of pay was done on return from leave the pay was fixed at a higher stage than what they had been drawing prior to their proceeding on leave. The Government had an impression that some Government servants proceeded on regular leave deliberately merely to avail themselves of the aforesaid benefit. In order to put the check against this manipulation of rules the Government have decided that when a Government servant applies for leave and there is reason to believe that the leave was being applied for in order to secure the benefit of the refixation of pay, the grant of regular leave may be refused under F. R. 67.

In cases where this position is not realised in advance or the leave is granted on genuine grounds, then on refixation, the officiating pay may be restricted under F. R. 35 so as to limit it to the pay the Government servant would have drawn, had he not proceeded on regular leave. In short, the refixation of pay on return from regular leave should be done in such a way so as to disallow an increase in the officiating pay over the pay the Government servant was drawing prior to his proceeding on leave.

**7.60 Personal rate of pay (F. R. 33):** If a Government servant is appointed to officiate in a post the pay of which was fixed at a rate personal to another Government servant, the competent authority may fix his pay at any rate, but not more than the pay already fixed. If the post carries a time-scale pay the pay should be allowed at the minimum of the scale and increments as stipulated therein.

**7.61 Restriction on officiating pay (F.R.35) :**(i) The pay of an officiating Government servant can be fixed by a competent authority at an amount less than that admissible under the rules.

(ii) One class of cases falling under F. R. 35 is that in which Government Servant merely holds charge of the current duties and does not perform the full duties of the post. [Para 12 (i) Chapter IV, Section I of the Manual of Audit Instructions].

(iii) An Officer appointed to hold current charge of a higher post is allowed, in terms of F. R. 35 and provision to Section 17 of the Civil Servants Act, 1973, pay in his own grade plus additional pay equal to 20% of his grade pay.

(Establishment Division O.M. No. 1/21/76-AR1/RI. dated 18-6-1980)

**7.62** The powers conferred under the above rule can be exercised in individual cases by a special order. The general application of this rule will be ultra-vires of F. R. 35. In financial emergencies and on administrative consideration the Government has, however, resorted to this rule in a general way. The 30% orders, which were in force from 1st July, 1948 to 31st

March, 1951 and 30th September 1951 and the length of service formula under the Revision of Pay Rules, 1951 as amended from time to time, may be referred to in this behalf.

**ACTING PROMOTIONS (F. R. 36):**

**7.63** When Government servants are treated as on duty while on a course of instructions or training or in other circumstances stated in F.R.9(6)(b) the Local Government may allow acting promotion in their places by general or special orders. It is in pursuance of these orders that acting promotions are made in the place of Government servant undergoing training in Pakistan Army Reserve of Officers or the Pakistan Territorial Force.

**ABSORPTION OF PERSONAL PAY:**

**7.64** Unless there are orders to the contrary by the competent authority, the personal pay is reduced by any amount by which the recipient's pay is increased. As soon as the increase is equal to the personal pay, it is ceased to be drawn.

**PAY OF TEMPORARY POST (F. RS 39 & 40):**

**7.65** When temporary post is created and it is to be filled by a person who is not already a Government servant, he should be allowed the minimum pay that would be necessary to secure the services of a person capable of discharging efficiently the duties of the post.

**7.66** In case the temporary post is such as is to be filled by a person who is already in Government service, its pay should be fixed after taking into consideration the character of responsibility of the work to be performed and the existing pay of the Government servant of a status sufficient to warrant his selection for the post.

**7.67** While dealing with the fixation of pay in such cases, it should be borne in mind that temporary posts may be divided into two categories (1) posts created to perform the ordinary work for which permanent posts already exist in a cadre and (2) isolated posts created for the performance of special tasks unconnected with the ordinary work which a service is required to perform. The posts in the first category should be treated as temporary addition to the cadre of a service and the holders of these posts should draw pay in the time-scale of the post without any extra remuneration. If any of these posts involve decided increase in work and responsibility in comparison with the duties of the parent cadre generally, a special pay may be sanctioned in addition.

For the second category of posts, if these involve greater responsibilities or increase in work as compared to those of the posts in the regular line, extra remuneration may be sanctioned, but it, in no case, should exceed, without the specific sanction of the Ministry of Finance, one-fifth of substantive pay or Rs. 10 a day, whichever is less.

**SCHEME OF NATIONAL SCALES OF PAY:**

**7.68 (a)** The Scheme of the National Pay Scales and Allowances and other Fringe benefits for civil employees of the Federal Government, paid directly from the Civil estimates or from the Defence Estimates, was introduced from the 1st March, 1972. Under the scheme, salary structure of the civil employees was divided into 22 steps a Naib Quasid at the lowest rung of the hierarchy, viz. NPS 1 and a Secretary to Federal Government at the top of the ladder, viz., NPS 22. No addition to or alteration in these scales, was permissible except with the approval of the Prime Minister. The selection grades and technical Pays

admissible prior to the introduction of the NPS were abolished. However, the special pays attached to certain posts or certain incumbents in the pre-national scales were allowed to be continued, under certain conditions.

(b) The National Scales of pay were replaced by the Revised National Scales of Pay w. e. f. 1st May, 1977.

[Ministry of Finance O. M No F. 1(1) Imp. 1/77, dated 28-4-1977].

(c) The Revised National Scales of Pay were modified with effect from 1st July, 1981.

[Ministry of Finance O. M No F. 2(18) R-3/81. dated 27-6-1981]

(d) The Scheme of Basic Pay Scales was introduced with effect from 1st July, 1983.

[Ministry of Finance O. M No F. 1(1) Imp/83 dated 18-8-1983].

(e) The Basic Pay Scales were revised w. e. f. 1-7-1987 and are as under:----

S.NO.	EXISTING SCALE	NEW SCALES
1.	440-10-640	600-13-860
2.	460-12-700	625-16-945
3.	480-14-760	650-19-1030
4.	500-16-820	675-22-1115
5.	520-18-880	700-25-1200
6.	540-20-940	725-28-1285
7.	560-23-1020	750-31-1370
8.	590-26-1110	790-34-1470
9.	620-29-1200	830-38-1590
10.	660-32-1300	870-42-1710
11.	700-35-1400	910-46-1830
12.	750-40-1550	970-52-2010
13.	800-45-1700	1035-58-2195
14.	850-50-1850	1100-64-2380
15.	900-55-2000	1165-71-2585

16.	1050-80-2250	1350-105-2925
17.	1600-120-3040	2065-155-3925
18.	2100-150-3600	2710-195-4660
19.	3200-160-4480	4130-205-5770
20.	3800-180-5240	4900-235-6780
21.	4200-225-6000	5420-290-7740
22.	4500-250-6500	5800-325-8400

[Finance Division O. M. No. F. 1/7/Imp-II/87, dated 1-7-1987)

**(f)** In cases of promotion from a lower to higher post/scale before the introduction of these scales, the pay of the senior employee in the same scale may be fixed and so enhanced that it would not be less than the pay that would have been admissible to him if his promotion to the higher post/scale had taken place after the introduction of these scales.

**(g)** Grant of Selection Grade to Clerical Posts from 1-7-87

**(i)** 33% posts of Lower Division Clerks (BPS-5) will be placed in Selection Grade (BPS-7).

**(ii)** The Senior Clerks (B-6) of the Provincial Governments will be allowed BPS-7 and 33% posts be placed in Selection Grade (BPS-9).

**(iii)** 33% posts of Upper Division Clerks (BPS-7); will be placed in Selection Grade (BPS-9).

**(h)** Grant of Selection Grade to Assistants in Federal Secretariat.

33% posts of Assistants in Federal Secretariat will be placed BPS-15 in place of existing 25% posts in BPS-14.

**(i)** Grant of Advance Increments to officials for possessing/attaining higher educational qualifications.

**NO. OF ADVANCE INCREMENTS FOR OBTAINING:**

	<b>Matric atleast 2<sup>nd</sup> Div.</b>	<b>FA/FSc atleast 2<sup>nd</sup> Div.</b>	<b>BA/BSc atleast 2<sup>nd</sup> Div.</b>	<b>MA/MSc atleast 2<sup>nd</sup> Div.</b>
(i)Where the prescribed qualification is non-Matric	1	2	3	4

(ii)Where the prescribed qualification is Matric	Nil	1	2	3
(iii)Where the prescribed qualification is FA/F. Sc.	Nil	Nil	1	2
(iv)Where the prescribed qualification is B. A/B. Sc.	Nil	Nil	Nil	1

(j) Engineers and Doctors will also be allowed four advance increments in case they possess or acquire a post-Graduate degree in their relevant field for which they have not been allowed any qualification pay.

(k) The advance increment/increments will be allowed at the time of recruitment or acquiring higher qualification during service. In cases where the employee is already at the maximum of his pay scale, he would be allowed requisite number of increments as personal pay to be absorbed on moving over/promotion to higher pay scale.

#### **UNIFORM DATE OF INCREMENT:**

**7.69** The annual increments in the Basic Pay Scales accrue only on the first day of the month of December following the completion of at least six months of such service at the relevant stage in that scale as counts for increments under the ordinary rules. This is subject to the rules regarding withholding of increments.

#### **MOVING OVER TO NEXT HIGHER BASIC PAY SCALE:**

**7.70 (a)** If a Government servant drawing pay in the BPS 1 to 15 reaches the maximum of the scale and is classified at least as "Good" in the last three Annual Confidential Reports he will be allowed the next higher Basic Scale of pay w.e.f. the First December of the next year. An employee who is adjusted in or whose basic scale is BPS 15 will be allowed to move over, on the same conditions: ---

[Finance Division O.M No 1(2) NG Imp 11/71. dated.26<sup>th</sup> December, 1973]

(b) The fixation of pay in the higher scale will be done at the stage next above the maximum of the lower scale.

**7.71 (a)** The civil servant in BPS-16 to 19 will be allowed to move over to the next higher Basic Pay Scales from the 1st December of the year following the year in which they reach the maximum of the Basic Pay Scale subject to the following conditions:---

(i) Cases of Move-Over of employees from BS-16 to BS-17 and from BS-17 to BS-18 would be scrutinized and recommended by the Move-Over Committee constituted as follows.

**MINISTRIES/DIVISIONS:----**

(a) Additional Secretary or Joint Secretary (if there is no Additional Secretary)	Chairman
(b) Joint Secretary/Deputy Secretary of the Administrative Division/Ministry.	Member
(c) Joint Secretary (in case of move-over from B-18 to B-19 and from B-19 to B-20) Deputy Secretary (in case of move over from B-16 to B-17 and B-17 to B-18) of Finance Division.	Member

**ATTACHED DEPARTMENTS/SUBORDINATE OFFICES:**

(a) Additional Secretary or Joint Secretary of the Administrative Ministry/Division.	Chairman
(b) An officer of the Department holding post in BPS-20 or at least in BPS-19 if there will be no officer in B-20 (in respect of cases of Attached Departments)  OR  Head of the subordinate office concerned (in respect of cases of Subordinate Offices).	Member
(c) Joint Secretary (in case of move over from B-18 to B-19 and from B-19 to B-20) Deputy Secretary (in case of move over from B-16 and B-17 and from B-17 to B-18 of the Finance Division)	Member

[Finance Division O. M No F 1(82) R. 3/85, dated 3-3-1986]

The cases would then be processed by the Establishment Division to obtain approval of the competent authority.

(ii) For move over to BPS-18 the employees should have completed at least five years of service in BPS-17. Service rendered in pay scales below BPS-17 will be computed according to the existing formula.

(iii) For move-over to BPS-17, and B-18 the employee should have earned from average to good reports without any adverse remarks during the last five years, inclusive the year of move-over.

(iv) The cases of move over of employees from BPS-18 to 19 and from BPS-19 to 20 will be scrutinized and recommended by a Selection Committee consisting of

Secretary of the administrative Ministry concerned and a representative each of Establishment and Finance Divisions not below the rank of Joint Secretary. However, in case of Establishment Division, the Selection Committee may be headed by an Additional Secretary. The cases would then be processed by the Establishment Division to obtain the approval of the competent authority.

(v) The eligibility of the employees for move over to BPS-19 to 20 would be subject to their having completed the length of service of 12 years and 17 years respectively in BPS-17 and above. Service rendered in scales below BPS-17 will be computed according to the existing formula.

(vi) For move-over to BPS-19, the employee should have earned generally good reports and for move-over to BPS-20, at least good or higher reports without any adverse entry during the last five years inclusive of the year of move-over.

(vii) In case an employee fails to fulfil the condition prescribed in (iii) to (vi) above, as the case may be, he shall wait at the maximum of the pay scale till he has earned in succession the requisite number of reports of the required standard without adverse entry, and his move over shall take effect from 1st December of the year in which last such report is earned.

(viii) The move over shall not be construed to be a promotion to the post of higher Basic Pay Scale, but the higher pay scale will be treated to be an extension of the existing Basic Pay Scale of the post held by the employee. Therefore, the incidence of move over shall not be notified.

(ix) The pay of employees who are allowed the move over shall be fixed at the stage next above their existing pay in the lower scale. No premature increment will be admissible

(x) In case of move over to B-20 no Entertainment Allowance, Senior Post Allowance, Residence Orderly/Orderly Allowance or any other fringe benefits shall be admissible to the employees.

(xi) The employee allowed to move over shall not be entitled to any change in rental ceiling. The house rent allowance, which is calculated with reference to the minimum of the relevant basic scale shall continue to be payable on the basis of the minimum of the scale of the post to which the employee originally belongs].

(xii) The employees shall not be allowed two successive move-over. However, if an employee having moved over to a particular scale, is subsequently promoted to a post carrying the same scale, he may again become eligible for further move over.

(xiii) Those who become eligible for move-over during the currency of a calendar year either because of the grant of Selection Grade, grant of advance increments, re-fixation of pay or promotion etc. shall be allowed move-over from 1st of the month of December which follows immediately thereafter provided that other conditions on the subject are fulfilled.

[Finance Division O.M No F. 1(82) R.3/85.dated 1<sup>st</sup> January, 1986.]

**(b) Criteria for Move over.** An employee must fulfil the following requirements for move over to pay scales 17, 18, 19 and 20, as the case may be:

**(i)** He should be a regular member of the service cadre or post concerned and should have completed the following length of service to a post in the pay scale in which he is to move over:

B-18..... 5 Years.

B-19.....12 Years.

B-20..... 17 Years.

The service rendered by an employee on regular basis in other government departments under the Federal/Provincial Governments may be included in the length of service subject to the following conditions:---

**(ii)** There is no break in service between the period of previous service rendered by an employee in other government departments, under the Federal or Provincial Governments and the service rendered by him in the existing Federal Government department and that his previous service in other Government departments has been counted toward fixation of pay in the new/existing Federal Government department with the approval of the competent authority.

**(iii)** The period of leave without pay should be excluded in calculating total service required for move over.

[Finance Division O.M No F.1 (20)-R 3 85 dated 16-9-1987.]

**(iv)** His confidential reports for the last five years in the existing post/pay-scale are free from adverse remarks and---

**(a)** are average to good in the case of move-over to scale 17 and 18;

**(b)** are generally good in the case of move-over to scale 19 and at least good or above for move-over to BPS-20

**(v)** No penalty under the relevant rules was imposed on him during the last five years.

**(vi)** He has not reached his present pay scale by move-over.

**(vii)** Subject to fulfilment of the conditions mentioned in the preceding paragraphs move over would be admissible from 1st December of the year following the year in which he reached the maximum of his basic pay scale.

**(viii)** The Selection Committee/Move-over Committee may postpone consideration of a case:

**(a)** If the officer is on long leave or is under suspension, or disciplinary action is pending against him or he is on deputation abroad or posted to an ex-cadre post abroad; or

**(b)** His CR dossier is incomplete or some other information is wanting.

If a case was postponed and the employee concerned is subsequently allowed move over this will be allowed with immediate effect in cases covered under sub-para (i) above and the qualifying period from the date the move over was due to the actual date of move over shall count towards increments in fixation of pay. If the case was postponed under sub-para (ii) above, move over shall be allowed from the date the move over was due.

[Annexure to the Ministry of Finance O. M. dated 1-1-1986].

(ix) In order to ensure expeditious finalisation of move over cases the following procedure will be adopted: ---

(a) All cases of move-over of officers upto BPS-20, irrespective of the Service-Group to which they belong, would be processed by the Miniseries/Divisions/Departments where the employees are working. The confidential record of the officer, if not available, may be obtained from the concerned Ministries/Divisions administering the Service/Cadre/Group.

(b) The cases of Government servants who are posted in or are on deputation to the Corporations/Autonomous Bodies would be processed by the 'parent Government Departments, after which they will be allowed to move-over to the next pay scale.

(c) Cases of move-over from BPS-16 to B-17 and BPS-17 to B-18 may be approved by the Secretaries of the administrative Ministries/Divisions on the recommendations of the Move-over Committee. They will not be referred to the Establishment Division for obtaining approval of the competent authority.

(d) Cases of move over from BPS -18 to BPS-19 and BPS-19 to BPS-20 after being processed by the Selection Committee would be referred to the Establishment Division for obtaining approval of the competent authority to allow move over in these cases.

[Ministry of Finance O. M No F I (82)/R-3/85. dated 19-2-1986]

(e) The cases of move over of Federal Government Servants serving in the Provinces to BPS-19 & 20 would be processed by the Provincial Governments where they are serving. Thereafter they would be submitted to the Establishment Division for approval. Move-over upto BPS-18 may be approved by the Provincial Governments.

[Ministry of Finance O. M No F I(27)R-3/86. dated 23-11-1986]

#### **FIXATION OF PAY ON PROMOTION:**

**7.72 (i)** In cases of appointment from one post to another post carrying BPS 2 to 19, where the stage in the Basic Scale of Pay of the other post next above the substantive pay in the first post, gives a pay increase equal to, or less than a full increment, the initial pay in the Basic Scale of Pay of the other post, will be fixed after allowing a premature increment in the Basic Scale of Pay of the other post.

**(ii)** In cases of Government servants appointed to posts in BPS-20 and above, on completion of the minimum length of service prescribed for the relevant scale of pay in the scale of higher post will be fixed at the next stage. But if the minimum length of service prescribed for posts in BPS-19 and above has not been completed the pay will be fixed at the minimum of the scale of post and for the purposes of drawal of increment in the scale of post

and for the purposes of drawal of increment in the scale the service in that scale will count only from the date of completion of the prescribed length of service.

(iii) The minimum length of service prescribed for purposes of drawal of pay and increments on promotion to posts carrying B-19 and above is as follows:----

B-19.....	12 years in B-17 & above
B-20.....	17 years in B-17 & above
B-21.....	22 years in B-17 & above
B-22.....	22 years in B-17 & above

[Ministry of Finance O.M No F. 2(51) R-2/85 dated 4-11-1985]

**7.73** Where a Government servant drawing pay up to BPS-18 has moved over to a higher B.P. scale and his pay fixed according to the prescribed procedure and then later on he is promoted to that Basic Pay Scale his pay will be enhanced by one stage.

**7.74 (i)** where a civil servant is not appointed from one post to another, but only change of scale is involved, initial pay in the higher scale will be fixed at the stage next above the pay admissible in the lower scale as on the eve of transfer to the high scale. The case of upgradation of posts, appointment to Selection Grade posts other than Section Officers and move-over from a lower to higher Basic Pay Scale will be governed by these orders.

[Ministry of Finance O.M. No.893- R3/81 dated 24-10-1981.]

(ii) In cases where an employee, before reaching the maximum of a Basic Scale of Pay, is promoted to a higher Basic Scale of Pay between 2nd June and 30th November of a calendar year may, at his option, get his pay in the higher scale refixed from 1st December, of the above year of promotion with reference to his presumptive pay on that date in the pre-promotion scale.

[Ministry of Finance O. M No F. 3(2) Gaz. Imp. 1/75 dated 14-10-1975. F. 5(2) (4) Imp. 1/78 dated 20 -3-1978 and R-2/81 Dy No. I3I8/R-2/81 dated 15-12-1981 and No. F. 1 (49) R-3(A)/87 dated 18-3-1984].

#### **FRINGE BENEFITS UNDER THE BASIC PAY SCALES:**

**7.75 House Rent Allowance.**All employees not provided with Government accommodation and posted at the following stations are entitled to house rent allowance at the rates indicated against each:-

(a) Islamabad, Rawalpindi, Karachi, Lahore, Peshawar, Quetta, Hyderabad (including Kotri) Multan and Faisalabad.	45% of the minimum of the relevant BPS.
(b) All other places.	30% of the minimum of the relevant BPS.

[Ministry of Finance O. M No F2(9) R-5/81 dated 27-6-1981, Ministry of Finance O. M. No. F. 5(12)-R-5/82 dated 17-6-1982 and Ministry of Finance O. M. No. F. 17-Imp. 11/87 dated 1-7-1987].

**7.76** The drawal of House Rent Allowance is regulated as under:

(i) The allowance is admissible to Federal Government employees living in private houses as are owned by themselves, their wives, relatives or friends.

(ii) If both husband and wife are Government servants and residing together at the same station in a Government residence allotted to one of them, allowance is not admissible to the other.

“(iii) In case at (ii) above if none of them has been provided with Government residence and both are posted at a specified station, the house rent allowance shall be admissible to both of them. Posting of one of the partners (i. e. husband or wife) at Rawalpindi and the other at Islamabad shall be treated as posting at one place”.

[Finance Division O. M. No. F 3(82)-R 13/79-D. 252/80, dated 29-4-1981]

(iv) A Government servant, who was allotted a Government accommodation, but surrendered it, is eligible to draw the Allowance from the date of vacation of the Government residence.

(v) Where a Government residence is offered and is declined by a Government servant on personal grounds, he will be paid the allowance.

(vi) Even if a Government servant is not eligible for Government accommodation on the Estate Office Pool and is residing in his own house, he is entitled to the allowance.

(vii) The unmarried sons and daughters, entitled to Government residence, but residing with their parents in accommodation provided to the latter by the Government are entitled to the allowance subject to suspension of their title to Government residence. This can be revived from a date when they elect not to draw the allowance.

(viii) The Government employees living with their relatives/friends, etc. in houses provided to the latter by the Government are entitled to the allowance subject to the permission of the sharing of Government accommodation being obtained from the Estate Office.

(ix) In the event of unauthorized occupation of a Government residence in a subletting case resulting in the forfeiture of the Government residence, neither the allottee nor he who was in unauthorized occupation is entitled to the allowance till their entitlement is restored by the Estate Office.

[Amended vide Finance Division O. M. No. F. 5(17)-Gaz. (i)/73, dated 20-11-1974.]

(x) The Government servants on training abroad will continue to draw House Rent Allowance as would have been admissible to them, but for training abroad.

[Finance Division O. M. No. F. 3(77) R-13/80, dated 4-3-1980].

**7.77 (i) Residence-Office Conveyance Allowance.** All employees posted at Islamabad, Karachi, Lahore, Peshawar, Quetta, Rawalpindi, Hyderabad (including Kotri), Multan and Faisalabad and not residing within their work premises are entitled to the Conveyance Allowance as follows:

(a) Conveyance Allowance	Rs.*70-
(b) Motor Cycle Maintenance Allowance	Rs.*100/-
(c) Car Maintenance Allowance	Rs.*285/-
(d) Not maintaining car and in receipt of pay not less than Rs. 1650/- p. m.	Rs.*150/-

(ii) Motor Cycle Maintenance Allowance is admissible to an employee who maintains a motor cycle/scooter and draws pay of not less than Rs.850/- and not more than Rs.1650/- per month. Motor car maintenance allowance is admissible to an employee who draws pay of not less than Rs.1650 p.m and above and possesses a motor car registered in his/her own name or in the name of his/her spouse and not for commercial purposes. This allowance will be admissible only to one of the spouses and not to both, in respect of the same vehicle.

[Finance Division O. M. No. F. 1(1) Imp. 1/77, dated 28-4-1977.]

\*[Finance Division O. M. No. F. 3(5) R. 5/81, dated 27-6-1981.]

[Finance Division O. M. No. F. 1/7/ Imp. 11/87, dated 1-7-1987.]

(iii) Residence-Office Conveyance Allowance is admissible from the date of purchase of the vehicle but actual payment begins only after registration of the vehicle.

[Finance Division O M No F. 3(1) R-13/80, dated 18-12-1980]

(iv) The Government servants availing themselves of the facility of chartered buses/wagons are not entitled to the allowance.

[Finance Division O. M. No. F. 3(4) R-12/76 dated 29-8-1979 and No. 983-R-12/79, dated 24-10-1979].

(v) The Residence Office-Conveyance Allowance will be indexed in relation to cost of living w.e.f. 1<sup>st</sup> July, 1986. The amount of Residence-Office Conveyance Allowance admissible as stated above multiplied by the index applicable to him from time to time.

[Ministry of Finance O.M No F 1(12) Imp. 11/86. dated 1<sup>st</sup> July, 1987.]

**7.78** Officers B-22 and Additional Secretaries, who do not draw car maintenance allowance, are entitled to free use of staff car for official and private purposes. This concession is subject to recovery of Income Tax from them; 50% of the total running and maintenance charges of the staff car subject to a maximum of Rs. 2400 will be added to their salary.

[Cabinet Division O.M No 1/64/77-Cord I dated 30-4-1977]

**7.79 Senior Post Allowance.** The Senior Post Allowance is admissible at the following rates:

BPS-20	Rs. 200 per month
BPS-21	Rs. 400 per month

BPS-22	Rs. 600 per month
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**7.80** The Senior Post Allowance is treated as part of pay for the purpose of drawal of leave salary during leave on full pay/half pay including leave preparatory to retirement.

[Finance Division O. M. No. F. 2(11) Imp. 1/77 dated 3-7-1977]

**7.81 Entertainment Allowance.** Entertainment Allowance will be admissible at the following fixed rates to officers drawing pay in B-20 to B-22:

B-20	Rs. 400 per month
B-21	Rs.450 per month
B-22	Rs.650 per month

**7.82 Non-Practising Allowance.**The existing rates of Non-Practising Allowance have been revised as under:

Doctors drawing pay in B-17 & B-18	Rs. 500 p.m.
Doctors drawing pay in B-19 & above	Rs. 700 p.m.

The above Non-Practising allowance will be admissible in all cases where a doctor is not allowed private practice.

Doctors posted in rural areas below Town Committee level, and allowed private practice will be given a Practice Compensatory Allowance at the rate of Rs.200 per month for male doctors and Rs.300 per month for female doctors.

**7.83 Teaching Allowance.** Teaching allowance at the rate of Rs.100 p.m. will be allowed to qualify High School Teachers who teach basic/natural sciences.

Junior Instructors in Polytechnics who possess Technical teachers Diploma will be allowed Teaching Allowance at the rate of Rs.100 per month.

Doctors who teach basic sciences in Medical Colleges will be allowed a Teaching Allowance at the rate of Rs.500 per month.

**7.84 Charge Allowance.** Charge Allowance to Principals of Colleges and Polytechnics will be admissible at the following rates:

(a)Principals of Degree College/College of Technology	Rs. 200 p. m.
(b)Principals of Intermediate Colleges/ Polytechnics	Rs. 100 p. m.

**7.85 Warden Allowance.** Teachers who are assigned the duty of Hostel Wardens in Colleges and Polytechnics will be allowed a Warden Allowance of Rs.100 per month.

**7.86 Design Allowance.** Engineers holding University degree in engineering and working full time in the Design Offices will be allowed a Design Allowance at the following rates:---

Engineers drawing pay in B-17	Rs. 400 p.m.
Engineers drawing pay in B-18	Rs. 500 p.m.
Engineers drawing pay in B-19	Rs. 600 p.m.
Engineers drawing pay in B-20	Rs. 700 p.m.

**7.87 Qualification Allowance.** S.A.S. Accountants will be allowed a Qualification Allowance of Rs.100 per month on qualifying the SAS or equivalent examination. This allowance will continue to be admissible as a separate entity even after their promotion to higher posts.

**7.88 Performance Evaluation Allowance.** Audit Officers working in the Performance Evaluation Cell will be allowed Performance Evaluation Allowance at the following rates:

B 17 and B-18	Rs. 300 p.m.
B-19 and B-20	Rs. 400 p.m.

**7.89 Research Allowance.** Research Allowance at the rate of 20% of the pay subject to a maximum of Rs. 800 p.m. will be allowed to the employees in BPS-16 and above, deployed exclusively on research work, both field officers and those employed exclusively for the Research Organizations. This allowance would be admissible to employees of such research organizations which are performing purely research work and have been so recognized by the Finance and the Establishment Divisions.

**7.90 Deputation Allowance.** Civil servants while on deputation to foreign service in Pakistan will be allowed a Deputation Allowance at the rate of 10% of the minimum of their Basic Pay Scale

**7.91 Medical Allowance.** Medical Allowance at the rate of Rs.50 per month will be allowed to the employees of BPS-1 to BPS-15 instead of the reimbursement of the cost of medicines purchased by the employees as outdoor patients. The facility of in-door treatment will continue to be admissible.

**SPECIAL ALLOWANCE FOR DEPUTY SECRETARIES:**

**7.92 (i)** Special Allowance at a fixed rate of Rs. 300 per month will be allowed instead of at the rate of 20% of pay sanction vide Finance Division O.M. No. F. 1(4) R 3/83 dated the 8th December, 1985, to holders of the post of Deputy Secretary and equivalent working in the Federal Secretariat including President/Prime Minister/National

Assembly and Senate Secretariat w.e.f. 1st July, 1987. The existing Deputy Secretaries and equivalent in B-19 already drawing special allowance at 20% of pay will continue to draw at the same rate, the amount of their special allowance would be frozen at the rates admissible on 30th June, 1987 as personal to them for so long as they hold the post in B-19 and remain posted in the Secretariat.

(ii) Special. Allowance would be admissible even on move-over to BPS-20 in terms of Finance Division O.M. No. F. 1 (82) R. 3/85 dated 1<sup>st</sup> January. 1986.

[Ministry of Finance O.M No F 1(7) Imp 11/87 dated 1st July, 1987 read with No 1(14) R 3/86, dated 1st July. 1986]

**7.92 (A) Residence Orderly or Orderly Allowance—**

(i) The Establishment Division in their O.M No 13/4/77-P.II dated 30th April, 1977, had approved the provision of an Orderly to officers in BPS-20 and above at their residence. It has now been decided that the entitled officer may be allowed an option either to retain the orderly or to receive an Orderly Allowance of Rs. 800 per month in lieu thereof. The option for the orderly allowance should be exercised in writing and communicated to the Audit Office through the Head of the Office concerned. The following procedure should be observed:—

(i) Those opting for the orderly allowance would furnish a certificate to their audit office to the effect that they have not been provided with an orderly by the office or have surrendered the one already provided to them. This certificate should be endorsed the audit office by the officer incharge of administration of the concerned organization.

(ii) No new post of Naib Quasid may be created in a Ministry/Division/Department without ensuring that the Residence Orderly surrendered by any officer has been gainfully utilised in the office.

(iii) In the event of an officer in receipt of Orderly Allowance opting for the residence Orderly, it will be responsibility of the officer as well as, officer in charge of administration of the concerned organization to intimate the audit office about it and have the Orderly Allowance discontinued from the date the Residence Orderly is provided out of the existing, sanctioned strength of the organization.

[Ministry of Finance O M No F 1(3) Imp 11/85 dated 24<sup>th</sup> October 1986]

(ii) The Orderly Allowance will be admissible during all kinds of leave except extraordinary leave. For the periods of training abroad the Allowance will be allowed provided the family of the officer concerned remains in Pakistan.

[Ministry of Finance O.M. F 1(3) Imp 11/85, dated 29<sup>th</sup> April 1987.]

**7.92(B) Instruction Allowance.** An Instruction Allowance at the rate of 20% of the minimum of the BPS of the officer concerned would be allowed w. e. f 1st July, 1986 to officers/staff deployed on instructional duties in training institutions functioning as organizations of the Federal Government or as Autonomous/Semi-autonomous institutions & imparting training to Government servants. The allowance would be admissible to the heads of the institutions also. Any other special pay, deputation pay or deputation allowance admissible to the instructional staff, including heads of the institutions, would cease to be admissible from the date of grant of Instructional Allowance.

**7.92-C Indexation of Pay** — The pay of all civil servants will be indexed in relation to the cost of living. The pay admissible to an employee at any time will be the pay due to him in the existing pay scale under the normal rules multiplied by the index

applicable to him from time to time. In calculating pay fraction of a Rupee, which is less than fifty paise will be ignored and that of fifty paise or more will count as one Rupee. The indexed pay will be subject to the following conditions:--

(I) Indexed pay will be treated as pay for the following purposes:—

(i) For deduction of Income Tax.  
(ii) For deduction of G.P Fund and Benevolent Fund contributions and Group Insurance premia.

(iii) For the grant of Provident Fund Advance,

(iv) For encashment of Leave Preparatory to Retirement,

(v) For calculation of pension,

(vi) For the recovery of house rent.

(vii) For grant of House Building Advance, Motor Car Advance and Motor Cycle advance.

(II) Pay in the relevant pay scale and not the Indexed pay will be taken into account for the following purposes:

(i) For entitlement of Car Maintenance Allowance and Motor Cycle Maintenance Allowance.

(ii) For entitlement of TA and DA.

(iii) For calculating special pay or allowances where these are a percentage of pay.

(iv) For the grant of increments and fixation of pay on promotion etc.

(v) For the entitlement of Conveyance Allowance.

(vi) For calculation of Deputation Allowance.

(vii) For calculation of Overtime Allowance.

(viii) For calculation of other allowances where these are a percentage of pay.

(III) Benefit of Indexation of Pay will also be admissible to the following categories: ---

(i) Contract Officers.

(ii) Employees appointed on fixed pay or special terms.

(iii) Contingent paid staff.

(iv) Re-employed pensioners.

[Ministry of Finance O.M No F 1(4)- Imp-11/85, dated 26-6-1985 of even No. dated 22-8-1985 and Ministry of Finance O.M No F-1 (31)-Imp.11/88 of 1<sup>st</sup> July, 1988]

**7.92(D) Ph. D. /D. Sc. Allowance** All Ph. D/D. Sc. Degree holders would be allowed Ph. D. /D. Sc. Allowance @ Rs. 1500. p.m. w.e.f. 1st July, 1988. The eligibility of the Allowance would not be linked with the Recruitment Rules and irrespective of the job assigned to them.

[Finance Division O. M No.F. 3(1)-Imp.-1/88, dated 1-7-1988.]

**7.92(E) Computer Allowance.** The Computer personnel would be entitled to the Computer Allowance @ Rs. 1000 p. m. w. e. f. 1st July, 1988. The Key Punch Operators/Key Punch Verifying Operators/Data Entry Operators would also be allowed Computer Allowance @ Rs. 300 p. m. from 1st July. 1988.

[Finance Division O. M. No. F. 3(6) R. 1/85 dated 26-6-1985, even No. dated 1-7-1986 & No. F. 3 (3)-R. 1/88 dated 1-7-1988.]

**7.92(F) Secretariat Allowance** All the Federal Government Employees in the Federal Secretariat, President's Secretariat, Prime Minister's Secretariat, National Assembly Secretariat, Senate Secretariat and the Central Board of Revenues have been granted Secretariat Allowance @ 20% of the basic pay w.e.f. 1<sup>st</sup> July, 1988.

All the Deputy Secretaries and equivalent working in the Federal Secretariat and the Central Board of Revenues, who were already receiving Special Allowance @ Rs.300 or 20% of the pay vide para 7.92 would hence forth receive Secretariat Allowance in lieu of the special allowance.

The officers deputed from other services/Departments (who do not belong to Secretariat Group) to work in the Secretariat and who are already getting special pay or allowance have been allowed to exercise their option to draw the Secretariat Allowance @ 20% of their basic pay or to continue to draw their existing special pay/allowance, if any.

All other Officers/Officials working in the Federal Secretariat, except the Private Secretaries /Personal Assistants to Ministers, Ministers of State, Secretaries, Additional Secretaries & Joint Secretaries, who are already in receipt of special pay/allowance, would be allowed to exercise the option as in preceding sub paragraph.

The employees, belonging to other departments but actually working within the Federal Secretariat, would also be entitled to the Secretarial Allowance for so long as they continue to be posted for performing duties in the Secretariat buildings or offices. In their case the criteria for eligibility of the allowance would be the actual performance of duties within the Federal Secretariat.

[Finance Division O.M. No.F 1(32)-IMP-11/88 of 1<sup>st</sup> July, 1988.]

**7.92(G) Overtime Allowance** The drivers of the Government staff cars and despatch riders would be allowed the Overtime Allowance @ Rs. 6 per hour subject to the maximum of Rs. 30 per day w. e. f. 1-7-1988. The existing conditions regulating the grant of Overtime Allowance and the provisions of Rule 275 of the Federal Treasury Rules would continue to apply.

(Finance Division O. M. No. F. 4 (I)-R 5/88 dated 1-7-1988)

#### **ALLOTMENT OF RESIDENCE (F. R. 45):**

**7.93.** The Government servants can be allotted residential houses owned or leased by the Government under such conditions as may be imposed by the Local Government concerned. The rules framed in this behalf may vary in respect of different localities and different classes of residences.

**7.94.** If any civil or military Government servant paid from Defence Estimates is in occupation of residence owned by the Federal (Civil) Government, he would be required to pay the standard rent of the building subject to the maximum of 5% of his salary. The Civil Government will forego any difference between the actual standard rent of the building and the rent recovered from the occupier. On the same analogy, there is an agreement between the Federal Government and those of the Provinces that if the employees of one Government are in occupation of the property owned by the other Government, they will charge the same rent as from their own employees.

**7.95.** F. R. 45-A is applicable to those officers whose posts or services have been included in the Schedule to the rule. On allotment of residence to these officers they are required to pay the standard rent of the building allotted to them or rent equal to 5% of their monthly emoluments, whichever is the less. The standard rent is calculated in the basis of 6% per annum of the Capital Cost of building. The Capital Cost of the building is determined with reference to the cost of construction excluding value of the site and expenditure on its preparation and including the cost of sanitary, water supply and electric installations. If a residence is supplied with additional amenities such as furniture, tennis court or garden maintained at the cost of Government, rent is charged for these also in addition to the rent as stated above. Where a garrage is provided for a particular residence, its Capital Cost should be included in the Capital Cost of the residence for the purposes of assessment of standard rent. Where it is not included, rent for the garrage should be charged separately. In cases where the cost of acquiring or constructing the residence and any capital expenditure incurred for after acquisition or construction is not known, the present value of the residence should be taken into consideration while determining the capital cost.

**7.96.** The scale of accommodation supplied to an officer is normally according to his status, unless requested by him otherwise. The term 'emoluments' for purposes of calculating rent at 5% includes pay, fixed monthly fees and payments from genera revenues, compensatory allowance other than travelling allowance and uniform allowance, exchange compensation allowance and pension before commutation, if any. If a Government servant is under suspension, the rent is calculated on the basis of subsistence grant. But if he is reinstated retro spectively and is paid all the pay and allowances, he should be required to pay the difference of rent calculated on the basis of subsistence grant and the emoluments. The tenant is also required to pay cost of the gas, water and electric energy, etc. He should also be required to pay municipal and other taxes not being in the nature of house or property tax.

**7.97** In special circumstances, the Local Government may, for reasons to be recorded, grant rent-free accommodation to any officer or class of officers or waive or reduce the amount of rent and municipal taxes. The concession of rent-free quarters, whenever granted, is complete, that is, no additional charge is normally made in respect of sanitary, water supply and electric installations.

**7.98.** Government servant who, at his own request, is supplied with a residence owned or leased by the Government, of a class higher than that for which he is eligible, when a house of his class is made available to him, should be charged the full standard rent fixed for the residence and should not be given the 5% concession.

**7.99.** F. R. 45-B applies to Government servants, oilier than those to whom F. R. 45-A applies or is made applicable under special orders. The provisions of F. Rs. 45-A and 45-B are, more or less, identical with the exception of two main differences. In this case the Capital Cost includes the cost of land and expenses incurred on preparation of site. The standard rent is calculated on the Capital Cost of the residence and is a percentage of such Capital cost equal to such rate of interest as may from time to time be fixed by the President plus an addition for municipal and other taxes in the nature of house or property tax and for both ordinary and special maintenance and repairs, such addition being determined under rules, which a Local Government may make.

**FEES & HONORARIA (FR 46 TO 48):**

**7.100.** Government servant may be allowed by the competent authority to perform a special service or series of services for a private person or body or for a public body including a body administering a local fund provided this can be done without detriment to his official duties and responsibilities. If the service is material the government servant may be permitted to receive as remuneration therefor a recurring or non-recurring fee. The Ministries, Divisions, and Heads of Departments have been given full power to sanction the undertaking of work for which a fee is offered and acceptance of fee vide item 18 of Annexure II to the Finance Division O. M. No. F. 3(4) Exp. III/2000. dated 30-6-2000.

**7.101.** Under S. R. 12 one third of any fee in excess of Rs. 50 or if a recurring fees of Rs. 50 a year paid to a Government servant for services rendered in Pakistan has to be credited to the General Revenues. One third of any fee in excess of \$800 or equivalent received by a civil servant for a foreign consultancy outside Pakistan is to be credited to General Revenues. The Ministries, Divisions and Heads of Departments have, however, full powers of exempting a Government servant from crediting portion of fees to Government in respect of fees paid to Government servant for services rendered in Pakistan vide item 22 of Annexure II to the Finance Division O.M.No. F. 3(4) Exp-III/2000, dated 30-6-2000

**7.102.** This rule does not apply to fees received by Government servants from a University or other examining body in return for their services as examiners and from a Board of Secondary Education for services rendered as reviewers of books, it also does not apply to fees received by Government servants for participation in a radio broadcast or television programme or contribution of any article or writing of any letter to any newspaper or periodical if such broadcast or television programme or contribution or letter is of a purely literary, artistic or scientific character.

**7.103 Honorarium.** A competent authority may sanction the grant of the honorarium from the general revenues to a Government servant for doing certain work, provided that the following conditions are fulfilled:

- (i) the work is occasional in character;
- (ii) is so laborious or of such special merit as to justify special award;
- (iii) the competent authority has given prior consent to the undertaking of work; and
- (iv) the amount of honorarium has been settled in advance.

**7.104.** If in any case the last two conditions are not fulfilled reasons therefor should be recorded in writing. In the case of both fees and honoraria the sanctioning authority should give a certificate that due regard has been paid to the general principle enunciated in F. R. 11 and the reasons justifying the grant of extra remuneration should also be recorded. An Audit officer may insist that the reasons for the grant of an honorarium or fee should be communicated to him in each case.

**7.105.** The temporary increase in the work of a Government servant is not a valid justification for grant of honorarium to him. The temporary increase in work are normal incidents of Government service and form part of legitimate duties of Government servants

according to general principle enunciated in F. R.11 and as such have no claim to extra remuneration.

**7.106.** The powers to sanction the undertaking a work for which an honorarium is offered and to the grant and acceptance of an honorarium have been delegated to the Ministries and Heads of Departments upto a maximum of Rs. 2000 and Rs. 1000 in each case respectively vide item No. 19 of Annexure II to the Finance Division O. M. of 11th March, 1981. The amount should not exceed one month's pay of the Government servant concerned on each occasion. In the case of recurring honoraria, this limit applies to the total of recurring payments made to an individual in a financial year. The power will be exercised subject to the condition that the relevant rules and policy instructions issued by the Finance Division from time to time are duly observed and that the grant of honorarium is not used as a device to compensate a Government servant for special pay etc. not admissible under the rules. No expenditure should be incurred on honoraria in excess of the budget provision. If such provision becomes necessary at some stage prior concurrence of the Financial Adviser will be necessary before such expenditure is incurred.

**7.107.** The honoraria received by the Government servants on account of their appointment as Examiners, Paper Setters or on the viva voce Boards in connection with recruitment examination held by the Federal Public Service Commission or the Provincial Public Service Commissions do not require a separate sanction of the Government. Once the departments concerned have agreed to their appointment as such, the sanction for honorarium is automatically implied.

**7.108.** There is no objection to the payment of honorarium to the heirs of a deceased Government servant.

**7.109.** The Government servant do not require any special permission to receive:

- (a) the premium awarded for any essay or plan in public competition;
- (b) any reward offered for the arrest of a criminal or for information or any special service in connection with the administration of justice;
- (c) any reward payable in accordance with provision of any Act or Regulations;
- (d) any reward sanctioned for services in connection with the administration of the Customs and Excise Laws; and
- (e) any fees payable to a Government servant for duties which he is required to perform in his official capacity under any special or local law or by order of Government.

**7.110.** Under F. R. 48-A, a Government servant whose duties involve the carrying out of scientific and technical research shall not apply for directly or indirectly, a patent for an invention made by him except with the permission of the Local Government and under such conditions as may be imposed by them. If a question arises as to whether a Government servant is a Government servant to whom Rule 48-A applies, the decision of the Local Government in this behalf will be final.

**7.111. Combination of appointments (F.R.49):** A Government servant may be appointed by a competent authority to hold substantially as a temporary measure or to officiate in two or more independent posts at one time and may draw pay as follows:

(a) the highest pay to which he would be entitled under the rules, if his appointment to one of the posts held by him stood alone;

(b) for each other post held by him the competent authority may allow him to draw such reasonable pay, as it may fix subject to the condition that it should not exceed half the presumptive pay of the post. The term reasonable does not mean that half the salary should be allowed automatically, rather it should be as deemed 'reasonable under the circumstances, subject to a maximum of 50%; and

(c) if compensatory or sumptuary allowances are attached to one or more of the posts, he may be allowed such compensatory allowance or sumptuary allowance as may be fixed by the competent authority subject to the condition that such allowances should not exceed the total of the compensatory and sumptuary allowances attached to all the posts.

**7.112.** The provisions of F. R. 49 were considered to be unduly liberal and extravagant by the late Government of India as far back as in 1931 vide Finance Department O. M. No. F. 15 (11) RI/31 dated 2nd June, 1931. It was therefore, suggested that one way of avoiding claims to extra-remunerations could be to refrain from formally appointing the officer to the additional post or posts. But if it was found that the extra duties were such as to justify additional pay or there was a legal necessity of making a formal appointment, then this could be done. In that event the officer could draw the pay of the higher of the two posts and granted additional pay which should not ordinarily exceed one fifth of the pay of the lower post.

**7.113.** The late government of India also decided vide their O. M. No. 12(37) W. 11/45, dated 5th October, 1945 read with Office Memorandum No. F. 7(3) E. II/46 dated 26th September, 1946 that posts which fell vacant for a period of two months or less should ordinarily be held in abeyance and an officer appointed to hold current charge of the routine duties of the post in addition to his own duties. He could be granted a special pay equal to 20 per cent of his pay subject to a maximum of Rs.800 per month w.e.f. 1<sup>st</sup> February 1987.

[Ministry of Finance O.M. No F 2(9) R-3/85 dated 15<sup>th</sup> March, 1987.]

**7.114.(i)** The Establishment Division in their O. M. No. 1/21/76-AR. I/R. II dated 18th June, 1980, have observed that under the existing instructions all appointments by promotion in higher posts are to be made through regular selection process, i. e. with the approval of the Central Selection Board/ Departmental Promotion Committee and the authority competent to make appointment to the grade in which the vacancy exists. However, in those cases where a vacancy in higher post occurs for less than two months and it is considered impossible for good reasons to make arrangements for day to day work of that post to be carried on otherwise the current charge of the duties of that post may be given temporarily, with the approval of the authority competent to make appointments to the said post, to the senior most officer in the cadre present at the place or in the organization where the vacancy may have occurred if he is otherwise fit and eligible for promotion.

(ii) Situations arise in various departments where higher posts have to be filled urgently for short periods independently of the normal promotion and appointment procedure which takes time. In order to overcome the difficulty the President has been pleased to delegate the power to make current charge appointments as follows:

(i) Secretaries/Additional Secretaries.	For BPS-17 to BPS-20
(ii) Heads of Attached Departments not below B-21 including Chairman, FPSC and Chairman.Federal Inspection Commission in respect of their own Officers.	For BPS-17 to BPS-20
(iii) Auditor-General of Pakistan, for Pakistan Audit Department.	Upto BPS-20
(iv) Military Accountant General for Military Accounts Department.	Upto BPS-20
(v) Member Finance, Railway Board for Railway Audit Department.	Upto BPS-20
(vi) Head of Department as defined in S. R. 2(10) not below B-20	For BPS-17 &18.

(iii) The exercise of the powers so delegated would be subject to the observance of the following conditions:

(i) the arrangements should not be made for a period of less than one month and should not exceed 3 months. However, it may be extended by another three months with the approval of the next higher authority;

(ii) as soon as the current charge is given, a proposal for regular appointment should be initiated and referred to DPC/CSB within a month; and

(iii) in making current charge arrangement, the senior most officer available in the organization and present at the place where the vacancy may have occurred, if he is otherwise fit and eligible for promotion should be considered.

**7.115** In case of additional charge arrangement, special allowance will be admissible at a uniform rate of 20% of basic pay not exceeding Rs.800 w.e.f. 1<sup>st</sup> February, 1987 subject to the fulfilment of the following conditions:--

(i) The work of the vacant post, as far as possible, be distributed among more than one Government Servant of the same status and designation available in the Ministries/Divisions/Departments.

(ii) Where the distribution of the work among more than one Government servant is not feasible, the charge of the vacant post may be entrusted, in its entirety, to another Government Servant.This arrangement should not be made for a period less than one month and should not exceed three months and it should be allowed with specific approval of

the Secretaries/Additional Secretaries/Heads of Attached Departments/Heads of Departments not below BPS-21. However, it may be extended by another three months with the approval of next higher authority.

(iii) Immediately on the expiry of six months of the full additional charge of the particular vacant post, the post shall be treated as having been abolished and its duties automatically becoming part of the normal duties of the other existing posts of the same category in the Divisions/Departments concerned. The post so treated as abolished shall not be revived without the concurrence of the Financial Adviser concerned.

[Ministry of Finance O.M No F 2(9) R-3/85 dated 18<sup>th</sup> March, 1987.]

### **DEPUTATION OUT OF PAKISTAN (F. Rs 50 & 51):**

**7.116** Before Independence the deputation of Government servants to whom the Fundamental Rules apply was regulated in accordance with F. Rs. 50 & 51. In those days deputation outside the country was rare and privilege of a few persons. After Independence the situation changed and a large number of Government servants were required to go abroad to attend international conferences or meetings or on other diplomatic or trade missions. As the provisions contained in the Fundamental Rules 50 & 51 were inadequate to meet the changed circumstances; revised orders were issued to regulate the case of deputation abroad of Government Servants. The revised rules may be found in Appendix 7 of the Compilation of Fundamental and Supplementary Rules Volume II. The powers to sanction deputation abroad of Government servants are contained item 45 of Annexure-II to the Finance Division O. M. No. F-1(5) R-12/808, dated 11th March, 1981.

**7.117** In terms of these orders the Government servants may be sent out of Pakistan on temporary duty with the sanction of the President. While abroad they are treated on duty and entitled to the pay and allowances as would have been admissible to them, but for their deputation abroad. There are, however, certain restrictions on the drawal of pay in the foreign currency. A Government servant on temporary duty abroad can draw 50% of his pay in foreign currency subject to a maximum of Rs. 1, 400 in a calendar month. Those in receipt of pay upto Rs. 850 per month may draw their pay in foreign currency at the rate of Rs. 425 per month or their actual pay, whichever is less.

**7.118** The officers proceeding abroad on temporary duty are categorised as follows:

(i) Cabinet Ministers; Heads of Diplomatic Missions within their jurisdiction; Chief of Staff, Pakistan Army, Air Force and Navy; Members of the National Assembly/Senators, officers in Basic Scale 21 and above and non-official leaders of delegation. [M/o Finance O. M No (148) R-10/868 dated 22nd March, 1987].

(ii) Officers in Basic Scale 20, Heads of Missions outside their jurisdiction, and Ministers (diplomatic rank); Military Officers of the rank of Major General and above; and non-officials other than leaders of delegations.

(iii) Employees in Basic Scales 17-19 excluding officers who draw pay in Basic Scale 17 by move over.

(iv) Officers in Basic Scale 16 and below; military officials of corresponding rank.

**7.119** When travelling abroad by air, road or sea each officer will be entitled to actual cost of passage by public transport in accordance with the class of accommodation to which he is entitled in Pakistan. Non-official will, for this purpose, be treated as officers of the 1st category (for purposes of T. A. in Pakistan). When travelling abroad by rail officials or non-officials will be entitled to actual fare of the class to which they are entitled. Travelling by sea will not be undertaken except with the prior permission of the Head of Department and in the case of Head of Missions, the Ministry of Foreign Affairs; the permission will not be accorded except for valid reasons and after taking into account the extra cost involved (excluding pay drawn during the journey period). The officers of the Federal Government of the rank of Joint Secretary and above may travel in 1<sup>st</sup> class by air when travelling abroad. If an officer travels by rail and a night journey is involved he may claim the cost, if incurred, of sleeper accommodation.

**7.120** During travel, carriage of luggage will not be allowed at Government expense and reimbursements may be claimed in respect of official records and equipment carried for purposes of official work, but prior permission of the competent authority should be obtained in this regard. The officers of category I may, however, claim reimbursement of excess baggage fare upto a total of 80 pounds (or 36 kilograms) of luggage (including the free allowance on air tickets for journeys performed by air).

**7.121** In respect of each night spent at a place of halt, outside the headquarters on official duty, daily allowance shall be admissible in accordance with the rates sanctioned by the Government from time to time. Except for category (I), the daily allowance rates are consolidated rates to cover the cost of accommodation and meals etc. Whenever the period of continuous stay at one station exceeds 28 nights, the rate of daily allowance will be reduced by 10% beyond the period of 28 nights. If the duration of halt exceeds 56 nights, the rate will be reduced by 15% beyond the period of 56 nights.

**7.122** In case of category I, the accommodation will consist of a room plus bath room in a 1st class hotel, except where for representational reasons a suit of room has to be hired but the cost of accommodation should ordinarily not exceed the daily allowance rate admissible to category II officer at that station. The payment of accommodation so booked by the Embassy will initially be made by the mission but will be charged to the budget allocation/foreign exchange quota of the Ministry/Department concerned. It is permissible to an officer of category I to convert himself to category II at his option. The accommodation for category I officers should normally be arranged by the Pakistan missions at the stations. Where accommodation in a hotel is not arranged by the Pakistan Embassy concerned and the official concerned stays in a hotel under his own arrangement, in addition to the daily allowance for category I, he is entitled to be allowed reimbursement of the actual charges of single room accommodation not exceeding the amount of daily allowance admissible to a category II officer on production of hotel bills. If hotel bills are not produced daily allowance shall be admissible at the category II rates. In such a situation the concerned officer will be allowed advance of foreign exchange equal to daily allowance of category I plus category II and this advance shall be adjusted on return of the officer to Pakistan producing the hotel bills.

**7.123** Whenever, the officer is a State Guest, i. e., when the expenses for his accommodation and meals, etc., are paid for by another Government or International

organisation the daily allowance admissible will be 30% of the normal rate at the station concerned.

**7.124** During the transit by air if an over-night journey is involved, the daily allowance shall be admissible at 30% of the rate of the daily allowance. At the outward journey daily allowance will be allowed for each day of transit at the rate of 30% of the daily allowance admissible at the next place of duty. On return journey 30% of daily allowance will be allowed for each day of transit at the rates admissible at the place where he last stayed on duty.

**7.125** In the absence of specific orders to the contrary officials or non-officials accompanied by wives will receive charges only for single accommodation. Anything extra will be paid by the person concerned.

**7.126** The actual expenditure incurred abroad on incidental items like tips, taxi hire and portorage, etc., at the place of halt will be reimbursed to the person concerned upto a maximum of 15% of the rate of daily allowance admissible at that station. This will not be admissible to those Government servants who are treated State Guests.

**7.127** The extra amount spent by a Government servant proceeding abroad on the purchase of foreign exchange in the form of Travellers Cheques equivalent to the amount of daily allowance in U. S. Dollars against the advance of daily allowance sanctioned to him, shall be reimbursed on production of necessary receipt.

**7.128** The daily allowance in Pakistan rupees will be calculated on the basis of selling rates applicable to U. S. Dollar in cash or travellers cheques on the date of purchase as notified by the State Bank of Pakistan. Original receipt from the Bank from which foreign exchange has been purchased will be attached with the T. A. Bill.

Terms Admissible to civil servants proceeding abroad to participate in Seminars and symposia, etc

**7.129** The civil servants deputed abroad for participation in symposia, seminars, study tours and the like are normally provided board and lodging by the sponsoring foreign Governments and agencies at their expense, but no cash payment is made to meet out-of-pocket expenses. Some time the facilities provided are net adequate and suitable Government subsidy is necessary. Such cases should be regulated as indicated below:--

S.No	Facility Offered	Government Subsidy.
1.	Board plus lodging.	30% of the normal rate of daily allowance prescribed for the station concerned.
2.	Board plus lodging and cash payment.	Nothing if cash payment is equal to 30% of normal rate of daily allowance or more. If cash payment offered is less than 30% of daily the difference between 30% and such cash payment.

3.	Furnished accommodation (including water, electric Gas, washing facilities).	50% of the normal rate of daily allowance.
4.	Cash payment plus lodging but no board	50% of the normal rate of daily allowance less cash payment offered.
5.	Cash payment plus board but no lodging.	80% of daily allowance less cash payment offered.
6.	No board, or lodging or cash payment.	Full daily allowance (as at present).
7.	Cash payment but not board or lodging.	Full daily allowance less cash payment offered.
8.	Free transport (normally to be met out of cash payment with or without any other facility).	10% to be deducted from the admissible amount (as above) of daily allowance.

[M/o Finance O. M No F. 3(2)-R-10/76-950 dated 31-3-1977].

**7.130** The payment of subsidy will be subject to the following conditions:--

(i) All cases of participation in seminars abroad in which financial liability of Government of Pakistan in terms of Finance Division's O. M. No. F. 3(2) R-10/76-958, dated 31st March, 1977 is involved will be sent to Cabinet Division after obtaining prior clearance of the Finance Division (Regulations Wing).

(ii) Cabinet Division may incorporate in their clearance/sanction the condition of admissibility or otherwise of difference of daily allowance while according Government's no objection to the proposed participation.

(iii) No difference of daily allowance will be allowed on return of an officer after participation in seminars etc. abroad.

(iv) The AGPR/State Bank of Pakistan will not allow payment on account of difference of D. A. unless the claim is backed up by specific clearance from Finance Division.

[M/o Finance O. M No. F. 3(15) R-10/850, dated 4-2-1987. ]

**DISMISSAL (F. R. 52):**

**7.131** A Government servant ceases to draw the pay and allowances of his post from the date of his dismissal or removal from service.

**SUSPENSION AND REINSTATEMENT (F. R. 53):**

**7.132** During the period of suspension Government servants are entitled to the following payments:

(a) In case of Commissioned Officers of the Pakistan Medical Department or Warrants Officers, who are liable to revert to Military duty, they are entitled to pay and allowances to which they would have been entitled, had they been suspended while in military employment.

(b) The Government servants other than those mentioned in (a) above as well as officers/employees of Government controlled Corporations/Autonomous Organisations under suspension are entitled to the following payments/facilities.

(i) **Subsistence grants**—Equal to one half of the pay of the suspended government servant as laid down in the Ministry of Finance O.M. No. 12(32) R-3/70 dated 14th February 1970.

(ii) **Allowances**—Compensatory allowances as specified below if admissible before suspension:—

(a) Senior post allowance.

(b) House rent allowance.

(c) Local compensatory allowance.

(d) Conveyance allowance.

(e) Dearness Allowance.

(iii) **Residential telephone.** — As is laid down in the Cabinet Division's O.M. No 5/1/70 (Cord.1) dated 5th May, 1970 the telephone, if installed officially, will not be removed from the residence of an officer under suspension. But during the period of his suspension, while the line rent for that telephone will be paid by the Ministry/Division/Department/Organisation concerned (from where the suspended officer may draw his emoluments), payment on account of local and trunk calls will be made by the officer himself.

(iv) **Residence Orderly**— Naib Qasid where provided will be withdrawn.

(v) **Transport**— No official transport will be provided.

[Establishment Division O. M. No. 9/80/79-C11 (A) dated 28-12-1978]

**7.133(a)** A Government servant committed to prison either for debt or on a criminal charge should be considered as under suspension from the date of his arrest and until the termination of the proceedings against him, i. e., his suspension is automatic from the date of arrest till termination of proceedings against him.

(b) A Government servant against whom a criminal charge or proceeding for arrest or debt is pending should also be placed under suspension by the issue of specific orders to this effect during periods when he is not actually detained in custody or imprisoned (e. g. whilst released on bail) if the charge made or proceeding taken against him is connected with his position as a Government servant or is likely to embarrass him in discharge of his duties as such or involves moral turpitude; and

(c) The requirement of obtaining approval of authority for extension of suspension period after every 3 months laid down in Government Servants (Efficiency and Discipline) Rules, 1973, does not apply to suspensions ordered, under these rules. Article 194 or 194-A do not mention any such requirement.

**7.134(F.R.54):** In cases, where the suspension of a Government Servant is held to have been unjustifiable or not wholly justifiable or he is re-instated after being dismissed, removed

from service or suspended, the revising or appellate authority may grant him the following pay and allowances for the period of absence:-

(a) If the Government servant has been honourably acquitted, he may be given the full pay to which he would have been entitled but for his dismissal, removal or suspension. The period of absence in such cases is treated as spent on duty. For this purpose F. R. 54 should be treated as absolute and unconditional and no question should be raised as to whether there was a post or not against which he could be adjusted for the period of his absence or that he had no longer any lien and another Government servant was appointed substantially in his place. If the condition of lien had first to be satisfied the rule would not have been absolute.

(b) Where a Government servant has not been honourably acquitted he may be granted such portion of pay as may be prescribed by the competent authority. In this case the period of absence is not treated as spent on duty unless the revising or appellate authority directs that it should be treated as duty. The competent authority may also direct that the period spent under suspension may be regarded as leave and the Government servant paid leave salary as permissible under the rules. The period of suspension can be treated even the extraordinary leave, but in such a case no recovery will be made for the subsistence grant and allowances already paid to the suspended Government servant. It has been held that F. R. 54 permits an appellate authority to convert a period spent under suspension into one of leave.

[Finance Division O. M. No. F. 8(12) PR 2(RWP)/62. dated 29-9-1962. ]

(c) The amount of arrears payable to the Government servant concerned whether he is reinstated as a result of a Court judgement or acceptance of his appeal by the departmental authority, will be reduced by the amount earned by way of salary or as profit on account of his having accepted some employment or been engaged in some profitable business during the period he remained dismissed, removed or suspended, and for the determination of the said amount a committee will be constituted consisting of two officers of the administrative Division and a representative of the Finance Division.

(Finance Division Notification No S. R. O. 45 (KE)/80, dated 4-9-1980]

**7.135(i)** F. R. 54-A: If a Government servant, who has been suspended pending inquiry into his conduct attains the age of superannuation before the completion of inquiry the disciplinary proceedings against him will abate and such Government servant will retire with full pensionary benefits and the period of suspension will be treated as period spent on duty.

[Finance Division Notification No. 12(8) Reg 6/79 dated 19-11-1980]

(ii) The posts vacated by dismissed Government servant may be filled substantively, but such arrangements have to be reversed if the dismissed Government servant is reinstated on appeal.

**7.136** F. R. 55: No leave may be granted to a Government servant under suspension.

### **COMPULSORY RETIREMENT (FR 56 & 57):**

**7.137** The retirement from service is now regulated under section 13 of the Civil Servants Act, 1973 (Act No. LXXXI of 1973) instead of F. Rs 56 and 57. In terms of this section, a civil servant shall retire from service:

(i) in case of an officer holding the post of Additional Secretary to the Federal Government or any equivalent or higher post, on such date as the competent authority may, in the public interest direct;

(ii) in any other case on such date after he has completed twenty five years of service qualifying for pension or other retirement benefits as the competent authority may, in the public interest, direct; or

(iii) where no order has been passed under (i) & (ii) above on the completion of sixty years of age.

The competent authority for the aforesaid purposes means appointing authority or a person duly authorised by the appointing authority in that behalf, not being a person lower in rank than civil servant concerned.

**7.138** Leave preparatory to retirement can be granted only if the Government servant applies for it.

[Authority: Finance Division No F. 4(3)-RS/66, dated 30-4-1966].

A question was raised whether it is permissible to grant leave to a Government servant who, in exercise of the right conferred by para 5 of this Ministry's Office Memorandum No. CB/12/63-Imp (I), dated the 18th August, 1966, might apply for retirement after completing 25 years qualifying service, but before attaining the age of superannuation. It has been held, in consultation with the Establishment Division, that such a Government servant may be granted leave as is due and admissible under the rules applicable to him, provided:

(i) that the leave is applied for sufficiently in advance of the date from which the retirement is sought to be effective;

(ii) that the leave does not exceed the leave which could be granted under the relevant rules, as leave preparatory to retirement; and

(iii) that the grant of leave will be subject to provision of F. R. 67.

[Authority: Finance Division U. O No I094-R-I/67, dated 2-8-1967].

**7.139** If any Government servant seeks employment during leave preparatory to retirement under the Central or a Provincial Government or in an autonomous or semi-autonomous corporation or body set up by, or under the Control of the Central or a Provincial Government or in a local body or a local fund, his leave salary shall be restricted to the amount of anticipated pension in accordance with Government decision below F. R. 69.

[Authority: Finance Division No F. 4(3)-RS/66, dated 17-11-1966].

## **LEAVE RULES**

### **TITLE (F. RS. 66 TO 68):**

**7.140** Leave is earned by a Government servant by the period of duty only. The leave cannot be claimed as a matter of right. In the exigencies of public service a competent authority has every right to refuse or revoke the leave of any kind. This discretion, however, does not entitle an authority to alter the nature of leave applied for. The grant of leave can be refused but the nature of leave, applied for, cannot be altered under any circumstances.

**7.141** During the period of Foreign Service, a Government servant will not earn any leave under the Government. His leave terms during the period of foreign services will be regulated by the leave rules of the foreign employer.

**7.142** If a Government servant, who quits the public service on compensation or invalid pension or gratuity, is re-employed and if his gratuity is there upon refunded or his pension held wholly in abeyance, his past service thereby becoming pensionable on ultimate retirement, he may, at the discretion of the authority sanctioning the re-employment and to such extent as that authority may decide, count his former service towards leave.

**7.143** A Government servant who is dismissed or removed from the public service, but is reinstated on appeal or revision, is entitled to count his former service for leave.

**7.144** Resignation of the public service, even though it is followed immediately by re-employment, should entail forfeiture of past service for the purpose of leave under the Fundamental Rules and should, therefore, constitute an interruption of duty for the purpose of 'Supplementary Rules 286'.

#### **EMPLOYMENT DURING LEAVE (F.R.69):--**

**7.145** A Government servant is not permitted to accept any employment during the period of leave. A competent authority may, however, permit him to do so.

**7.146** If any Government servant seeks employment during leave preparatory to retirement under the Central or a Provincial Government or in an autonomous or semi-autonomous corporation or body set up by, or under the control of the Central or a Provincial Government or in a local body or a local fund, his leave salary should be restricted to the amount of pension to which the Government servants will be entitled on retirement.

#### **RETURN FROM LEAVE ON MEDICAL CERTIFICATE (F.R.71):**

**7.147** If a Government servant is granted leave on medical certificate, he cannot be permitted to return to duty without first producing a medical certificate of fitness in such form as may be prescribed by the competent authority. A Government servant who is granted leave for reasons of health may also be required to produce a medical certificate of fitness irrespective of the fact whether leave was granted to him with or without a medical certificate.

#### **LAPSE OF LEAVE (F.R.86):**

**7.148** The leave at the credit of a Government servant in his leave account shall lapse on the date of compulsory retirement.

#### **AFFIXATION OF HOLIDAYS (S. RS. 209 TO 211):**

**7.149** Leave ordinarily commences from the day following that on which transfer of charge is affected and ends on the day preceding that on which charge is resumed.

**7.150** Where the day immediately preceding the day on which the Government servant's leave begins or immediately following the day on which the leave expires is a holiday or one of a series of holidays, the Government servant may leave his station at the close of the day before or return to it on the day following such holiday or holidays. This is, however, subject to the condition that where holidays are prefixed or suffixed to leave, the

leave and consequent arrangements of pay and allowances will take effect from the first day after the holidays or the last day before the holidays, respectively. In the order for the grant of leave mention should be made regarding the permission to the Government servant to prefix or suffix holiday or holidays as the case may be.

**LEAVE ACCOUNT (F. R. 76):**

**7.151** The leave account of a gazetted Government servant is maintained by the audit officer concerned. The leave account of a non-gazetted Government servant is maintained by the head of the office in which he is employed. The leave account in case of those Government servants, who have elected the Revised Leave Rules, is maintained in Form ATC-8.

**DISABILITY LEAVE (F. R. 83):**

**7.152** All Ministries/Divisions may grant special disability leave to a government servant who is disabled by injury intentionally inflicted or caused in, or in consequence of, in due performance of his official duty or in consequence of his official position. This leave is granted only when the disability manifested itself within 3 months of the occurrence to which it is attributed. If, however, the President is satisfied as to the cause, the disability leave may be granted in those cases also where the disability manifested itself more than 3 months after the occurrence of the cause.

**7.153** The period of leave will be such as is certified to be necessary by a medical board. Any extension of the leave will be permissible on the certificate of the medical board. The total leave should not exceed 24 months.

**7.154** Special disability leave can be combined with any other kind of leave. This may be granted more than once if the disability is aggravated or reproduced in similar circumstances at a later date but not more than 24 months leave will be granted in consequence of any one disability. The leave is counted as duty in calculating service for pension and is not debited to the leave account. Leave salary during disability leave shall be equal to full pay for the first 180 days and half pay for the balance period.

**7.155** The special disability leave may also be granted to a Government servant who is disabled by injury accidentally incurred or incurred in or in consequence of due performance of his official duties, or in consequence of his official position or by illness incurred in the performance of any particular duties which has the effect of increasing his liability to illness or injury beyond the ordinary risk attaching to the civil post which he holds. The disability due to disease should, however, be certified by medical board to be directly due to the performance of the particular duty and the President should be convinced that the disability was so exceptional in character or that the circumstances of its occurrence were such as to justify such unusual treatment as the grant of disability leave.

**STUDY LEAVE (F. R. 84 & APPENDIX 9 OF VOL-II):**

**7.156** Study leave may be granted to Government servants to enable them to study scientific, technical, or similar problems or to undergo special courses of instructions; such leave is not debited against leave account.

**7.157** Study leave is granted on half pay and the maximum period should not exceed 2 years. Extraordinary leave may also be combined with the study leave and in that case the condition of the maximum period will not apply.

**7.158** During the study leave a study allowance at the prescribed rates is granted for the period spent in prosecuting a definite course of study at a recognised institute.

#### **CASUAL LEAVE:**

**7.159** The casual leave is not treated as absence from duty and the pay of the Government servant is not intermitted. The grant of casual leave is always subject to the condition that it does not cause evasion of the rules regarding date of reckoning pay and allowance; charge of office; commencement and end of leave and return to duty.

**7.160** The maximum period of casual leave admissible during a calendar year is 20 days. Any balance of casual leave not availed of lapses with the end of a year. The casual leave cannot be combined with any other type of leave or joining time.

#### **QUARANTINE LEAVE (APP. 3 F. R. & S. R. VOL-II):**

**7.161** Quarantine leave is in the nature of extra casual leave and is granted on account of absence from duty necessitated by order not to attend office in consequence of infectious disease in the family, or household of a Government servant. Infectious diseases are; cholera; smallpox; plague; typhus fever; cererospinal meningitis or any other disease declared as infectious by the Government. The quarantine leave may be granted by the Head of the office on a certificate of a medical or public health officer. Normally the period of quarantine leave should not exceed 21 days, but in exceptional circumstances it can extend upto 30 days. Any further leave required in excess of this period should be treated as ordinary leave as admissible to a Government servant. The quarantine leave may also be granted in combination of other leave subject to the maximum referred to above. A Government servant on quarantine leave is not treated as absent from duty and his pay is not intermitted.

**7.162** A civil servant may be granted quarantine leave outside his leave account to the extent that his authorised medical attendant recommends and the period of such leave is treated as duty with full pay and allowances of the post held by him at the time of proceeding on leave.

#### **AUTHORITIES EMPOWERED TO GRANT LEAVE (S. RS. 206 TO 207):**

**7.163** Excepting the disability leave, any leave may be granted to non-gazetted Government servant by an authority who is competent to fill up the post by the person if it was vacant. In case of a Gazetted Officer no leave can be granted until a report on the title to leave has been obtained from the audit officer concerned. But in case of leave on full pay not exceeding 120 days, other than leave preparatory to retirement, it can be granted to him if the Government servant concerned records a certificate to the effect that the leave applied, is due to him and the sanctioning authority is also satisfied on the basis of the facts known to him that the leave is admissible.

#### **LEAVE ON MEDICAL CERTIFICATE (S. RS. 220 TO 231):**

**7.164** In all cases where there is no reasonable prospect of a Government servant being fit to resume the duty the medical officer should not recommend the grant of leave. In all

such cases the opinion that the Government servant is permanently unfit for Government service should be recorded in the medical certificate. Every medical certificate implies that no recommendation for leave mentioned therein will be evidence to claim to any leave not admissible to the Government servant under the rules.

**7.165** Before any Gazetted Officer is granted his leave or extension of leave on medical certificate he should obtain a certificate in the form prescribed in S. R. 222 from the authorised medical attendant. Any leave granted to him will be on the basis of the certificate issued by the medical committee on the form prescribed in S. R. 224 or 226 as might be the case. The grant of such a certificate does not in itself confer upon the Government servant any right to leave. In case of a non-gazetted Government servant the medical certificate can be signed by a registered medical practitioner.

**7.166** The leave applied for on medical certificate cannot be refused. The authority competent to sanction leave may, however, at its discretion, secure a second medical opinion by requesting the Civil Surgeon or medical board, as the case may be, to have the applicant medically examined. The form of certificate has been prescribed in S. R. 229.

**7.167** No Government servant who is granted leave on medical certificate will be permitted to resume duty unless a certificate of fitness from an authority of an equal status, which granted the medical certificate, is obtained and produced to the department concerned.

#### **GRANT OF LEAVE (S.R. 232 TO 234):**

**7.168** In case where all applications for leave cannot be granted on account of the exigencies of public service a competent authority, in deciding as to which applicant should be granted leave, should take into account the following considerations:

- (i) The Government servant who can for the time being best be spared.
- (ii) The amount of leave due to the various applicants.
- (iii) The amount and character of the service rendered by each applicant since his last return from leave.
- (iv) The fact that any applicant was recalled from last leave.
- (v) The fact that any such applicant has been refused leave previously in the interest of public service.

#### **THE REVISED LEAVE RULES, 1980:**

**7.169** Leave is admissible to a civil servant and granted to him by the competent authority at the following rate and scale:

(i) **Leave on full pay.** A civil servant will earn leave only on full pay. It is to be calculated at the rate of four days for every calendar month of the period of duty rendered and credited to the leave account as "Leave on full pay"; duty periods of 15 days or less in a calendar month being ignored and those of more than 15 days being treated as a full calendar month for the purpose. If a civil servant proceeds on leave during a calendar month and returns from it during another calendar month and the period of duty in either month is more than 15 days, the leave to be credited for both the incomplete months will be restricted to that admissible for one full calendar month only.

(ii) **Accumulation.** There is no maximum limit on the accumulation of such leave.

(iii) **Vacation Department** The provision in (i) above will not apply to a vacation department: in its case, a civil servant may earn leave on full pay (a) when he avails himself of full vacation in a calendar year-at the rate of one day for every calendar month of duty rendered, (b) when during any year he is prevented from availing himself of the full vacation-as for a civil servant in a non-vacation department for that year, and (c) when he avails himself of only a part of the Vacation-as in (a) above plus such proportion of thirty days as the number of days of vacation not taken bears to the full vacation.

**GRANT OF LEAVE:**

**7.170(i) Leave on full pay.** The maximum period of leave on full pay that may be granted at one time will be as follows:

(a) Without medical certificate	120 days
(b) With medical certificate plus	180 days
(c) On medical certificate from leave account in entire service.	365 days

If some one has already availed himself of this concession under the previous leave rules, that period would be debited to the maximum of 365 days.

(ii) **Leave on half pay.** (a) Leave on full pay may be converted into leave on half pay, at the option of the civil servant; the debit to the leave account will be at the rate of one day of the former for every two days of the latter, fraction of one-half counting as one full day's leave on full pay. The request for such conversion will be specified by the civil servant in his application for the grant of leave.

(iii) **Leave preparatory to retirement.** The maximum period upto which a civil servant may be granted leave preparatory to retirement will be 365 days. It may be taken, subject to availability, either on full pay, or partly on full pay and partly on half pay, or entirely on half pay, at the discretion of the civil servant.

**7.171 Counting of Leave:** Leave may be applied for, expressed, and sanctioned, in terms of days.

**7.172 Carry Forward Of Leave:** All leave at credit in the account of a civil servant who was in service on the 1st July, 1978 is to be carried forward and expressed in terms of leave on full pay.

The leave account in such cases will, with effect from 1st July, 1978 or in the case of civil servant who was on leave on that date with effect from the date of his return from leave, be recast as under:

(i) LAP (a)	1 month	30 days
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(b)	1 day	1 day
(ii) LHAP		
(a)	1 month	15 days
(b)	2 days	1 day

Fractions if any will be ignored.

**7.173 Recreation Leave:** It may be granted for 15 days in a calendar year, the debit to the leave account will, however, be for 10 days. This leave is not admissible to a civil servant in the Vacation Department.

**7.174 Leave not due:** It may be granted to all Government servants on full pay, to be offset against leave to be earned in future, for maximum period of 365 days in the entire period of service, subject to the condition that during the first 5 years of service it shall not exceed 90 days in all. Such leave may be converted into leave on half pay. It will be granted only when there are reasonable chances of the civil servant resuming duty. Such leave will be granted sparingly and to the satisfaction of sanctioning authority.

**7.175 Special leave:** A female civil servant, on the death of her husband, may be granted special leave on full pay, when applied for, not exceeding 130 days. This leave shall not be debited to her leave account. Such leave will commence from the date of death of her husband. She should produce the death certificate along with her application for leave or separately.

#### **MATERNITY LEAVE:**

**7.176** A female Government servant may be granted maternity leave on full pay for the period which may extend upto ninety days from the date of its commencement or 45 days from the date of confinement whichever is earlier. Leave of any other kind may be combined with the maternity leave. The maternity leave may be granted to permanent as well as to temporary Government servants. With the exception of the employees of Vacation Departments, maternity leave may not be granted for more than three times in the entire service of a female civil servant. For confinements beyond the third one the female civil servant would have to take leave from her normal leave account. Spells of Maternity Leave already availed of will be accounted for against the three times limit.

#### **EXTRAORDINARY LEAVE (LEAVE WITHOUT PAY):**

**7.177(i)** The Extraordinary leave may be granted on any ground upto a maximum period of five years at a time, provided the civil servant to whom such leave is granted has been in continuous service for a period of not less than ten years. The maximum period of five years will be reduced by the period of leave on full pay or half pay, if granted in continuation with extraordinary leave. If, however, a civil servant has not completed ten years of continuous service, E. O. L. without pay for a maximum period of two years, may be granted at the discretion of the head of his office.

**(ii)** This leave may be granted irrespective of the fact whether the civil servant is a permanent or temporary Government servant.

(iii) The Authority empowered to grant leave may commute retrospectively the periods of absence without leave into extraordinary leave (F.R. 85).

**7.178(a) Refusal of leave preparatory to retirement and Encashment of Leave---**

(i) If in case of retirement on superannuation or voluntary retirement on completion of thirty years qualifying service a civil servant cannot, for reasons of public service, be granted leave preparatory to retirement duly applied for in sufficient time, he will in lieu thereof be granted lump sum leave pay for the leave refused to him subject to a maximum of one hundred and eighty days leave on full pay.

(ii) Such leave can be refused partly. & sanctioned partly but the cash compensation shall be admissible for the actual period of such leave so refused not exceeding one hundred and eighty days.

(iii) The payment of leave pay in lieu of such refused leave may be made to the civil servant either in lump sum at the time of retirement or may, at his option, be drawn by him month-wise for the period of leave so refused.

(iv) for the purpose of lump sum payment in lieu of such leave, only the "Senior Post Allowance" will be included in "Leave Pay" so admissible.

(v) In case a civil servant on leave preparatory to retirement dies before completing one hundred and eighty days of such leave, his family shall be entitled to lump sum payment equal to the period falling short of one hundred and eighty days.

**(b) Power to refuse leave preparatory to retirement, etc:**

(i) Ordinarily, leave preparatory to retirement shall not be refused.

(ii) All orders refusing leave preparatory to retirement to a civil servant and recalling civil servant from leave preparatory to retirement shall be passed only by the authorities specified below:

For civil servants of BPS-17 and above.	Secretary, Establishment Division personally.
For civil servants of BPS-16 and below.	Secretary of the concerned division personally.

(iii) The authorities specified in sub-rule (ii) shall not delegate these powers to any other authority.

(iv) All proposals regarding refusal of Leave Preparatory to Retirement to the Officers in BPS-17 and above shall be submitted to the respective appointing authorities with detailed justification atleast three months before the officer is due to proceed on such leave..

**(c) Option for Encashment of Leave preparatory to Retirement:**

(i) a civil servant may, fifteen months before the date of superannuation or thirty years qualifying service on or after the 1<sup>st</sup> July, 1983 at. his option, be allowed to encash his leave preparatory to retirement if he undertakes in writing to perform duty in lieu

of the whole period of three hundred and sixty-five days or lesser period which is due and admissible.

(ii) In lieu of such leave, leave pay may be claimed at any time during the period at the rate of pay admissible at the time the leave pay is drawn for the actual period of such leave subject to a maximum of one hundred and eighty days. The rate of leave pay will be the rate admissible on the date such leave would have commenced. The leave pay may be drawn at any time for the period for which duty has already been rendered.

[Finance Division Notification F. 1 (73)-R4/84, dated 15-10-1985]

(iii) If at any time during such period leave is granted on account of ill health supported by medical certificate or for performance of Haj, the amount of cash compensation on account of leave pay will be reduced by an amount equal to the leave pay for half the period of leave so granted, for example, if an employee who has opted for encashment of such leave, has taken sixty days leave, his cash compensation equal to thirty days leave will be forfeited.

(iv) The civil servant will submit the option to the authority competent to sanction leave preparatory to retirement, which will accept the option and issue formal sanction for the payment of cash compensation.

(v) For the purpose of payment in lieu of such leave, only the "Senior Post Allowance" will be included in "Leave Pay" so admissible.

[Finance Division Notification No F. 1 (73)-R4/84, dated 18-12-1984]

#### **IN-SERVICE DEATH:**

**7.179** In case a civil servant dies, or is declared permanently incapacitated for further service by a Medical Board while in service, a lump sum payment equal to leave pay upto 180 days out of the leave at his credit will be made to his 'family' as defined for the purpose of family pension or as the case may be, to the civil servant.

[Finance Division's Notification No. F. 1 (34)-R4/85, dated 1-9-1985]

#### **INDICATION OF REASONS OF LEAVE NOT NECESSARY:**

**7.180** It will not be necessary to specify the reasons for which leave has been applied, so long as that leave is due and admissible to a civil servant. Leave applied for on medical certificate will not be refused. The authority competent to sanction leave may, however, at its discretion, secure a second medical opinion by requesting the Civil Surgeon/Medical Board to have the applicant medically examined.

#### **COMMENCEMENT/END OF LEAVE:**

**7.181** Instead of indicating whether leave starts/ends in the forenoon or afternoon leave may commence from the day following that on which a civil servant hands over the charge of his post. It may end on the day preceding that on which he resumes duty.

#### **RECALL FROM LEAVE:**

**7.182** If a civil servant is recalled to duty compulsorily with the personal approval of the head of the his office from leave of any kind, that he is spending away from his headquarters, he may be granted a single return fare plus daily allowance as admissible on

tour from the station where he is spending his leave to the place where he is required to report for duty. In case he is recalled to duty at headquarter and his remaining leave is cancelled the fare then admissible will be for one way journey only. If return from leave is optional, no concession is admissible.

#### **OVERSTAYAL AFTER SANCTIONED LEAVE:**

**7.183** Unless his leave is extended by the head of his office, a civil servant who remains absent after the end of his leave is not entitled to any remuneration for the period of such absence, and double the period of such absence will be debited against his leave account. Such debit, if there is insufficient credit in the leave account, be adjusted against further earning. Such double debit will not preclude any disciplinary action that may be considered necessary under the rules.

#### **LEAVE SALARY:**

**7.184** The leave salary on average pay is calculated on the basis of the average pay drawn during the twelve complete months immediately preceding the month in which the leave is taken or in the case of leave taken on or after 1st July, 1969 leave salary is admissible at a rate equal to the pay last drawn by the Government servant before the commencement of the leave, if the same be more than the average pay. Leave salary on half pay will be half of the average pay/pay last drawn as mentioned above.

#### **LEAVE EX-PAKISTAN:**

**7.185** Leave on full pay may also be granted as leave ex-Pakistan to a civil servant who applies for such leave or who proceeds abroad during leave, or takes leave while posted abroad or is otherwise on duty abroad, and makes a specific request to that effect. The leave pay to be drawn abroad shall, however, be restricted to a maximum of Rs. 3, 000 per month. Such leave pay shall be payable for the actual period, of leave spent abroad subject to a maximum of 120 days at a time. The concession of drawing leave salary outside Pakistan is, however, not admissible to those Government servants who were appointed after the 17th May, 1958. They will draw their leave salary in Rupees in Pakistan irrespective of the country where they spend their leave.

#### **COMBINATION OF DIFFERENT TYPE OF LEAVE:**

**7.186** One type of leave may be combined with joining time or with any other type of leave otherwise admissible. But the leave preparatory to retirement cannot be combined with any other kind of leave.

#### **EXPLANATORY INSTRUCTIONS FOR FILLING UP THE LEAVE ACCOUNT FORM:**

**7.187** The leave account will be maintained for all civil servants of the Federal Government who were in service on the 1st July, 1978 including those who were on leave on that date and have not opted to retain the existing leave rules and others, who enter service on or after 1st July, 1978.

**7.188** All leave at credit in the account of a civil servant who was in service on the 1st July, 1978 shall be converted in terms of leave on full pay at the following rates:

(i) L. A. P. (a) 1 month (b) 1 day	30 days 1 day
(ii) L. H. A. P. (a) 1 month (b) 2 days	15 days 1 day.

(Fractions if any to be ignored)

**7.189** The leave account shall commence with an opening entry "Due on 1st July, 1978" or in the case of a civil servant, who was on leave on 1st July, 1978 with effect from the date of his return from leave. For the purpose of computing the leave at credit, the service upto 30th June, 1978 will be taken into account. The leave due in terms of leave on full pay in days will be noted in Column No. 21.

**7.190(i)** In calculating the leave earned on full pay at the rate of 4 days for every calendar month the duty period of 15 days or less in a calendar month shall be ignored and those of more than 15 days shall be treated as a full calendar month for the purpose. If a civil servant proceeds on leave during a calendar month and returns from it during another calendar month and the period of duty in either month is more than 15 days, the leave to be credited for both the incomplete months will be restricted to that admissible for one full calendar month only. There shall be no maximum limit on accumulation of this leave.

**(ii)** The provision in (i) above will not apply to a vacation department. In its case, a civil servant may earn leave on full pay (a) when he avails himself of full vacation in a calendar year?at the rate of one day for every calendar month duty rendered (b) when during any year he is prevented from availing himself of the full vacation?as for a civil servant in a non-vacation department for that year, and (c) when he avails himself of only a part of the vacation?as in (a) above plus such proportion of thirty days as the number of days of vacation not taken bears to the full vacation.

**7.191(a)** Leave on full pay may be converted into leave on half pay at the option of the civil servant; the debit to the leave account will be at the rate of one day of the former for every two days of the latter, fraction of one half counting as one full day's leave on full pay. The request for such conversion shall be specified by the civil servant in his application for the grant of leave.

**(b)** There shall be no limit on the grant of leave on half pay so long as it is available by conversion in the leave account.

**7.192** L. P. R. on full pay will be noted in column No. 10 while that on half pay in columns No. 13 and 14.

**7.193** Leave not due may be granted on full pay to be offset against leave to be earned in future for a maximum period of 365 days in the entire period of service, subject to the condition that during the first five years of service it shall not exceed 90 days in all. Such

leave may be converted into leave on half pay. It shall be granted only when there are reasonable chances of the civil servant resuming duty.

**7.194** The grant of Special Leave, Maternity Leave, Disability Leave, Extraordinary Leave, payment of leave pay for refused L. P. R. upto a maximum of 180 days, lump sum payment equal to full pay upto 180 days out of leave at credit made to the family of a Government servant, whose death occurs while in service. Seaman sick leave, Department leave. Study leave, Hospital leave and Quarantine leave shall be noted in column No. 22, Maternity leave other than three times in entire service shall, however, be debited to the relevant column of the leave account.

**7.195** When a Government servant applies for leave columns 2 to 7 shall be filled in showing the period of duty upto the date preceding that on which a Government servant intends to go on leave. The full calendar months to be noted in column 5 shall be worked out on the lines indicated in para 7.190 above.

**7.196** When a Government servant returns from leave columns 8 to 23 shall be filled in according to the nature of leave. If leave not due is availed off the minus balance to be shown in column No. 21 should be written in red ink.

**JOINING TIME (F.Rs. 105 TO 108):**

**7.197** The joining time is granted to a Government servant in order to enable him:

- (a) to join a new post which he is appointed while on duty in his old post; or
- (b) to join a new post.
  - (i) while returning from leave on average pay not exceeding 4 months; or
  - (ii) if he was not given sufficient notice regarding his appointment to the new post, on return from any leave other than that specified in (i) above; or
- (c) to travel from the port of debarkation or in case of air journey from first airport of call in Pakistan to organize his domestic establishment, on return from leave out of Pakistan for more than 4 months; or
- (d) (i) to proceed from a specified station to join a post in a remote locality, which is not easy of access; or
  - (ii) to proceed on relinquishing charge of a post in a remote locality to a specified station.

**7.198** The joining time in respect of clauses (c) and (d) above is not admissible to the holders of posts of Judge of a High Court and Secretary to the National Assembly.

**7.199** The following are some important decisions under the rules referred to above---

(a) No joining time, joining time pay and travelling allowance should be granted to a Provincial Government servant who is appointed to a post under the Federal Government, while on duty in his old post, but joins his new post after termination of his employment under the Provincial Government by resignation or otherwise. When the employment of a particular Government servant is in the wider public interest, this rule may be relaxed.

(b) A Government servant, who proceeds on leave on average pay not exceeding 4 months from his old post in another station where he is spending the leave, should be granted joining time for one day only in terms of S. R. 293.

(c) The Government servants, who are appointed to the posts under the Federal Government on the results of the competitive examination which is open to both Government servants and others, are allowed the joining time and joining time pay as follows: ?

(i) Joining time is admissible to all Government servants serving under the Federal Government and to Provincial Government servants who hold substantive permanent posts.

(ii) The joining time pay is admissible to those Government servants only (including those of a Provincial Government) who hold permanent posts in a substantive capacity.

(iii) Travelling allowance on transfer is allowed only in such cases, where joining time pay is admissible under (ii) above.

(d) The joining time and travelling allowance of Military Officers in civil employ are governed by the civil rules. For the purposes of these rules, privilege leave under the military rules should be treated as leave on average pay of not more than 4 months duration,

(e) The time reasonably required for journeys between the place of training and the station to which the Government servant is posted immediately before or after the training should be treated as part of training. This ruling does not apply to probationers holding training posts and they are entitled to joining time when transferred.

(f) In cases where a Government servant is entitled to joining time on the expiry of leave, if he joins his new appointment before the expiry of such leave plus joining time admissible, the period short taken should be considered as leave not enjoyed and a corresponding portion of the leave cancelled without any reference to the authority which sanctioned the leave. If, however, the Government servant concerned does not desire to avail himself of the full joining time admissible to him, the period of leave and joining time may be adjusted in accordance with his option.

(g) If vacation is combined to leave, it should be treated as leave for calculating leave on average pay not exceeding 4 months and leave out of Pakistan for more than 4 months for purposes of FR 105(b) (i) and (c) respectively.

(h) The joining time admissible on return from leave out of Pakistan for more than 4 months is reckoned from the date of disembarkation at a Pakistan port. It is also admissible to a Government servant even if he does not make any journey from the port of disembarkation so as to enable him to organize his establishment.

(i) When a Government servant is allowed joining time on return from leave and is posted to a place in remote locality, he should arrive at specified station within the period of his leave and the joining time admissible under FR 105(b) or (c) and from the specified station onward his joining time will be regulated under F. R. 105(d).

**7.200** In terms of FR 106 a Local Government is competent to make rules regulating the joining time admissible under F. R. 105 and specify the places and stations to which

clause (d) would be applicable. The Federal Government in their capacity as Local Government have framed rules which are contained in S. Rs 293 to 306-A.

**7.201** A Government servant on joining time is treated as on duty and the joining time pay is regulated as under.

(a) If transferred to join a new post, while on duty in his old post, he is entitled to the pay which he would have drawn, had he continued in his old post or the pay which he will draw on taking charge of his new post, whichever is less.

(b) Where joining time is allowed on return from leave, a Government servant will draw the leave salary during the joining time at the rate prescribed for the payment of leave salary in Pakistan. No joining time pay is admissible on return from extraordinary leave, except the extraordinary leave, not exceeding 14 days in continuation of other leave.

(c) For the joining time admissible from a specified station to and from a place in remote locality he would be entitled to the pay as though he was on duty in his post in the remote locality. This holds good even in the case of a Government servant, who is on straight transfer.

**7.202** No extra-pay should be drawn in any case by a relieving Government servant until the transfer of charge is completed in such cases where the charge consists of several-scattered works, which the relieving and the received officers are required to inspect together on the orders of the superior officers. In a case of like nature the relieving officer would be treated as on duty, provided the time taken by him for taking over charge is deemed as reasonable by his superiors and will draw the presumptive pay of his permanent post. If he was officiating in a post he will draw that pay provided it was not more than the pay he would draw in his new post, otherwise he is entitled to draw the presumptive pay of his substantive permanent post. If he returns from leave, he would draw pay of the permanent post. During the period the transfer of charge is completed both the relieved and relieving Government servant would be entitled to the concession of free quarters or house rent allowance in lieu thereof.

**7.203** During the courses of joining time under clauses (b) and (c) of F. R. 105 a military commissioned officer subject to the civil leave rules would be entitled to the leave salary subject to the minimum prescribed by the Military authorities under F. R. 90.

**7.204** The overstaying of joining time is wilful absence from duty and may be treated as misbehaviour for purposes of F. R. 15. No pay or leave salary is admissible after the expiry of the joining time as admissible under the rules.

**7.205** If in the interest of public service, a person who was employed under an agency or institution other than the Government or was on leave from there, is appointed to a post under the Government he may be granted joining time, at the discretion of the Local Government, for the period of preparation and making journey to join the post. Similarly he may be allowed joining time for preparation and journey to join his original post after termination of his employment with the Government. During the joining time he will draw the pay or leave salary as the case may be, he was drawing in his post with the private employer or the pay of the post under the Government, whichever is less.

#### **FOREIGN SERVICE (F. RS 109 TO 127):**

**7.206** Under Section 10 of the Civil Servants Act, 1973, every Civil Servant, not recruited specifically to serve in a particular area or region, is liable to serve anywhere within or outside Pakistan, in any post under the Federal Government or any Provincial Government or local authority, or a corporation or body, set up or established by any such Government. If a Government servant is deputed to serve under a Local Fund, quasi-public body, semi-Government organization, a statutory or a private body and receives his pay from a source other than the general revenues, he is treated as on 'foreign service'. Deputation on foreign service in Pakistan is within the competence of a Local Government but transfer to foreign service out of Pakistan requires the sanction of the President. The terms of foreign service will be regulated vide Establishment Division O. M. No. 18/48/81-R. 3(CV) dated 24th April, 1982 and Finance Division O. M. No 5(5)-R7/79, dated 29th January, 1984.

**7.207** With the attainment of the provincial autonomy, however, it was held that transfer to Foreign Service out of Pakistan was also within the competence of a Provincial Government. This view was upheld and it was decided that the Provincial Government could sanction transfer on Foreign Service out of Pakistan, but it was suggested to them that they should consult the Federal Government before hand and take into consideration their views also.

**7.208(i)** The Government servants holding permanent or temporary posts and drawing pay from the general revenues may be sent on Foreign Service. The requests from the foreign employer in this behalf should be processed very carefully with a view to determine that duties to be performed after the transfer are such as would, for public reasons, be rendered by that particular Government servant. The proposals received from the private employers should be scrutinized more rigorously. The loan of a Government officer to a private undertaking should be regarded as a very exceptional case requiring special justification.

**\*(ii)** Government servants are not allowed to seek employment with private bodies outside Pakistan on their own. They should apply only against posts advertised in the country through the Bureau of Emigration and Overseas Employment and the maximum period for which they may remain abroad shall not exceed 5 years. If this condition is not complied with, the Government servant concerned shall have to resign from Government service).

\*[Establishment Division O.M No 1/23/66 TIV dated 24<sup>th</sup> June, 1978.]

**7.209** While on Foreign Service Government servant remains in the cadre or cadres in which he was included in a substantive or officiating capacity immediately before his transfer to the Foreign Service. He may also be given promotion in a substantive or officiating capacity to a higher post in another cadre. When the promotion of a Government servant who is on foreign service is to be considered the duties performed by him in his post under the foreign employer and the promotion given to his juniors in the cadre should also be taken into account.

**7.210** When the transfer of a Government servant to Foreign Service in Pakistan is sanctioned, the period for which he is so transferred, the post which he shall hold in Foreign Service and the pay which he shall receive in such service must be precisely specified in the order sanctioning the transfer. If it is intended that he shall receive any remuneration or enjoy any concession of pecuniary value in addition to his proper pay, the exact nature of such recommendation or concession must be similarly specified. No Government servant will be

permitted to receive any remuneration or enjoy any concession which is not so specified and if the order is silent as to any particular remuneration or concession; it must be assumed that the intention is that it shall not be enjoyed.

**7.211** The salient features of Foreign Service are as under:

(i) The Government servant will be treated to be on Foreign Service with effect from the date he makes over charge of his post under the Government. He shall revert from Foreign Service on the date he takes over charge of his post under Government. If he takes leave before joining his post under Government the date of reversion from Foreign Service will be decided by the Government.

(ii) During the period of foreign service, the person concerned will be entitled to pay, joining time pay, leave salary, allowances and travelling facilities (including passage for himself and his family to the place of employment under the borrowing Government and back on termination of the foreign service) in accordance with the regulations of or the terms and conditions offered by the borrowing Government/Organization.

(iii) The foreign employer (and where foreign employer is not agreeable to pay the pension contribution) the Government servant concerned as the case may be, will during the period of foreign service, pay to the Government of Pakistan pension contribution. The contribution will be paid in foreign currency if the foreign service is outside Pakistan in accordance with the relevant rules and at the rates prescribed from time to time by the government of Pakistan. The remittance shall be made by the foreign employer or the Government servant concerned through normal banking channels to the parent office of the Government servant concerned in Pakistan with a covering letter showing the relevant head of account. The parent office will send copies of challans and schedules to the Accounts Officer concerned for information and necessary action. On delayed payment of these contributions, the provisions of S. R.307 shall apply. Till such time as the rates of pension contributions are ascertained and intimated by the Audit Office concerned the foreign employer or the Government servant concerned shall provisionally pay pension contribution in foreign currency at a uniform rate of 33-1/3% of the mean of minimum and maximum of the pay scale of the post held by him at the time of his proceeding on foreign service, plus other emoluments (reckonable for pension which would have been admissible to him had he not been deputed on foreign service).

(iv) During the period of Foreign Service the Government servant concerned will continue to subscribe to the G. P. Fund, the remittance of which should invariably be supported with a G. P. Fund schedule mentioning therein the G. P. Fund Account Number and the name of the Accounts Officer maintaining the account. The remittance should be made to the parent office of the Government servant concerned. The parent office will send copies of challans and schedules to the Accounts Officer concerned for information and necessary action. As regards the Benevolent Fund and Group Insurance Premium contribution, this should be remitted directly by the Government servant concerned through the normal banking channels to the Board of Trustees, Federal employees Benevolent and Group Insurance Fund, Near Zero Point, Islamabad, with the prescribed schedule, duly completed.

(v) The leave terms of the person concerned during the period of his foreign service will be regulated according to the rules of or the terms and conditions offered by

borrowing department, Government/Organization. Leave salary due in respect of such leave will be payable by the borrowing Government or Organization to the person concerned. No part of leave earned by him during the period of Foreign Service will be credited to his leave account with the Government nor will any liability in respect of leave salary on account of such leave devolve on the Government. The Government will not recover any leave salary contribution from the borrowing Government or Organization. The leave earned by a Government servant, but not availed/allowed during the period of Foreign Service in Pakistan will be credited to his leave account on reversion to the Government department. For this purpose, the autonomous bodies/ corporations will maintain proper leave account of the Government servants on deputation with them. The encashment of leave on the basis of the rules/regulations of the autonomous/corporations, will not be admissible to such Government servant.

[Ministry of Finance O.M No F. 5(2) Reg (7)/87, dated 28<sup>th</sup> January, 1987.]

(vi) The person concerned will not be entitled to receive any leave salary from Government in respect of disability leave on account of any disability arising in or through Foreign Service, even though this disability might manifest itself after the termination of Foreign Service.

(vii) During the period of Foreign Service, the person concerned will not be entitled to any medical facility in respect of himself and family members at the expense of the Government.

(viii) The person concerned will be on deputation with the borrowing Government or Organization for the "period originally agreed upon. Any extension beyond the original period of deputation will not be made without the approval of the Government of Pakistan, and will be treated as an irregularity on the part of the person concerned and may call for disciplinary action.

(ix) If the person concerned during the period of his deputation becomes entitled to any additional benefit, or is appointed to any post involving alteration in his emoluments, he will intimate particulars of such appointment to the Government of Pakistan for information. Any modifications of the terms involving additional liabilities on the Government will require their prior approval.

**7.212** The Lending Department should invariably work out the rate of pension contribution and incorporate the same in the terms and conditions of the persons concerned deputed on Foreign Service within Pakistan or outside Pakistan. To illustrate, the rate of the pension contribution will be as under in respect of an officer of BPS-17, the minimum and maximum of the pay scale of which is Rs. 1600 and Rs. 3040 respectively:

$$(i) \quad \frac{\text{Mean Rs. } 2065 + 3925}{2} \\ = \text{Rs. } 2995.$$

(ii) Rate of pension contribution @ 33-1/3% will be

$$\frac{2995 \times 100}{100 * 3}$$

$$= 998.33 \text{ or Rs } 998 \text{ per month.}$$

**7.213** Under the instructions contained in the Finance Division O. M. No. F. 5(5) R. 7/79-1407, dated 15-12-1981, no leave salary contribution is recoverable from the foreign employers but leave/leave salary is to be sanctioned/paid during the period of foreign service by the foreign employers, that period being not countable for earning leave with the Government of Pakistan. In view of this position, pension contribution will be payable by the foreign employer during the entire period of foreign service including the period of leave availed of by the person concerned with the foreign employer.

## CHAPTER VIII

### SUPPLEMENTARY RULES

#### EXTENT OF APPLICATION (S.R.1):

**8.1** The Supplementary Rules apply to those Government servants only who are governed by the Fundamental Rules and their pay is debitable to the Federal Revenues.

#### DEFINITIONS (S.R.2):

**8.2** Some of the important items defined below have been used in the Supplementary Rules in the sense here explained:

**(i) Actual Traveling Expenses** means the actual cost of transporting a Government servant with his domestic servants and personal luggage, including charges for ferry and other tools and for carriage of camp equipment, if necessary. It does not include charges for hotels, traveller's bungalows or refreshments, tips and expenses on breakage of crockery and furniture, etc.

**(ii) Apprentice** means a person deputed for training in a trade or business with a view to employment in Government service, who draws pay at monthly rates from the Government during such training but is not employed in or against a substantive vacancy in the cadre of a Department.

**(iii) Camp Equipage** means apparatus for moving a camp.

**(iv) Camp Equipment** means tents and the requisites for pitching and furnishing them or, where tents are not carried, such articles of camp furniture as it may be necessary, in the interest of the public service for a Government servant to take with him on tour.

**(v) Competent authority in relation to the exercise of any power** means the President or any authority to which the power is delegated by or under these rules.

**(vi) Day** means a calendar day beginning and ending at midnight; but an absence from headquarters which does not exceed 24 hours is reckoned for all purposes as one day at whatever hours the absence begins or ends.

**(vii) Family** means a Government servant's wife, Legitimate Children and step-children, residing with and wholly dependent upon him. Except in S.Rs. 116,155-A, 155-B and 163, it includes in addition his parents, sisters and minor brothers, if residing with and wholly dependent upon him. Not more than one wife is included in a family for the purpose of these rules.

[Ministry of Finance Note No.F 2(8) R.9 830]

The term legitimate children in the rule do not include adopted children except those adopted under the Hindu Law.

In case of Government servants not subject to Hindu Law also an adopted child will be treated as a member of Government servant's family subject to the following conditions:

- (i) The Government servant has no legitimate or step child of his own;
- (ii) prior approval of the head of Ministry/Division is obtained for adopting child;
- (iii) Government liability will be restricted to one adopted child only; and
- (iv) an adopted child will cease to be a member of the family if after his adoption the Government servant has a legitimate or step child of his own.

[Finance Division O. M. No. E. 7(27) R-2 (RWP)/63. dated 27-12-19651.

**(viii) Grain Compensation Allowance** means a form of compensatory allowance which may be granted to low paid Government servant on account of a temporary or abnormal rise in prices of food grains in the locality where they serve.

**(ix) Head of Department** means any authority which the President may by order declare to be the Head of a Department for the purpose of these rules.

**(x) Holiday means (a)** a holiday prescribed or notified under section 25 of the Negotiable Instruments Act 1881, and

**(b)** in relation to any particular office, a day on which such office is ordered, by Notification of the Government in Gazette, to be closed for the transaction of Government business without reserve or qualification.

**(xi) Probationer** means a Government servant employed on probation in or against substantive vacancy in the cadre of a department.

**Explanation** According to Audit Instruction (2), below F. R. 9(6), the term "Probationer" does not cover a Government servant who holds substantively a permanent post in a cadre and is "on probation" to another post. To differentiate between a "probationer" and a person "appointed on probation" it has been explained, that while a 'probationer' is one appointed in or against a post substantively vacant with definite condition of probation, a person 'on probation' is one appointed to post (not necessarily vacant substantively), for determining his fitness for eventual substantive appointment to that post. There is nothing in these' Audit Instructions to prevent a Government servant substantive in one cadre (e. g. a First Division Assistant holding a lien on a post borne on the Central Secretariat Service, Class II) from being appointed (either through selection by a departmental committee or as a result of competitive examination through the Federal Public Service Commission) as a "probationer" in or against a post borne on another cadre (like the Pakistan Audit and Accounts Service, the Customs Service and the Income Tax Service, Class I), when definite conditions of probation such as the passing of departmental examinations are prescribed. In such a case, the Government servant should be treated as a "probationer" and (subject to specific rules, if any, to the contrary) allowed only, as initial and subsequent pays, the rates of pay prescribed for the probationary period, irrespective of whether those rates are actually included in or shown separately from, the time scales of the services concerned. The case of departmental candidates of the same Department promoted by selection (e. g. an S. A. S. Central Service Class III, Superintendent or an A. A. O. of the Pakistan Audit Department

promoted by selection to the Pakistan Audit and Accounts Service within the quota for such promotion) is, however, different. If the concerned Ministries/Divisions of the Government of Pakistan consider it expedient, these "promoted" men may properly be put "on probation" for a period to see if they make good in the actual work of a Class I officer and have liens (active or suspended) retained for them on their former posts, meanwhile to provide for their possible reversion. But, whatever the departmental arrangements be to test their capacity etc., during the "on probation" period, their initial pay should be fixed under the operation of the normal rules regulating pay fixation.

(xii) **Public Conveyance** means a train, steamer, or other conveyance which plies regularly for the conveyance of passengers.

**8.3 Medical Certificate of fitness (S.Rs.3 to 4-A):** The medical certificate of fitness for Government service should be in the Form prescribed in S. R. 3. When a candidate for appointment in a B-1 to B-15 post is sent for medical examination, the examining medical officer or board should be asked to obtain on the medical certificate the thumb and finger impression in respect of illiterates and signature in respect of literate candidates in their own presence, so that these may be compared by the head of office with those in the Service Book.

**8.4** The certificate should be signed by a commissioned medical officer of the Government or by a medical officer in charge of civil station and in case of employment in Railways, by a medical officer of the Railway. For a female candidate, a certificate by a female medical practitioner may be accepted by the competent authority. In cases where the pay of the candidate is not likely to be more than 750 rupees at the time of his confirmation, medical certificate signed by a licentiate or medical graduate may be accepted. Where a temporary appointment is likely to continue for more than three months the candidate should be required to produce a medical certificate of fitness either immediately or within a week of the date of appointment from the authorised medical attendant. In all matters of doubt the case should be referred to the Civil Surgeon. If a person was appointed for less than three months in the first instance and then his appointment was extended to go beyond three months or he was transferred to another post without a break so as to exceed the three months period, he should be called upon to produce a certificate within a week from the date of orders sanctioning his retention in that office or joining the new office.

**8.5** The following instructions apply to medical examination of candidates appointed direct to BPS-16 & above posts under the Federal Government excepting persons recruited through competitive examination held by the FPSC for which separate rules exist:

(i) All persons not already in service under the Federal Government should be required to undergo medical examination. The examination should be by a Medical Board if the post is permanent or quasi-permanent or is likely to last for more than a year and by a Civil Surgeon if the post is likely to last for not more than a year. If an appointment initially made for a period not more than a year is subsequently extended beyond that period, the person concerned should be required to undergo medical examination by a Medical Board.

(ii) Persons already in temporary service, under Federal Government will also be subject mutatis mutandis to the general rules in (i) above, provided that any person appointed to a post not likely to last for more than a year who has already been medically examined by

an authority not lower than a Civil Surgeon in respect of a previous post need not undergo examination again until and unless the period of the post is extended beyond one year. If such a person has already been examined by a Medical Board in respect of his previous appointment and if standard of medical examination prescribed for the new post is the same, then he need not be required to undergo a fresh medical examination before confirmation.

(iii) A person who is already permanent or quasi-permanent in a post under the Federal Government need not be medically examined on an appointment to BPS-16 and above post; provided that if the new appointment is not in the normal line of promotion of the person concerned and requires different medical standard from that required in his permanent or quasi-permanent appointment, or the rules for recruitment to the new appointment prescribe a fresh medical examination in respect of all candidates, he shall undergo a fresh medical examination by the prescribed standard and by the prescribed medical authority.

**8.6** A Government servant who on his first appointment in a temporary capacity obtained a medical certificate of fitness from his authorised medical attendant and who is subsequently appointed in a substantive permanent vacancy in the same office or elsewhere without a break in service should at the time of his confirmation, obtain a certificate of fitness from a civil surgeon or a commissioned medical officer. If he was already examined by any of these officers he need not do it again. This rule is, however, not applicable to female Government servants and those in receipt of pay not exceeding Rs. 50.

Note: - The old limit of Rs. fifty would normally cover all BSP-1, 2 or 3 Government servants, in the present context.

**8.7** The following Grades of Government servants are exempted from producing a medical certificate of health:

(a) A Government servant recruited through a competitive examination who had to undergo medical examination in accordance with the regulations prescribed for appointment to Government service;

(b) A Government. Servant in BPS-4 and above appointed in a temporary vacancy of less than three months duration;

(c) A Government servant of BPS 1, 2 or 3 appointed in a temporary vacancy of less than 6 months duration;

(d) A temporary Government servant, who has already been medically examined in one office, if transferred to another office without a break in his service. He should obtain a certificate from the head of the office from which he is transferred to the effect that he had already produced the requisite medical certificate of health;

(e) A retired Government servant re-employed immediately after retirement; and

(f) A non-career diplomat appointed as Ambassador/Minister in a foreign country.

**8.8** (a) When a Government servant is promoted from a non-qualifying service paid from a Local Fund to a post in Basic Pay Scale 4 and above or is reappointed after resignation or forfeiture of past service, he should be required to produce a medical certificate of health. In other cases of re-employment a competent authority will decide as to whether a certificate should be produced or not.

(b) Government servants in BPS 1, 2 or 3 should also be required to produce a certificate from a Civil Surgeon.

**8.9 Compensatory Allowance (S.Rs.5 to 7):** The Compensatory Allowance attached to any post is not admissible to a Government servant from the date he relinquishes charge of the post.

**8.10** In case of leave, other than leave preparatory to retirement, the title to compensatory allowance remains intact if it does not exceed four months. If the leave originally sanctioned is extended but the total period does not exceed 4 months, the compensatory allowance will still be admissible. In case, however, the first or subsequent extension of leave takes the period beyond 4 months, the compensatory allowance will be admissible upto the date of expiry of the original or extended leave not exceeding 4 months or the date of orders of extension which causes (he total period of leave to exceed 4 months whichever is earlier. The 'extra-ordinary leave' is included in the term 'leave'. If vacation is combined with leave, the entire period of vacation and leave should be treated as one spell of leave for the purpose of these rules.

**8.11 Temporary Transfer** means deputation or transfer to duty in another station, which is expressed to be for a period not exceeding 4 months. The compensatory allowance is admissible on a temporary transfer subject to a limit of 4 months. If the period is extended beyond 4 months, the compensatory allowance can be drawn upto the date of orders of extension. The joining time, if any, is added to the period of 4 months.

**8.12 Grain Compensation Allowance(S.R. 6-A):** The Grain Compensation Allowance may be sanctioned by a competent authority upto a maximum of Rs. 3 per month to those Government servants whose pay (including overtime payments, fees and pension) does not<sup>9</sup> exceed Rs. 30 in a month. A Government servant, who is stationed in a territory administered by local Government and which pays Grain Compensatory Allowance to their employees, may be granted Grain Compensation Allowance on the same terms and conditions as the local Government have laid down. This allowance may be drawn during leave, if the authority sanctioning the leave certifies that on the expiry of leave the Government servant will be re-appointed to a post to which the Grain Compensation Allowance is attached. It is admissible during temporary transfer also if the above condition is satisfied and the Government servant does not draw this allowance in the post to which he is transferred.

**8.13 Allowance for the expensiveness of living (S. R. 6-B):** An allowance granted owing to the expensiveness of living other than a Grain Compensation Allowance or House Rent Allowance may be drawn during leave if it was certified by the competent authority that on the expiry of leave he was likely to return to the same post or at another station which he will be entitled to the similar allowance and the Government servant also certifies that he or his family continued to reside, for the period for which the allowance is claimed, at any of the above mentioned stations. In case of temporary transfer also, the compensatory allowance

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<sup>9</sup> Note: The old limit of Rs 30 would normally cover HI'S I or 2 employees in the present context.

can be drawn if the above conditions are fulfilled and the Government servant does not draw any such allowance at the station to which he has been temporarily transferred.

**8.14** A Government servant, on return from leave, if appointed to the same post, will draw during the leave the compensatory allowance, which he was drawing prior to his proceeding on leave. In case he is appointed to some other station or post, but carrying the same rate of compensatory allowance, then there will be no change and he will draw the compensatory allowance at the same rates during the leave. But if [he other post carries a similar allowance at a reduced or enhanced rate, the allowance at the same rate at which he was drawing it immediately before proceeding on leave or the rate admissible for the post to which he is expected to return, whichever is less will be admissible. Where a post does not carry a similar allowance, no allowance will be admissible during leave.

**8.15 House Rent Allowance (S.R.6-C):** The House Rent Allowance may be drawn during the leave or temporary transfer if the likelihood of return to the same post or to another station in which he will be entitled to a similar allowance is duly certified. The Government servant concerned should also certify that either he or his family continued to reside, for the period for which the allowance is claimed, at the station from which he proceeded on leave or was transferred or that he continued to incur the whole or part of the expenditure on rent for which the allowance was granted. When accepting this certificate the competent authority should satisfy itself that the Government servant was unable or could not reasonably be expected to avoid the expenditure and if it is not satisfied, the allowance may not be allowed during leave. Where the Government servant certifies that he incurred a considerable part of the expenditure, it is open to the competent authority to allow a part of the allowance.

**8.16 Motor Car Allowance (S.R.6-D):** The Motor Car Allowance and motor cycle allowance are admissible during leave or temporary transfer if the following conditions are fulfilled:

(i) the substantive pay of the Government servant for the period of claim does not exceed Rs. 1, 500.

(ii) the likelihood of Government servant's returning to the same post or to another post in which the maintenance of a motor car or motor cycle is advantageous from the point of view of efficiency, is duly certified by the competent authority; and

(iii) the Government servant certifies that he continued to maintain the vehicle, incurred expenditure on its upkeep and that it was not used by anybody else during the period.

Note. See also para 8.22 (ii)

**8.17 Horse Allowance (S.R.7):** The Horse Allowance or the allowance for keeping any other animal is admissible during leave and temporary transfer subject to the conditions in Para 8. 16 (ii) and (iii)

**8.18 Conveyance Allowance (S.R.7-A):** A conveyance allowance to which the obligation of maintaining a motor vehicle or a horse or other animal is not attached is not admissible during leave or temporary transfer.

**8.19 Compensatory Allowance (S.R.7-B):** Compensatory Allowance, provision for which has not been made in the foregoing rules, may be drawn during leave or temporary transfer subject to the following conditions:

(i) the likelihood of the Government servant's appointment to the same post or any other post carrying a similar allowance, on return from leave or temporary transfer, is duly certified by the competent authority, and

(ii) the Government servant concerned certifies that he continued to incur the whole or considerable part of the expenditure for which it was granted, during the period in question. The competent authority has to be satisfied about the appropriateness of the expenditure; otherwise it can withhold the payment of the whole or part of the allowance.

**8.20** With a view to adopting a uniform policy and to obviate all misunderstanding the authority sanctioning the leave or transfer should invariably embody in the original sanctioning orders, in terms of S. Rs. 6-A to 7-B, a certificate regarding the likelihood of the Government servant returning to the same post or station, as the case may be.

**8.21** If the above certificate is not embodied in the original order sanctioning the leave or transfer and is given subsequently, it will not be considered as a valid certificate acceptable to the audit, except in cases where such an order is revised before the Government servant actually hands over charge to proceed on leave or temporary transfer. There is however, no objection to accept such a certificate in past tense, if the original sanction to the leave was accorded after the event, i. e., after the close of leave then sanctioned. What is wanted by audit is a written assurance by the competent authority that not later than the time he formally sanctioned the original leave; he then intended to repost the grantee to a qualifying post. The fact that the grantee was so posted on return from leave or temporary transfer may be logically corroborative, but not conclusive evidence of this intention, because the sanctioning authority may have intended otherwise when he first became aware of the fact of absence, but changed the mind before the leave actually ended. In view of this the contention that the fact of returning to a qualifying post dispenses with the need of a declaration of intention is not correct and a prior certificate is essential in all such cases.

**8.22** In partial modification of the orders contained in S. R. 5 to S. R. 7-B, the admissibility of the various compensatory allowances during leave would be as under:

(i) **House Rent Allowance.** House Rent Allowance would be admissible during the entire period of leave including leave preparatory to retirement.

[Finance Division O. M. No. F. 12(3) R-13/77 D No. 156 dated 9-3-1977].

(ii) **Residence-cum-Office-Conveyance Allowance:** Residence Office Conveyance Allowance and Motor Cycle Car Maintenance Allowance sanctioned to Government servant in terms of the Scheme of Revised National Pay Scales and Fringe Benefits and posted at Islamabad, Karachi, Lahore, Peshawar, Multan, Quetta, Rawalpindi, Faisalabad and Hyderabad (including Kotri), is not admissible during the period of leave in accordance with the Finance Division O. M. No. F. 3(3)-Imp. 1/77, dated 3rd July, 1977.

(iii) **Local Compensatory Allowance:** Would be admissible during the period of leave including L. P. R.

[Finance Division O. M. No. F. 4(4) R 13/780 dated 12-10-1978].

(iv) **Senior Post Allowance** Senior Post Allowance would be treated as part of pay for the purpose of drawal of leave salary during the period of leave including leave preparatory to retirement.

[Finance Division O. M. No. F 2(11) Imp 1/77 dated 3-7-1977].

(v) **Entertainment Allowance.** Entertainment Allowance may be drawn during the period of leave on average pay, other than leave preparatory to retirement, upto a maximum of four months, if

(a) the authority sanctioning the leave certifies that the officer is likely on the expiry of the leave, to be posted to the same B. P. S. post from which he proceeds on leave or to a similar post to which entertainment allowance is attached.

(Finance Division O. M. No. F 3(3)/Imp. 1/77 dated 2-10-1977]

(b) Entertainment Allowance during leave will be at the same rate, as on duty, regardless of the amount of leave salary.

[Finance Division O. M No F. 9(4) R 13/78 dated 24-9-78].

**8.23 Drawal of Compensatory Allowance during Joining Time (S. R. 7-C):** If a Government servant is on joining time under F. R. 105 (a) and was in receipt of tentage in his old post and will also be entitled in the new post, then he can draw it during the joining time at the lower of the two rates. An allowance sanctioned for the expensiveness of living can also be drawn during the joining time in a similar way.

#### **FEES:**

**8.24 (S. Rs. 9 to 12):** Subject to any orders issued to the contrary by the President, the fees received by the medical officers in civil employ for services other than professional attendance may be retained by them in full and no portion thereof is required to be credited to the Government. The medical officer can receive fees for services other than professional attendance at the rates fixed by the Government from time to time.

**8.25** The medical officers should not undertake any work involving the acceptance of fees from a private person or body without a general or special sanction of the competent authority. In cases where the fees are divisible between a medical officer and Government the total amount should first be paid in a Government treasury and the share of the medical officer may be drawn through a refund bill. The medical officer concerned should keep a complete record of the work done and the fees received.

**8.26** Where private bacteriological, pathological and analytical work is carried out in Government laboratories and Chemical Examiners Department, 40% of the fees is credited to the Government and 60% is allowed to the Director of Laboratory or the Chemical Examiner, as the case may be, for dividing it with his assistants, and subordinates, in a just and equitable manner. In case of those Government servants however who had been holding posts in the Laboratories or Chemical Examiners Department on or after 28th September, 1934, the share of the Government, would be 25%. They are not entitled to any share in the saleproceeds of the vaccines used for prophylactic purposes such as T. A. B., Cholera, Influenza and Plague vaccines.

**8.27** The rates of fees prescribed for the medical officers are the maximum rates. They are free to reduce the rates or remit them totally, if they are entitled to keep the whole amount of fees. Where the fee is divisible between the Government and the medical officer, the latter can charge a lower rate of fee if he considers it necessary in view of the pecuniary circumstances of the patient or due to other reasons provided the approval of the Local Government is obtained in this behalf. In that event the share of the Government will be calculated on the basis of the actual amount of the fee realised instead of the scheduled rate.

**8.28** No work for a State or a private or public body can be undertaken or fee accepted therefor by a Government servant without the sanction of the competent authority. Except where the Government servant concerned is on leave, the competent authority should certify that the work can be undertaken without detriment to his official duties and responsibilities.

**8.29** When the amount of fee paid to a Government servant is in excess of Rs. 50 non-recurring and if recurring Rs. 50 a year, one third of its should be credited to the general revenues. If due to credit of one-third of fee to the general revenues, a Government servant is left with an amount of less than Rs. 50 if non-recurring, or Rs. 50 a year, if recurring then he should not be paid less than Rs. 50 in each case. Non-recurring and recurring fees should be dealt with separately and not added for purposes of crediting one-third to the general revenues. In the case of former, the limit of Rs. 50 should be applied in each individual case and in the latter case the limit should be applied with reference to the total recurring fees for the financial year.

**8.30** The fees received by the Government servants for giving expert evidence on technical matters before a court of law will be governed by the above provisions of rules.

**8.31** This rule, however, does not apply to fees received by the Government servants from a university or other examining body in return for their service as examiners and from a board of secondary education for services rendered as reviewers of books. This also does not apply to fees received by Government servants for participation in a radio broadcast or television programme or contribution of any article or writing of any lecture to any news papers or periodical if such broadcast or television programme or contribution or letter is of a purely literary, scientific or artistic character.

(Finance Division O. M. No. F. 10(4) R1/77, dated 15-8-1977].

## **TRAVELLING ALLOWANCE**

### **NATURE OF JOURNEYS:**

**8.32** A Government servant may be required to perform a journey on:

- (a) tour,
- (b) transfer, and

(c) for other purpose mentioned in Section X and Section XII to Section XX of Division VI of the Compilation of Fundamental Rules and Supplementary Rules.

**8.33** 'Tour' means absence on duty from the headquarters of a Government servant either within or, with proper sanction, beyond his sphere of duty. (S.R.61)

**8.34 (i)** 'Transfer' means the movement of a Government servant from one headquarters station in which he is employed to another such station, either

(a) to take up the duties of the new post, or

(b) in consequence of change of his Headquarters.

(ii) A transfer at one's own request is not treated as a transfer for the public convenience and for drawl of T. A. under S. R. 114.

**CATEGORIES OF CIVIL SERVANTS FOR PURPOSES OF MILEAGE ALLOWANCE (S. R. 17 TO 20):**

**8.35** There are four Categories of Government Servants for purposes of mileage allowance (as defined in Para 8.42) is as under:

(a) The First Category includes Civil Servants in B-17 and above, all others in receipt of pay exceeding Rs. 5330 per month.

(b) The Second Category includes all Civil Servants in receipt of pay exceeding Rs. 1725 but not exceeding Rs. 5330 per month.

(c) The Third Category includes all other Civil Servants excluding those in B-1 & 2

(d) The Fourth Category includes Civil Servants in B-1 & 2.

[Finance Division O. M. No. F. 4(10)-R. 9/87, dated 18-8-1987]

**8.36** The term 'pay' occurring in the foregoing rules includes all emoluments drawn under F. R. 9(21) (a) (i), (ii) & (iii).

**8.37** When a Government servant holds a substantive post and is appointed to officiate in another post, the officiating appointment will be taken into account for purposes of rates of travelling allowance admissible to him. If a Government servant does not hold any substantive post his classification for purposes of travelling allowance should be regulated with reference to the pay drawn by him.

**8.38** The travelling allowance of an officer who is promoted or reverted with retrospective effect should not be revised for the intervening period, unless actual change of duties is involved. Normally a bill is audited with reference to the facts known at the time of the presentation of the claim, but if a bill is not presented before the promotion or reversion is actually notified, there will be no objection to the Audit to recognize the retrospective effect of the notification.

**8.39** A competent authority may place a Government servant or a class of Government servants in a grade higher or lower than that stipulated above, reasons for which should be duly recorded. In exercise of these powers certain officers have specially been classed as Category I and Category II officers vide Appendix 15 of F. Rs. Vol. II. All female Government servants, who are Category III officer for the purpose of travelling allowance are treated as Category II officers for all authorised journeys on duty.

**8.40** A Government servant in transit from one post to another ranks in Category for the purposes of travelling allowance, to which the lower of the two posts would entitle him.

**8.41** The travelling allowance of re-employed pensioners is regulated as follows:

(a) In the case of officers whose pension is held in abeyance, the T. A. admissible will be determined with reference to pay drawn by them if it does not exceed the maximum pay of the post; otherwise it will be determined with reference to the maximum pay of the post.

(b) In the case of officers who are allowed to draw the whole or a part of their pension in addition to pay, the T. A. admissible will be determined with reference to pay plus pension subject to the condition that only such portion of the pension will be taken into account for this purpose as together with the pay, does not exceed the maximum pay of the post. For the purpose of these orders 'pension' means the gross pension originally sanctioned, i.e. the amount sanctioned before commutation or surrender of 1/4th pension in lieu of gratuity under the Pension-cum-Gratuity Scheme promulgated in the Ministry of Finance O. M. No. (4) F. 12(2) RI/53 dated 4th March, 1954 and O. M. No. F. I (46) RI (2)/57 dated 27th December, 1957.

**8.42** The classification of those persons who are not whole time Government servants is determined by the competent authority on individual merits.

**8.43 Mileage Allowance (S. Rs. 29 to 48-D):**

The mileage allowance is an allowance calculated on the distance travelled which is to meet the cost of a particular journey. The journey between two places should be performed by the shortest of the two or more practicable routes or by the cheapest of such route, if it is equally short. When there are alternate railway routes and the differences between them in terms of cost and time is not great travelling allowance may be allowed by the route actually used. The shortest route is that by which a traveller can arrive at his destination most speedily by the ordinary modes of travelling. If a Government servant has travelled by a route which is cheaper, but not the shortest, he may be allowed mileage allowance for the route actually used.

**8.44** In cases where journey is actually performed by a route which is not the shortest or cheapest, due to special reasons a competent authority may permit mileage allowance by that route after duly recording the reasons therefor. When road mileage is claimed between two points connected by railway, it is open to a competent authority either to allow full road mileage or limit it to what would have been admissible had the Government servant travelled by accommodation to which a Government servant is entitled and he had to travel by road. In such a case a competent authority may allow to draw the road mileage subject to the condition that it does not exceed the railway fare to which he would have been entitled, had there been available the class of accommodation in which he was entitled to travel.(S.R.31)

**8.45** Where a Government servant claims road mileage for journey performed by road in his personal car, between places connected by railway the controlling officer may, at his discretion, accept the claim if he is satisfied that the journey by road had to be performed in the public interest.

[Para 8 of the Finance Division O. M No F. 2(1) Rev. 1/72, dated 20-12-1972].

**8.46** Mileage allowance is admissible from the residence of the Government servant to the railway station or the airport or the sea/river port, as the case may be, at his headquarters and from the railway station or the airport or the sea river port to the place of his temporary residence at the out-station.

[Para 7 of the Finance Division O. M No F. 2(1) Rev. 1/72, dated 20-12-1972]

### **JOURNEY BY RAILWAY:**

**8.47** Civil servants when travelling on tour or transfer by the Pakistan Railways, are entitled to rail accommodation according to the scales indicated below:

**(a) Category-I** Civil servants in BPS-17 and above and all those in receipt of pay exceeding Rs. 2840/-p.m. Accommodation of the highest class by whatever name be it called.

**(b) Category-II** Civil servants drawing pay exceeding Rs. 910/- p.m. but not exceeding Rs. 2840/-p.m.-First class (sleeper) accommodation. If travelling on a line which does not provide 1st class (sleeper), the next lower class.

**(c) Category-III** All Civil servants excluding those in BPS-1 and BPS-2.First class (Sitter) accommodation. If travelling on a line which provides no 1st Class (Sitter) accommodation, the next lower class.

**(d) Category-IV** Civil servants in BPS-1 and BPS-2. Lowest class by whatever name be it called.

[Ministry of Finance O.M No 4(11)-R-9/87 D.18-8-1987] and No F.2 (23) R/83/84 dated 6-5-1984.]

**8.48** For special reasons to be recorded, a Government servant or a class of Government servants may be declared by competent authority to be entitled to accommodation of a higher class than that normally admissible to him. (S. R. 35). Journey by Sea or by River Steamer:

**8.49** The Government servants are entitled to the following classes of accommodation for journeys by sea or by river steamer within the Pakistan waters: -

**(a) A Government servant of first Category:** Highest Class.

**(b) A Government servant of Second Category:** If there are two classes only on the steamer, to the higher class and if there are more than two classes to middle or second class.

**(c) A Government servant of third Category:** If there are two classes lower classes-lower class.If there are three classes-middle or second class. If there are four classes-third class.

**(d) A Government servant of fourth Category:** Lowest Class. (S. R.40)

**8.50** Where the steamer company has two rates of fares, one inclusive of diet and other exclusive of diet, the word 'fare' as above would mean fare exclusive of diet. If the company allows some rebate for not partaking food, the fare would be calculated by deducting rebate therefrom. (S.R.41)

**8.51** In cases where the classes of accommodation on a steamer do not conform to the classification given above, the matter should be referred to the competent authority for a decision. (S.R.42)

**8.52** If a Government servant is offered suitable accommodation on a Government vessel, he is entitled to one daily allowance instead of a mileage allowance. The Government

servant is not permitted to decline this offer and draw mileage allowance. (S.R.44)

#### **JOURNEY BY ROAD:**

**8.53** The travelling by road includes travelling by sea of river in a steam launch or in any vessel other than a steamer and travelling by canal. The following are the rates of road mileage.

<b>MODE OF TRAVEL</b>	<b>RATE PER KILOMETRE</b>
(i) Personal car or by engaging a full taxi	Rs. 2.00
(b) Motor Cycle or Scooter.	Rs. 0.65
(c) Bicycle, animal back or foot.	Rs. 0.50
(d) Public transport plying for hire on single seat basis:	(i) For Govt. servants in BPS 7 and above Rs.0.32 (ii) For Govt, servants BPS-6 and below Rs.0.20

[Finance Division O. M No F 4 (3) Reg. (9)/8 dated 1-7-1987].

**8.54** Government servants are allowed to use the mode of transport as below:

<b>MODE OF TRANSPORT</b>	<b>GRADE OF GOVT. SERVANT.</b>
Personal car and hiring of a full taxi	Category I officers in the case of others, taxi may be engaged if the urgency of the situation so demands with the approval of the controlling officer
Personal motor cycle /scooter.	Category I & II.
Bicycle, Public transport plying for hire on single seat basis.	All government servants.

[Finance Division O.M.No.F.2 (1) Imp.1/77 dated 29-4-1977 read with O. M. No. 2(49)-Reg. 9/78 dated 20-9-1978].

**8.55** These rates, except in the case of Para 52 (e) will be admissible from the residence at headquarters to the residence at the temporary place of duty of the Government servant. The term "Personal Car" means a car registered in the name of the Government servant or in the name of any member of his family as defined in S. R. 2(8) for purposes of T. A. Rules.(S.R. 45 read with Para. 4 of the Ministry of Finance O. M. dated 20-12-1992)

**8.56** Under special circumstances a competent authority may, for reasons to be recorded, allow mileage at higher rates than those fixed above. (S.R.47)

**8.57** In calculating road mileage fractions of a Kilometre should be omitted from the total of a bill for any one journey, but not from the various items which make up the bill. (S. R. 48)

#### **JOURNEY BY AIR:**

**8.58** The travel by air means journeys performed in the machines of public air transport companies regularly plying for hire. It does not include journeys performed by private aeroplanes nor air taxis. (S.R.48-A)

**8.59** All first Category Government servants are entitled to travel by air by tourist class. A competent authority may authorise other Government servants also to travel by air, if the journey is urgent and in interest of public service. The President may grant general permission to any Government servant or class of Government servants to travel by air as a matter of routine.

**8.60** Those who are not authorised to travel by air, if they perform an air journey on tour, are entitled to travelling allowance as if they had travelled by rail, road or steamer subject to the condition that travelling allowance should not exceed that which would have been admissible, if they had been authorised to travel by air. (S. R. 48-D).

#### **DAILY ALLOWANCE:**

**8.61** The Daily Allowance is a uniform allowance for each day of absence from headquarters and is intended to cover the ordinary daily charges incurred by a Government servant in consequence of such absence. The daily allowance may be drawn by a government servant whose duties required that he should travel and may be drawn while on tour and also on transfer, as admissible under the rules. (S.R.49)

**8.62** The rates of daily allowance (w. e. f. 28th September, 1994) are as follows:-

<b>PAY LIMITS.</b>	<b>SPECIAL RATES Rs.</b>	<b>ORDINARY RATES Rs.</b>
(i) Rs.5000 and above p.m.	150	130
(ii) Rs.4000 to Rs.4999 p.m.	130	110
(iii) Rs.2700 to Rs.3999 p.m.	110	95
(iv) Rs.1300 to Rs.2699 p.m.	70	60
(v) Rs.700 to Rs.1299 p.m.	60	50
(vi) Upto Rs.699 p.m.	40	30

[Amended vide Finance Division O. M. No F. 4(5)-Reg.(9)/87 dated 1-7-1987].

**8.63 (i)** A Government servant who has, of necessity, to stay in a hotel may, in addition to the above daily allowance be allowed reimbursement of actual single room rent including taxes, duties and service charges subject to the production of hotel receipts/Vouchers, up to the following maximum per day:

**Localities where special Daily Allowance rate is admissible:**

Three times the amount of Special Daily Allowance.

**Localities where Ordinary Daily Allowance rate is admissible:**

One and a half times the amount of ordinary Daily Allowance

[Finance Division O. M. No. 2(1) Imp. 1/77 dated 29-4-1977].

(ii) In case of non-availability of a single room, the touring civil servant may be allowed to book a double room for his exclusive use. The reimbursement is to be restricted to his normal entitlement only.

(iii) Two officials while on tour at the same station may be allowed to book a double suit in a hotel and share it. In such a case either of them have jointly to certify that separate single accommodation was not available to them and that each one of them is claiming not more than one-half of the room rent restricted to each individual entitlement; this certificate shall be appended to the T. A. bill of both officials.

(iv) A Government servant who stays in a Government Hostel, Inspection Bungalow, lodge or residential Club will, in addition to the daily allowance, be allowed reimbursement of actual charge for stay in single room/suit on production of receipts/vouchers subject to the condition that such charges do not exceed the amount of daily allowance admissible at the station.

**8.64** Special rate of daily allowance shall be admissible at Hyderabad, Islamabad, Karachi, Lahore, Faisalabad, Multan, Peshawar, Quetta, Rawalpindi and Northern Areas

[Finance Division O. M. No. F 2 (15)-R-9/74 dated 24-4-1975].

**8.65 (a)** Daily Allowance, for each calendar day, will be admissible for the period of absence on duty from headquarters (including the time spent in transit). Not more than one daily allowance will be admissible on any calendar day. A fraction of a calendar day will be reckoned as a calendar day for this purpose.

Note: "Calendar day" in sub-para (a) above means a day beginning on one midnight and ending on the next midnight.

(b) In the case of departure from headquarters, the rate of daily allowance during transit will be the same as admissible at the station of immediate destination. In the case of return to headquarters the rate will be the one admissible at the last station of temporary duty before return to headquarters.

(c) The period of absence from headquarters will commence from the time of departure of the Government servant from his office or residence, as the case may be, till the time of his return to his office or residence, as the case may be. The competent authority authorizing the tour will decide whether the Government servant should proceed on temporary duty from his office or residence.

(d) The period of forced delays in transit will be treated as part of the total transit period.

**8.66** Daily Allowance may not be drawn for day on which a Government servant does not reach a point outside a radius of ten miles from his headquarters or return to his headquarters from a similar point.

[Finance Division O. M. No. F. 2 (1) Rev. 1/72 dated the 17-10-1973].

**8.67** Mileage allowance shall be admissible from the residence of the Government servant to the railway station or the airport or the sea/river-port as the case may be. at his headquarters and from the railway station or the airport of the sea/river-port, to the place of his temporary residence at the outstation.

**8.68** Where a Government servant claims road mileage for journey performed by road in his personal car, between places connected by rail, the controlling officer may at his discretion, accept the claim if he is satisfied that journey by road had to be performed in the public interest.

**8.69** Except as specified in Para 8.71, daily allowance at full rate will be admissible for the entire period of continuous halt on temporary duty.

**8.70** In case of temporary duty at a hill station exceeding thirty days. Heads of Departments have full powers to sanction daily allowance for the entire period of continuous halt of a Government servant.

**8.71** Daily Allowance is admissible on Sundays and public holidays falling during the period of a Government servant's temporary duty at an outstation but not when he is on casual leave.

**8.72** A Government servant who takes casual leave immediately on the conclusion of temporary duty will draw daily allowance for the day of departure from the outstation to which he would have been entitled had he not proceeded on casual leave.

**8.73** Percentage increase in the rates of mileage allowance in localities shown in Appendix 18-A to the compilation of F. Rs. and S. Rs. Vol. II is calculated on the mileage allowance as indicated in Para 8. 53 respectively, which are as follows:

PROVINCE	NAME OF LOCALITY.	INCREASE IN THE RATE OF ROAD MILEAGE
Sindh	Desert Talukas of Tharparker District.	50 percent.
Punjab	Bhangi Khel Ilaqa in Mianwali District. Murree and Kahuta Tehsil in Rawalpindi District Places beyond the external boundry of the Dera GhaziKhan District.	33-1/3 percent 33-1/3 percent 33-1/3 percent
N. W. F. P.	Mansehra (except the Kagan Valley, i. e., the track beyond Balakot upto Gitti	25 per cent

	Das and Abbottabad Tehsils in the Hazara District and transborder tracts, i. e., places beyond the external boundaries of the Districts of Hazara, Peshawar, Mardan, Kohat, Dera Ismail Khan and Bannu except Chitral and the portion of the road from Peshawar to Kohat which lies in the Tribal territory.  Chitral and the Kaghan Valley in the Mansehra Tehsil of the Hazara District, i.e., the track beyond Balakot up to Gitti Das.	33-1/3 percent
Baluchistan	The whole of Baluchistan except Nasirabad Sub-Division, Sibi District	
Kashmir	The whole of Jammu and Kashmir State	33-1/3 per cent in the case of journeys which can be performed by motor transport  100 per cent in the case of journeys which can not be performed by motor transport subject to a minimum of Re. 1 per mile in the case of officers of Grade-I
Gilgit&Baltistan		Do.

[Finance Division O. M No F. 2(5)-Rev. 1/73, dated 10-7-1973 and even number, dated 19-10-1973].

**8.74** When Government Officers are permitted at their own request to attend meetings, conferences or congresses held in Pakistan and any public interest is likely to be served by their attendance, they may be allowed a single railway fare of the class of accommodation to which they are entitled for the Journey both ways without any road mileage or daily allowance for halts. But if an officer is sent to attend the meeting officially, he is entitled to travelling allowance as admissible under the normal rules. (S.R.54)

**8.75** A Government servant on tour on official duty is not entitled to recover from Government the cost of transporting his family or his personal luggage, conveyance, tents and camp equipage. (S.R.55)

**8.76** In cases of localities, where travelling is unusually expensive, a competent authority may by general or special order, increase the rate of mileage allowance or daily allowance either in a definite ratio or in any other suitable manner. It is in pursuance of these orders that Hyderabad, Islamabad, Karachi, Lahore, Rawalpindi, Faisalabad, Multan, Quetta and Peshawar, Northern Areas, \*(Bahawalpur, Sargodha, Sialkot, Sukkur and Gujranwala) have been declared as expensive localities and higher rates of daily allowance have been fixed therefor. Similarly provision has been made in Appendix 18-A. The special rates of daily allowance are, however, not applicable to Government servants touring in and about those cities under circumstances entitling them only to daily allowance, if their headquarters are situated within the municipal limits of the respective cities. (S. R. 56)

**8.77** When a Government servant of a Category lower than first Category is required by the order of a superior authority to travel by special means of conveyance the cost of which exceeds the normal travelling allowance admissible to him, he may draw the actual cost of travelling in lieu of the daily allowance and mileage allowance. The bill for the actual cost should be duly supported by a certificate signed by the superior authority and countersigned by the controlling officer stating that the use of special means of conveyance was actually necessary and specify the circumstances which rendered it necessary. (S. R. 57)

#### **JOURNEY ON TOUR:**

**8.78** The headquarters and limits of the sphere of duty of a Government servant are fixed by a competent authority. (S. Rs. 59 & 60)

**8.79** It is for a competent authority to decide whether an absence from headquarters is on duty or not. It can also impose restriction upon the frequency and duration of Journeys to be made on tour by any Government servant (S.R.63)

**8.80** If the pay of a particular Government servant has been so fixed as to compensate him for the cost of all journeys, other than journeys by rail or steamer, within his own sphere of duties, he is not entitled to draw any travelling allowance for such journeys, other than journeys by railway and steamer. In case he has to undertake a journey on duty beyond his sphere of duty, he may draw travelling allowance as admissible under the rules including such part of it as is within his sphere of duty. (S.R.64)

**8.81** A Government servant, not in receipt of a permanent travelling allowance, draws travelling allowance for journeys on tour in the shape of daily allowance. The daily allowance is drawn for absence from headquarters on duty. The absence begins when a Government servant actually leaves his headquarters and ends when he actually returns to the place where his headquarters are situated irrespective of the fact whether he halts there or not. (S. Rs. 68 & 70)

**8.82** If an officer of the Vacation Department proceeds on tour and then avails of vacation without returning to his headquarters, he is entitled to the travelling allowance for the outward journey only. (S.R.70)

**8.83** Daily Allowance may be drawn for any day on which a Government servant reaches a point outside a radius of ten miles from his headquarters or returns to his headquarters from a similar point. Daily Allowance may be drawn during a halt on tour or on

a holiday occurring during a tour. (S.Rs. 71 & 72 read with Paras 6, 9, 10 & 11 of the Ministry of Finance O. M. dated 20th December, 1972)

**8.84** If a competent authority is satisfied that daily allowance is not sufficient to cover the travelling expenses of a Government servant, it can permit him and for that matter any class of Government servants to draw mileage allowance instead of daily allowance for the whole period of absence from headquarters under any conditions it may deem fit to impose. (S.R.75)

**8.85** Normally a Government servant may exchange his daily allowance for mileage allowance for any day on which he travels by railway, or steamer or both or travels more than 20 miles by road. In case a continuous journey extends over more than one day, the exchange should be made for all such days and not only for a part of them. The short journeys within a radius of ten miles from headquarters should not be added to other journeys when calculating the distance covered by road. [S.R.76 (a)]

**8.86** When a journey by road is combined with journey by railway or steamer or both mileage allowances may be drawn for journey by road, but this allowance will be restricted to the daily allowance admissible to him, unless the road journey exceeds 20 miles. At the place of halt at outstations a Government servant is not entitled to draw any daily or mileage allowance for journeys within a radius of 10 miles, as his daily allowance is intended to cover such expenses. If, however, he goes beyond a radius of 10 miles, then he can draw a daily allowance or mileage allowance if the road journey exceeds 20 miles. [S. R. 76 (b)]

**8.87** The Government servants of the Survey of Pakistan and Geological Survey of Pakistan cannot exchange daily allowance for mileage allowance for a journey in the field. But if they have to travel on special duty or by a public or hired conveyance, daily allowance can be exchanged for mileage allowance. If actual travelling expenses for a journey to and from the field or any other journey where camp equipment is carried exceed the mileage allowance, such actual travelling allowance may be paid to them in lieu of the daily allowance. The exchange should be made for the whole journey and not for a part of it. Whenever for such part of month as he spends in the field, the actual cost of camp equipment and baggage exceeds half the amount of daily allowance admissible for the month, he may retain half his daily allowance and exchange the other half for the actual cost. The bill for the actual cost should be prepared in detail and countersigned by the sanctioning authority. (S. Rs. 87 & 88)

**8.88** In case of an officer of the Geological Survey of Pakistan, in addition to the concessions in the preceding paragraph a competent authority may permit him, on public grounds, at the beginning or end of the field season, to send a portion of domestic servants, baggage and camp equipment by the direct route to and from the field, when he himself travels by another route in order to undertake an economic or engineering enquiry. He can recover the actual cost of transporting such servants, baggage and camp equipment in addition to the travelling allowance admissible to him [S. R. 88 (b)].

**8.89** Where travelling allowance is not admissible under the rules, a competent authority may, by general or special orders, allow a Government servant the actual cost of hiring a conveyance. It also covers the cases in which it is equitable to allow Government servants to draw the actual cost of conveyance where the circumstances are not actually

covered by any other rule. It also applies to Government servants on transfer from one office to another in the same station, when they have to change the residence also.

**8.90** When a B-1 to B-15 Government servant is dispatched on duty to a place at some distance from his office or is called for duty outside normal working hours, by a special order of an officer the expenditure incurred may be paid to him and charged to the contingencies. While claiming this amount the Head of the office should certify that the expenditure was actually incurred, was unavoidable and is within the schedule scale of charges for the conveyance used. It should also be certified that the Government servant is not entitled to travelling allowance for the journey, was not granted any compensatory leave and will not otherwise receive any special remuneration for the performance of duty, which necessitated the journey. (S.R.89)

**GRANT OF CONVEYANCE CHARGES AND DAILY ALLOWANCE TO CIVIL SERVANTS WHO PERFORM SHORT VISITS ON OFFICIAL DUTY BETWEEN ISLAMABAD AND RAWALPINDI:**

**8.91(i)** Civil servants in BPS 1 to 15 shall be allowed bus fare or wagon fare, as utilised taxi hire shall be allowed in emergent and exceptional cases at the instance of an officer not below the rank of a Deputy Secretary in writing. The officers in B-16 and above are allowed the conveyance charges at the following rates, when they travel by taxi or in their own transport:--

<b>From</b>	<b>To</b>	<b>For one Way journey (Rs)</b>	<b>For return Journey (Rs)</b>
Secretariat Blocks Islamabad	Offices located in Saddar Rawalpindi	32.00	64.00
---do---	Supreme Court of Pakistan	35.00	70.00
---do---	Secretariat III/Jail Rawalpindi.	32.00	64.00
---do---	Secretariat IV/P.M Secretariat Rwp.	32.00	64.00
---do---	Ayub Hall	33.00	66.00
---do---	Central Government Hospital.	26.00	52.00
---do---	Islamabad Airport	32.00	64.00
CDA Office Blocks, Islamabad.	Offices located in Saddar Rawalpindi	26.00	52.00
---do---	Supreme Court of Pakistan	29.00	58.00
---do---	Ayub Hall	27.00	54.00
---do---	Secretariat III/Jail Rawalpindi.	27.00	54.00
---do---	Islamabad Airport	26.00	52.00

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[Finance Division O.M No F. 4(12) Reg. (9)/87-950/88 dt. 11-8-1988.]

(ii) Where the Government transport is provided nothing is admissible in any case.

(iii) Daily Allowance is admissible to a Civil servant; whose absence from headquarters exceeds eight consecutive hours on a day. Such period of absence is calculated from time of departure from HQs or residence as the case may be.

\*Provided that no DA shall be admissible to those who are detached from duty in their parent office/Department/Division located in Islamabad/Rawalpindi and have to work in another office/Department/Division at Rawalpindi/Islamabad, respectively, under specific orders of the controlling officer.

\*[Finance Division O.M No F 2(2) R-9/76, dated 5-11-1979]

(iv) for the purpose of (iii) above the concept of radius of 10 miles has been done away with.

(v) Single-room rent in a hotel is not admissible in the above cases.

[Finance Division O. M. No. F. 2(2) R. 9/76-D/138/77, dated 29-3-1977 read with their U.O. No D-690-R/77, dated 12-11-1977.]

**GRANT OF CONVEYANCE /DAILY ALLOWANCE TO CIVIL SERVANTS PERFORMING JOURNEYS ON OFFICIAL DUTY BETWEEN KARACHI/ LAHORE AND SUBURBS:**

**8.92** The Civil servants posted in Karachi/Lahore, who perform short visits from the station of their posting to the suburbs and vice versa, on official duty are allowed conveyance/daily allowance as under:-

(i) Civil servants of B-1 to 15 are allowed bus or wagon fare as actually utilized. With the written permission of an officer, not below the rank of Deputy Secretary, Taxi hire may be allowed in emergent and exceptional cases. Officers of BPS 16 and above are allowed conveyance Charges @ \*Rs. 2.00 per kilometre when they travel by taxi or in their own transport where the means of locomotion have been provided at the expense of Government, nothing shall be admissible in any case.

(ii) Daily allowance is admissible to all Civil servants, whose absence from headquarters exceeds eight consecutive hours on any day. The period of absence is calculated from the time of departure from office or residence and end at the time to return to office or residence, as the case may be.

(iii) Room rent in a hotel is not admissible in such cases.

[Finance Division O. M. No. F. 2(2) R. 9/76-D/138/77. Dated 16-4-1977]

**GRANT OF CONVEYANCE CHARGES TO THE B-1 TO B-15 STAFFS WHO ARE REQUIRED TO STAY LATE AFTER OFFICE HOURS OR WHO ATTEND OFFICE ON FRIDAYS AND CLOSED HOLIDAYS:**

**8.93** The President has been pleased to decide that government employees in B-1 to B-15 and Stenographers in B-16 who are detained in the office beyond two hours of the usual closing time and who attend office on Fridays and other closed holidays will be granted conveyance charges at the following rates:-

[Finance Division O.M No F 2(I) R-9/80 dated 28-7-1980].

	<b>When detained in Office beyond two hours of the usual closing time.</b>	<b>For attending Office on Fridays and closed Holidays.</b>
	<b>Rs.</b>	<b>Rs.</b>
(i) BPS-1 & 2	3.50	4.50
(ii) BPS-3 to 15 and Stenographers in B-16	4.50	7.00

(Finance Division O. M No F. 4(3)-Reg.(a)/87 dated 1-7-1987.]

<sup>10</sup>The other existing conditions regulating the grant of conveyance charges shall continue to apply).

**JOURNEYS WITHIN 10 MILES, BY RESERVED RAILWAYS COMPARTMENT AND BY PRESIDENT AND MINISTERS:**

**8.94** A Government servant travelling within ten miles of his headquarters on duty may recover the actual amounts, which he might have paid on ferry or other tolls and fare journeys by railway or other public conveyance. (S.R.90)

**8.95** When a Government servant travels by reserved railway accommodation on requisition, the entire cost of haulage is borne by Government. Any person travelling with the Government servant, in the reserved accommodation has to pay the usual fares to the Railway. The Government servant concerned should specify the number of persons, who travelled with him and also certify that tickets were purchased by them. If he wants any additional accommodation for luggage and staff, he should make his own arrangements with the Railway and pay for them. Such a Government servant is not entitled to any travelling allowance. (S.R.92)

**8.96** If a Stenographer or a personal clerk to an officer has to travel with an officer in the reserved accommodation in the interest of public service, he should purchase a ticket for

<sup>10</sup> [Finance Division O.M. No. 12(10) R-11/50 dated 13-7-1951.]

the class of accommodation to which he is entitled under the rules. The expenditure on reservation charges should be borne by Government Servant himself. (S.R.92)

**8.97** The travelling allowance of President and Ministers is regulated under the special rules framed for the purpose. (S.R.95)

**JOURNEY OF A NEWLY APPOINTED GOVERNMENT SERVANT:**

**8.98** Generally speaking travelling allowance is not admissible to a Government servant for the journey to join his first post in Government service. In case of appointments made to posts outside Pakistan or in Gilgit or Chitral, competent authority may allow travelling allowance to join a post under the Government. Likewise the Surveyor General or Director of Survey may grant rail and steamer fares to Khalasis and Government Servants in B-1, 2 and 3 on enlistment for their journey to Field Headquarters. (S.R.105, 105-A and 105-B)

**8.99** When a pensioner or a Government servant who is thrown out of service due to reduction of establishment or abolition of his post is re-appointed, the appointing authority may permit him to draw travelling allowance for such of journey as lies in Pakistan. (S.R. 107)

**8.100** If a Government servant on first appointment, cannot join his duties except by sea, competent authority may grant him free passage by sea from one part of Pakistan to another such part. (S.R.108)

**8.101** When travelling allowance is paid on first appointment it will be regulated as a journey on tour, but no daily allowance will be paid for halts. For this purpose the Category of person will be determined by the post, which he will join. (S. Rs. 112 and 113)

**JOURNEY ON TRANSFER (S. RS. 114 TO 126):**

**8.102** A Government servant is entitled to mileage allowance for a journey on transfer including transfer from military to civil employ. But the travelling allowance on transfer from one station to another will be admissible only if the transfer has been made for public convenience and the Government servant is paid for the transit period. A transfer on request is not treated as for public convenience and as such a Government servant is not entitled to travelling allowance unless the competent authority decides otherwise. In cases where a Government servant is transferred at his own request intimation to that effect should be sent to the respective audit officer. Unless such intimation is forthcoming the transfer will be treated as for public convenience.

**8.103** On transfer, a Government servant is entitled to the following:-

**(a) Transfer Grant:**

Government servant possessing a family	Government servant not possessing a family
One month's pay subject to a maximum Rs.4000	Half month's pay subject to a maximum Rs.2000

[Finance Division O. M. No. 4(3)-Reg 9/87-dated 1-7-1987]

**(b)** Transfer grant is admissible in all cases where travelling allowance on transfer is otherwise admissible under the existing rules.

[Finance Division O. M No F. 2 (1)/Rev. 1/77, dated 31-5-1973]

(c) Actual rail, air or steamer fare for the Government servant and one or half fare for each member of the family. If he travels by road he may draw road mileage at the rate applicable to him. If two members of family accompany him he can draw additional road mileage and if more than two members of family accompany him three times that rate.

(d) **Daily allowance during journey period:** One daily allowance at special rate is payable to the Government servant for every 480 K. M. of road distance. In case of journey on transfer by air, one daily allowance for each calendar day of the actual period taken in transit will be admissible.

(e) **Daily allowance on arrival at the new place of posting:** One daily allowance at the rate applicable to the station is payable in respect of the Government servant and in respect of each member of his family above 12 years and one-half of the full rate for every child above the age of 12 months, for the day of arrival at the new place of his posting.

(f) **Transportation of personal effects :**(i) The maximum of limit upto which personal effects can be transported at Government expense is as follows:

Category Government servant	Maunds		Kilograms	
	If possessing a family	If not possessing a family	If possessing a family	If not possessing a family
Category I	120	60	4500	2240
Category II	80	40	3000	1500
Category III	40	20	1500	760
Category IV	15	10	560	380

(ii) Cost of carriage of personal effects upto the maximum number of Kilograms as in sub-para (i) will be allowed at the rate of 0.083 paisa per kilometer per kilogram or 1.66 paisa per kilometre per unit of 20 kilograms from the residence of the government servant at the old station to his residence at the-, new station, irrespective of the mode by which the personal effects are carried. (It will not be necessary to call for receipts in support of his claim of cost of transportation of personal effects). (S.R.116 read with paras 14 & 15 of the Ministry of Finance O. M. dated 20th December, 1972, No F.2(49)-Reg.9/78, dated 20-9-78 and [F.2(2) R-9/84 dated 16<sup>th</sup> July, 1984.]

(iii) Civil servants from outstations while proceeding northern areas/Chitral on transfer, are often stranded at the airport because of cancellation of flight due to unfavorable weather conditions during the period of forced halt, the individual concerned are compelled to incurred expenditure on board-PIA meeting only the hotel expenses. To avoid hardship in such cases it has been decided that the civil servant concerned may be allowed daily allowance @ 50% of their normal entitlement for each day of forced halt, subject to a certificate being furnished by the PIA in the following form:

Certified that Flight No-----by which Mr-----an employee of --  
----- while under orders of transfer, scheduled to travel to  
northern Areas/Chitral, was cancelled due to bad weather conditions. He  
actually traveled on-----after-----days of forced halt.

[Finance Division O.M No F.2 (40)-R-9/77 dated 6<sup>th</sup> May, 1979]

**8.104** Impression seems to exist in certain quarters that after dispensing with the production of receipts (vide para 8.103) the cost of transportation of personal effects up to the maximum permissible limit can be claimed and paid without regard to the actual effects transported. That is not so. The position is that the provisions of S.R. 116(e) continue to remain in force. Accordingly, the Government servant claiming the cost of transporting personal effects is required *inter alia*.

(a) to under a certificate to the effect that the actual expenses incurred are not less than the amount claimed; and

(b) to indicate, in that certificate, the weight of personal effects actually carried and the amount actually paid for their transport.

The Controlling Officer has to exercise the usual scrutiny of the claim, and record a certificate to that effect as required under S.R. 116 II (e).

[Finance Division O.M No F. 2(1)-Rev. 1/77, dated 11-1-1973]

**8.105.** A Government servant may draw the actual cost of transporting at owner's risk conveyance and horses on the following scale:

Category of Government servant	Scale allowed
First	Two horses and a carriage or motor car or motor cycle.
Second	A carriage and a horse or Motor cycle or a motor car.
Third	One horse or a motor cycle or a bicycle.

If the following conditions are fulfilled:-

(i) the distance travelled exceeds 132 Kilometres;

(ii) the possession of a horse or conveyance will be advantageous from the point of view of efficiency of the Government servant in the post which he is going to join; and

(iii) conveyances or horses are actually transported by railway, steamer or other craft.

**8.106** In the case of motor car the cost of transporting a chauffeur or cleaner and for each horse the cost of transporting one syce and one grasscutter may be drawn. When transported by steamer the actual cost of transportation includes gate pass, river dues, loading and unloading charges. The conveyance may be transported by passenger train, but if it is transported by goods train, it is permissible to charge to the government the packing charges and transport charges to and from the goods shed provided it does not exceed the cost of

transportation of conveyance by passenger train. This rule applies mutatis mutandis to a Government servant of third grade who carries an ordinary cycle. (S.R.116)

**8.107** When a Government servant travels by Government steamer he is not entitled to mileage allowance either for himself or for the family. He is entitled to free transport of himself, his family, servants and their bonafide personal effects and of conveyance and horses. He may draw in addition daily allowance of his grade. (S.R.116)

**8.108** The rate of allowance admissible to Government servant who transports his motor car or motor cycle/scooter by road between stations connected by rail or steamer or partly by railway or partly by steamer is entitled to draw 60 paisa per Kilometre in respect of a motor car and 20 paisa per Kilometer in respect of a motor cycle/scooter. If a Government servant and his family travel in their own car he can draw actual railway fare for himself and one or half for each member of his family. In that case transportation charges for car/motor cycle/ scooter will not be admissible. (S.R. 116 read with para 16 of the Ministry of Finance O. M.dated 20th December, 1982)

[Ministry of Finance 2(49)-Reg, 9/78, dated 20-9-1978 F. 2(2) R. 9/79, dated 23rd January, 1979 and F.4 (3) Reg-9/87 dated 1<sup>st</sup> July, 1987.]

**8.109** Those Government servants who are carried free of charge by Pakistan Air Force planes to and from Gilgit are entitled as under:-

(a) If the family of the Government servant travels with him: -

(i) half the mileage allowance calculated for the Government servant himself;

and

(ii) mileage allowance in full for personal effects as stipulated in the preceding paragraphs subject to the condition that any luggage taken-by the Government servant with him in the aeroplane should be taken into consideration in allowing the maximum bandage; and

(b) If the family travels by road, mileage allowance in respect of the members of the family will be admissible in terms of the provisions of the preceding paragraphs in addition to that at (a) above. (S.R.116)

**8.110** A member of a Government servant's family who follows him within six months of the date of transfer or precedes him by not more than one month may be treated as accompanying him. If any member of the family travels from a place other than the old station of the Government servant, travelling allowance may be allowed to him provided it does not exceed the railway fare from old to the new station. For the purpose of this rule, the category of a Government servant should be determined with reference to the facts on the date of transfer, while number of fares admissible to the Government servant should be determined with reference to the facts on the date of journey. Where travelling allowance is claimed for the members of the family their number, relationship and ages should be mentioned, in the T. A. bill. [S.R.116 (b) (iii)]

**8.111** When the family of a Government servant precedes or follows him and proceeds to a station other than the new station, the period of one month or six months should be calculated from the date of relinquishment of charge at the old station. If they precede to the

new station of posting the limit should be calculated with reference to the date of taking over charge at the new station. [S.R.116-Government decision No (6)]

**8.112** There is no objection if the personal effects do not accompany a Government servant for good and sufficient reasons, but are carried within a reasonable time of the date of his journey on transfer. The controlling officer should also certify on the body of the bill that he has scrutinised the details and satisfied himself that the claim is reasonable. (S.R.116-Government Decision No.1)

**8.113** When a Government servant is not entitled to carry horse or motor car at Government expense, there is no objection to their inclusion as a part of personal effects, provided these are within the prescribed maximum limit of maundage. (S.R.116-Auditor-General's Decision No. 2)

**8.114** Where a Government servant is transferred from station 'A' to station 'B' and again transferred within a reasonable short time to station 'C' he may be paid cost of transportation of personal effects from station 'A' to station 'C' in the following manner:

(i) The total weight carried from station 'B' to station 'C' and from station 'A' to station 'C' should not exceed the maximum prescribed in the rules.

(ii) The total cost of transporting the effects from station 'A' to station 'B', from station 'B' to station 'C' should not exceed the amount admissible from station 'A' to 'B' plus that admissible from station 'B' to station 'C'. (S. R. 116-Audit Instruction No. 3)

**8.115** When a Government servant, in superior service, is transferred from one post to another and under the orders of competent authority has to hand over charge of his old post or take over charge of the new post at a place other than the headquarters or his headquarters are changed at a place other than the headquarters or his headquarters are changed while he is on tour and has to proceed to the new station direct without returning to the headquarters he should be allowed travelling allowance as on tour from the place of handing over charge to the new headquarters or to the place of taking over charge. He will also be entitled to all the concessions in respect of members of his family, personal effects and conveyance, etc., as stipulated in S. R. 116 (S. Rs. 116-A& 116-B)

**8.116** If the family of a Government servant, on his transfer, travels to a station other than the new headquarters, travelling allowance for the family may be drawn. This is subject to the condition that this should not exceed the travelling allowance, which would have been admissible had the family gone to the new headquarters direct. (S. R. 116-C).

**8.117** A Government servant appointed to a new post while in transit from one post to another will draw travelling allowance for so much of the journey as he has accomplished when he receives fresh orders and for the journey from the place at which he receives orders to his new station. (S.R.123)

**8.118** If a Government servant proceeds on leave on average pay not exceeding four months after making over charge of the old post and before taking over charge of the new post, he is entitled to the usual T. A. irrespective of the fact whether the order of the transfer was received before or after the commencement of leave. If the leave is for more than 4 months on average pay with the exception of the Special Disability Leave whether granted by

it or in combination with leave on average pay he is not entitled to any travelling allowance. (S.R.124)

**8.119** When a Government servant takes leave other than leave on average pay for 4 months while in transit from one post to another he may draw railway or steamer fares or the road mileage for self and family in accordance with T. A. on transfer rules for so much of the journey to join the new post as he has accomplished before the order granting him leave is received. If a Government servant returns from leave other than leave on average pay not exceeding 4 months and is posted to a station other than that from which he proceeded on leave, the controlling officer may permit him to recover the transportation charges for personal effects and conveyance, if any. Transfer Grant is not admissible in such cases. [Auditor's-General's letter No. 1276-A/1-73 (i) dated 13-11-70) S.Rs 125 & 126]

**8.120** If the headquarters of a government servant is transferred from Islamabad to Rawalpindi or vice versa and the residence is also changed in consequence thereof. T. A. on transfer is admissible.

[Finance Division U. O No D. 378-Rev. 1/73, dated 18-7-1973)

**8.121** In regard to question as to the time limit which could be allowed between change of headquarters and 'consequential shifting of residence for purposes of T. A. on transfer from Islamabad to Rawalpindi and vice versa, the Finance Division, have decided that the claim could be admitted by treating the non-allotment of Government accommodation at the new headquarters as a good and sufficient reason for the purposes of Government Decision No. 1 below S.R.116, subject to the condition that a certificate is furnished by the competent administrative authority to the effect that the Government servant concerned had applied for allotment of a residential accommodation in Rawalpindi/Islamabad, as the case may be, and that the same could not be allotted to him earlier.

[Finance Division U. O No F. 2(48)-1349, dated 24-12-1973]

#### **JOURNEY TO ATTEND AN EXAMINATION:**

**8.122** A Government servant is entitled to draw travelling allowance as on tour (but no daily allowance for halts), for the journey to and from the place at which he appears in an obligatory examination or any other examination prescribed by the competent authority. The travelling allowance cannot be drawn more than twice for any particular examination or standard of examination. If a competent authority is satisfied that candidate has culpably neglected the duty of preparing himself for an obligatory examination or did not display a reasonable standard of proficiency in an examination, which was not obligatory, it can disallow the payment of travelling allowance to him. (S.R.130)

**8.123** The Government servants summoned by or at the request of Federal Public Service Commission or of Government for interview not connected with advertised posts may be granted travelling allowance as on tour. They may be paid daily allowance also in a few exceptional cases at the discretion of the Federal Public Service Commission. The Provincial Government servants called for interview for appointment under the Federal Government may be paid travelling allowance, which will be charged to the Federal Government and the Establishment Officer of the Federal Government will be the Controlling Officer in this behalf. The Civilian Government servants called for interview and

medical examination for emergency Commission may also be paid travelling allowance according to the Army Instructions. (S.R.132)

#### **JOURNEY ON PROCEEDING ON OR RETURNING FROM LEAVE:**

**8.124** Normally, a Government servant is not entitled to travelling allowance for a journey made during leave or while proceeding on or returning from leave. Under special circumstances a competent authority may, however, permit a Government servant to draw travelling allowance in such cases as if on a journey on tour.

**8.125** A Pakistan Commissioned Officer serving with the Frontier Corps, when proceeding or returning from leave, is entitled to the same concessions, as would have been admissible to him, while in military employ. (S.R.137)

**8.126** The Surveyor-General of Pakistan may grant rail and steamer fares to Khalasis and other Government servants in Category 1, 2, or 3, on their proceeding or returning from leave to and from the place at which they were recruited. He may also grant travelling allowance to Surveyors and other subordinates when proceeding or returning from leave if their homes are situated in Provinces other than that in which they are employed. (S.R.140)

**8.127** If a Civil servant is recalled to duty compulsory with the personal approval of the Head of office, from leave of any kind he is spending away from his Headquarters, he may be granted a single return fare plus daily allowance as admissible on tour from the station he is spending leave to the place he is required to report for duty. In case he is recalled to duty at headquarters and his remaining leave is cancelled the fare then admissible will be for one way journey only. If return from leave is optional, no concession is admissible. If the Government servant recalled to duty is entitled to travelling allowance under S. R. 124 he may not draw the above travelling allowance unless he abandons his claim to mileage allowance under S. Rs 115 to 116. (S.R.142) (Revised Leave Rules, 1980)

#### **JOURNEY ON RETIREMENT OR TERMINATION OF EMPLOYMENT:**

**8.128(a)** A Government servant is allowed T. A. to the extent specified below, in respect of the journey from the place of his last posting to his home town, performed during leave preparatory to retirement or on or after retirement.

(i) Actual fare by rail or steamer of class to which he was entitled immediately before his retirement for-himself and for each member of his family. For journeys by road between places not connected by rail or steamer mileage allowance will be allowed.

(ii) Cost of transportation of personal effects to the extent admissible to him immediately before retirement for journeys on transfer.

(iii) In addition to the cost of transportation of personal effects cost of transportation of personal car or motor cycle or scooter shall, however, be calculated by road and restricted to the distance by the practicable route.

[Finance Division O. M. No. F. 2 (3) R-9 dated 23-1-1979].

(iv) Transfer Grant (Finance Division O. M. No. 2(l) Imp.1/77 dated 26-7-1978].

(b) Advance payment for expenditure as at (a) above shall be made and be treated as final payment.

(c) The home town shall be determined according to entries pertaining to the permanent address of the Government servant in his service record or according to the declaration made by him for purpose of leave travel concession. The Government servants who have not declared their home town may be asked to do.

[Finance Division O. M. No. 2 (42)/R-9/75, dated 24-11-1975].

(d) The term 'retirement' shall mean, retirement on attaining the age of superannuation, or on completing prescribed service limit, or voluntary retirement on completion of 25 years qualifying service or on invalid pension, or compulsory retirement.

(e) A civil servant, who did not avail himself of the concession during the Leave Preparatory to Retirement, may do so within six months after the actual date of retirement. If a civil servant dies within the aforesaid six months period, without availing himself of the concession, this may be allowed to the family on application to the Head of Department and should be availed of before the expiry of six months from the date of retirement of the deceased or within three months of the date of his death, whichever may be later. In case of re-employment immediately on retirement or within six months of the date of retirement, the time limit of six months will commence from the date on which the period of re-employment concludes.

[Finance Division O. M. No. F. 2 (5)/R-9/76, dated 3-3-1976]

(f) (i) The concession of retirement T. A. in case of re-employment is admissible only to those retired civil servants who get re-employment in Government Departments and not those re-employed in autonomous/semiautonomous organisations or private companies.

(ii) A retired civil servant is entitled to avail of the T. A. concession any time during leave preparatory to retirement or after his retirement but before the expiry of the time limit of six months after the date of retirement.

(iii) In the case of re-employment during leave preparatory to retirement or within six months from the date of retirement, a retired civil servant can avail of the concession any time before the termination of his re-employment or within a period of six months from the date on which his re-employment period ends.

[Finance Division O. M. No. F. 2 (28)-R 9/80, dated 10-3-1981]

(g) The employees, whose home towns are in Gilgit, Baltistan and Chitral and who, of necessity, have to travel by air on their journey on retirement, are allowed travelling allowance as under: -

(i) For the portion of journey connected by rail, rail fare of the class of entitlement.

(ii) For the portion of journey connected by road, mileage allowance at the prescribed rate.

(iii) Air fare (economy class) for self and family from Rawalpindi/ Peshawar, as the case may be up to the airport near the home town.

[Finance Division O. M., dated 20-12-1972].

**8.129** No person is entitled to any travelling allowance for a journey made after termination of employment. A competent authority, for special reasons to be recorded, may,

however, permit any Government servant to draw travelling allowance for such a journey. (S. Rs. 146 & 147)

**8.130** The Surveyor General of Pakistan is competent to allow payment of railway/steamer fares to discharge Khalasis and other Government servants in Category 1, 2, or 3 for the journey to the place at which they were enlisted.(S.R.149)

**8.131** A Government servant temporarily employed in Government service in Gilgit and Chitral, who was paid travelling allowance to join his post, may, on the termination of his employment, be granted travelling allowance to the place he was engaged. The claim in this behalf should be preferred within three months of the date of termination of service and the competent authority should certify that the person intends to make the journey. (S.R. 151-A)

**8.132** The T. A. in all these cases will be granted as on tour, but no daily allowance is admissible for halts on the journeys. (S.R.153)

**GRANT OF TRAVEL ASSISTANCE TO FAMILIES OF GOVERNMENT SERVANTS, WHO DIE WHILE IN SERVICE:**

**8.133** The family of Government servant, who dies while in service, will be allowed travel assistance equal to the amount of travelling allowance, transfer grant and cost of transportation of personal effects, as stipulated in para 8. 128 to enable the family to perform the journey from the station of the last posting of the deceased Government servant to his home town or to such other place to which the family intends to proceed subject to the condition that in the latter case the amount should not exceed that would have been admissible upto the home town. For this purpose the drawing and disbursing officer concerned may draw the amount admissible in advance and pay to the eldest member of the deceased's family on application to the Head of the Department in which the deceased Government servant was working at the time of his death. The application should contain the following particulars: -

- (a) Name of the deceased Government servant.
- (b) Designation and name of the office in which he was working.
- (c) Name and address of the applicant.
- (d) His/her relationship with the deceased.
- (e) Home town of the deceased Government servant or the place to which the family intends to proceed.
- (f) Names of family members and their ages.
- (g) Approximate weight of personal effects to be transported.

The application should be countersigned by a BPS-17 or above Civilian officer or a Commissioned Officer of Armed Forces, who should record a certificate thereon as under:-

"Certified that I personally know the above particulars to be correct"

[Finance Division O. M No F. 2(1) Rev. 1/72, dated 6-2-1973 & No. F. 2(62) R-9/78 dated 12-12-1978]

**JOURNEY TO GIVE EVIDENCE OR TO ATTEND A COURT OF LAW AS ASSESSOR OR JUROR:**

**8.134** If a Government servant is summoned to give evidence in a criminal case, a case before a court martial, a civil case to which Government is a party or a departmental enquiry held by a duly constituted authority in Pakistan or in foreign territory and the evidence is based on the facts which came to his knowledge in the discharge of his public duties, he may draw travelling allowance as for a journey on tour attaching to his bill a certificate of attendance given by the court or of other authority which summoned him. The Government servant should not accept any payment of expenses from the court and obtain and attach to the bill a non-payment certificate from the court. If the court is situated within 10 miles of his headquarters and thereby the Government servant is not entitled to any travelling allowance, he may accept the actual travelling expenses from the court provided he is not in receipt of a permanent travelling allowance. (S.R.154)

**8.135** When a Government servant is on leave and is summoned to give evidence in the circumstances stated above he may be paid travelling allowance to and from the place where he is spending leave. (S.R.154)

**8.136** In case a Government servant is summoned to give evidence on behalf of the State in a case not connected with his official duties or to serve as an Assessor or a Juror, he is not entitled to any travelling allowance except that which is paid by the court under its own rules. If the court pays him any sum as subsistence allowance or compensation, apart from payment for travelling expenses, he must credit that sum to the Government before drawing full pay for the day or days of absence. Such absence will, however, be treated as duty. (S.R.155 read with Establishment Division O. M. Nos. 3/50/58-SEI, dated 5th July, 1954 and 2/31/63-SI, dated 25th October, 1967)

**JOURNEY TO OBTAIN MEDICAL TREATMENT OR CERTIFICATE:**

**8.137** If a non-Asiatic member of Superior Civil Service is serving at a station where there is no Government medical officer to attend to him, the Government servant or a member of his family may go to the nearest station where there is such a medical officer and draw travelling allowance. Where the patient is too ill to travel, travelling allowance may be granted to the nearest medical officer from and to his headquarters. In both the cases the application for travelling allowance should be supported by a certificate from the medical officer to the effect that medical treatment was necessary and in the latter case that the patient was too ill to travel. The controlling officer may require this certificate to be countersigned by the Administrative Medical Officer of the Province. (S. R. 155-A)

**8.138** In the case of members of a Superior Civil Service or any member of their family, if the medical officer first consulted considers the case to be of such serious or special nature that he is unable or unwilling to treat it, he may, with the prior approval of the Administrative Medical Officer of the Province give a certificate authorising the officer or a member of his family to draw travelling allowance to and from the nearest station where adequate treatment is available. If the patient is not in a fit condition to travel, the medical officer may be called and paid travelling allowance therefor. Where prior approval of higher authorities cannot be obtained without danger to the patient this should be done subsequently. (S.R.155-B)

**8.139** If a Government servant has to leave his station in order to get medical treatment elsewhere in view of the fact that there was no Government medical officer at that station, he may draw the travelling allowance on production of a certificate from the medical officer whom he had consulted. (S.R.156)

**8.140** The travelling allowance is not admissible for journeys to get medical fitness certificate or health certificate on first appointment to the Government service. (S. R. 156, Government Decision No. 1).

**8.141** Where anti-rabic treatment facilities are not available and a Government servant has to proceed to another station to get the treatment, he may draw the travelling allowance on production of a certificate from the authorised medical attendant (Principal Medical Officer of the district or any other medical officer so authorised by the competent authority) to the effect that in his opinion the journey was absolutely necessary. This concession is also admissible to a Government servant on leave. (S.R.156-A)

**8.142** If a Government servant is stationed at a place where there is no medical officer and he is required to obtain a medical certificate in support of an application for an original grant of leave, he may draw travelling allowance for the journey undertaken to obtain the certificate. When the application is for extension of leave, no travelling allowance is admissible. Similarly if a Government servant having acquired a medical certificate is directed to appear before a Medical Board he may draw travelling allowance for the journey to appear before the Board, provided he appears before the Board for the original leave and not for any extension. In both the cases the journey should not be undertaken without the previous permission of the controlling officer, provided it can be obtained without risk to the Government servant requiring medical advice. (S. Rs. 157 & 158)

**8.143** In case a Government servant is required to apply for invalid pension in the interest of public service and he has undertaken a journey to appear before a Medical Board, he may draw his actual travelling expenses subject to the maximum of the travelling allowance as admissible. If he has to return to the headquarters, he may draw travelling allowance for the return journey also in the same manner. In both the cases the T. A. bill should be duly supported by a certificate from the controlling officer that he was directed to apply for an invalid pension voluntarily. A competent authority, after satisfying itself that the circumstances of the applicant are such as to justify the concession, may allow him to draw actual travelling expenses subject to the maximum stated above. (S.R.160)

**8.144** In all the above cases the travelling allowance may be drawn as on tour without any daily allowance for halts on tour. (S.R.162)

#### **JOURNEY IN ATTENDANCE OF AN INCAPACITATED GOVERNMENT SERVANT OR MEMBER OF HIS FAMILY:**

**8.145** A medical officer of Government, who considers that a Government servant on whom it is his duty to attend professionally should leave his station to obtain medical advice or treatment or to proceed on leave and that it is unsafe for him to travel unattended, may accompany him and draw T. A. as admissible on tour. If he himself cannot accompany he may arrange for another attendant, who will get the normal travelling allowance if he is a Government servant and actual expenses if otherwise. When a Medical Officer's opinion as

to the necessity of an attendant cannot be obtained before the commencement of the journey, a certificate to that effect would be deemed sufficient. (S.R.163).

#### **JOURNEY ON A COURSE OF TRAINING:**

**8.146(i)** When a Government servant or any person not already in Government service has to undergo a course of training a competent authority may allow him to draw travelling allowance, as per scale decided by it, for the original journey to and the last journey from the place of training and for halts at such place. The travelling allowance may also be granted for holidays and vacations and journeys during the course of training. The scale should be so fixed as not to exceed the travelling allowance admissible to Government servants of similar status on duty at the place of training. (S.R.164)

**(ii)** A military officer in civil employ, when detailed to attend a military course of instruction, is entitled to draw travelling allowance as admissible to a military officer in military employ in similar circumstances. (S.R.164-A)

#### **JOURNEY TO ATTEND A DARBAR:**

**8.147** A Government servant permitted to attend a Durbar at a place other than his headquarters may draw travelling allowance as on tour.

#### **SUPPLY OF FREE ACCOMMODATION ON RAILWAY JOURNEYS:**

**8.148** The special railway accommodation is provided as per rules promulgated by the President from time to time. The President may reserve a full special train for himself, whereas the Ministers and Army Chief of Staff can reserve a saloon. Other Service Chiefs, Chief Justice of Pakistan, Secretaries, Joint Secretaries and other officers of that status, Auditor-General of Pakistan, may reserve a 4-berth compartment or a coupe in air-conditioned coach. The Judges of the Supreme Court, Chairman, Federal Public Service Commission, D. G. S. & D., D. G. P. & T., D. G. (Health), Director Intelligence Bureau and Governor, State Bank of Pakistan may reserve a I class coupe compartment in an ordinary train service or in an air-conditioned coach. These reservations are permissible only if the duration of the journey falls between 11 p. m. and 6 a. m. When a Government servant travels in a carriage reserved by requisition, the carriage is entirely at his disposal and may be detached or detained at any railway station at his request. (S. R. 166 to 173)

**8.149** When a Government servant is allowed free transit by railway otherwise than in accommodation reserved by requisition, whether on free pass or otherwise, the mileage allowance drawn for the journey should be reduced by the amount of fare, which he would have paid, but for free transit. The reduction should cover the full number of fares covered by the pass, unless the Government servant concerned certifies that he did not use the pass in respect of any fares for which reduction has not been made. If a Government servant is in receipt of a permanent travelling allowance and uses free pass on railway within his sphere of duty, he should deduct from his permanent travelling allowance for the month the amount of the railway fares which he would have paid, if he had not travelled on pass. When a Government servant is entitled to travel in a higher class of accommodation by paying railway fare for a lower class, he should reduce the claim of his travelling allowance by the amount by which the fare of the class in which he travels exceed the fare actually paid. (S. Rs. 176 to 178)

**JOURNEY BY SEA, AIR, ROAD; WHERE MEANS OF CONVEYANCE ARE PROVIDED BY STATE:**

**8.150** If a Government servant travels by sea or river steamer, the cost of which has been paid by the Government or a Local Fund, he is not entitled to any travelling allowance except the daily allowance. Where servants and luggage are sent separately at the expense of the Government servant concerned, he may draw in addition the actual cost of transporting them. When a Government servant is provided free transit by sea or river steamer, otherwise than in a Government vessel, the mileage allowance should be reduced by the amount of fare which he would have paid, but for free transit. This does not apply to cases in which a Government servant is allowed a free pass by a Steamship company without cost to Government. The Government servants travelling in Government vessels are not entitled to recoupment of any portion of charges payable by them for board provided on vessels. They should settle their messing bills direct with the commander of vessel. (S.Rs. 180 & 181)

**8.151** When a Government servant is allowed free transit by air he may draw the daily allowance which cannot be exchanged for mileage allowance. If a part of journey is performed by other means of locomotion, he may draw mileage allowance in lieu of daily allowance for that part of journey. Where separate conveyance has to be provided for servants and luggage at the expense of the Government servant, he may draw 1/2 or one-third of the railway or steamer fare of the class of accommodation to which he is entitled, if the two places are connected by railway or steamer respectively or the daily allowance of half the mileage allowance, if otherwise. If, however, the Government servant performs a part of journey by other means of locomotion, he may draw mileage allowance admissible for the part. (S.R. 181-A)

**8.152** Where any other person accompanies, a Government servant on a journey by air, who is not entitled to travel in that machine, the sanction of the Head of the Department should be obtained or if the Government servant is him self the Head of the Department, the permission of the Ministry/Division concerned is necessary. One 1st Cass or half 1st class fare should be paid for all "nonentitled" persons. (S.R. 181-B)

**8.153** When a Government servant performs a journey, otherwise than by railway, steamer or air, by means of locomotion provided by the Government, a Local Fund, etc. and does not pay the cost of its use or propulsion, he may draw the daily allowance on any day on which he is absent from his headquarters for more than 8 consecutive hours and may not exchange it for mileage allowance. If part of journey is performed by other means of locomotion, he may draw, in lieu of daily allowance, mileage allowance for the part of journey.

**8.154** Where separate conveyance has to be provided for servants and luggage at the expense of the Government servant, he may exchange it for mileage allowance calculated for the journey and draw in addition the mileage allowance admissible for journey by other means of locomotion, if any. (S.R. 182)

**8.155** In cases where a Government servant, has to pay all the cost of use or propulsion of the conveyance, he may draw the normal travelling allowance as admissible under the rules subject to the deduction of such fixed hire or charge which a competent authority supplying the conveyance may fix. (S.R. 183)

**8.156** The above rules are not applicable to Government servants of the Fourth Category they are entitled to normal travelling allowance even if they are provided free transit by any means of locomotion other than railway, steamer or air. (S.R. 184)

**8.157** When a Government servant travels by motor car, which has been supplied to him at the expense of the Government on the condition that he bears the cost of maintenance, he is entitled to travelling allowance as follows: -

(i) If he travels by motor car for more than 20 miles in one day, he may draw for the first 20 miles, the mileage allowance of his grade and for the remainder of the journey three-fourth of such mileage allowance.

(ii) If the journey by motor car is combined by road by other means of conveyance, he may draw mileage allowance for first 20 miles or for the journey by other conveyance, whichever is greater and for the remainder of the journey three-fourth of mileage allowance.

(iii) If the journey by road is combined with journey by railway or steamer, he may draw mileage allowance for journey by railway and steamer in addition to the mileage admissible under (i) and (ii) above for the journey by road. (S.R. 185)

**8.158** When a chauffeur makes a journey by road on the Government owned motor car in his charge, he may draw daily allowance of his grade if the journey involves an absence of at least one night from his headquarters. He is not entitled to any travelling allowance if such absence is not involved. (S.R. 186)

#### **GRANT OF FINANCIAL ASSISTANCE IN THE CASES OF DEATH OF GOVERNMENT SERVANTS AT THE STATION OF DUTY:**

**8.159** The expenses on the local burial on the cost of transportation of dead body are met by the Government to the extent indicated below: -

(i) **Cases in which the dead body of the deceased Federal non-gazetted Government servant is buried locally.** The actual cost of the local burial is reimbursed by the Government to the extent specifically applied for by the bereaved family subject to a maximum of <sup>11</sup>Rs 500 in each case.

(ii) **Cases in which the dead body of the deceased Federal Government servant is transported to home town:**

(a) **If the dead body transported by rail.** Actual cost of transportation of dead body of the deceased from his last station of duty to home town will be met by the Government.

(b) **If the dead body is transported by road.** Actual cost of such transportation shall be met by Government subject to a maximum of Rs. <sup>12</sup>4.00 per kilometre. The distance shall be calculated from the residence of the deceased in his last station of duty to his home town.

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<sup>11</sup> [Finance Division O M. No.2(8)-Reg.(9)/87-950/88 dt.11-8-1988.]

<sup>12</sup> [Finance Division O M. No.2(8)-Reg.(9)/87-950/88 dt.11-8-1988.]

(c) **Transportation of dead body by air.** Where transportation of the dead body by rail would involve a trip exceeding 24 hours actual cost of transportation by air would be met by the Government. In addition the family members may be allowed one single economy class fare to accompany the dead body. For this purpose 'family' means wife, and children residing with and wholly dependent upon the deceased. The air fare claimed on this account will be in lieu of the family's normal entitlement for T. A. as admissible on retirement. In case the deceased employee was a bachelor two attendants may be allowed to accompany the dead body.

**8.160**<sup>13</sup> "Irrespective of the mode of travel by which the dead body is transported" actual cost of transportation of dead body will also include charges on crating where necessary, not exceeding <sup>14</sup>Rs. 800.

**8.161(i)** The expenditure incurred may be reimbursed to person or body (not necessarily a family member) who incurs it. But application for reimbursement of the expenditure will as at present, continue to be made by a member of the family except where there was no member of family or when the expenditure happens to be incurred by an administrative authority as a result of combat, e. g., during actual action by a Police or Customs or Central Excise staff and the like. The office of the deceased shall satisfy itself about such claims.

**(ii)** The expenditure involved should be met from within the sanctioned budget grant of the administrative Ministry/Division/Department/Office concerned.

[Finance Division O.M No F. 2(12) R-9/73/917, dated 20-8-1973 and F 2 (12) R 9/73/1294-74, dated 26-6-1975]

**(iii)** In the case of death of the wife of a Government servant (only one wife) her dead body shall also be allowed to be transported to the home town of the Government servant concerned at Government expense in addition to the facility of an attendant.

[Finance Division O. M. No. 2(5) R-9/80-D. 213/80, dated 4-3-1980].

### **TRANSPORTATION OF THE DEAD BODY OF A GOVERNMENT SERVANT DEPUTED ABROAD ON TEMPORARY DUTY:**

**8.162** In the event of the death abroad of Government servant deputed outside Pakistan on temporary official duty, the expenditure connected with the death, to the extent supported by the relevant vouchers in original and certificate as the minimum by the Head of Pakistan Embassy or Pakistan Mission in the country concerned, is borne by the Government as follows:-

**(i)** If the dead body is buried/cremated locally in the country where the Government servant was deputed, the total cost of burial/cremation; or

**(ii)** If the dead body is transported to Pakistan, the total cost of such transportation including incidental expenses incurred for preparation of the body for transportation, such as embalming and local transportation charges etc.

<sup>13</sup> [Finance Division O.M.No F. 2(12) R-9-73-917, D 1405 R-9/77 dated 12-2-1978.]

<sup>14</sup> [Finance Division O M. No.2 (8)-Reg.(9)/87-950/88 dt.11-8-1988.]

[Finance Division O. M. No. F. 4(2) R-9/72 dated 17-4-1972]

**FORM OF T.A. BILL:**

**8.163(a)** Travelling Allowance Bill of a B-16 and above Government servant is prepared on Form T.R. 20 (Rule 254 of the Compilation of the Treasury Rules-Vol. I).

**(b)** Travelling Allowance Bill for a B-1 to B-15 Government Servant is prepared on Form T. R. 25 [Rule 277 (1) of the compilation of the Treasury Rules].

**8.164** Bill for advance of T.A. may be prepared either on the prescribed form or in the form of a simple receipt.

**HEAD OF ACCOUNT OF T.A. ADVANCES:**

**8.165(a)** Advance of T.A. on transfer is classified under the head of account 4000 ADVANCES NOT BEARING INTEREST---4100 ADVANCES REPAYABLE---4101 O. B. ADVANCES (CIVIL). If the Government servant is transferred to another account circle, the debit should be passed on to that circle for adjustment. (Rule 265 of the General Financial Rules, Vol I read with Article 36 of Account Code, Vol. I).

**(b)** The advance of T.A. on tour is debitable to the service head to which the pay is charged. (Rule 269 of General Financial Rules, Vol I read with Article 32 of Account Code, Vol. I).

**DUTIES OF A CONTROLLING OFFICER (S.Rs. 191-195):**

**8.166** In every Ministry, Department or office a competent authority has to appoint an officer, as 'Controlling Officer' for the purpose of travelling allowance of each Government servant or class of Government servants. A particular Government servant may be designated as his own controlling officer. Every Travelling bill, other than permanent travelling allowance or bill of those who have been specifically exempted under S. R. 193 or any other rules, should be duly signed or counter-signed by the controlling officer. The duties of countersignature cannot be delegated by a controlling officer to his subordinates.

**8.167** A controlling officer is required, before signing or counter signing a bill:-

**(i)** to scrutinize the necessity, frequency and duration of journeys and halts for which travelling allowance is claimed and disallow whole or part of the travelling allowance, if he is satisfied that the journey was not necessary or the halt was excessive;

**(ii)** to scrutinize the distance (s) given in the bill;

**(iii)** to satisfy himself that mileage allowance for journeys by rail or steamer has been claimed at the rate of accommodation admissible to a Government servant and actually used by him;

**(iv)** where actual expenses on account of cost of transportation of servants or personal luggage are also claimed, to see that these are according to the prescribed scale and are reasonable;

**(v)** to check any tendency to abuse the option of exchanging daily allowance for mileage allowance;

(vi) to satisfy himself before permitting a claim for higher class of accommodation under S. R. 38 that the Government servant actually bought a through ticket at the rate claimed and that it was not possible to purchase a through ticket at a cheaper rate; and

(vii) to observe any subsidiary rules or orders which a competent authority may frame for his guidance.

**8.168** Although both the controlling officer and the audit officer have to scrutinize the correctness of the T. A. claim, but it is the controlling officer, who has to share the major part of responsibility in this behalf. The audit officer exercises merely a test check on the distances and other relevant facts contained in the T. A. bill, in order to ensure that the Government servants claim the railway or steamer fare for the class of accommodation to which they are entitled and have actually travelled in that class. They may be asked to give a certificate in their T. A. bill to the effect that they have actually travelled in the class of accommodation for which the travelling allowance has been claimed. In cases where a Government servant has to travel in a higher or lower class of accommodation in the interest of public service, this fact should be duly communicated to the audit either in the T. A. bill or through a separate covering letter. Where road mileage has been claimed the Government servant should be asked to record a certificate about the mode of conveyance (own car, borrowed car, full taxi, motor cycle/ scooter or by taking a single seat) actually used. In the column "Purpose of Journey" the specific purpose should invariably be mentioned. In some of the T. A. bills submitted to Audit, the purpose of journey is often indicated by such vague expression as 'official business', 'official duty' and 'official tour', etc. As it is necessary to know the exact purpose for which journey is undertaken in order to determine whether the cost of the journey is correctly debitable to the Government, an indication as to the specific purpose of the journey is essential. The controlling officers, in terms of S. R. 195, are responsible to ensure that the specific purpose of the journey is always indicated on the T. A. bill. This requirement should invariably be complied with in order to obviate the delay which otherwise occurs as a result of the submission of incomplete T. A. bills, which have to be returned by Audit. Where the purpose of the journey is of a secret nature, it may be indicated in a separate letter signed by the Controlling Officer and sent in a sealed cover to the Audit Officer concerned by name.

## **RECORD OF SERVICE**

### **B-16 AND ABOVE GOVERNMENT SERVANTS (S.R. 196):**

**8.169** The record of the service of a BPS-16 & above officers is kept by the respective audit officer in such form as may be prescribed by the Auditor General of Pakistan. In pursuance of these powers the Auditor-General has decided that a 'History of Service' will be maintained for every gazetted officer, which will contain the following information:-

Name; Qualification; Date of birth; Date of joining service; Domicile; Province of origin; Mother tongue; Stations of appointment; Dates of officiating and substantive appointments; Leave and suspensions, etc.

Any literary work done by the Government servant or any title conferred upon him is also mentioned therein.

### **B-L TO B-15 GOVERNMENT SERVANTS (S.RS. 197 TO 205):**

**8.170** A Service Book must be maintained for every BPS-1 to BPS-15 Government servant holding a substantive post on a permanent establishment or officiating in a post or holding a temporary post with the exception of the following:

(a) Government servants who are recruited for purely temporary vacancies and are not eligible for permanent appointment.

(b) Policemen of rank not higher than that of Head Constable.

The Service Book is supplied for the Government servant at his own cost on his first appointment to Government service. This is kept in the custody of the head of office and transferred with him from office to office. If he resigns from service or is discharged from the service without fault, the service book may be given to the Government servant after making an entry to this effect in the Service Book. Where a pensioner asks for his Service Book, it can be handed over to him after recording the following certificate over the signature of the proper authority: -

"Mr. ....left the service on pension on.....and this Book is returned to him at his own request".

**8.171** Every step in a Government servant's official life should be recorded in his Service Book and each entry attested by the head of office. There should be no erasure or overwriting and all corrections should be neatly made and properly attested.

**8.172** The period of suspension, leave or other interruptions, should be duly recorded and attested. In order to ensure that there is no omission as to create any complications at the time of pension, it is permissible for a Government servant to examine his Service Book from time to time. He should rather sign against every entry in the appropriate column.

**8.173** If a Government servant goes on Foreign Service his Service Book should be sent to the audit officer. The audit officer will make the entries over his signature in respect of order sanctioning the transfer, the effect of transfer in regard to leave admissible during Foreign Service and any other particulars deemed necessary by him and return the Service Book to the department. On the Government servant's return from Foreign Service the Service Book should be sent to the audit officer again who will make necessary entries in regard to the Foreign Service. No entry relating to the time spent in Foreign Service can be attested by any authority other than the audit officer.

**8.174** In so far as those Government servants are concerned for whom Service Book is not required to be maintained Service Roll should be maintained, which should contain particulars regarding date of enrolment, marks of identification, posts held, promotions, demotions, absence from duty with or without leave and other interruptions in service.

## **JOINING TIME**

### **TRANSFER FROM ONE POST TO ANOTHER IN THE SAME STATION (S.R. 293):**

**8.175** Joining time for one day only is allowed when the appointment to another post does not involve change of residence from one station to another. A holiday counts as a day for the purpose of this rule.

### **TRANSFER TO ANOTHER STATION:**

**8.176** The maximum joining time admissible to a Government servant on transfer from one station to another is 30 days, Six days are allowed for preparation and in addition the time taken in actual journey calculated as under:-

	<b>One day for each</b>
By Railway	250 miles
By Ocean Steamer	250 miles or any longer time actually
By River Steamer	80 miles occupied in journey.
By Motor-car	80 miles
By Air	Number of day(s) actually taken in the air journey

**8.177** A day is allowed for any fractional portion of any distance as prescribed above. In cases of journey by steamer the limit of 6 days for preparation may be extended to cover any period unavoidably spent in awaiting the departure of the steamer. Travel by road not exceeding 5 miles to and from the Railway Station or Steamer Ghat at the beginning or end of journey is not counted towards joining time. Friday does not count as a day for purposes of these rules, but Fridays are included in the maximum limit of 30 days.

**8.178** An authority sanctioning a transfer is competent to reduce the period of joining time as admissible under these rules, if special circumstances so require.

**GENERAL ORDERS (S.Rs. 296 TO 302):**

**8.179** The joining time is normally calculated by the route which travellers ordinarily use irrespective of the route by which the Government servant has actually travelled.

**8.180** If a Government servant is required to make over charge at a place other than his headquarters, joining time should be calculated from that place. When a government servant is appointed to a new post, while in transit from one post to another, his joining time begins from the day following that on which he received orders for transfer. But a second period of 6 days for preparation is not allowed in such cases.

**8.181** Where a Government servant takes leave while in transit from one post to another, the period which has elapsed since he relinquished charge of the old post should be included in his leave. If, however, the leave is on medical certificate, the period may be treated as a joining time. When a government servant is appointed to a new post while on leave not exceeding 4 months, the joining time will be calculated from his old station or from the station at which he is spending leave, whichever will entitle him to lesser joining time.

**8.182** The period of joining time may be extended beyond 30 days if there are special circumstances to justify the extension.

## CHAPTER IX

### PENSION RULES

#### TERMS USED IN THE PENSION RULES EXPLANATION:

**9.1** The various terms used in the pension rules are explained below:

**(i) Age.** When a Government Servant is required to retirement, or cease to be on leave, on attaining a specified age, the day on which he attains that age is reckoned as a non-working day, and the Government servant must retire, revert, or cease to be on leave (as the case may be) with effect from and including that day (Art. 14 CSRs).

**(ii) Family.** The 'family' for the purpose of entitlement of gratuity/ pension benefits under the Pensioncum Gratuity Scheme includes the following relatives of the Government Servant:

**(a)** wife or wives, in the case of a male Government servant (unless there is a judicial separation wife continues to be a member of the Government servant's family irrespective of the fact whether she has been living with him or not);

**(b)** husband, in the case of female Government servant (a female Government servant can exclude her husband from being a member of her family);

**(c)** children of the Government servant;

**(d)** widow or widows and children of a deceased son of the Government servant Pension-cum-Gratuity Scheme 1954)

**(iii) Foreign Service.** Means, service in which a Government servant receives his substantive pay with the sanction of Government from any source other than the revenue of the Government of Pakistan or of a Province or the Railway Fund (Art. 27 C.S.Rs).

**(iv) General Revenue.** For the purposes of pension include Provincial Revenues. (Art. 28 C.S.Rs)

**(v) Local Fund.** The expression 'Local Fund' denotes:

**(a)** revenue administered by bodies which by law come under the control of the Government whether in regard to the proceedings generally or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular appointments, the enactment of leave, pension or similar rules;

**(b)** the revenues of any body which may be specially notified by the Government as such. (Art. 33 C.S.Rs)

**(vi) No Demand Certificate.** Means a certificate by the Department concerned that all the dues against the retiring Government servant up to the date of retirement have been realized and nothing is now outstanding against him. Such a certificate is also required to be obtained from the Estate Office concerned.

(vii) **Pension.** a periodical payment made by Government in consideration of past services rendered by a Government servant. Except when the term "Pension" is used in contradistinction to Gratuity "Pension" includes Gratuity. (Art. 41 C.S.Rs)

(viii) **Rule of Proportions.** Pension is chargeable according to the "Rule of Proportions" when the charge is debit to several accounts in the proportions in which, the aggregate pay drawn by the Government servant during the whole of his qualifying service has been paid from them. (Art. 45 C.S.Rs)

#### **CLASSIFICATION OF PENSION:**

**9.2 Compensation Pension.**(a) If a Government servant is selected for discharge owing to the abolition of a permanent post, he shall, unless he is appointed to another post, the conditions of which are deemed by authority competent to discharge him to be at least equal to those of his own, have the option:

(i) of taking any compensation pension or gratuity to which he may be entitled for the service he has already rendered, or

(ii) of accepting another appointment or transfer to another establishment even on a lower pay, if offered, and continuing to count his previous service for pension.

Note. Government servant cannot refuse offer of alternate employment.

(b) A Government servant not employed in a substantive permanent capacity is granted Compensation Gratuity/Pension if he is discharged after completing qualifying service of 10/25 years or more owing to the abolition of his post or is replaced by a "qualified" candidate.

[Finance Division O.M No OB-2/12/63-Imp (I) dated 18-8-1966].

**9.3 Invalid Pension.** (a) An invalid pension is awarded, on his retirement from the public service, to a Government servant who by bodily or mental infirmity is permanently incapacitated for the public service, or for the particular branch of it to which he belongs. The infirmity has, however, to be certified by a duly constituted Medical Board.

(b) If a temporary Government servant is retired for inefficiency due to mental or physical infirmity he shall be allowed pensionary benefits as if he was required to retire in terms of Rule 10-A, of the Fundamental Rules.

(c) In case an officer dies before his retirement, his pension is calculated, as if he was retired on Invalid Pension on the date following the date of his death. (Pension-cum Gratuity Scheme, 1954)

**9.4 Superannuation Pension.** A superannuation pension is granted to a Government servant who is entitled or compelled, by rule, to retire at a particular age. (Art. 458 C.S.Rs)

In terms of Civil Servants (Amendment) Act, 1976 a civil servant is required to retire on completion of 60 years of age.

**9.5 Retiring Pension.**(i) A retiring pension is granted to a Government servant who is permitted to retire after completing qualifying service of 25 years. Such a pension is also granted to Government servant who is required by Government to retire after completing twenty five years qualifying service or more.

(ii) Subject to provisions of Essential Services (Maintenance) Act, 1952, a Government servant other than a Government servant against whom a departmental proceeding is pending has the right to retire from service after completion of 25 years qualifying service. Such a Government servant shall, at least three months before the date on which he intends to retire, be required to submit a written intimation to the authority competent to fill the appointment by him at the time of submitting that intimation indicating the date on which he intends to retire. Such intimation, once submitted shall be final and shall not be allowed to be modified or withdrawn. However, before formal acceptance of the request he may, if so, desired, withdraw his application for premature retirement.

(iii) Government has the right to retire any Government servant after he has completed 25 years qualifying service.

[Finance Division O. M. No. OB-2/12/63-Imp (I) dated 18-8-1966].

(iv) The term retirement used in Section 19(1) of the Civil Servants Act, 1973 includes "Compulsory Retirement" under the Government servants (Efficiency & Discipline) Rules, 1973.

(v) In case of voluntary retirement of Government servants the Heads of Departments are responsible for ensuring verification of qualifying service by the Audit within one month from the date of receipt of application for voluntary retirement after 25 years qualifying service. If the qualifying service comes out to be less than 25 years, the Government servant will have to continue in service till he completes that length of service. The fact of the shortfall in the qualifying service should be pointed out by the Head of the Department to the Government servant concerned before the expiry of the three months notice period.

[Finance Division O.M No F 8(5)-Reg.(6)/73 dated 4-1-1975 read with Auditor General letter No. 32-A/69-66, dated 6-2-1975.]

(vi) The requests for voluntary retirement on completion of 25 years qualifying service should be submitted to the competent authorities mentioned below:--

Category of Officers	Authority competent to accept request for retirement
B-21 and above.	Prime Minister.The summary after the approval by the Minister concerned is to be submitted through the Establishment Division.
B-17to20.	Secretary of the Ministry/Division, which administratively controls the cadre or department to which the post belongs.
B-16.	Head of Department.
B-1 to 15.	Head of Department or Head of Office.

**9.6 Conditions of qualifying service (i)** Unless it be otherwise provided by special rule or contract, the service of an officer begins to qualify for pension from the date he takes charge of the office to which he is first appointed.

[Article 358 of the C.S.Rs as introduced vides Finance Division Note No DF. 1(15)-Reg. (6)/72 dated 31-1-1973].

**(ii)** The service must be under Government. A Government servant does not qualify his service for pension unless he is appointed and his duties and pay are regulated by the Government. (Arts. 361,362 C.S.Rs)

**(iii)** The employment must be substantive and permanent. (Arts 361,368 C.S.Rs)

**(iv)** A Government servant not employed in a substantive permanent capacity who has rendered more than 5 years continuous temporary service counts such service for the purpose of pension or gratuity excluding broken periods of service, if any, rendered previously. Temporary and officiating service of less than five years immediately followed by confirmation is also count for pension or gratuity as the case may be. (Art. 371-A C.S.Rs)

**(v)** Only the service paid from the General Revenues qualifies for pension. Foreign Service also counts for pension provided the pension contribution was paid as required under the rules. The effective service rendered by a Government servant in an autonomous or semi-autonomous body, in a post appointment to which is, by law, required to be made, and the salary of which is required to be fixed by the Federal Government or a Provincial Government is treated as effective service rendered in a post in Government service.

[Articles 385,386 CSRs. Finance Division O.M No OB-2/12/63-Imp-(1). dated 15-11-1969].

**(vi)** The continuous service rendered by contingency paid staff prior to their being brought on the regular establishment, from 1st October, 1957, will count in full and continuous service before that date to count in half for purpose of pension.

[Finance Division O. M. No. F-3(12) Reg. 6/72, dated 2-4-1975].

**(vii)** Civil employees who, prior to their civil employment, have rendered whole time satisfactory paid, enlisted or commissioned service including service rendered as a cadet in a Military Training School between the 3rd September, 1939 and the 31st March, 1946 in His Majesty's forces which did not earn a service pension and who have been appointed in a civil pensionable post on or before the 18th July, 1949 are allowed to count the completed years of such service up to a maximum of five years, for the purpose of civil pension. [Article 357-AA C.S.Rs Finance Division Notification No F. 24(8)-Rs (3)/70 dated 10-12-1970].

**(viii)** All periods of leave, other than extraordinary leave, count as service qualifying for pension. (Art. 407 C.S.Rs)

**(ix)** The period of suspension followed by reinstatement or superannuation count towards qualifying service for pension.

[Finance Division O.M No F 5(1) Reg (b)/77 dated 24-2-1977 and CSR 417-A notified under Finance Division O.M. No. F. 12(8) Reg. (6)/79 dated 10-11-1980].

**(x)** In case where a Government servant is compulsory retired following a period of suspension ordered under Government Servants (Efficiency and Discipline) Rules, 1973 pension or gratuity is admissible only for the period of service rendered excluding the period of suspension.

**(xi)** Resignation of the public service, dismissal or removal on account of misconduct, insolvency or inefficiency or failure to pass an examination entails forfeiture of past service. Subject to any order of the President made on compassionate grounds a Government servant

who is removed or dismissed shall not be entitled to any compensation pension, gratuity or benefit accruing from Government contribution to a contributory provident fund. Resignation of an appointment to take up another appointment in which the service counts for pension is not a resignation of the public service for the purpose of pension. (Art. 418 C.S.Rs)

(xii) Any interruption in the service of an officer entails forfeiture of his past service. The authorised leave of absence, suspension immediately followed by reinstatement and time occupied in transit from one appointment to another are not treated as interruption for the purpose of qualifying service. (Art. 420 C.S.Rs)

(xiii) The authority that sanctions the pension may commute retrospectively periods of absence without leave into extraordinary leave. [Art. 421 C. S. Rs and F. Rs 85(b)]

**9.7 Condonation of interruption and deficiencies.** (i) Upon such conditions as it may think fit in each case to impose, the authority competent to fill the appointment held by a Government servant at the time condonation is applied for, where he to vacate that appointment, may condone all interruptions in his service, provided such interruption is not due to any fault or wilful act of the Government servant, like unauthorised absence, resignation or removal from service. This power, however, cannot be exercised to condone breaks in temporary and officiating service specifically excluded from the category of qualifying service under Article 371-A C. S. Rs. Interruptions due to removal on account of reduction and retrenchment of a post should be deemed to have been condoned. [Art 422 C. S. Rs read with Finance Division O.M No. F. 5(1) Reg (6)/77 dated 24-2-1977].

(ii) A deficiency of a period not exceeding six months in the qualifying service of a Government servant shall be deemed to have been condoned automatically. The authority competent to sanction pension may condone a deficiency of more than six months but less than a year, subject to the following conditions:

(a) the Government servant has died while in service or has retired under circumstances beyond his control, such as on invalidation or abolition of his post, and would have completed another year of qualifying service; if he had not died or retired.

(b) the service rendered by him had been meritorious,

(iii) A deficiency of full one year or more cannot be condoned.

(iv) These provisions will not apply to Government Servants who have rendered less than five years continuous service.

[Finance Division O.M. No.OB-2/12/63-lmp (I) dated 18-8-1966 and F1 (7) Reg. (12)/80 dated 2-4-1984].

### **EMOLUMENTS RECKONED FOR PENSION:**

**9.8** The term "Emoluments" means the emoluments which a Government servant was receiving immediately before his retirement and includes:-

(i) Pay as defined in FR 9(21) (a) (i)

(ii) Personal pay.

(iii) Technical pay.

<sup>15</sup>(iv) Special pay of all types and nature.

<sup>16</sup>(v) Dearness Allowance.

<sup>17</sup>(vi) Increments accrued during L.P.R.

(vii) Indexed pay (Notification No. F. 12(2)/Reg. 16/84 dated 13-10-1985).

(viii) Senior Post Allowance [will apply to officers who retire on or after 1-5-1977 vide Finance Division O.M. No F. 6(2) Reg. (6)/77, dated 10-5-1977].

(ix) Any other addition to pay which may specifically be declared by President as emoluments reckoning for pension.

[Finance Division O. M. No. F. 4(4)-Reg. (6)/74, dated 8-12-1972].

(x) The emoluments or pay drawn by a Government servant who is transferred on foreign service in an autonomous or semiautonomous body, in a post appointment to which is by law, required to be made and the salary which is required to be fixed, by the Federal Government or a Provincial Government are treated as emoluments or pay drawn in a post in Government service. [Art.486 C.S.Rs, Finance Division Notification No F. 4(4) Rs/68 dated 30-1-1971].

(xi) For the purposes of calculation of emoluments in respect of civil servants posted abroad during the period of last three years or a portion thereof the Dearness Allowance and Senior Post Allowance, which they would have drawn in Pakistan, but for their posting abroad should be taken into account and included in the term emoluments on notional basis.

[Finance Division O.M No F 6(1) Reg. 1/75. dated 11-3-1977 and F.6 (2)-Reg. (6)/77, dated 30-7-1977].

**9.9 Average Emoluments.**(i) The term 'average emoluments' means the average calculated upon the last 12 months of service. However, if the pay of a Government servant has been reduced otherwise than as penalty under the Government Servants (Efficiency and Discipline) Rules average for the purpose of pension may, at the option of the pensioner, be calculated on the basis of the emoluments drawn or which would have been drawn, during the last 3 years of service [Art. 487 C.S.R. read with Finance Division O.M. No. 6(9)-Reg. (6)/78 dated 15-2-1979 and 16-6-1979]

(ii) If during the last twelve months or three years of his service a Government servant has been absent from duty on leave with allowance, or having been suspended, has been reinstated without forfeiture of service, his emoluments, for the purpose of ascertaining the average, should be taken into account at what they would have been had he not been absent from duty or suspended. If during the last twelve months or three years of his service, a Government servant has been absent from duty on leave without allowance (not counting for pension) or there was suspension without reinstatement the period so passed should be disregarded in the calculation of the average and equal period before the twelve months or three years included. (Art. 487 CSRs)

<sup>15</sup> [Finance Division O. M. No. F. 4(4)-Reg. (6)/74, dated 8-12-1972].

<sup>16</sup> [Finance Division O. M. No. F. 4(4)-Reg. (6)/74, dated 8-12-1972].

<sup>17</sup> [Finance Division O. M. No. F. 4(4)-Reg. (6)/74, dated 8-12-1972].

(iii) If during the last twelve months or three years of his service an officer's pay has been refixed as a result of revision or upgradation of the scale of the post held by him with retrospective effect, but arrears have not been allowed nor recoveries made in respect of the past period, his emoluments for the purpose of calculating the average, should be taken, as what they would have been if the arrears would not have been disallowed or the recoveries would have been made. [Art. 487-I-A of C. S. Rs vide Finance Division O.M. No F 4(4) Reg (6)/74, dated 8-12-1972]

#### **AMOUNT OF PENSION:**

**9.10 (a)** The amount of pension that may be granted to a Government servant is determined by the length of service. Fractions of a year are not taken into account in the calculation of any pension admissible to a Government servant. The full pension admissible under the rules is not given as a matter of course. The service rendered should be really approved. If the service has not been thoroughly satisfactory, the authority sanctioning the pension should make such reduction in the amount as it thinks proper. [Art. 470 C.S.Rs]

“Note-1 The amount of any pension shall not be reduced under this Article without affording to the person entitled to it, by means of a notice in writing an opportunity to show cause against the proposed reduction.”

[{No F 10 (7) Reg (6)/71} Finance Division Notification No S.R.O. 482 (K)/72 dated 30-3-1972]

“Note-2 A Government servant compulsory retired under the Government Servants (Efficiency and Discipline) Rules, 1973, shall be entitled to pension or gratuity as admissible under normal rules and the certificate of 'thoroughly satisfactory service' is not required in his case.”

[Finance Division Notification No F. 1(21)-Reg. (6)/80 dated 1-1-1981]

(b) If a Government servant employed in a substantive and permanent capacity in pensionable service retires or is selected for discharge owing to the abolition of his permanent post after completing qualifying service of 5 years but less than 10 years, he may be granted a gratuity not exceeding one month emoluments for each completed year of qualifying service. If such a Government servant has completed qualifying service of 10 years or more at the time of his retirement or discharge, as the case may be, he may be granted the ordinary pension.

(c) Temporary Government servants who retire from service in the usual course, i.e., on attaining the age of superannuation or on being declared incapacitated for further service or who elect to retire after completion of 25 years qualifying service, are treated at par with permanent Government servants and as such are entitled to gratuity or pension as the case may be in accordance with (b) above. If, however, a temporary Government servant is discharged from service owing to the abolition of his post or replacement by a 'qualified' candidate he is entitled to an ordinary pension on completion of qualifying service of 25 years or more and to a gratuity not exceeding one month's emoluments for each completed year of qualifying service subject to a maximum of Rs. 50, 000 on completion of 10 years but less than 25 years qualifying service. No gratuity or pension is admissible to such temporary Government servants, who at the time of discharge have rendered service of less than 10 years.

[Finance Division O.M No OB-2/12/63-lmp (I), dated 18-8-1966, and Finance Division No F. 8(14)-R6/68 dated 25-11-1968 & F. 3(1) (Reg.-6) dated 20-11-1984].

(d) The amount of pension of a Government servant who has the right to retire on a retiring pension should not be less than the amount to which he would have been entitled if he had exercised this right, notwithstanding the fact that the emoluments may be reduced by reason of his appointment to another post carrying lower pay, otherwise than as a penalty.

[Finance Division No OB-2/12/63-lmp (I), Pt. dated 28-7-1970].

#### **RATES AND SCALE OF PENSION:**

**9.11 (i)** Pension is calculated at the rate of 70% of average emolument's on completion of 30 years qualifying service. Where qualifying service is less than 30 years but not less than 10 years proportionate reduction in percentage is made. In case of employees joining service on 1-7-1986 or later the pension will be calculated on the basis of 'Emoluments'. The existing employees retiring on or after 1-7-1986 have option to get their pension calculated on the basis of 'Emoluments' provided the post held by them was on a regular basis. If any such employee was in receipt of special pay for holding current charge of higher post or full additional charge of an equivalent post, the special pay will be divided by twelve months in terms of CSRs 486. This average will be added to the emoluments. The pension table regulating all the four pensions namely Compensation Pension, Superannuation Pension, Invalid Pension and Retiring Pension is as under:-

<b>Completed year of qualifying service</b>	<b>Scale of pension expressed as fraction average emolument/emoluments</b>
10	70/300
11	77/300
12	84/300
13	91/300
14	98/300
15	105/300
16	112/300
17	119/300
18	126/300
19	133/300
20	140/300
21	147/300

22	154/300
23	161/300
24	168/300
25	175/300
26	182/300
27	189/300
28	196/300
29	203/300
30 and above	210/300

Note. 1. In calculating pension or restoring commented portion there of fraction of a rupee, which is less than fifty paisas is ignored and that of fifty paisa and more will count as one Rupee.

[Finance Division O.M No F. 11(1) Reg-6/85 dated 1-7-1986 and No. F. 10(4) Reg. (6)/86 dated 17-7-1986].

2. The Civil servant retiring on or after 1-7-1986 would be allowed benefit in pension to the extent of 2% of his gross pension for each extra year of service rendered by him beyond 30 years of qualifying service subject to a maximum of 10% of his gross pension.

[Finance Division O. M. No. F. 11(2) Reg. (6)/86 dated 1-7-1986],

(ii) If for a pensioner with qualifying service of 30 years or more the amount of a pension calculated under sub-para (i) falls short of the amount of pension (inclusive of dearness increases) that would have been admissible under the existing rules, or exceeds it by less than Rs. 45, the amount under the revised formula be so increased as to make such difference one of Rs. 45. Where qualifying service is less than 30 years but not less than 10 years proportionate reduction at the rate of Rs. 1.50 for each year short of 30 years should be made while working out the amount of minimum increase mentioned above. The various adhoc increases sanctioned from time to time were as under:-

	Maximum	Date of effect
(i) Ad hoc increases 15% upto Rs. 530.	Rs. 30	1-6-1973
(ii) Dearness Increase 15% upto Rs. 735.	Rs. 30	1-8-1973
(iii) Special Dearness 15%	Rs. 100	8-6-1974

(iv) Additional Increase 10%	Rs. 25	7-4-1975
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(iii) The pension of persons retiring on or after 1-2-1977 is to be calculated in terms of sub-para (i) or (ii) independently in order to determine which of the two is beneficial to the pensioner.

(iv) The term 'emoluments' i.e. pensionable pay will also include dearness allowances sanctioned from time to time for purpose of calculation under sub-para (i).

(v) On the pensions sanctioned under these orders such dearness increases in pensions would not be admissible as were sanctioned before 1<sup>st</sup> February, 1977.

(vi) Commutation is not subject to medical certificate if it is asked for within one year of the date of retirement. This is not applicable to cases of invalid pension.

(vii) No gross pension of a retired Government employee would be less than Rs.300 P.M. w.e.f. 1<sup>st</sup> July, 1988 the term "gross pension" would mean gross pension before commutation and/or surrender of 1/4<sup>th</sup> thereof plus any dearness/ad hoc increase and indexations sanctioned from time to time. Similarly the Family Pension would not be less than Rs. 150 P.M.. The Family Pension would mean pension plus dearness/ad hoc increases and indexations allowed from time to time.

[Finance Division O.M No F 9(12)-Reg (6)/88(A) of 1<sup>st</sup> July, 1988]

#### **FAMILY PENSION:**

**9.12 (i)** In the case of death of a civil servant while in service gratuity in lieu of one fourth of the gross pension will be allowed. The rate of gratuity as from 1-7-1986 would be determined on the basis of age next birthday of the deceased civil servant in accordance with the new Commutation Table. In addition, family pension will be admissible at 50% of the gross pension to the widow for her life or till her remarriage. In the case of death of widow the family pension will be admissible to the sons, if any, until they attain the age of 21 years and the unmarried daughters if any, until they are married or attain the age of 21 years, whichever is earlier. The entitlement of family pension to the eligible members of family other than widow will be for a period of ten years or an expired period of ten years.

[Finance Division O.M No F 12(13) Reg (6)/82 (A) dated 18-8-1983 and O.M No F. 10(3) Reg (6) (ii) dated 1-7-1986]

(ii) In the case of death of a pensioner after retirement family pension at 50% of the pension (net, or gross, as the case may be), will be admissible to the widow or sons or daughters as in (i) above.

#### **PENSION-CUM-GRATUITY SCHEME 1954:**

**9.13** In accordance with the provisions of Pension-cum-Gratuity Scheme, the payment of pension/gratuity or both is regulated as under: -

(i) A Government servant who has rendered five years qualifying service or more but less than ten years qualifying service may be granted a gratuity not exceeding one month's emoluments for each completed year of qualifying service. In case of invalidation and death the rate will be 1-1/2 month's pay for each completed year of service. This amount

will be paid to him at the time of his retirement or to his family in the event of his death while in service. In this case no pension is admissible.

(ii) In case a Government servant dies before his retirement, his pension is calculated, as if he retired on invalid pension on the date following the day of his death, and his family will be paid the gratuity calculated on the basis of the formula at Para 9.12 above. In addition the family will also be entitled to a monthly Family Pension at 50% of the full amount of pension. The widow will be entitled to the family pension for the life or till her remarriage. In the case of death of widow, the family pension will be admissible to the sons, if any, until they attain the age of 21 years and the unmarried daughters if any, until they are married or attain the age of 21 years, whichever is earlier for a period of ten years or an expired period of ten years.

[Finance Division O.M No F. 12(13) Reg (6)/82(A), dated 18-8-1983]

(iii) Where a pensioner dies after his retirement family pension at the rate of 50% of the pension (net or gross), as the case may be will be paid to the widow or sons or daughters as in (ii) above.

(iv) The commutation will be allowed upto 1/2 of the full pension

(v) The family for the purpose of payment of death-cum-retirement gratuity/pension includes the following relations of the Government servant: -

(a) Wife or wives in the case of male Government servant. (Unless there is a judicial separation wife continues to be a member of the Government servant's family irrespective of the fact whether she is living with him or not).

(b) Husband in the case of a female Government servant (A female Government servant can exclude her husband from being a member of her family). He will be entitled to the Family Pension only for ten years.

(c) Legitimate children of the Government servant.

(d) Widow or widows and children or deceased son of Government servant.

**9.14** On completion of five years qualifying service by him every Government servant should make a nomination in Form 'A' or 'B' conferring on one or more persons the right to receive the gratuity in the event of his death. If the nomination is in respect of more than one person then their relative shares should also be specified. The nomination can be cancelled or changed at any time. The nomination should be sent to the audit officer in respect of the employees of BPS 16 and above and to the Head of Office in respect of officials' upto BPS 16.

**9.15** When the amount of gratuity becomes payable to the family of the Government servant, the payment is made according to the following procedure: -

(a) The amount of gratuity is paid to the nominee or the nominees in accordance with the specified share.

(b) Where a valid nomination was not in existence or the full amount was not covered by the nomination, the amount of gratuity will be paid in equal shares to the members of the family with the exception of sons, unmarried daughters, grandsons and grand daughters who have attained the age of 21 years and married daughters and grand-daughters

whose husbands are alive. The share of the widow/ widows and children of a deceased son will, however, be limited to that as would have been admissible to the son, had he not died.

**9.16** In cases where a Government servant does not leave any family as mentioned above, the gratuity will be paid in equal shares to his brothers and unmarried sisters below the age of 21 years, widowed sisters, father and mother. No Gratuity is, however, payable at all if government servant does not leave any family or eligible dependent relatives as specified above.

**9.17 (i)** The family pension, in the event of death of Government servant, will be payable to the members of his family or to his dependent relatives in the following order, i. e. the title will pass from one to the next in the event of former having died or became otherwise ineligible: -

(a) Widow of the deceased, if he was a male Government servant or to the husband of deceased, if she was female. If the Government servant had more than one wife, but the total number of surviving widows and children does not exceed four, the pension is divided in equal shares among the widows and children (excluding sons and daughters above the age of 21 years and the married daughters); where the number of surviving widows and children is more than four; the pension will be divided in such a way that each surviving widow should get 1/4th of pension and the balance if any, will be divided equally amongst the surviving children (excluding the sons above the age of 21 years and married daughters).

(b) Eldest surviving son upto the age of 21 years.

(c) Eldest surviving unmarried daughter till her marriage; if the eldest daughter marries or dies the next eldest daughter till her marriage].

(d) Eldest widowed daughter.

(e) Eldest widow of a deceased son of the Government servant.

(f) Eldest surviving son upto the age of 21 years of a deceased son of the Government servant.

(g) Eldest surviving unmarried daughter upto the age of 21 years of a deceased son of the Government servant.

(h) Eldest widowed daughter of a deceased son of the Government servant.

(ii) If the pension was not payable to any member of family as detailed above, it is payable in the following order:-

Father, mother, eldest surviving brother upto the age of 21 years, eldest surviving unmarried sister upto the age of 21 years and eldest surviving widowed sister

(iii) The pension to the above persons will be payable if it is proved that such person was dependent on the deceased Government servant for support. The pension will cease to be payable as soon as a female gets married or remarried or a brother; unmarried sister attains 21 years of age.

(iv) The pension will be payable to one member at a time. When it is not, payable to him/her on account of his/her death or due to the reasons as stated above, the pension will be paid to the next claimant in the order of eligibility.

(v) Where gratuity/pension is payable to minor or minors payment is made to the regularly appointed Manager or Guardian. Where there is no guardian, the sanctioning authority may allow the payment to their mother. In case the mother is not alive or was judicially separated from the Government servant in his life time, the sanctioning authority may nominate any suitable person to be the guardian for the purpose. For female Government servant, the payment can be made to the father of minor children.

(vi) If an employee remains missing or unheard of for a period of seven years to the satisfaction of the Department concerned, family pension may be allowed to his heirs as provided in the rules.[Ministry of Finance O.M No 5(1) Reg. 6/87 dated 4-3-1987.]

**NOMINATION FOR DEATH-CUM-RETIREMENT GRATUITY**

**FORM 'A'**

**9.18**

**When the Government servant has family and wishes to nominate one member thereof.**

I hereby nominate the person mentioned below, who is a member of my family and confer on him the right to receive any gratuity that may be sanctioned by the Government in the event of my death while in service and the right to receive on my death any gratuity which having become admissible to me on retirement may remain unpaid at my death:

Name and address of nominee	Relationship with nominee	Age	Contingencies on the happening of which the nomination shall become invalid	Name and relationship of the person if any to whom the right conferred on the nominee shall pass in the event of the nominee pre-deceasing the Government servant

Dated this.....day of.....19  
at.....

Witnesses to signature

1.....

2.....

Signature of Government servant

(To be filled by the Head of office in the case of a B-1 to B-15 Government servant.)

Nomination by.....

Signature of Head of Office

Designation.....

Designation.....

Office.....

Date.....

**Form 'B'**

**When the Government servant has a family and wishes to nominate more than one member thereof**

I hereby nominate the persons mentioned below, who are members of my family, and confer on them the right to receive, to the extent specified below, any gratuity that may be sanctioned by the Government in the event of my death while in service and the right to receive on my death, to the extent specified below, any gratuity which having become admissible to me on retirement may remain unpaid at my death:

Name(s) and address(es) of nominee(s)	Relationship with Government servant	Age	<sup>18</sup> Amount of share of gratuity payable to each	Contingencies on the happening of which the nomination shall become invalid.	Name, address, relationship of person if any, to whom the right conferred on the nominee shall pass in the event of the nominee re-deceasing the Government servant

<sup>18</sup> Note. -This column should be filled in so as to cover the whole amount of the gratuity

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N.B--The Government servant should draw lines across the blank space below the last entry to prevent the insertion of any name after he has signed.

Dated this.....day of.....19  
 at.....

Witnesses to signature

1.....

2..... Signature of Government servant

-----

(To be filled in by the Head of office in the case of B-1 to B-15 Government servants)

Nomination by.....

Signature of Head of Office

Designation.....

Designation.....

Office.....

Date.....

Date.....

**INDEXATION OF PENSION:**

**9.20** The pensions of all the civil pensioners of the Federal Government are to be indexed in relation to the cost of living at the rates specified from time to time. The concession would be admissible to all the existing pensioners w. e. J. 1st July, 1985 and to all pensioners retiring on or after that date. The pension admissible at any time will be the pension due under the normal rules multiplied by the index applicable from time to time.

**9.21** For the purpose of indexation the term pension would mean gross' pension, i. e. pension before commutation and/or surrendered of one fourth thereof including any dearness/ad hoc increases in pension sanctioned from time to time.

[Finance Division O.M No F. 11(1) Reg. (6)85 dated 26-6-1985 and F 11(1)-Reg (6)/86(A) dated 1-7-1986]

**COMMUTATION OF PENSION:**

**9.22** A Government servant is entitled to commute for a lump payment any portion, not exceeding 1/2 of pension excluding the indexed amount of pension which has been or may be granted to him.

**9.23** The application for commutation should be addressed to the sanctioning authority. On receipt of the application the sanctioning authority will transmit to the applicant a copy of the Accounts Officer's Certificate of the lumpsum to be paid on commutation, and direct him to appear for examination before a medical authority to be prescribed by the sanctioning authority. The applicant must appear before the medical authority within 3 months of the date of orders of the sanctioning authority. This intimation will be treated as administrative sanction for commutation, but will lapse if the medical examination is not held within the prescribed period. If the applicant does not appear before the medical authority within the prescribed period, the sanctioning authority may, at its discretion, renew the administrative sanction for a further period of three months. The applicant can withdraw his application by written notice dispatched at any time before medical examination, but this option will expire on the appearance before a medical authority.

**9.24** The commutation will become absolute i. e., the title to receive the commuted portion of pension will cease and the title to receive the commuted value will accrue, on the date on which the Medical Board signs the medical certificate. Whatever the date of actual payment, the amount paid and the effect upon the pension will be the same as if the commuted value was paid on the date on which the commutation became absolute. If the pensioner died on or after the day following that on which commutation became absolute, but before receiving the commutation value, this value will be paid to his heirs.

**9.25** Commutation is not subject to medical certificate or to administrative sanction if it is asked for within one year of the date of retirement. The date of application by the retired civil servant, in such a case, will be the date of commutation becoming absolute. Where commutation is applied for before retirement the commutation will become absolute on the date of retirement. A civil servant retiring on or after 1-7-1986 after attaining the age of 60 years will be allowed commuted value of pension as applicable to age of sixty years instead of the age of 61 years, if he applies for commutation while in service.

[Finance Division O. M. No. F. 4(3) Reg. (6)/86 dated 1-7-1986 and F. 11(1) Reg. (6)/85-II dated 16-4-1985].

**9.26** In the case of provisional pension, the commutation may be provisionally sanctioned on that basis. When the pension is finally sanctioned, the final payment order should be substituted for the provisional payment order for purpose of commutation as also for all other purposes. In the case of premature retirement on medical grounds the requirement of medical examination will not be waived.

#### **COMMUTATION TABLE:**

**9.27** The lumpsum payable on commutation is to be calculated in accordance with the following table:

<b>Age next birthday</b>	<b>Number of years purchase</b>	<b>Age next birthday</b>	<b>Number of years purchased</b>	<b>Age next birthday</b>	<b>Number of years purchased</b>
20	50. 6304	41	30. 8007	62	14. 2105
21	49. 6676	42	29. 8907	63	13. 6090

22	48. 7066	43	28. 9800	64	13. 0239
23	47. 7467	44	28. 0891	65	12. 4549
24	46. 7884	45	27. 1990	66	11. 9017
25	45. 8314	46	26. 3172	67	11. 3643
26	44. 8758	47	25. 4444	68	10. 8428
27	43. 9215	48	24. 5816	69	10. 3371
28	42. 9688	49	23. 7301	70	9. 8472
29	42. 0179	50	22. 8911	71	9. 3729
30	41. 0089	51	22. 0658	72	8. 9142
31	40. 1218	52	21. 2563	73	8. 4708
32	39. 1767	53	20. 4638	74	8. 0427
33	38. 2336	54	19. 6896	75	7. 6299
34	37. 2929	55	18. 9348	76	7. 2322
35	36. 3551	56	18. 2002	77	6. 8496
36	35. 4203	57	17. 4860	78	6. 4818
37	34. 4885	58	16. 7925	79	6. 1287
38	33. 5603	59	16. 1191	80	5. 7901
39	32. 6361	60	15. 4649		
40	31. 7160	61	14. 8290		

**9.28** Ministries/Divisions etc., should ensure that while approaching the medical authorities for constituting medical boards, relevant papers etc., are sent to them complete in all respects, well in advance of the next date of birth of the Government servant concerned.

**9.29** The commuted amount of pension equal to 1/4<sup>th</sup> of the gross amount of pension shall be restored on completion of the number of years for which commuted value was paid. In restoring the commuted portion of pension fraction of a year shown in the commutation

table which is less than six months will be ignored and that of six months and more will count as one year.

[Ministry of Finance O.M No F.10 (8) Reg. (6)/85, dated 25-6-1985]

**9.30** No further commutation will be permissible on the commuted portion of the pension restored.

[Ministry of Finance U.O No 10(8) Reg. (6)/85 dated 2<sup>nd</sup> October, 1985.]

### **ANTICIPATORY PENSION:**

**9.31 (a)** When a government servant is likely to retire before his pension can be finally assessed and settled action should be taken for grant of anticipatory pension. For this purpose the sanctioning authority should furnish to the Audit Officer concerned with all the particulars of services in respect of the retiring Government servant. The Audit Officer should sanction the disbursement of pension to which after the most careful summary investigation that he can make without delay, he believes the Government servant to be entitled. Such disbursement should be made only after the following declaration has been signed by the retiring Government servants:-

"Whereas the (here state the designation of the officer sanctioning the advance) has consented provisionally, to advance to me a pension of Rs.....per month and lumpsum gratuity of Rs..... in anticipation of the completion of the enquiries necessary to enable the Government to fix the amount of my pension and gratuity, I hereby acknowledge that, in accepting this advance, I fully understand that my pension and gratuity are subject to revision or the completion of the necessary formal enquiries, and I promise to base no objection to such revision on the ground that the provisional pension and gratuity now to be paid to me exceeds the pension and gratuity to which I may be eventually found entitled. I further promise to repay any amount advanced to me in excess of the pension and gratuity to which I may be eventually found entitled."(Art 922 C.S.Rs)

**(b)** If the Audit Officer considers it likely that the Government servant would be entitled to a gratuity only, one-sixth of the amount of such probable gratuity should, upon a similar declaration, be disbursed monthly until the amount is finally settled.(Art. 923 C.S.Rs)

**(c)** The payment of the anticipatory pension should be so arranged that it is not delayed beyond the first day of the month following the month in which Government servant is due to retire. (Art 924 C.S.Rs)

**(d)** Administrative as well as audit and account authorities must exercise the power to sanction anticipatory pension, whenever required, to avoid any delay in the payment of pension.

[Para 1(c) of the Finance Division O.M No F. 6(4)-Reg. (6)/79 dated 22-3-1981]

**9.32** If for any reason it is apprehended that the pension payment order cannot be issued within the prescribed time in the case of normal retirement, one month before retirement and in the case of premature, voluntary or compulsory retirement or death, within three months of the date of event a provisional order authorising payment of 80% of the admissible pension may be issued by the competent authority without referring the case to the audit office within one month of the expiry of the prescribed time.

[Finance Division O. M. No. F. 5(1) Reg. (6)/77 dated 24-2-19/7]

**WOUNDS, INJURIES AND EXTRAORDINARY PENSION:**

**9.33** Where a Government servant is injured, killed or dies of injuries received during the execution of public duty, a pension or gratuity may be granted to him or to his family in accordance with the following rules.

**9.34 Pension/Gratuity for injury or death in course or consequence of duty.** The classification of disabilities and the criteria for determining their attributability to service under the Central Civil Services (Extraordinary Pension), Rules is detailed in Annexre, along with the rate and scale of disability/death pension and gratuity.

**ANNEXURE**

<b>Children's pension</b>				
<b>Class of injury</b>	<b>Pension</b>	<b>Gratuity</b>	<b>Child without own mother</b>	<b>Child with own mother living</b>
<b>Disability Pension/Gratuity</b>				
A	20% of pay subject to a maximum of Rs. 600 p.m. and a minimum of Rs. 100 p.m. (Note. After death it will devolve on the widow.	6 months pay	5% of pay, subject to a maximum of Rs. 100 and a minimum of Rs. 50 per child.	2-1/2% of pay subject to a maximum of Rs. 50 and a minimum of Rs. 25 per child.
B	15% of pay subject to a maximum of Rs 450 and a minimum of Rs. 75 p.m	Nil	4% of pay subject to a maximum of Rs 80 and minimum of Rs. 40 per child.	2% of pay subject to a maximum of Rs 40 and minimum of Rs.20 per child
C	Do	Nil	Nil	Nil

**DEATH (SPECIAL FAMILY) PENSION/GRATUITY**

	20% of pay subject to a maximum of Rs. 600 and a minimum of Rs100 p.m.	6 months pay	5% of pay, subject to a maximum of Rs. 100 and a minimum of Rs. 50 per child.	2-1/2% of pay subject to a maximum of Rs. 50 and a minimum of Rs. 25 per child.
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**9.35** The pensions/gratuities mentioned in this para will be in addition to the pensions and gratuities admissible under the normal rules.

**9.36** These rules will continue to be applicable to the Government servants transferred to Foreign Service in Pakistan, liability for any claim in this respect will be that of the foreign employer.

[Finance Division O. M. No. F. 2(3) Reg. 7/74, dated 31-5-1974].

#### **PENSION TO MEMBERS OF FORMER I.C.S.:**

**9.37** An officer of the former Indian Civil Service who has been 25 years in the service and who has rendered 21 years active service, will on his resignation being accepted, be entitled to an ordinary pension of Rs. 13, 333.34 per annum. Such an officer will submit his application for permission to resign the service and for a pension or gratuity to the Government of Pakistan through the Provincial Government under which he is employed at the time. If he is employed under a Ministry/Division of the Government of Pakistan, the application should be sent through such Ministry/Division. The Government of Pakistan will on receipt of the application and after scrutiny sanction pension and send the application together with the sanction to Accountant-General, Pakistan Revenues, who will issue Pension Payment Order.

**9.38** As soon as an officer gives over charge of his office the Accountant General, Pakistan Revenues, should furnish the following information to the Government of Pakistan:

- (1) Name of officer.
- (2) Date on which he made over charge of his office.
- (3) The amount of leave granted, if any.
- (4) Date upto (and including) which leave allowance have been drawn.
- (5) What demands, if any, are outstanding against the officer?

The pension or gratuity should be sanctioned subject to the recovery of the outstanding amount if any.

[Article 974 C.S.Rs.Finance Division O.M No OB-2/12/63-lmp. (1). dated 18-8-1966 and Finance Division O. M. No. F 4(4) Rs/68, dated 30-1-1971]

#### **MEASURES TO AVOID DELAY IN THE FINALIZATION OF PENSION CASES:**

**9.39** All authorities dealing with pension cases should bear in mind that delay in the payment of pensions involves pecuniary hardship. The monthly income of a wage earner ceases at a time when he may need money the most. So it is essential to ensure that a retiring Government servant begins to receive his pension on the date on which it becomes due. With this end in view, the procedure for preparation of pension papers and sanction of pensions has been simplified. The most important factors relevant to the determination of the amount of pension/gratuity are the length of qualifying service rendered by a Government servant before retirement/death and average emoluments. Information in both these respects is computed on the basis of the information available in the History of Services/Service Book/records of the Government servant concerned. The simplified procedures themselves cannot bring about the desired results unless the authorities concerned take effective steps to

ensure that service record are kept up-to-date and complete. In order to achieve this object the following measures have to be adopted.

**9.40 History Files:** All Divisions/Departments/Offices should maintain a History File of each B-16 & above. This file should contain (a) Gazette Notification (b) Charge Report (c) a separate Card or Booklet showing the date of Assumption and Relinquishment of Charge of each post and emoluments drawn, and (d) Leave Account showing the various kinds of leave taken by the officer from time to time. As soon as an officer is transferred to another Department or Office, his 'History File' should also move with him to the new Office or Department. The History File should be shown to the officer concerned in January every year and his acknowledgement obtained on it after settling any discrepancy that may be noticed.

**9.41 History Files** in respect of the officers belonging to the occupational groups controlled by the Establishment Division, e. g., DMG, OMG; Police etc. shall be maintained by the Division/Department in which the officer is appointed from time to time and not by the Establishment Division. When such an officer is transferred to another office his History File should also be sent to his new Department who will then be responsible to maintain it for so long as he remains there.

**9.42 History of Service:** The Audit offices should compile History of Services in respect of B-16 and above regularly and keep them up-to-date.

**9.43 Service Books:** Service Books in the prescribed form should be maintained in duplicate, in respect of all the B-1 to B-15 Government Servants. If the work justifies a whole time officer should be exclusively designated for supervising maintenance of Service Books. One copy of the Service Book should be kept in the custody of the head of the office in which the Government servant is employed and transferred with him from office to office. Every step in a Government servant's official life must be recorded in his Service Book, and each entry must be attested. It should be ensured that all entries are duly made and attested and that the Service Book contains no erasures or over writings, all corrections being, neatly made and properly attested. The second copy of the Service Book should be kept in the custody of the Government servant concerned who should ensure that all entries in his service book are recorded and attested in time. The Government servant should in his own interest examine his Service Book occasionally in order to see that it is not only properly maintained but the entries made therein are complete in all respects. The head of the office should permit a Government servant to examine his Service Book should he at any time desire to do so. For the purpose of the grant of pension/gratuity, increment, etc., to the Government servants, only the original copy of the Service Book will be consulted, the duplicate copy of the Service Book would serve as a means for completion of the original Service Book or its reconstruction in the event of its being lost or destroyed.

**9.44 Verification of service:** At a fixed time early in the year the Service Books should be taken up for verification by the Head of the office, who after satisfying himself that the services of the Government servant concerned are correctly recorded in each Service Book, should record in it a certificate in the following form: -

"Service verified upto (date) from (the record from which the verification is made)"

**9.45** If the service cannot be wholly verified from the records (Service Books, pay bills and acquittance rolls) of any one office, reference shall be made to the heads of other offices in which the Government servant has served.

**9.46** If, in any particular case, it is not possible to verify the service of a Government servant from the official records, a statement of the Government servant in writing as to the particulars of his service, statements in writing of other officers who were his contemporaries in the office/department, and documents and letters not forming part of official records may be received in evidence and the service verified on their basis. The power to admit service under this provision can be exercised by the authority empowered to sanction pension.

**9.47** On transfer of the Government servant from one office to another, the Head of office should record in the Service Book the result of the verification of service with reference to pay bills and acquittance rolls in respect of the whole period during which the Government servant was employed under him, before forwarding the Service Book to the new office.

**9.48 (a) Verification of service by Audit Officer:** The services of a Government servant should be got verified by the Audit office as soon as he has completed ten years service, thereafter the next verification should be on completion of 24 years service, i. e., in respect of the intervening 29 years, and then finally it should be verified in respect of the period after 29 years when a Government servant is actually due to retire. The length of the pensionable service accepted in audit at these stages should be recorded in both the copies of Service Book of B-1 to B-15 Government servants, with the stamp of verification duly authenticated. In the case of B-16 and above, the fact of verification should appear in the History of Service but if the History of Service is not up-to-date, the officer concerned should be informed of the accepted length of pensionable service through a letter.

**(b) Special measures for verification of service and computerisation of accounts.** (1) In order to deal with the existing outstanding pension cases in which the entries relating to previous fixation of pay or verification of service are missing, it shall be incumbent upon the last audit and account officer dealing with a pension case to verify the same himself on the basis of the available record without referring the case to any other audit and accounts office.

(2) The verification of qualifying service of all Government servants should be completed by the administrative and audit authorities concerned.

(3) The salary accounts of the Government servants, if not computerised so far, should be computerised immediately.

(4) The computer slip is required to indicate up-to-date qualifying service and the status of government servant, i. e., "temporary", "permanent" or "substantive". These entries are considered as duly audited.

(5) In case any of the salary accounts remains uncomputerised the audit and account authorities should issue an up-to-date qualifying service certificate to each Government servant and, thereafter, such a certificate be issued every year till the audited qualifying service is reflected in the computer pay slip. The audit and accounts authorities should also give a certificate that valid nomination papers regarding gratuity are held by them.

[Para 1(h) Finance Division O. M. No.F 6(4)-Reg. (6)/79 dated 22-3-1981].

#### **9.49 ALLOCATION OF PENSION BETWEEN DIFFERENT DEPARTMENTS**

(i) The Audit officer should take steps to obtain acceptance of allocation of pension from the Accounts Officers of the Provincial Governments and the Commercial Departments like Railways, Posts, Telegraph and Telephone Departments, etc., in respect of service rendered under them and from the Military Accounts Officer in respect of service paid from Defence Estimates.

(ii) Finalization of pension cases shall not be held up on this account. If there is any dispute with regard to the apportionment of pensionary liability, the matter should be sorted out by the Audit and Accounts Officers involved.

[Para 1(h) of the Finance Division O.M No. F. 6(4)-Reg. (6)/79 dated 22-3-1981].

**9.50 List of officers and staff due to retire:** With a view to ensuring timely action in pension cases the visions/Departments/Offices should maintain a list showing the dates of retirement of all their officers and staff who are due to retire in a calendar year and review it quarterly.

**9.51 Employment of officers and staff on pension work:** Depending on the volume of work, one Section Officer or Assistant should be employed exclusively on pension work. He should be required to make himself conversant with pension procedures and the method of preparation of pension papers.

**9.52 Observance of rules relating to grant of secured advances:** It should be ensured all secured advances made to Government servants are properly and adequately secured with mortgage deeds, agreements, etc., as prescribed under the rules. It should be ensured that suitable steps are taken at the appropriate time so as to complete the recovery of other Government dues before the date of retirement. Officials responsible for the grant and recovery of advances and other outstanding dues, should be warned that should an advance or any other amount due from the Government servant be found to be irrecoverable, due to non-observance of prescribed procedure/rules and/or negligence, it will be liable to be recovered from those officials. If the amount of advance\* is not fully repaid, the retiring Government servant should be asked to give his consent to any recoveries due from him being effected from the pension/gratuity payable to him. In case, he fails to give such consent, appropriate legal action should be taken to effect the recoveries on the basis of the mortgage deeds executed by him at the time of drawing the advance.

**9.53 Grant of un-secured advances:** No unsecured advances should ordinarily be granted to any Government servant within six months of the date of his retirement. If any such advance or other dues are already outstanding, these should be recovered from his pay or leave salary for six months' period upto the date of his retirement. If, for, special reasons, it becomes necessary to grant an advance of pay, travelling allowance etc., to any Government servant within six months of his retirement, he should be required to furnish security of a permanent Government servant, who is not due to retire within one year before the advance is paid to him.

**9.54 Government servants proceeding on foreign service and recovery of leave salary and pension contribution:** (i) Full particulars of the officers and staff proceeding in foreign service must be communicated promptly to the Audit Offices, it should be ensured

that the recoveries on account of pension and leave salary contribution in respect of officials on foreign service are effected and accounted for by the Audit officers. Where original treasury challans are not available the missing credits of leave salary and pension contribution may be adjusted either on the basis of attested/photostat copies of treasury challans or on production of original/attested copies of certificate of, foreign employer regarding deposit of contribution bearing number and date of challans.

[Auditor-General of Pakistan letter No. 1126-A/29-77 Vol. II dated 3-10-1979].

(ii) In the case of Government servant on deputation to foreign service within Pakistan or abroad, the leave salary and pension contributions shall be paid by the foreign employees (vide para I(c) of the Finance Division O.M No F. 6(4)-Reg. (6)/79 dated 22nd March, 1981. No leave salary contribution will however be recovered from Foreign Service in Pakistan with effect from 1st July, 1982. In case of non-payment of these contributions by the foreign employers in time, the matter will be taken up by the administrative authorities with the foreign employer concerned, but the finalization of pension cases shall not be held up nor shall the qualifying service of the Government servants concerned be reduced on that account.

[Finance Division O.M No F. 5(5) R-7/79-1407 dated 15-12-1981].

**9.55 Close watch by Vigilance Officers:** The Vigilance Officers should keep a close watch over pension work in their Division as well as in the Attached Departments and subordinate offices.

**9.56 Checking of service records by Audit Department and Controlling Officers:** Service records of the Government servants who are due to retire in the next one or two years should be checked by the Local Audit Parties and by the Controlling Officers while visiting subordinate offices. For this purpose, a list of Government servants who are due to retire during the next two years should be prepared and furnished half yearly to the Accountant General concerned on the 1st January and 1st July each year.

#### **PROCEDURE RELATING TO PREPARATION OF PENSION PAPERS AND SANCTION OF PENSION:**

**9.57** With a view to ensuring that a retiring Government servant begins to draw his pension on the date it becomes due, the following procedure should be followed by the authorities concerned.

(i) The Heads of Departments (in the case of B-16 and above officers) and Heads of offices (in the case of B-1 to B-15) employees should start the preparation of pension papers in each case one year before the expected date of retirement without waiting for the formal application from the Government servant concerned, which is to be submitted not earlier than six months before the date of retirement.

[Finance Division O.M No F. 5(1)-Reg. (6)/77, dated 24-2-1977].

(ii) The Head of the Department or office responsible for initiating the case should start filling Sections (2) to (5) of Part II of the working copy of the Pension Application Form C.S.R. 25 (Revised) one year before the expected date of retirement.

(iii) Simultaneously, with the starting of preparation of pension papers of a Government servant, the departmental authorities should consult the records and see whether

any recoveries are due from him on account of misuse of Government funds or losses caused to Government. If there are any such dues, early steps should be taken to complete the recoveries of the dues before the date of retirement. If any disciplinary action in this behalf has to be initiated, this should be done at once, so that it may be possible to finalize the case and complete the recoveries before the date of retirement. In case such action has already been initiated steps should be taken to finalize it as quickly as possible so that recoveries may be completed well in time. If any other disciplinary action is pending, it should also be finalised.

(iv) Six months before the expected date of retirement, the would be pensioner should be asked to fill in and sign Part I and a fresh copy of the Form and submit it alongwith three specimen signatures, three photographs and two sets of thumb and finger impression on the prescribed Form, all duly attested. The photographs and thumb and finger impressions are not required in the case of B-16 and above officers.

(v) Part I of the working copy should then be filled in by copying from the signed copy received from the applicant. Similarly, Sections (2) to (5) of Part II of the signed copy should be filled in by copying from the working copy. Section I of Part II of both the Forms should then be filled in.

(vi) Requests for furnishing 'No Demand Certificate' should be made to all concerned at least six months before the date of retirement of the Government servant. If any demand is outstanding against the Government servant, it must be intimated not later than 15 days after the date of retirement (which should be specified in the request for 'No Demand Certificate'). In case the demand is not intimated within the above time limit the finalisation of pension cases should not be held up on that account and the Department/office which has failed to intimate an outstanding demand by the due date should be held responsible.

(vii) The payment of pension should not be held up merely for want of 'NO DEMAND CERTIFICATE'. In cases in which 'No Demand Certificate' is not available P.P.O. may be issued by the Audit Officer concerned for payment at a Treasury subject to the production of an undertaking, at the time of the first payment of the pension/gratuity, -by the pensioner, or his family (in the case of his death) to the effect that any demand coming to the notice within a period of one year after the issue of P. P. O. would be recoverable from the pension. Failure to intimate recoveries during this extended period should result in the amount involved being recovered from the official responsible for the delay. If any Government dues are found to be outstanding against pensioner within one year from the date of issue of the P. P. O. the matter shall be referred to Head of the Department for orders before any recoveries are actually affected from the pensioner.

[Para 1(f) Finance Division O. M No F. 6(4)-Reg. (6)/79 dated 22-3-1981].

(viii) In cases where Government servants had retired with less than 10 years service and were entitled to service gratuity only, it would not be possible to recover Government dues coming to light afterwards when the gratuity had been paid to them. The payment of such gratuity could, therefore, be made only after the 'No Demand Certificates' have been issued by the authorities concerned. In order to avoid hardship in such cases it has been decided that the payment of gratuity should not be withheld for more than six months after the date of retirement. The onus of furnishing the certificate or intimating the outstanding dues, as the case may be, within this period will rest on the Division/Department

concerned. The outstanding dues coming to light within this period may be recovered from the amount of gratuity which should be paid after six months of the date of retirement without insisting on the 'No Demand Certificate' and the responsibility for Government dues if any, coming to light thereafter should rest with the officials responsible for the delay.

(ix) The Head of Department or office should alert the Estate Office six months before the date of retirement of a Government servant to bring his rent account up-to-date so that the outstanding dues, if any, are realised before the date of retirement. In case a retired Government servant is allowed to continue in occupation of Government quarter after the date of retirement, the Estate Office should ensure future recovery of rent by obtaining personal sureties instead of withholding the 'No Demand Certificate'.

(x) No Demand Certificates in respect of all Government accommodations occupied by a Government servant throughout his Service are not necessary. Such a certificate should be necessary in respect of only the last Government accommodation occupied by him before retirement. Any outstanding dues in respect of any previous accommodation should be recovered from the defaulting Estate Officer. Also a 'No Demand Certificate' should be issued yearly by the Estate Office concerned in the case of all allottee Government servants at a particular station.

(xi) The signed copy of the Pension Form should be forwarded to the sanctioning authority after filling up and signing Section (6) of Part II. The working copy may be retained in the initiating office as an office copy.

(xii)(a) Pension Application Form must be supported by such requisite documents as can be issued before the actual date of retirement. In case of Invalid Pension, invalidity certificate should be enclosed in original. Documents which cannot be issued till the date of retirement such as the Last Pay Certificate and the No Demand Certificate should be sent afterwards separately.

(b) **Last Pay Certificate.** It shall be mandatory for the drawing and disbursing officers and audit and accounts authorities to issue Last Pay Certificate within 15 days of the date of retirement of a Government servant.

[Para (b) Finance Division O.M No F. 6(4)-Reg. (6)/79 dated 22-3-1979]

(xiii) Where a Government servant is deceased and family pension is payable to the widow or other claimants, the following documents have to be sent along with the Pension Application Form:

- (a) Application (in original) from the widow/claimants.
- (b) Death Certificate (in original).
- (c) Postal Address (3 copies).
- (d) List of surviving members (3 copies).
- (e) Specimen signatures of widow/claimant(s).
- (f) Thumb and finger impressions of the widow/claimant.
- (g) Non employment certificate (3 copies).

(h) A certificate to the effect that the widow had not judicially separated from her husband (3 copies).

(i) A certificate that the widow had not re-married after the death of her husband.

(xiv) The sanctioning\* authority should fill in Section (7) of Part II of the Form. The full pension admissible under the rules is not to be given as a matter of course, unless the service rendered has been really approved. If the service rendered has not been thoroughly satisfactory, the authority sanctioning the pension/gratuity should make such reduction in the amount of pension/gratuity as it thinks proper. However no reduction in the amount of any pension can be made without affording to the person concerned, by means of a notice in writing, an opportunity to show cause against the proposed reduction.

[Finance Division Notification No S.R.O. 482(K)/72-F. 10(7) Rev. (6)/71, dated 30-3-1972].

(xv) After completion of Section (7) of Part II of the Form the sanctioning authority should send the Form to the Audit Office, alongwith a forwarding letter. In regard to preparation of pension papers of Government servants on deputation to other Departments it has been decided that those of a temporary employee may be prepared by the borrowing Ministry/Department, but in the case of a permanent employee the papers have to be prepared by the Ministry/Division/ Department/Office in which he held a substantive appointment. Likewise the Audit Office dealing with the borrowing Department, in which the temporary employee was serving will finalise the pension case and in the case of a permanent Government servant the pension case will be finalised by the Audit Office in whose jurisdiction falls the Government/Ministry/ Department in which such a Government servant holds a permanent post in a substantive capacity.

[Finance Division O.M No F. 7(2) Reg. (6)/72, dated 18-4 1972 and Auditor-General's letter No. 2244-Pro/50-71, dated 24-9-1975].

(xvi) The Audit Officer, after scrutinizing Part I and Part II and arriving at his own findings about the correct length of qualifying service and the amount of Pension and Gratuity admissible, record a gist of his findings from his working papers into Part III of the form.

(xvii) The Audit Officer should issue the Pension Payment Order in cases where all necessary documents/informations are available with him, a fortnight before the expected date of retirement.

(xviii) When the preparation of a pension case is started a Progress Sheet in the following form should be attached with it showing the dates by which specific action should be completed. This sheet should move with the pension case from the administrative authority to the Audit office and should be returned to the administrative authority after the final Pension Payment Order has been issued. The return of the Progress Sheet should be watched by the administrative Ministry/ Department and on its receipt back it should be examined at the level of Deputy Secretary in the case of B-1 to B-15 staff and Joint Secretary in the case of B-16 and above view to finding whether any delay has taken place.

### **9.58 Progress Sheet for pension cases:**

1. Name of retiring Government servant.

2. Post held.
3. Date of birth.
4. Expected date of retirement.

<b>Action</b>			
	<b>Due date</b>	<b>Initiated on</b>	<b>Completed on</b>
<p><b>5.</b> Initiate preparation of pension papers.</p> <p><b>6.</b> Checking of records to see whether any recoveries of Government dues are outstanding.</p>	one year before expected date of retirement		
<p><b>7.</b> Obtaining of formal Application for pension from would be pensioner.</p> <p><b>8.</b> Request for furnishing 'No Demand Certificate'</p> <p><b>9.</b> Writing to Estate Office to bring rent account up-to-date.</p>	Six months before expected date of retirement		
<b>10.</b> Finalisation of pension papers in administrative department and their submission to Audit Office.	At least three months before the expected date of retirement,		
<b>11.</b> Issue of pension payment order.	Fortnight before the expected date of retirement		

**9.59** This Progress Sheet should move with the pension papers of the individual concerned and be returned to the administrative authority after Pension Payment Order has been issued where observations of Head of Department/D.S./J.S. should be recorded.

**STEPS RELATING TO PREPARATION AND DISPOSAL OF AN ORDINARY PENSION CASE:**

**9.60** One year before the date of retirement.

#### **STAGE I**

(i) The office responsible for initiating the case starts filling up of working copy of the Pension Application Form.

(ii) Checks records to see whether any recoveries of Government dues are outstanding.

(iii) Attach a Progress Sheet showing the dates by which specific action is required.

#### **Six months before the date of retirement**

#### **STAGE II**

(i) Obtain formal application from the would-be pensioner.

(ii) Requests the parties concerned for issue of "No Demand Certificate".

(iii) Warns the Estate Office to bring the rent account up-to-date.

#### **Six to three months before the date of retirement**

#### **STAGE III**

(i) Completes the pension papers for submission to sanctioning authority.

(ii) Sanctioning authority records orders.

(iii) Forwarding of papers to the Audit office.

#### **Three months to fortnight before the date of retirement**

#### **STAGE IV**

(i) Audit Office checks the pension papers.

(ii) Audit Office issues the P. P. O.

(iii) Allows anticipatory pension in case delay is likely to take place in finalization.

#### **After the issue of P. P. O**

#### **STAGE V**

(i) Audit Office returns the Progress Sheet

(ii) DS/JS examines the Progress Sheet.

The Vigilance officers will keep a close watch over the pension work in the Ministries as well as the Attached Departments and Subordinate Offices.

#### **PAYMENT OF PENSION IN PAKISTAN:**

**9.61 (i) Beginning of payment of pension.** The ordinary pension is payable from the date on which the pensioner ceases to be borne on the establishment. (Art. 930 C.S.Rs)

**(ii) Payment of Gratuity.** A gratuity is paid in single sum, and not by installments, on receipt of the Accountant General's authority. (Art. 940 C.S.Rs)

**(iii) Payment of Pensions.** A pension is payable monthly on and after the first day of the following month. (Art. 943 C.S.Rs)

**(iv) Death of a Pensioner** A pension is payable for the day on which the pensioner dies, the hour at which death takes place has no effect on the claim. (Art. 943 C.S.Rs)

[Finance Division Notification No SRO 413(1)/79 dated 19-5-1979 F.6(7)-Reg.(6)/78.]

**(v)** On receipt of the Pension Payment Order, the disbursing officer should deliver one-half to the pensioner, and keep the other half carefully in such a manner that the pensioner, cannot have access thereto. All payments should be entered on both the halves and attested by the disbursing officer. (Art 943 C.S.Rs)

A pensioner can draw his pension from a District Accounts Officer, Treasury/Sub-Treasury or any branch of the National Bank of Pakistan.

[Treasury Rule 323 & Finance Division O.M No F. 3(11) IF-IX/75-288 dated 8-4-1977]

**(vi) Payment of pensions by Money Orders.** Small pensions upto Rs. 500 per mensem can be drawn-by pensioners at their option and expense through postal Money Orders, pensioners drawing up to Rs. 30 per mensem are allowed to draw their pensions at Government expense through postal money orders.

[Finance Division O.M No 4(3)-RI/64, dated 11-2-1965 and F. 4(8) RS/11/68, dated 10-5-1969]

**(vii) Personal appearance of pensioners and payment through life certificate.** As a rule, a pensioner must take payment in person after identification by comparison with the Pension Payment Order. A pensioner specially exempted by the Government from personal appearance, or a female pensioner not accustomed to appear in public, or a male pensioner who is unable to appear in public in consequence of bodily illness or infirmity, may receive his or her pension upon the production of a LIFE CERTIFICATE signed by a responsible officer of Government or by some other well-known and trust worthy person. A pensioner of any description, who produces a life certificate signed by some person exercising the powers of a Magistrate under the Criminal Procedure Code, or by any Registrar or Sub-Registrar under the Registration Act, or, by any pensioned officer who before retirement held a B-16 and above appointment or exercised the powers of a Magistrate or by a Munsiff, or by any person holding a Government title, is also exempted from personal appearance. In all such cases the disbursing officer must take precaution to prevent impositions and must, at least once a year, require proof independent of that, furnished by the life certificate, of the continued existence of the pensioner. (Art. 944, 945, 946 and 947 C.S. Rs)

**(viii) Drawal of pensions through Agents.** A pensioner of any description, resident in Pakistan is exempted from personal appearance if he draws his pension through a duly authorised agent approved by Government who must execute a bond to refund overpayments and produce at least once a year a life certificate signed by any of the persons authorised in para (vii) above. Such pensions should not be paid on account of period of more than a year after the date of life certificate last received and the Accountant-General and the disbursing officer should be on the watch for authentic information of the deceased of any such pensioner and on receipt thereof should promptly stop further payment. (Art.949 C. S. Rs)

**(ix) Drawal of pensions by pensioners not residing in Pakistan.** A pensioner not residing in Pakistan may draw his pension at any Treasury in Pakistan, any branch of the National Bank of Pakistan through a duly authorised agent who must either produce a certificate by a Magistrate, a Notary Public or a Banker or the Head of a Pakistan Mission abroad or a gazetted officer duly authorised by him on each occasion, that the pensioner was alive on the date to which his pension is claimed, or execute a bond to refund overpayments and produce such certificate at least once a year.[Art. 949 C.S.Rs read with Ministry of Finance O.M No. F. 3(9) IF. IX/77-66, dated 13-8-1977]

**(x) Certificate of non-employment.** A pensioner is required to append to his bill a certificate as follows:-

"I declare that I have not received any remuneration for serving in any capacity, either under Government or under a Local Fund during the period for which the amount of pension claimed in this bill is due".

Note:- In the case of a pensioner permitted to draw pension after re-employment, this certificate should be modified according to facts (Art. 953 C.S.Rs)

**(xi) Arrears of pension.** There is now no restriction for the drawal of pension, if it falls into arrears. The arrears may be paid by the disbursing officer without any reference to the audit office or the pension sanctioning authority.

[Finance Division O M No F. 5(I)-Reg. (6)/77. dated 21-2-1977].

**(xii) Arrears payable to heirs of pensioners.** On the death of pensioner payment of any arrears actually due may be made to his heirs provided that they apply within one year of his death. It cannot be paid thereafter without the sanction of the authority by whom pension was sanctioned, to be obtained through the Accountant-General. If, however, the arrears do not exceed Rs.100/- and the case presents no peculiar feature, the Accountant-General is empowered to pass the arrears on his own authority.(Art.961, C.S.Rs)

**(xiii)** If a Government servant not governed by the pension-cum-Gratuity Scheme, 1954, dies before actually retiring or being discharged, his heirs have no claim to anything in respect of his pension.

**(xiv) Future good conduct as condition of payment.** Future good conduct is an implied condition of every grant of pension. The Government reserves to themselves the right of withholding or withdrawing a pension or any part of it, if the pensioner be convicted of serious crime or be guilty of grave misconduct. The decision of the President on any question of withholding or withdrawing the whole or any part of a pension shall be final and conclusive. (Art.351 C.S.Rs)

**(xv) Taking part in elections and politics.** Except with the previous sanction of the Federal Government, no pensioner shall, within a period of two years from the date of his retirement, take part in any election or engage in political activity of any kind. The contravention of this provision shall be deemed to be a grave misconduct. (Art 351 C.S.Rs)

**(xvi) Commercial employment after retirement** If a pensioner who immediately before retirement was member of any of the All Pakistan Services including the Foreign Service, or of any Central Superior Civil Service, or a Central Service Class-I or a

Central Class-II Gazetted Service, or a holder of a Class-II Gazetted post, wishes to accept any commercial employment before the expiry of two years from the date of his retirement he should obtain the previous sanction of the President for this. No pension shall be payable to a pensioner who accepts commercial employment without such sanction, in respect of any period for which he is so employed or such longer period as the President may direct. A Government servant permitted by the appropriate authority to take up a particular form of commercial employment during his leave preparatory to retirement shall not be required to obtain subsequent permission for his continuation in such employment after retirement.

Note-Commercial employment means employment of any capacity including that of an agent under a company, firm or individual engaged in trading or in a commercial, industrial, agricultural, financial or professional business, and includes also a directorship of such company and a partnership of such firm [Art. 531-B CSRs?Ministry of Finance Notification No. F. 1(8) RI/65, dated 25-8-1969],

**(xvii) Attachment of pensions.** No pension granted or continued by Government on political consideration, or on account of past service or present infirmities or as a compassionate allowance and no money due or to become due on account of any such pension or allowance, shall be liable to seizure, attachment or sequestration by process of any Court in Pakistan, at the instance of a creditor, for any demand against the pensioner or in satisfaction of a decree or order of any such Court. (Rule 5 under Art. 943 C.S.Rs)

**(xviii) Agreements for recovery from pensioners.** All assignments, agreements, orders, sales and securities of every kind made by the person entitled to any pension, pay or allowance mentioned in Para (xvi), above in respect of any money not payable at or before the making thereof, on account of any such pension, pay or allowance, or for giving or assigning any future interest therein, are null and void. (Sec. 12 Act XXIII of 1871)

**(xix) Recovery from pension on account of loss.** The President has got the full right to order the recovery from the pension of an officer of any amount on account of losses found in judicial or departmental proceedings to have been caused to Government by the negligence or fraud of such officer during his service. (Art. 351-A C. S. Rs)

**9.62 Payment of pension abroad: (i)** A pensioner is entitled to receive his pension in sterling for the period of his residence outside Pakistan. The term 'residence' includes temporary visits abroad. For this purpose the pensioner has to intimate to the Audit Officer concerned in advance that he intends to proceed abroad with effect from.....in connection with.....and his period of stay will be approximately..... On receipt of the information the Audit office will authorise the payment of pension in Sterling through the State Bank of Pakistan for the period as intimated by the pensioner or for the period of his actual stay whichever is less. This authorization will, however, be subject to the availability of foreign exchange.

**(ii)** A pensioner domiciled in Pakistan who retired on or after the 18th September, 1969, and acquires the Citizenship of another country, shall, from the date of his acquiring such Citizenship, cease to draw his pension in foreign currency.

**(iii)** Consequent upon the devaluation of Pak. rupee the pensions determined, under the Revised Pension Rules, 1966 will be converted into Sterling at the new official rate of exchange prescribed on the devaluation of Pak. rupee. This will apply to all payments

made on or after the date of devaluation of Pak. rupee irrespective of the period to which they relate.

(iv) The payment of pension in Sterling in the case of the pensioners who do not fall within the purview of Revised Pension Rules, 1966, or who have elected to retain the pre-1966 pensionary benefits would continue to be governed by the provisions of Art. 934 C. S.R or Art 983 C.S.R. as the case may be, read with Paras 3 & 4 of President's Order No. XIV of 1959 [President's Order No. XIV of 1959, dated the 24th August, 1959 as amended vide Ordinance No. III of 1981 dated 24-1-1981, Ministry of Finance O. M. No. F. 8(5) RI/59, O. M. No. F. 5(5)-RI (RWP)/62, dated the 26th May, 1962, Notification No. F. 4(3)-R6/69, dated the 18th September, 1969 and O. M. No. F 6 (22)-Reg (6)/72, dated the 8th September, 1972].

(v) The following procedure shall be adopted for drawal of pensions by the Pakistani pensioners who want payment of their pension being made through Pakistan Mission abroad. Such pensioners can be placed in the following three categories: -

- (i) Federal Government Pensioners (Civil).
- (ii) Federal Government Pensioners (Defence),
- (iii) Provincial Government Pensioners.

A Pakistani pensioner belonging to any of these three categories desiring to draw pension through a Mission abroad, should approach his Audit Officer for this purpose and the Audit Officer will provide the requisite funds in the Assignment Account of the Ministry of Foreign Affairs together with necessary foreign exchange.

The Chief Accounts Officer, Ministry of Foreign Affairs, on receipt of requisite funds in the Assignment Account and the Payment Authority from Account Office concerned will arrange payment to the pensioner through the missions concerned. The provision for pension payments in the account circle of the respective Account Office shall continue to be made as at present in respect of all the three categories of pensioners mentioned above.

The mechanism in the Accounts Offices concerned shall be that the Accounts Officers concerned shall forward both halves of the existing P. P. O. of the pensioner to the Chief Accounts Officer, Foreign Affairs with a sealed letter of authority for arranging payment through the mission concerned. The Chief Accounts Officer, Foreign Affairs will record on the P. P. O. an endorsement showing name of the mission where pension is to be paid and then forward both the halves of the P. P. O. to the mission concerned. The pensioner will be advised to contact the mission and receive his own copy of the P.P.O. for getting monthly payment.

[Finance Division O. M. No. F. 1(10) EF(B-II)/79-2340 dated 17-11-1980],

### **RE-EMPLOYMENT OF PENSIONERS:**

**9.63 (i)** No Government servant may retire with a view to being re-employed, and drawing pension in addition to pay, whether in the general service or in the service of any Local Fund.

Note. The expression Local Fund denotes revenue administered by bodies which by law or rule having force of law come under the control of Government whether in regard to

the proceedings generally, or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular appointments the enactment of leave, pension or similar rules, and the revenue of any body which may specially notified by the Government of Pakistan as-such. (Art. 509-A C.S.Rs)

(ii) When a pensioner obtains re-employment under Government or in the service of a Local Fund he should declare to the appointing authority the amount of any gratuity, bonus or pension granted to him in respect of the previous employment. The authority re-appointing the pensioner should specifically state in the order of re-employment whether any deduction is to be made from pension or salary.

Note. A wound or other extraordinary pension and a wound or injury or disability pension or a disability addition to pension awarded under the military rules shall continue to be drawn by a retired Government servant, civil or military, during re-employment or continued employment, and shall be subject to the conditions of its award. (Arts. 510, 510-B. C.S.Rs)

(iii) Since statutory public bodies such as the Pakistan Industrial Development Corporation, the Karachi Development Authority etc. come under the control of the Government either in regard to proceedings generally or to specific matters and the revenue administered by them constitutes 'Local Fund' the rules relating to the re-employment of Government pensioners in the service of 'Local Funds' are applicable to the pensioners re-employed in all autonomous public bodies constituted by law.

[Finance Division O.M No F. 7(3) RI (RWP)/61, dated 10-5-1961].

**9.64 Fixation of pay of re-employed pensioners:** The following general principles should be observed in fixing the pay of retired Government servants re-employed under the Government of Pakistan, Autonomous Bodies and Public Limited Companies in which Government holds controlling shares:-

(a) Where the new post carries a fixed pay, he should be allowed the pay of that post less pension.

(b) Where the new post carries a time-scale of pay: -

(i) If the substantive pay last drawn by the officer before retirement was less than the minimum of the scale of the new post he should be allowed the minimum of the scale less pension.

(ii) If the substantive pay last drawn was more than the minimum of the scale but less than the maximum of the scale of new post, his pay should be fixed at the stage in the scale corresponding to the pay last drawn or if there be no such stage, at the next lower stage in the scale. From the pay so fixed the amount of pension should be deducted.

(iii) Where the substantive pay drawn immediately before retirement was more than maximum of the scale of the post in which the officer is employed, his pay may be fixed at the minimum of the scale of the post in which he is re-employed and he may be allowed to draw his pension in addition to the pay so fixed subject to the condition that the initial pay fixed plus the amount of pension does not exceed the substantive pay drawn by

him immediately before retirement. Once the pay is so fixed he will be entitled to draw increments in the scale of the post provided that the amount of pay (including increments) plus pension does not, at any stage, exceed the substantive pay drawn before retirement.

(c) A re-employed Government servant should earn increments in all cases where pay has been fixed in a scale at a stage a lower than the maximum.

(d) In case a re-employed pensioner is promoted to a higher post, his pay should be fixed in such a manner as if he was a serving officer with the difference that from the pay so determined the pension would be deducted.

(e) In a case where officiating pay higher than the substantive pay was drawn for a continuous period of 3 years or more immediately before retirement, the officiating pay drawn before may be treated as substantive pay for the purpose of those orders.

(f) These principles should also be followed in case of appointments to statutory posts as those of Governors, Speakers, Ministers etc. A retired official appointed to any statutory post should draw the pay of the post less the amount of pension drawn by him.

(g) The pay of the retired military personnel re-employed in civil posts may also be fixed in accordance with the above principles. In their case substantive pay shall also include the following elements; provided that they were drawn before retirement/release/leave/leave pending re-retirement for a continuous period of three years or more:-

(i) Command/Staff/Charge Pay.

(ii) Instructional Pay.

(iii) Qualifications Pay.

(iv) Disturbance Pay

(h) The word 'Pension' wherever used in these orders means pension before communication and/or surrender.

[Finance Division O.M No F. 4(7)-Reg. 7/72, dated the 1-1-1973 read with O.M. No. F. 4(6)/Reg. -7/73, dated 22-8-1974]

**9.65 Fixation of pay of retired Government servants including Military Officers re-employed under the Government and in autonomous bodies:** The re-employment and re-employment pay of retired Government servants in civil posts under the Federal Government and the autonomous bodies should be regulated in accordance with the following principles:-

**(I) POST ON WHICH RE-EMPLOYMENT IS MADE:**

(i) Re-employment of retired civil servants should be made in posts equivalent to substantive posts or temporary posts if held for one year by the Government servant before retirement.

(ii) In the case of Officers of Armed Forces, re-employment should be made on contract in accordance with the instructions contained in the Establishment Division O. M. No. 14/5/78-D. III, dated 10-2-1980 in case of civil posts and in the light of orders issued in pursuance of the Establishment Division No. 14/5/78-D. III dated 11-2-1980 in the case of

autonomous bodies. The equivalent civil post should be determined according to the equivalence formula approved by the President. (Para 9.81)

**(II) PAY ON RE-EMPLOYMENT UNDER CLAUSE (I) ABOVE:**

**(i)(a)** When a retired civil servant is re-employed under Federal Government after superannuation or after completion of 30 years pensionable service, his initial pay should be fixed at the minimum of the pay scale of the post in which he is re-employed.

**(b)** When a retired civil servant is re-employed under the Government owned/controlled autonomous/semi-autonomous bodies and corporations after superannuation or after completion of 30 years pensionable service, the initial pay of such a Government servant should be fixed at the minimum of the scale of pay of the post in which he is re-employed.

**(c)** A re-employed Government servant would earn increments under normal rules.

**(d)** In addition to pay, as indicated in Clause (a) and (b) full pension will be admissible to the re-employed civil servant

**(ii)** When a retired military officer of the rank of Major/equivalent and above is re-employed under Federal Government or under an autonomous body in accordance with clause (I) (ii), his pay may be fixed at the minimum of the equivalent grade in which re-employment is made and in addition, full service pension as admissible under the rules will be paid. The pay scale of the post will for this purpose be determined with reference to the equivalence formula mentioned in Clause (I) (ii).

**(iii)** The pay of retired Government servants other than those covered by I & II should be fixed in accordance with the Ministry of Finance O.M. No. F. 47 Reg. 7, 72, dated 1-1-1973 referred to in Para 9. 79 as amended from time to time.

**9.66** Existing re-employed retired civil servants may opt to be governed by the existing rules/orders or by the revised orders. Where such a government servant opts to be governed by the revised orders, his initial pay should be refixed at the minimum of the scale of the post held by him with effect from the 1st of the month in which option is given and pension may be allowed in addition as provided in part (II) (i) above.

**9.67** Existing retired officers of the Armed Forces of the rank of Major/ equivalent and above who were re-employed in civil posts for a specified period may opt either to be governed by their existing terms and conditions or by the revised orders. Where such re-employed officers opt to be governed by the revised orders, they will be brought on the revised terms and conditions with effect from the 23rd December, 1979 on which date the President was pleased to approve the scheme published vide Establishment Division O. M. No. 14/5/78- D. II, dated 10-2-1980. From that date, their re-employment would be converted into re-employment on contract on the terms and conditions laid down in the O. M. of 10-2-1980 for the remaining term of their re-employment or for a period of 3 years, whichever is less. Their pay will be refixed at the minimum of the scale of the post held by them w. e. f. 23-12-1979, and if the pay so fixed plus pension is less than pay received by them immediately before 23-12-1979, the difference may be allowed as personal pay to be absorbed in future increase of pay.

**9.68** The option will be submitted to the Audit Officer concerned under advice to the Ministries/Divisions, Departments or offices administratively concerned.

[Finance Division O.M No F. 4(4)-Reg. 7/78. dated 20-3-1980]

Note.-In the case of re-employment against a post in an autonomous/semi-autonomous body or Corporation included in Management Grades 3 vide Finance Division O M. No F 6(27)-Imp. 1/79 dated the 30th April. 1981 and appointment to which is, by law, required to be made, and the salary of which is required to be fixed, by the Federal Government, the re-employed officer. Civil or Military will be entitled to draw minimum of the rank/grade from which he has retired. In addition he will be entitled to pension and perquisites attached to the management posts concerned.

[Finance Division O. M. No. F. 4(4)-Reg. 7/78-1520, dated 30-11-1980].

**9.69** The following will be the "principle of equivalence" between the ranks held in the Defence Services with appointment in Basic Pay Scales.

<b>Defence Service Rank</b>	<b>Appointment in Basic Pay Scales</b>
Major General and equivalent.	B-21 or 22 at the discretion of the Government
Brigadier and equivalent.	B-20
Colonel and Lt. Colonel (with 18. to 20 years commissioned service) and equivalent.	B-19
Major and equivalent.	B-18.
Captain and equivalent and Lt. and 2/Lt. and equivalent	B-17

[Establishment Division O. M No 16/4/79-AV. dated 8-8-1979].

**9.70** A Government servant who has obtained a compensation gratuity, if re-employed in qualifying service may either retain his gratuity in which case his former service will not count for future pension, or refund it and count his former service. The intention to refund must be made immediately on re-employment but the refund may be made by monthly instalments of not less than one third of the Government servant's salary and also not less than the whole gratuity divided by the number of months which have elapsed since the end of the service for which the gratuity was given. The right to count the previous service does not revive till the whole amount is refunded. (Art. 511,512 C.S.Rs)

**9.71** A Government servant who has obtained a compensation pension, if re-employed may retain his pension in addition to his pay subject to the condition that his initial pay on re-employment plus pension does not exceed his substantive pay at the time of discharge. Such a government servant is entitled to receive the benefits of increments in his new scale on promotion to another scale or post without a further corresponding reduction in pension. In case of a pensioner re-employed in either a permanent or temporary appointment for bona

fide temporary duty lasting for not more than a year, the Government, or where the pension does not exceed Rs. 200 a month, the officer who controls the establishment on which the pensioner is to be re-employed, may allow the pension to be drawn in whole or in part even though the sum total of pay and pension exceeds his substantive pay at the time of his discharge.

In the case of re-employment under a Local Fund, no deduction is made from a Compensation Pension.

The Government of Pakistan may permit a Government servant who has obtained a Compensation Pension and is afterwards re-employed in a permanent or temporary appointment duly sanctioned by competent authority to draw his pension in addition to the pay and allowances of the appointment irrespective of the period of such re-employment.

If the pension of a person does not exceed Rs. 200 a month, it will not be taken into account in fixing his pay and allowances and, in case of a former Class-III employees or Government servants in B-1, 2 or 3 where the amount of pension exceeds, of Rs. 200 a month, only so much of such pension as is in excess of Rs. 200 a month will be taken into account in fixing his pay and allowances (Art. 514 C.S.Rs).

**9.72** A Government servant who is in receipt of superannuation or retiring pension will not be re-employed or continue to be employed in service paid from General Revenues or from a Local Fund, except on public grounds. In case of re-employment of such a pensioner, the authority competent to fix the pay and allowances of the appointment should determine whether the pension should be held in abeyance wholly or partly. Where the powers of re-employment have not been delegated to the Head of Department the pensioner on re-employment may not be allowed to draw full pension in addition to the full pay of the post except when the re-employment or continued employment is for bona fide temporary duty lasting for not more than a year or the pension does not exceed Rs. 200 a month. In case the powers have been delegated to any other authority such authority may not allow the pensioner to draw, in full, a pension of more than Rs. 200 a month in addition to the full pay of the post.

The provisions of para (iii) above are also applicable in such cases.(Arts 520, 521 C.S. R. Ministry of Finance Notification No. 612-R6/69, dated the 7th July, 1970).

**9.73** If the military pension of a person does not exceed Rs. 200 a month, it shall not be taken into account while fixing his pay and allowances on re-employment in the Civil Department and in the case of Junior Commissioned Officer and other ranks where the amount of pension exceeds Rs. 200 a month, only so much as in excess of Rs. 200 shall be deducted from his pay and allowances in the Civil Department.

[Finance Division Notification No. 6(2)-R6/69. dated 30-9-1969].

**9.74** A Civil Servant who is re-employed after or continues to be reemployed beyond the age of 60 years is allowed to draw his pension in addition to the pay of the post.

[Finance Division O.M No F. 4(3) Reg. 7/76. dated 17-2-1976 and even number, dated 31-10-1977].

## **INSTRUCTIONS FOR THE GOVERNMENT SERVANTS:**

**9.75** To ensure that his pension case is finalised expeditious and he begins to draw his pension on the date on which it becomes due, every Government servant must keep in mind the following points: -

(i) To ensure that his Service Book is maintained in duplicate and every step of his official life is recorded therein.

(ii) To see that his service is verified annually and the fact is recorded in the Service Book.

(iii) To see that on completion of 10 and 24 years of qualifying service by him, verification thereof is done by the Audit Officer concerned, and an entry to this effect is made in the Service Book/ History of Services (in case of B-16 and above or in its absence intimation of accepted length of pensionable service is received by him through a letter).

(iv) To obtain, in case of his residing in Government accommodation, a 'No Demand Certificate' in respect of that accommodation annually, from the Estate Officer concerned.

(v) To see that in case of his having served under different Governments necessary allocation of pension has been made where required, by the Audit Officers concerned.

(vi) To see that for the period of his deputation in foreign service, leave salary and pension contributions have been recovered from the borrowing Government/Organization and adjustment carried out.

(vii) To ensure that necessary nominations in Form 'A' or 'B' as the case may be, have been made by him under Pension-cum-Gratuity Scheme, 1954, and are on record with the administrative officer concerned or with the Audit Officer in case of B-16 and above.

(viii) To check up that the preparation of his pension papers is started one year before the expected date of his retirement.

(ix) To settle with the administrative authorities and the Audit Officer concerned, all issues relating to Government dues outstanding against him within one year before his retirement.

(x) To submit his pension application alongwith three specimen signatures, three photographs and two sets of his thumb and finger impressions on the prescribed form, six months before the date of his retirement. (No photographs and thumb and finger impressions are required in case of B-16 and above.

(xi) B-16 and above Government servant should see that his 'History File' is maintained by his office and 'History of Services' is correctly published by the Audit Officer concerned.

**ANNEXURE**  
**(SEE PARA 9.34)**

**PART I**

**CLASSIFICATION OF DISABILITY**

**CLASS 'A':**

1. Loss of a hand and a foot or loss of use of two or more limbs.
2. Total loss of eye-sight.
3. Total loss of speech.
4. Total deafness both ears.
5. Paraplegia or hemiplegia.
6. Lunacy.
7. Very severe facial disfigurement.
8. Advanced cases of incurable disease.
9. Wounds, injuries or diseases resulting in a disability due to which a person becomes incapacitated.
10. Emasculation.

Note. Wounds, injuries or disease of limb resulting in damage of nerves, joints, or muscles making the whole of limb useless would mean loss of that limb. Cases in which a partial function is retained will not be included in this class. However if the partial retention of function does not help in walking in case of leg or does not help in holding an object even with partial efficiency, it should be considered as total loss of function. Those cases will also be included in this class where the earning capacity of the civil servant has been totally impaired due to the invaliding disability.

**CLASS 'B':**

1. Loss of thumb or at least three fingers of hand.
2. Partial loss of one or both feet at or beyond tarsometatarsal joint.
3. Loss of vision of one eye.
4. Loss of all toes of one or both feet.

**CLASS 'C':**

1. Limited restriction of movement of joint due to injuries.
2. Disease of a limb restricting performance of duties.

**GENERAL NOTE:**

When the wound, injury or illness causing the disability is not included in the above schedule, the disability will be assessed by the Medical Board at the classification most closely corresponding to those given above.

## **PART II**

### **PRINCIPLES AND PROCEDURE FOR DETERMINING ATTRIBUTABILITY TO SERVICE OF DISABILITY**

#### **(A) CASUALTIES DUE TO WOUND OR INJURY:**

(1) It should be established in such cases that the cause of the casualty was the result of duty in service.

(2) Where the injury resulted from the risk inherent in service attributability will be conceded.

(3) An individual is on duty for 24 hours of the day except when on leave other than casual leave.

(4) An individual will be deemed to be in the performance of duty when

(i) he is physically present in his headquarters;

(ii) he is travelling on leave at Government expense;

(iii) when travelling to or from duty (e. g., from residence to place of duty and back but not whilst he is in his residence);

(iv) whilst travelling on duty i. e., where it is established that but for the duty he would have not been travelling at all.

(5) Disability resulting from purely personal acts as shaving or similar private pursuits would not normally be treated as attributable to service.

(6) Disability resulting from violence provoked by performance of duty will be viewed as attributable to service unless the circumstances of the case warrant a different conclusion.

(7) If circumstances are such that service played no part in the causation of disability, attributability will not be conceded.

**Illustration** If a person driving a motor cycle etc., on duty, collides with a truck the injury received may be attributed to service but if he is out for a walk and sustains injury from a passing truck, his case will not qualify for the concession.

#### **(B) CASUALTIES DUE TO DISEASE:**

(a) The cause of disability resulting from a disease will be regarded as attributable to service only when it is directly due to risks which may be regarded as peculiar to the circumstances of duty in service. In determining attributability in such cases due regard should be paid to the question whether service in a particular region, or of a particular type involved exposure to exceptional risk of contraction of, or infection by, a disease, as well as to the actual circumstances of the case.

(b) Attributability will not be conceded, if, though contracted during the period of actual performance of duty, the disease is, in the opinion of the medical authorities concerned, due to risks which cannot be regarded as peculiar to such duty in service.

(c) Where a disease or its aggravation resulted from the risk of duty attributability/aggravation will be conceded.

(d) All cases of tuberculosis and bronchial asthma will be accepted as attributable to or aggravated by service where the medical opinion is in favour of the acceptance.

(e) Attributability/aggravation in all cases of Cardiac disease will be determined in accordance with the guidelines mentioned at the end of this part.

(f) Where medical or other supporting documents are incomplete, cases will be dealt with on merits with due regard to medical opinion and other evidence.

**GUIDELINES FOR DETERMINING ATTRIBUTABILITY/AGGRAVATION IN CASES OF CARDIAC DISEASES** 1 There are many pre-disposing factors which may precipitate an attack of coronary occlusion. No single factor can be pin-pointed as being responsible for such an attack. It is, therefore, not easy to lay any hard and fast rule for awarding attributability/aggravation in such cases. For the guidance of medical and administrative authorities some of the factors which may precipitate the attack of heart disease are enumerated below:-

(a) **Physical exertion.**-Coronary occlusion is known to have precipitated during or immediately following physical exertion. Physical exertion may not necessarily be of an unusual character, i. e., lifting of a heavy bundle, pushing a stalled vehicle or an up-hill climbing have in many instances been followed by an attack of Coronary occlusion. The effects of exertion are worse if the individual is unduly fatigued, has lack of sleep or is under emotional stress. Attributability will be conceded if a person under-going stress and strain, pressure and counter-pressure by virtue of the nature of his duties, develops psychiatric problem.

(b) **Emotional strain.** The occurrence of Coronary disease in person who had been under an un-usually severe and protracted emotional strain points to a probable relationship between the two. Separation from families, uncongenial atmosphere, frequent moves, all add to mental strain and psychological trauma.

2. The question of attributability/aggravation of heart diseases on occurrence in otherwise a normal individual who is subjected to the above mentioned factors will, therefore, have to be considered and decided in the light of known history and merits of each case.

3. While dealing with such cases due precaution will be exercised by all concerned to carefully bring out detailed merits of the case as award of attributability/aggravation depends on their candid opinion

## CHAPTER X

### GENERAL PROVIDENT FUND (CENTRAL SERVICES)

#### RULES

#### CONSTITUTION OF THE FUND:

**10.1** The Fund was established under the Provident Funds Act, 1925 as amended from time to time. Originally the subscription to the General Provident Fund was optional, but from 1st September, 1953 it has been made compulsory. Now all Federal Government employees including re-employed personnel having rendered service for more than two years are compulsorily required to subscribe to the General Provident Fund. The Ministers/Ministers for State of (the Federal Government are, however, required to subscribe to the General Provident Fund, from the date of their induction into office.

#### SUBSCRIBERS ACCOUNT:

**10.2** As soon as a Government servant is due to complete two years service, intimation to that effect should be sent to the Accounts Officer concerned and the latter may be asked to allot a General Provident Fund account number to the Government servant. When a number has been allotted, the subscription should be started. The General Provident Fund account number should be quoted invariably on the schedules and in all correspondence with the accounts officer on the subject.

#### CONDITIONS AND RATES OF SUBSCRIPTION:

**10.3** The subscription to the General Provident Fund is made by deduction from the monthly pay bills. If a Government servant is on Foreign Service, he can pay his subscription in cash in a Government treasury and forward the treasury challan to the respective accounts officer. The suspension can be suspended during leave and suspension.

**10.4** There would be uniform rate of subscription for every employee based on the mean of his Basic Pay Scale w.e.f. 1<sup>st</sup> July, 1987 and are as follows:-

Scale	Minimum	Maximum	Mean	Rate of monthly subscription
1	2	3	4	5
B-1	Rs.600	Rs.860	Rs.730	Rs.25.00
B-2	Rs.625	Rs.945	Rs.785	Rs.40.00
B-3	Rs.650	Rs.1030	Rs.840	Rs.45.00
B-4	Rs.675	Rs.1115	Rs.890	Rs.45.00
B-5	Rs.700	Rs.1200	Rs.950	Rs.50.00

B-6	Rs.725	Rs.1285	Rs.1005	Rs.50.00
B-7	Rs.750	Rs.1370	Rs.1060	Rs.55.00
B-8	Rs.790	Rs.1470	Rs.1130	Rs.60.00
B-9	Rs.830	Rs.1590	Rs.1210	Rs.60.00
B-10	Rs.870	Rs.1710	Rs.1290	Rs.65.00
B-11	Rs.910	Rs.1830	Rs.1370	Rs.70.00
B-12	Rs.970	Rs.2010	Rs.1490	Rs.75.00
B-13	Rs.1035	Rs.2195	Rs.1615	Rs.130.00
B-14	Rs.1100	Rs.2380	Rs.1740	Rs.140.00
B-15	Rs.1165	Rs.2585	Rs.1875	Rs.150.00
B-16	Rs.1350	Rs.2925	Rs.2137	Rs.175.00
B-17	Rs.2065	Rs.3925	Rs.2995	Rs.250.00
B-18	Rs.2710	Rs.4660	Rs.3685	Rs.300.00
B-19	Rs.4130	Rs.5770	Rs.4950	Rs.400.00
B-20	Rs.4900	Rs.6780	Rs.5840	Rs.500.00
B-21	Rs.5420	Rs.7740	Rs.6580	Rs.550.00
B-22	Rs.5800	Rs.8400	Rs.7100	Rs.600.00

### NOMINATIONS:

**10.5** As soon as a subscriber joins the Fund he should send to the Accounts Officer a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the event of his death before that amount has become payable or having become payable has not been paid. The nomination can be in favour of any person, but if a subscriber has a family (wife or wives, legitimate children, widow or widows and children of a deceased son and husband in the case of a female Government servant) he cannot nominate any person other than the members of his family. A bachelor, having given nomination in favour of any person has to revise it as soon as he gets married.

**10.6** The nomination can be in favour of more than one person. In such a case the amount of share payable to each nominee should be clearly indicated. Alongwith the

nomination a contingent notice of cancellation should also be sent to the Accounts Officer. The nomination once made can be revised at any time at the discretion of the subscriber.

**10.7** A copy of the nomination paper may be kept in the service books of the subscribers drawing pay in Basic Pay Scale 15 and below and in case of those drawing pay in the Basic Pay Scale 16 and above, in their personal file.

**INTEREST:**

**10.8** The Government pay to the credit of the account of a subscriber interest at such rate as may be determined for each year. The interest is calculated on the amount at the credit of a subscriber on the last day of the preceding year, less any sums withdrawn during the current year interest for 12 months and on all sums credited to the subscriber's account after the last day of the preceding year-interest from the date of deposit upto the end of current year. The amount of interest is rounded to the nearest rupee. In addition a benefit of 30% over and above the normal interest for the year payable to the subscriber would be allowed from 1st July, 1986.

[Finance Division O.M No F I(5)/Reg. (7)/87 dated 19-11-87].

**10.9** Where the amount standing at the credit of a subscriber has become payable, interest should be credited in respect of the period from the beginning of the current year or from the date of deposit as the case may be, upto the date on which the amount standing at the credit of the subscriber became payable. The date of deposit for this purpose, in case of recovery from pay bill would be deemed to be the 1st day of the month in which it is recovered. In case the amount has been deposited by the subscriber in a treasury/bank, the date of deposit would be deemed to be the 1st day of the month of receipt if it is received by the Accounts Officers before the 5th day of that month. But if it is received on or after the 5th day of that month, the first day of the next succeeding month.

**10.10** While making the final payment in respect of G. P. Fund, the interest will be paid upto the end of the month preceding that in which payment is made. In the case where the Accounts Officer has intimated to the subscriber a date on which he is prepared to make payment in cash, interest would be payable only upto the end of the month preceding the date so intimated. If the subscriber claiming the payment does not send an application in that behalf within six months of the date on which the amount standing in the credit with the subscriber become payable, interest would be payable upto the end of six months after the month in which the amount became payable. In case of delayed payment of G. P. Fund and residual balance thereof, the payment of interest may be made up to the end of the month preceding that in which the payment of residual balance(s) is/are made.

[Finance Division O. M. No. F. I(1)-R. 7/84 dated 9-6-1984]

**10.11** If a Muslim requests the Accounts Officer in writing that interest may not be calculated on his accumulation it will be done accordingly, but if he subsequently asks for interest, it will be credited from the first day of the financial year in which he asks for it.

**ADVANCE FROM THE FUND:**

**10.12** A temporary advance may be granted to a subscriber from the amount standing at his credit in his General Provident Fund account subject to the following conditions:

(i) Advance will be granted only if the sanctioning authority is satisfied that the pecuniary circumstances of the applicant justify it;

(ii) to pay expenses incurred in connection with the prolonged illness of the applicant, the applicant's spouse or any person actually dependent upon him;

(iii) to pay for the overseas passage for reasons of health or education of the applicant or any person actually dependent upon him;

(iv) to pay obligatory expenses on a scale appropriate to the applicant's status in connection with funerals or ceremonies which by his religion it is incumbent upon him to perform or in connection with his marriage or the marriage of any member of his family or a female relative actually dependent upon him;

(v) the amount should not exceed three months' pay or half of the amount at the credit of the subscriber in the fund whichever is less,

(vi) to purchase a motor car/motor cycle/bicycle by a subscriber, whose deposits carry not interest and who does not take any advance from the Government for the purpose.

**10.13** The advance may also be allowed to a subscriber to enable him to pay the 'dower' to his wife on the following conditions:

(a) the applicant should produce evidence within one month of the drawal of the advance that he had actually paid the 'dower' failing which the advance should be recovered in lump sum;

(b) if the subscriber has already drawn an advance in connection with his marriage no further advance will be given to him for the purpose of payment of the "dower"; and

(c) the advance should not exceed the limit mentioned above or the actual amount of 'dower' fixed whichever is less, proof of which should be produced by the subscriber concerned.

**10.14** The subscribers would be allowed advances in a manner that only one advance would remain outstanding at one time.

[Finance Division O. M. No. F. 1(5)-Reg. (7)/87 dated 19-11-1987].

**10.15** If a Government servant who has not drawn any advance from G. P. Fund previously or a period of 12 months has elapsed after the final repayment of all previous advances together with the interest thereon, applies for advance from the G. P. Fund the amount of which may, for special reasons, exceed three months pay, or 50% of the balance which ever is less, it can be sanctioned by the competent authority.

**10.16** The advance is recoverable in such instalments as a sanctioning authority may direct, but such number should not be less than 12 and more than 48. A subscriber may, at his option, pay more than one instalment in the month. Each instalment should be a number of whole rupees, the amount of advance being raised or reduced, if necessary, to fix such instalments. The recovery will commence from the pay of the month in which the advance is drawn. A competent authority may order the postponement of recovery of advance, if so requested by the subscriber. Recovery will also not be made except with the subscriber's consent, if he is on leave or in receipt of subsistence grant. After the principal has been

repaid the interest will be recovered. The Muslims, whose deposits do not carry interest, are not required to pay interest on the advances drawn by them (Rule 15).

**10.17** An advance for the construction of a house for occupation by the subscriber himself or for the purpose of completely reconstructing or for extending/renovating a house owned by him or by his wife and children or by any of them may be granted subject to the following conditions:

(i) Advance should be as nearly as possible to the terms and conditions laid down in Para 253-A of the G. F. Rs;

(ii) Advance should not exceed 36 months pay of the subscriber or 1 of the amount at the credit of the subscriber in the Fund, whichever is lesser;

(iii) Land and house constructed thereon is mortgaged to the President within three months of the drawal of advance. The mortgage deed should be registered within three months of its execution;

(iv) Recovery to be made, at the rate of 7% of the subscribers pay commencing from the fourth issue of pay after the first installment of advance is drawn. If the amount of advance does not exceed 18 months pay of the subscriber, recovery is made at the rate of 5% of pay;

(v) The advance from the GPF account of a Government servant granted for the construction of a house, will not be taken into account for the purpose of calculating the total house building" advance to which a Government servant is entitled.

(vi) Where the amount of advance drawn was less than Government servant's 36 months pay and he had drawn 80% of the balance at his credit, he may draw additional instalment(s) of advance from the G. P. F. (for the same house) subject to the following conditions:

(a) the total amount of additional instalment(s) should not exceed the overall limit of 36 months pay;

(b) the pay for the purpose should be the pay which the Government servant was drawing at the time of drawing the first instalment;

(c) subsequent instalment(s) should not be sanctioned until at least one year has elapsed from the date of drawal of the previous instalment.

**10.18** Non-refundable advance may be paid to a subscriber who has attained the age of 50 years for the repair of an existing house subject to the following conditions:—

(i) the existing house and the land on which it has been built is owned by the subscriber himself or by his wife/children;

(ii) the amount of advance should not exceed 6 months pay of the subscriber or 30% of the balance in G.P.F. whichever is less;

(iii) the amount so advanced will be treated as part of the final payment, when the final payment becomes, due;

(iv) the amount of advance will be drawn only after an agreement is executed by the subscriber in the prescribed form;

(v) in case the land or house is sold or otherwise alienated by its owner to anyother person, while the subscriber is still in service, the entire amount of advance together with the interest accrued thereon will have to be repaid to the Fund in lump sum.

**10.19** After a subscriber has attained the age of 45 years he can draw an advance from the G.P.F. for the construction of a house on land owned by him or by his wife and children or by any of them on the following conditions:—

(i) The advance will be governed by the same terms and conditions as in preceding para and exceptions mentioned below;

(ii) The amount of the advance will be 36 months pay or 80% of the balance at credit whichever is less;

(iii) No recovery of the advance will be made and it will be treated as part of the final payment, when the final payment would become due;

(iv) An agreement will be signed in the prescribed form;

(v) Land and House will not be required to be mortgaged to the President;

(vi) If the land or house is sold, while the subscriber is still in service the entire amount of advance together with the interest accrued thereon will have to repaid to the G.P.F. in lump sum.

**10.20** The subscribers who had drawn the G.P.Fund advance under the preceding para may convert it to non-refunable advance in terms of preceding para after they have attained the age of 50 years.

**10.21** A subscriber having attained the age of 50 years may be granted an advance equal to 80% of the balance standing at his credit in the G.P.F. or 36 months pay, whichever is more for the purchase of agricultural land from the Government on the same terms and conditions as stated in the preceding para.

**10.22** A non-refundable advance may be drawn by a subscriber, who has attained the age of 50 years, equal to his 12 months pay or 80% of the balance at his credit in the GPF whichever is less, in the following cases:-

(i) to defray expenses in connection with the prolonged illness of the subscriber himself or a member of his family actually dependent upon him;

(ii) to pay for the overseas passage of the subscriber for reasons of health or for the performance of Haj;

(iii) to pay for the overseas passage for reasons of education of any member of the subscriber's family actually dependent on him and such other lump sum expenditure as admission or advance tuition fees of any such member;

(iv) to pay obligatory expenses on a scale appropriate to the subscriber's status in connection with funeral or other religious ceremonies or in connection with the marriage of any member of his family actually dependent on him or of a female dependent relative.

(v) With effect from 26th July, 1977, subject to the condition laid down in rules 15-D and 15-G of the G.P. Fund (Civil Services) Rules, nonrefundable house building advances from G.P. Fund can also be sanctioned to the subscribers who have attained the age of 45 years and who do not draw interest on their G. P. Fund Accounts. This concession is also admissible to such of the subscribers who have already liabilities to discharge to financial institutions in connection with construction of their houses:

(a) On having attained the age of 55 years the subscriber may be allowed to draw, at the discretion of the competent authority, a special non-refundable advance not exceeding 80% of the amount standing to his credit in the fund.

(b) There is no bar to grant of further non-refundable advances to a person under this rule (15-E) provided that on each occasion the amount of advance does not exceed 80% of the balance at credit. Second or subsequent advance may not be allowed until at least a period of one year has elapsed since the previous advance has been drawn.

**10.23** There is no bar to the grant of a second non-refundable advance to a subscriber, who has drawn a non-refundable advance previously.

**10.24** After a subscriber has attained the age of 45 years he can be granted an advance equal to eighty per cent of the amount standing at his credit in the Fund or 36 months pay of the subscriber whichever is less for the purchase of a house for his residence, subject to the following conditions: -

(i) no recovery will be made for the advance and it will be treated as part of final payment;

(ii) an agreement will have to be executed in the prescribed form;

(iii) the house is not required to be mortgaged;

(iv) if the house is not purchased within three months of the drawal of advance or it is sold out, the entire amount of advance together with the interest accrued thereon will have to be repaid to the Fund in lump sum;

(v) the advance can be drawn in one instalment, but the satisfactory evidence for the purchase of house will have to be produced to the audit officer within three months of the date of drawal of advance and the legal receipt for the amount paid will be recorded with the Head of Department.

**10.25** Advance can be drawn by a subscriber, who has attained the age of 50 years, on a non-refundable basis, to repay loan taken from a financial institution, subject to the following conditions:

(a) the advance should not exceed 80% of the amount standing at credit in the Fund;

(b) the sanctioning authority should satisfy itself about the loan taken and the balance still payable. The amount of advance should not exceed the balance payable; and

(c) the subscriber should within a period of two weeks of the drawal of advance, produce satisfactory evidence to the audit officer that the advance was utilised for the purpose it was drawn failing which the entire amount together with the interest will be refundable.

**10.26** The limit of 12/36 months pay in the preceding paragraphs will apply only when the balance at credit exceeds that limit, otherwise the advance will be restricted to 80% of the balance.

**10.27** A subscriber, having attained the age of 50 years, may draw an advance from his G.P. Fund on non-refundable basis, without assigning any reason, upto 60% of the amount standing to his credit in the Fund.

**FINAL WITHDRAWAL OF THE ACCUMULATIONS:**

**10.28** When a subscriber proceeds on L. P. R. or finally quits the service, the amount standing at his credit in the Fund is payable to him. In case a subscriber does not proceed on LPR he can draw the final payment of G. P. F. during the period of 12 months preceding the date of retirement on attaining the age of superannuation. In case a subscriber is dead before the amount becomes payable to him or where the amount has become payable before payment has been made, the payment will be made as under:

(i) When the subscriber leaves a family the payment will be made to the nominee or the nominees in accordance with the shares fixed for them by the subscriber. If there is no nomination in favour of any member of the family, the amount will be payable in equal shares to the members of the family with the exception of the following:-

- (a) sons who have attained legal majority;
- (b) sons of a deceased son who have attained legal majority;
- (c) married daughters whose husbands are alive; and
- (d) married daughters of a deceased son whose husbands are alive.

The widow/widows and child/children of a deceased son would receive only that much share as the deceased would have received had he been alive and been exempted from the restriction referred to above.

(ii) When the subscriber does not leave any family, the payment will be made to the nominee or nominees as the case may be. If there is no nominee, the payment will be made to such claimants as can produce a legal authority but if the balance payable is Rs. 5,000 or less the payment may be made to the heirs of the deceased without legal authority in terms of Rule 234(1)(i) of the Federal Treasury Rules.

If any of the claimants mentioned above is a minor, the payment will be made to a person who can produce a valid guardianship certificate.

**PROTECTION OF THE ACCUMULATIONS:**

**10.29** The Government is not bound by or to recognize any assignment or encumbrance executed or attempted to be created which effect the disposal of the accumulations of a subscriber, who dies before retirement. The accumulations of a subscriber are not liable to forfeiture on dismissal or on conviction by a criminal court except for an offence for which the penalty of forfeiture of the offender's property is prescribed by law. The accumulations are also protected from attachment by a Court of Law.

**10.30** The amounts detected as overpaid to a Government servant, cannot be recovered from his General Provident Fund account unless he gives his consent to that effect in writing. Similarly money due to Government by a deceased officer on account of advance of pay or on account of embezzlement of Government money found after his death cannot be legally deducted from his accumulations. Since all General Provident Fund deposits are protected

against all creditors, the Government should not use its position as custodian of the Fund to put themselves in a better position than other creditors.

#### **CLASS-IV**

**10.31** The former class IV employees are governed by the Central Government (Class IV servants) Provident Fund Rules. In terms of these rules a Class-IV Government servant is required to contribute at the rates mentioned in Para 10.4.

[Finance Division O.M No F I(5)-Reg. (7)/87 dated 19-11-1987]

**10.32** The amount so deducted shall be shown in a separate column of the pay-bill and classified as revenue receipt under the head "1000 Non-Tax Receipts 1200 Receipts from Civil Administration and other Functions 1210 Receipts from General Administration 1212 Receipts in aid of superannuation".

**10.33** The head of office shall record a certificate on the pay-bill to the effect that deductions on account of provident fund have been made in all cases and where a deduction has not been made in any case he shall record the reason therefor.

**10.34** A record of the amounts deducted, shall be maintained in a separate proforma statement to be pasted in. his service book showing the date and amount of deductions made. Each entry therein shall be attested by the head of office under his signature and shall also be signed by the Class IV servant concerned. If no deduction is made for any month the fact and the reason therefore shall be recorded in the statement and the entry shall be likewise attested.

**10.35** Every head of office shall maintain a register showing deductions made on account of provident fund. This register shall be posted monthly from the pay bills of the Class IV servants and the entries made in that register shall be reconciled with those made in the several service books at monthly or other convenient longer intervals.

**10.36** In the service book of a Class IV servant who was contributing to the General Provident Fund before the commencement of these rules there shall be entered as an opening balance, the amount, at his credit in the General Provident Fund account, which shall be closed by transfer credit to the head "1000 Non-Tax Receipts-1200 Receipts from Civil Administration and other Functions 1210 Receipts from General Administration-1212 Receipts in aid of superannuation". Where any amount subscribed by a Class IV servant but not credited to his General Provident Account is ascertained subsequently, it shall be added to the opening balance in the service book after making the necessary transfer entry in his General Provident Fund Account.

**10.37** After a government servant has ceased to be entitled to contribute to the Provident Fund under these rules, the amount due to him shall be the amount to the credit of his accounts plus interest thereon calculated for each year at the same rate of interest and in the same manner as was applicable to the General Provident Fund contributions.

**10.38** The amount of interest payable by the Central Government under these rules shall be worked out by the Accountant General who shall report after necessary audit checks the amounts payable separately on account of the provident fund deductions and interest thereon.

**10.39** For the purpose of these rules, the head of the office in which the Class IV servant was last on duty shall furnish the Accountant General with the service book of the Class IV servant or a certified copy of the account of the provident fund deductions and the sanction of payment will be issued by the head of office on receipt of the report of the Accountant General.

**10.40** Where a Class IV servant becomes eligible for contributing to the General Provident Fund, the amount payable to him shall be transferred to his credit in the General Provident Fund Account.

**10.41** In all other cases payment shall be made in cash to the Class IV servant, and in either case an entry shall be made in the service book under the signature of the head of the office showing the amount paid and the date and authority for payment.

**10.42** Every Class IV servant shall nominate, in accordance with rule 8 of the General Provident Fund (Central Services) Rules, three persons in order of priority and such nomination shall be countersigned by the head of the office and pasted in his service book. In case a Class IV servant dies before receiving payment under rule 12, the amount payable to him under that rule shall be paid to the surviving nominee first in the order of priority.

**10.43** Payments made to a Class IV servant on account of deductions made under those rules and interest thereon shall be debited respectively to the head of account "600 Transfer Payments 660 Superannuation Allowances and Pension 669 Others Payments under the Central Government (Class IV Servants) Provident Fund Rules" and "600 Transfer Payments 610 Interest 616 Others Interest Payable under the Central Government (Class IV Servants) Provident Fund Rules."

**10.44** The provisions regarding temporary advances as contained in the General Provident Fund (Central Services) Rules will be applicable under these Rules also. The accounts of the deductions and the advances will continue to be maintained by the Drawing and Disbursing Officers. The withdrawals on account of advances may be debited to the head "4000 Advance Not Bearing Interest-4100 Advances Payable 4109 Provident Fund". Advances to Government Servants and recoveries should be adjusted against the same head of account.

## **CHAPTER XI**

### **FINANCIAL POWERS DELEGATIONS TO SUBORDINATE AUTHORITIES**

#### **SANCTIONS TO EXPENDITURE: (BASIC PRINCIPLES)**

**11.1** No subordinate authority is empowered to sanction without the previous consent of the Ministry of Finance any expenditure, which involves the introduction of a new principle or practice likely to lead to increase of expenses. Moreover, exercising of financial powers by a subordinate authority is subject to the observance of any general or special direction, which the authority delegating or re delegating power may issue at any time.

**11.2** A sanction to expenditure would be operative only when the funds have been appropriated to meet the expenditure. In case of sanction to a recurring expenditure covering a specified term of years it would operate when funds are appropriated to meet the expenditure of the first year and would remain in operation for each year of the specified term subject to appropriation in such years.

**11.3** The two main principles to be observed in any system of financial control are economy and regularity, and the success of any system must depend upon the vigour with which they are observed in day to day administration, Economy means getting the full value for money, and by regularity is meant the spending of money for the purposes and in the manner prescribed by law. The two are not necessarily the same thing, for it is conceivable to spend money without constitutional irregularity and yet wastefully.

**11.4** While the provisions of the General Financial Rules Vol. 1 contain general and specific instructions on the subject, the principles on which emphasis is essentially laid may be recapitulated as follows:

(a) that expenditure is incurred with due regard to high standards of financial propriety;

(b) that funds allotted to a Ministry/Division, its Attached, or Subordinate Offices are spent for the purpose for which they are allocated;

(c) that funds are spent in accordance with relevant rules and regulations;

(d) that the actual expenditure does not exceed the budget allocation;

(e) that the expenditure is not prima facie more than (the occasion demands and that every Government servant exercises the same vigilance in respect of expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of expenditure of his own money;

(f) that no authority exercises its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage;

(g) that public moneys are not utilised for the benefit of a particular person or section of the community unless:

(i) the amount of expenditure involved is insignificant; or

- (ii) the claim for the amount can be enforced in a court of law; or
- (iii) the expenditure is in pursuance of a recognised policy or custom.

(h) that the amount of allowances, such as travelling allowance, granted to meet expenditure of a particular type is so regulated that the allowances are not, on the whole a source of profit to the recipient.

**11.5** The requirement that the funds allotted to a Ministry/Division, etc. are spent for the purpose or purposes for which they are allocated, constitutes an important part of the Legislature's control over expenditure. The control would be rendered nugatory if the executive authority sanctioned application of funds for purposes other than those authorised by the Legislature. It is, therefore, the duty of the Principal Accounting Officer to ensure that the expenditure falls within the ambit of a Grant or an Appropriation duly authenticated. Expenditure in excess of the amount of Grant or Appropriation as well as expenditure not falling within the scope or intention of any Grant or Appropriation, unless regularised by a supplementary Grant, will be treated as unauthorised expenditure.

**11.6** While sanctioning expenditure out of the funds placed at his disposal the Principal Accounting Officer will ensure by issuing necessary written instructions to his subordinates or by other means available to him that the requirements of the relevant rules and regulations are fully met and that the approval of the Ministry of Finance has been obtained in all cases which are not covered by any standing authorities that may have been delegated to him.

**11.7** The Principal Accounting Officer is responsible for ensuring that expenditure is not incurred in excess of the budget allocation. He has also to see that the total expenditure under each of the sub-heads fixed as units of appropriation under a Grant or Appropriation does not exceed the allotment thereunder. It is clear that this requirement can be met only if the compiled accounts reflect the correct position of payments. He should, therefore, ensure by issuing suitable instructions to the controlling and disbursing officers under him that all payments are correctly classified under the appropriate heads of accounts and that the departmental accounts are reconciled every month with the Figures communicated by the Audit Officer. He should, in addition, keep himself well informed not only of the actual expenditure but also of the liabilities which have been incurred and must ultimately be met. Any anticipated excesses and savings should be readjusted by means of reappropriation to the extent powers have been delegated to the Principal Accounting Officers under the new procedure. It is relevant to mention, in this connection, that any allotment or reappropriation within a Grant or Appropriation may be authorised at any time before, but not after, the expiry of the financial year to which such Grant or Appropriation relates.

#### **DELEGATION AND RE-DELEGATION OF POWERS:**

**11.8** As a general rule, the powers conferred on an authority under the rules cannot be delegated by it to an authority subordinate to it without the previous consent of the Ministry of Finance. The Ministry of Finance, may however, delegate powers to an authority with permission to re-delegate its powers to a subordinate authority. In cases where an authority has been empowered to delegate or redelegate powers of appropriation or re-appropriation, it may divide the primary units of appropriation into such secondary units as it thinks fit and may impose such restrictions as it may consider suitable upon the use of the powers of appropriation and re-appropriation.

**POWERS DELEGATED TO MINISTRIES/ DIVISIONS/DEPARTMENTS:**

**11.9 Powers delegated to Ministries/Divisions/Departments. (a)** In accordance with para 5 of Finance Division O.M. No F.1(5) R. 12/80, dated 11-3-1981, the powers shown in columns 3 and 4 of Annex I to this O. M. shall be delegated to Principal Accounting Officers in the Ministries/Divisions and the heads of Departments, respectively. These powers may be exercised by them without consulting the Financial Adviser or the Finance and Accounts Officer. The Finance and Accounts Officer may, however, be consulted, wherever considered necessary or advisable but his advice can be over-ruled by the Principal Accounting Officer concerned. The powers so delegated shall be subject to the observance of austerity measures taken by the government from time to time and the availability of:

(i) funds, by valid appropriation or re-appropriation where permissible, from within the sanctioned budget grant; and

(ii) foreign exchange, where required, from within the allocation of foreign exchange sanctioned for the Ministry/Division concerned provided:

(1) specific provision exists in the foreign exchange budget;

(2) it does not involve re-appropriation from "import" to "invisible" or vice versa;

(3) it does not involve travel by another carrier on routes where PIA flights operate;

(4) it does not involve expenditure on entertainment or contingencies.

(b) All cases involving payments of Rs.10 million and above shall be referred to the Budget Wing for ways and means clearance before effecting payment.

(c) The financial powers delegated to the Ministries/Divisions under the Fundamental and Supplementary Rules, General Financial Rules etc., prior to the introduction of Financial Adviser's Scheme, will continue to be exercised by them, subject to such modification as may be necessary in accordance with the provisions of Annex II.

(d) Except as specifically provided in Annex-I, further delegation of delegated powers shown in Columns, 3 & 4 of Annex-I may, as considered appropriate, be made as follows:

(i) By the Secretaries of the administrative Ministries/Divisions, to the officers subordinate to them in the Ministries/Divisions, without consulting their Financial Adviser;

(ii) By the Secretaries of the administrative Ministries/Divisions, to other officers subordinate to them, in consultation with their Financial Adviser;

(iii) By the Heads of Departments, to the officers subordinate to them, in their headquarters offices, without consulting the Financial Adviser;

(iv) By the Heads of Departments, to other officers subordinate to them in consultation with the Financial Adviser.

Note. The term "Head of Department denotes head of Department as defined in S.R 2(10)

## ANNEXURE

[See para 5(a) of the Finance Division's O.M No F 1(5)/R-12/80, dated 11-3-1981]

### FINANCIAL POWERS DELEGATED TO THE MINISTRIES/DIVISIONS AND THE HEADS OF DEPARTMENTS.

Sr No	Name of power	Powers delegated to the Ministries/Divisions	Powers delegated to heads of Departments	Remarks.
1	2	3	4	5
1	Creation of temporary posts.	<p>Full powers, subject to the following conditions:-</p> <p>(i) Expenditure can be met from within the budget provision lump sum or otherwise, for "Basic Salary of Officer" or "Basic Salary of other Staff", to which the expenditure is chargeable or the posts can be accommodated within the budget provision by retrenchment of existing posts or by utilizing savings which accrue under or the heads "Basic Salary of Officer" or "Basic Salary of Other Staff", as the case may be.</p> <p>(ii) Instructions issued by the competent authority regarding staff composition and work standards are strictly observed.</p> <p>(iii) The posts is created on a rate or scale of pay which has been approved by the Government for a post of the same character and designation in the same Ministry/Division/Department/Office.</p> <p>(iv) In case of foreign mission the power to create temporary posts will be available if the funds can be found from within of foreign exchange budget in respect of the head "Basic Salary of Other Staff".</p> <p><b>Note.-</b> In the case of foreign mission a temporary post may be created for a maximum period of 5 days for enabling the transferred official to brief the Incoming Official and to hand over to him accountable documents etc.</p>	As in column 3	<p>(1) The temporary posts created without the prior approval of the FA's Wing/Finance Division shall not be continued in the next financial year, such posts shall cease to exist.</p> <p>(2) A post in any office or department which has remained vacant for a period of one year or more shall be deemed to have been abolished. The power for of revival of the post shall not be exercised without obtaining prior approval of the Financial Adviser/Finance Division.</p> <p>(3) The post of O.S.D. shall be created only for deputation or training purposes.</p> <p>(4) The purpose of this delegated power is to enable Ministries/Divisions and heads of Departments to create one or two short-term posts to tide over a difficult situation and not to present fait accompli to the Finance Division by</p>

				<p>creating and filling in a larger number of posts which are later sought to be continued for indefinite period.</p> <p>(5) F.As concurrence for the continuance of temporary post in the next financial year may be sought well before the beginning of that year so that the posts not agreed to by the Financial Adviser are not continued in the next financial year even for a day.</p> <p>(6) The post of Section Officer, Deputy Secretary and Joint Secretary will be created by the Ministries/Division by first obtaining sanction of Ministry of Finance and then the approval of the Establishment Division.</p> <p>(7) The proposals for creation of temporary posts belonging to occupational Groups administratively controlled by the Establishment Division will be referred to the Establishment Division for clearance.</p> <p>[Finance Division O.M. No F-1(7)-R.12/88 dt. 2-10-88]</p>
2.	Conversion of a temporary post into a permanent post.	<p>Full powers, subject to the following conditions:-  Posts which have been in existence continuously for five years or more, and have been created for work of a permanent nature, and are likely to continue for an indefinite period.</p> <p><b>Note.-(1)</b> The details of temporary posts converted into</p>	As in column 3	

		<p>permanent posts during the course of a financial year, which are proposed to be transferred from Part II to Part I of the budget for the next year should invariably be reported to the Financial Adviser before the 1st October, every year.</p> <p>(2) These powers shall not be treated as powers to create post for purposes of F.R.27.</p>		
3.	Abolition of posts.	Full powers.	As in column 3	
4.	Reappropriation of funds.	<p>Full powers, subject to the observance of the following general restrictions and to the supply of a certificate to Audit by the administrative Ministry/Division while issuing orders for reappropriation stating that.</p> <p>(a) The expenditure to be met by re-appropriation from the relevant minor and detailed objects was not foreseen at the time of budget.</p> <p>(b) The expenditure cannot be reduced nor can it be postponed to the next year.</p> <p>(c) The expenditure in question was not specifically disallowed by the Finance Division at the time of approving the budget estimates.</p> <p>(a) No appropriation or reappropriation may be made: -</p> <p>(i) from one grant to another;</p> <p>(ii) after the expiry of the Financial year;</p> <p>(iii) between funds authorised for expenditure charged on the Federal Consolidated Fund and other expenditure.</p> <p>(b) Funds may not be appropriated or re-appropriated to meet -</p> <p>(i) Any item of expenditure which has not been sanctioned by an authority competent to sanction it.</p> <p><b>Note.</b>-Appropriation or re-appropriation in accordance with provisions of S.No 4(1), (II) and (III).by a competent authority will, if that authority is authorised to sanction the expenditure in question, operate as sanction to such expenditure.</p> <p>(ii) Expenditure on a "new service" not provided for in the budget estimates authorised for the year; and</p> <p><b>Note.</b> - If funds to meet a new service are available under</p>	As in column 3	

		<p>the relevant grant, re-appropriation for such new service may be made after a token sum has been allocated through a Supplementary Grant.</p> <p>(iii) expenditure for a purpose the allotment for which was specifically reduced or refuted by the National Assembly.</p> <p>II. All powers of appropriation and re-appropriation conferred upon administrative Ministries and other authorities are subject to the condition that, without the previous consent of the Financial Adviser/ Finance Division.</p> <p>(a) an authority may not meet, by re-appropriation. expenditure which it is not empowered to meet by appropriation</p> <p>(b) lump-sum provision for expenditure included in a gram may not be appropriated or reappropriated</p> <p>(c) no re-appropriation may be made:</p> <p>(i) between the Revenue and Capital portions of a Grant.</p> <p>(ii) from and to the provision for secret service expenditure.</p> <p>*(iii) from or to or with the Establishment charges (including medical charges) Telex, Telephones and Electricity charges with the prior concurrence of the Budget Wing of the Finance Division.</p> <p>*(Finance Division O.M. No. F 1(10) R-12/84-928 dt. 2-8-1987)</p> <p>(iv) of provisions allowed for specified new items for other purposes; and</p> <p>(v) of provision specifically made in the budget for expenditure in foreign exchange to expenditure in local currency;</p> <p>(vi) from the budget provision specifically made for meeting the charges of other Government departments like T &amp; T Department and Post Office Department etc.</p> <p>*(vii) of provision allowed for specific items in supplementary grant without the prior concurrence of the Finance Division (Budget Wing);</p> <p>*(Finance Division O.M. No. 1(10) R-12/84 dt. 4-9-84]</p> <p>(d) subject to the provision of S. No. 1 governing the creation of posts and the restrictions under II(c) (iii) funds</p>		
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		<p>may not be appropriated or reappropriated to meet any expenditure, other than contingent expenditure, which is likely to involve further outlay in a future financial year.</p> <p>III.(i) No Ministry/Division (including any auto-nomous body) shall be authorised to re-appropriate funds from one development scheme to another development scheme. In exceptional cases, reappropriation of such funds may be allowed, where necessary, with the prior approval of the Planning and Development Division.</p> <p>(Ministry of Finance O.M. No. F. 1(10) R.I2/840, dated 4th September. 1984).</p> <p>(ii) In the case of development schemes controlled/executed by the Planning and Development Division themselves, approval for reappropriation of funds from one development scheme to another, if necessary, shall be made with the prior approval of the Financial Adviser attached to that Division.</p> <p><b>Note-(1)</b> Endorsement of reappropriation orders to Audit in all cases referred to in III (i) and III (ii) above shall be made by the FA's Organization concerned to ensure that it is accepted by the Audit Authorities.</p> <p><b>(2)</b> In the case of expenditure on works, the conditions laid down in paragraphs 31 and 32 of Appendix 6 to the Central Public Works Account code shall also apply.</p>		
5.	Powers to give administrative approval to works in respect of non-residential buildings	<p>Works Division up to Rs. 2,000,000. *(Two million) Other Ministries and Divisions upto Rs. 500,000 *Finance Division OM. No. 1(7)R-12/88 dt.2-10-88.</p>		
6.	Expenditure on works.	<p>Approved Development Schemes-Full powers, subject to release of funds with prior approval of Financial Adviser as provided under Para, 9 (vii) of this O.M. Non Development Works Up to Rs. 100,000</p>		Includes powers for purchase of land for .Pakistan missions abroad and construction of building thereon.
7.	Powers to declare stores surplus or unserviceable.	Full powers, subject to prescribed conditions.	As in column 3	Heads of Pakistan Missions abroad may exercise these powers in accordance with approved scales, in respect of the residence of officers subordinate to them.

8.	Powers to sell surplus or unserviceable stores and stock by auction.	Full powers, subject to the prescribed conditions.	As in column 3	Heads of Pakistan missions abroad may exercise these powers in accordance with approved scales in respect of the residences of officer's subordinate to them.
9.	Write-off of irrecoverable value of stores or public money due to losses on account of fraud, theft, etc.	(i) UptoRs. 50,000 in each case, subject to the prescribed conditions. (ii) Powers to writeoff of losses up to a limit of Rs. 10,000 to cover deficiencies on account of breakage, shortage in transit, wastage, spoilage and bottling, dry age in storage and depreciation on account of wear and tear, fluctuation in market prices and obsolescence. <b>Note-</b> Subordinate authorities already enjoying the power in (ii)'beyond this limit may continue to exercise those powers.		Do.
10.	Purchase and replacement of motor vehicles, including commercial vehicles, jeeps and landrovers.	Full powers, subject to the prescribed conditions.		
11.	Repairs to Government owned motor vehicles.	*Rs. 10,000 (ten thousand) at any one time to one or any number of vehicles used by the Ministry/Division. *Finance Division O.M. No.F.1 (7) R-12/88 dated. 30-8-88.	As in column 3	US \$ 700 at any one time to one or any number of vehicles used by the Pakistan missions abroad
12.	Purchase of petrol and lubricants for Government owned motor vehicles.	Full powers.	As in column 3	
13.	Powers to order refund in accordance with the rules or in pursuance of decisions of courts in respect of which no appeal is proposed to be filed.	Up to Rs.20, 000 in each case.	As in column 3	
14.	Powers to sanction investigation of claims of Government servants to arrears of pay, allowances etc.	Full powers, subject to restrictions under paras 125 and 126, G.F.R.Vol.1.	As in column 3	
15.	Sanctioning of expenditure debitable to heads "purchase of durable goods", "Repairs and Maintenance of durable goods and works", "Commodities and Services" and "Other Expenditure":- (a) Expenditure specifically shown item-wise	Full powers.	As in column 3	

<p>in the budget in detail.  (b) Expenditure against provisions in the budget which do not show detailed objects, the utilisation of the provisions shall be sanctioned in the following manner :-  (i) Local purchase of stationery.</p> <p>(ii) Purchase or repairs to instruments, fixtures and furniture.</p> <p>(iii) Hire charges of office furniture  (iv) Purchase of liveries, type writers (locally manufactured) and duplicators.</p> <p>(v) Purchase and repairs of bicycles.  (vi) Purchase of periodicals and newspapers.</p>	<p>Upto Rs. 50,000 at a time provided that the Controller of Stationery and Forms has certified that the stationery in question cannot be supplied from the Government stores. No such certificate will be needed for purchases costing less than *Rs. 10,000 (ten thousand).  *Finance Division O.M. No. F. 1(7) R 12/88 dated 14-12-88.</p> <p>Full powers.</p> <p>Full powers.  Full powers: -  (The purchase of uniforms and liveries shall be made subject to the prescribed scales and prices).  Full powers, subject to the prescribed scales.  Full powers.</p> <p>Full powers.</p>	<p>As in column 3</p> <p>As in column 3</p> <p>As in column 3  As in column 3</p> <p>As in column 3  As in column 3</p>	<p>The condition to obtain a Non-availability Certificate from the Department of Stationery shall also apply in cases where specific provision for the purchase of stationery exists.</p> <p>(i) Heads of Pakistan Missions abroad may exercise these powers in accordance with approved scales in residence of the officers subordinate to them.  (ii) Heads of Pakistan Missions may incur expenditure on repairs up to S 400 per annum within each financial year.</p>
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<p>(vii) Purchase of books and maps.</p> <p>(viii) Expenditure on carriage of records.</p> <p>(ix) Freight on movement of Government property.</p> <p>(x) Electricity and water charges and taxes</p> <p>(xi) Postal, telegraphic and telephonic charges.</p> <p>(xii) Service postage.</p> <p>(xiii) Hot and cold weather charges.</p> <p>(xiv) Charges for printing at a Press.</p> <p>(xv) Expenditure in emergency cases on account of binding work executed locally.</p> <p>(xvi) Copying and translation charges.</p> <p>(xvii) Law charges</p> <p>(xviii) Fees to Law Officers.</p> <p>(xix) Compensation payable to any individual under Law, rules or judgement of Courts.</p> <p>(xx) Appointment of staff Full powers, chargeable to contingencies equivalent to staff in BPS-1 -4.</p> <p>(xxi) Charges for remittance of Full powers, pay and/or allowances of establishment by money order, *or by bank draft other than leave</p>	<p>Full powers.</p> <p>Full powers.</p> <p>Full powers.</p> <p>Full powers:- Subject to the conditions that the approval of the competent authority to the installation of residential telephones has been obtained and the expenditure is within the prescribed ceilings.</p> <p>Full powers.</p> <p>Full powers.</p> <p>*Full powers, provided that printing at a press other than a press of the Printing Corporation of Pakistan should be undertaken only if the Printing Corporation of Pakistan certifies its inability to undertake the work. * Finance Division OM. No. F. 3(21) R. 12/81, dated 9-12-1981.</p> <p>Full powers.</p> <p>Full powers.</p> <p>Full powers, in consultation with the Law Division.</p> <p>Full powers, in consultation with the Law Division except in cases of arbitration where the arbitrator is an officer of the Division concerned.</p> <p>Full powers.</p> <p>Full powers.</p> <p>Full powers.</p>	<p>As in column 3</p>	<p>Includes power to sanction advance 75% of the total cost.</p>
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	<p>salary. Finance Division O.M. No. F. 1(5)R-12/80 dt. 26-7-87. (xxii) Expenditure on: (a) Rent of non-residential buildings.</p> <p>(b) Rent of residential buildings.</p>	<p>(1) Works Division and Ministry of Defence-Full powers. (2) Ministry of Foreign Affairs: Full powers in respect of Pakistan Missions abroad. <b>Note.</b> - 1. In sanctioning rents, merits and local conditions in each case will be kept in mind. 2. Notwithstanding the provisions of para 5(d) of this O.M., this power shall be exercised only by the Addl. Foreign Secretary (Admn.) and shall not be further delegated by him. 3. Other Ministries/Divisions – (i) Up to Rs. 4,000 pa month for Islamabad / Rawalpindi / Lahore / Karachi/Peshawu/Quetta. (ii) Upto Rs. 2,000 per month for other places. (i) Works Division and Ministry of Defence--- up to Rs. 8,000* per month in each case. (ii) Ministry of Foreign Affairs: Full powers in respect of Pakistan Missions abroad. <b>Note.- I.</b> In sanctioning rent, merits and local conditions in each case will be kept in mind. 2. Notwithstanding the provision of para 5(d) of this O.M. this power shall be exercised only by the Additional Foreign Secretary (Admn.) and shall not be further delegated by him. (iii) Other Ministries/Divisions — — Rs. 1,000 per month in each case. <b>Note.-</b>Powers at (i),(ii) and (iii) may be exercised only in the case of Government servants who are entitled to provision of residential accommodation under any general or specific orders. *Ministry of Finance O. M. No. K. 3(5)-R-12/79-10, Dated 20-1-1987. Ministry of Foreign Affairs: per financial year upto 10% of annual standard rent.</p> <p><b>Note.-</b> Notwithstanding the provision of para 5(d) of this</p>	<p>As in column 3</p> <p>As in column 3</p>	<p>The powers to incur expenditure on rent of "non-residential" and "residential" buildings shall be subject to the approved rates and scales.</p>
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<p>(c) Repairs to buildings of Pakistan Missions abroad owned by the Government of Pakistan.</p> <p>(d) Repairs to the hired and the requisitioned buildings.</p> <p>(xxiii) Payment of scholarships.</p> <p>(xxiv) Grants-in-Aids.</p> <p>(xxv) Entertainment.</p>	<p>OJK, this power shall be exercised only by the Additional Foreign Secretary (Admn.) and shall not be further delegated by him.</p> <p>(a) Office accommodation:</p> <p>(i) Works Division and Ministry of Defence ————— —————full powers.</p> <p>(ii) Other Ministries/Divisions —————Upto 2 months rent.</p> <p>(b) Accommodation for residential purposes. Full powers.</p> <p><b>Note</b> - The powers (a) and (b) shall be restricted to the extent covered by landlord's liability.</p> <p>Full powers in accordance with the approved rates or scales.</p> <p>(i) Institutions wholly financed by the Government :—</p> <p>Full powers to release the amount specifically provided for this purpose in the budget subject to the prescribed conditions.</p> <p>(ii) Institutions not wholly financed by the Government:-</p> <p>(a) Full powers subject to the prescribed conditions to sanction recurring grants, provided that a specific budget provision in respect of each individual institution is made.</p> <p>(b) For non-recurring grants not covered by the rules: Upto Rs. 10,000 in a year subject to the prescribed conditions provided that budget provision exists.</p> <p>(i) For light refreshment not exceeding Rs.5 per head at meetings convened for official business. Decision to incur such expenditure will be taken only by officers of and above the status of Joint Secretary.</p> <p>(ii) For receptions, lunches and dinners: upto Rs.4,000 in each case for Ministry of Foreign Affairs. For other Ministries Rs.3,000 in each case.</p> <p>(iii) For serving lunch boxes not exceeding *Rs. 40 (forty) perhead in meetings which are prolonged beyond office</p>	<p>As in clause (ii)(a) of column 3.</p>	<p>*Heads of Missions: Upto one month's assessed rent per financial year.</p> <p>*Finance Division O M. No 1(6)-R-12/80 dated.9-7-1984 Heads of Missions: Up to \$ 200 per annum within the financial year.</p>
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	(xxvi) Other items (miscellaneous expenditure including that on purchase of stores).	<p>hours without break in the interest of Government work.  *Finance Division O.M No F.1(7)R-12/88 dt.30-8-88.  Note.-Notwithstanding the provisions of para 5(d) of this O.M, the power at (ii) and (iii) above will not be delegated by the Secretaries of the administrative Ministries/Divisions to the officers subordinate to them in the Ministries/Divisions and elsewhere.</p> <p>(a) Nonrecurring Rs. 20,000.  (b) Recurring items Rs. 5,000.</p>	<p>Rs.10,000  Rs. 2,000</p>	
16.	Fixation of initial pay by grant of premature increments, in cases of first appointments under Government, of persons not already in the service of the Federal or Provincial Govt	<p>Powers to grant not more than six premature increments for the initial fixation of pay subject to the following conditions:-</p> <p>(a) In cases of persons recruited through the FPSC premature increments should be granted on the</p>	As in column 3	On the specific

		<p>recommendations of the FPSC, and in consideration of the fact that suitable persons of requisite qualifications are not available on the minimum pay of the post.</p> <p>(b) No premature increment should be granted in cases of ad-hoc appointments in anticipation of FPSC recommendation.</p> <p>(c) In posts where recruitment is not made through FPSC, premature increments should be granted only after the appointing authority certifies that suitable persons of requisite qualifications are not available on the minimum of the sanctioned pay scale of the posts. Ministry of Finance O.M. No. F. 1(7) R-12/81 dated 14-10-81.</p>		<p>recommendation of the F.P.S.C., their nominees who are already in Federal/Provincial Government service may be allowed upto six increments above the minimum and not over and above their protected pay under F.R. 22. [F. 2(60) R.2/84, dated 22-9-85).</p>
17.	Fixation of initial pay of an officiating Government servant on appointment to another post in a time scale of pay.	<p>Power to fix the initial pay in the time-scale of the new post at the stage at which it would have been fixed under the rules if the officiating pay in respect of the old post were his substantive pay, provided that: -</p> <p>(a) the Government servant concerned has held that post for a period of three year continuously (including period of leave) or would have held it for that period had he not been appointed to the other post; and</p> <p>(b) the appointing authority certifies that the Government servant was not officiating in a leave or short term vacancy (sanctioned for less than one year) and was not likely to revert to a lower post at least for the period during which he holds the new post.</p> <p>Note.- In cases where the initial pay in the time scale of a new post is fixed in exercise of the above power, the</p>	As in column 3	

		Government servant will, for the purposes of subsequent draws of pay in that post (and for these purposes only), be treated as if he were holding a lien on his old post.		
18.	Fixation of scales/rates of pay and allowances of posts in Pakistan Missions abroad to which recruitment is made locally.			Full powers to the heads of Pakistan Missions abroad concerned to sanction increase in scales/rates of pay corresponding to the increase allowed by the Local Government subject to the availability of budget provision.
19.	Sanction to the undertaking of work for which an honorarium is offered and the grant or acceptance of an honorarium.	Full powers up to a maximum of *Rs.5,000 in each case. The amount should not exceed one month's pay of the Government servant concerned on each occasion. In the case of recurring honoraria, this limit applies to the total of recurring payments made to an individual in a financial year. *Finance Division O.M. No. 2(5)R-4/88 dt.18-9-88. <b>Note:</b> Cases of grant of honoraria exceeding Rs. 5,000 will, however, continue to be referred to the Finance Division.	As in column 3, subject to a maximum of Rs. 1,000.	The power will be exercised subject to the condition that the relevant rules and policy instructions issued by the Finance Division from time to time are duly observed and that the grant of honorarium is not used as a device to compensate a Government servant for special pay etc. not admissible under the rules. No expenditure should be incurred on honoraria in excess of the specific provision made for this purpose in the sanctional budget grant and that if expenditure in excess of such provision becomes necessary at some stage prior concurrence of the Financial Adviser will be necessary before such expenditure is incurred.
20.	Sanction of honoraria to Government servants in connection with Departmental examinations in	Full powers, in accordance with approved rates or scales.	As in column 3	

	accordance with the rules.			
21.	Power to sanction the undertaking of work for which a fee is offered and acceptance of fee.	Full powers	As in column 3	
22.	Exemption from crediting portion of fees to Government.	Full powers, in respect of fees paid to Government servants for services rendered in Pakistan, one third of any fees in excess of *\$ 800 or equivalent received by a Civil Servant for a foreign consultancy outside Pakistan shall be credited to general revenues. *Ministry of Finance O.M. No. F 1(7) R-12/83-87, dated 1-2-1984.	As in column 3	
23.	Relaxation of the prescribed time limit for submission of T.A. Bill.	(i) Where no T.A. advance was drawn: Full powers. (ii) Where T.A. advance was drawn: T.A. adjustment bill should be submitted within one year of the date of performance of journey by the Government servant, failing which the advance will be recovered.	As in column 3	
24.	Relaxation of the prescribed time limit where the family of a transfer* red Government servant could not join him within one year due to shortage of accommodation, education of children or on medical or compassionate grounds.	Full powers, subject to the following conditions:- (i) Instructions contained in Government Decision No. 15 under S.R. 116 are duly observed. (ii) Where advance of T.A. had been drawn in respect of the family members and the family did not accompany the Government servant, the advance would be refunded within one year.	As in column 3	
25.	Relaxation of the prescribed time limit in respect of a member of the family of a transferred Government servant preceding him.	Full powers, provided that the family performed the journey after the transfer orders of the Government servant were issued.	As in column 3	
26.	Power to decide the amount of permanent "travelling allowance to be drawn by a Government servant holding more than one post to Which permanent travelling allowance is attached.	Full powers, provided that the limit laid down in S.R. 24 is not exceeded.		
27.	Deleted.			
28.	Deleted.			
29.	Deleted.			
30.	Permission to travel by air on transfer to Pakistan Mission abroad in cases where air route is not the approved route.	Full powers to send an official by air, subject to the following conditions: - (i) His services are urgently needed in a Mission:		

		(ii) The total cost of air passage for himself and his family will not exceed the cost of approved sea route by more than Rs.1,000: (iii) The decision is taken at the level of Secretary.		
31.	Grant of travelling and daily allowance to non-official members of Commissions/Committees etc. set up by the Government and to foreign experts.	Daily allowance upto the maximum rates admissible to Government servants, and. in addition, where the person concerned has, of necessity, to stay in a hotel, reimbursement of actual single room-rent, subject to the production of hotel receipts/vouchers, upto the maximum rate admissible to Government servants.		
32.	Grant of daily allowance for compulsory halt due to dislocation of communications.	Full powers.	As in column 3	
33.	Grant of Extraordinary leave on any ground upto a maximum period of five- years at a time provided that the civil servant to whom such leave is granted has been in continuous service for a period not less than 10 years and in case a civil servant has not completed ten years of continuous service, extraordinary leave for a maximum period of two years.	Full powers.	As in column 3	
34.	Grant of leave terms to officers on contract.	Full powers to the extent covered by model rules laid down in Appendix 10 to the Fundamental and Supplementary Rules. Vol. II.		
35.	Grant of special disability leave.	Full powers, provided that the disability manifests itself within three months after the occurrence of its cause.		
36.	Grant of advances to Government servants from various provident funds.	Full powers. *Subject to the condition that advances will be allowed in a manner that only one advance will remain outstanding at one time. Finance Division O.M. No.F.1(5)R-12/86 dated 17-1-88.	As in column 3	
37.	Deleted.			
38.	Grant of advance for the purchase of Motor Car/Motor Cycle to temporary Government servants	Full powers, subject to the production of surety bond and fulfilment of other conditions prescribed by the rules.	As in column 3	
39.	Relaxation of the time limit of one month within which purchase of conveyance should be completed.	Full powers to raise the limit upto six months.	As in column 3	

40.	Authorization of the final payment of the fund dues of a deceased Government servant to the members of his family, dispensing with production of succession certificate and guardianship certificate in the case of minor heir(s).	Full powers subject to the production of indemnity bond or provided that the amount or balance standing to the credit of a deceased subscriber in fund is to the extent of Rs. 5,000, the amount is paid in accordance with provisions of clause (i) of sub-rule (i) of rule 234 of the Federal Treasury Rules Volume I.	As in column 3	
41.	Question of deciding the real legal heir(s) in case where there is no nomination or the nomination is incorrect or invalid	Full powers in consultation with the Law Division.	As in column 3	
42.	Condonation of interruption of service.	Full powers provided each spell of service is qualifying but not in the case of voluntary retirement, or on resignation from public service.		
43.	Condonation of deficiency in qualifying service for pension.	Up to any period, less than a year if both the conditions mentioned below are satisfied :- (i) If a. Government servant dies while in service or retires under circumstances beyond his control such as on invalidation or abolition of his post and would have completed another year of qualifying service if he had not died or retired. (ii) The service rendered by him was meritorious.		These powers shall not be exercised in the case of Government servant, who has rendered less than 5 years continuous service. [Ministry of Finance O.M. No. F. 1(7)-Reg. (12)/81, dated 2nd December. 1984].
44.	Grant of conveyance allowance.	Power to sanction conveyance allowance up to the limits mentioned below to Government servants whose ordinary duties involve extensive travelling at or within a short distance from his headquarters, provided that:- (a) the power shall not be available in respect of officers and staff of the Ministries/Divisions themselves; (b) the expenditure can be met from within the sanctioned budget provision; and (c) the Financial Adviser has been consulted.		
<b>Extent of mileage (Scale of meters)</b>		<b>Monthly rate of conveyance allowance</b>		
		<b>Civil servant of B-17 and above maintaining a car.(Rs)</b>	<b>Civil servant of B-16 or below maintaining a motor car/scooter.(Rs)</b>	<b>Civil servant of B-15 or below maintaining a cycle.(Rs)</b>
From 161 to 240 km		140	45	30
From 241 to 320 km		195	65	30
From 321 to 400 km		250	80	30
From 401 to 560 km		300	100	30
Above 560 km		350	120	30

45.	Power to sanction deputation of Government servants.	<p>I. Temporary Duty abroad:  Full powers, subject to the following conditions and the orders issued by the Finance Division from time to time –</p> <p>(i) The approval of the competent authority viz. Minister-in-Charge in consultation with the Minister for Finance, the Prime Minister or the Cabinet, as the case may be, has been obtained in accordance with the existing orders.</p> <p>(ii) Where no expenditure in foreign exchange on passage, daily allowance, registration fee, contingent items, etc. is involved: or where expenditure on pay, passage, daily allowance or registration fee is involved but it is to be borne by the Ministry/Division concerned under the normal rules from within the foreign exchange allocation made for the specified period.</p> <p>(iii) Sanction of drawal of pay, daily allowance etc., to the extent admissible under the normal rules, in foreign exchange in advance, if the duration of visit is up to one month and the rupee cover is provided by the Government servant himself.</p> <p>(iv) Grant of permission to the Government servant to take his wife with him to the place of visit at his own expense or when expenses on wife's passage are borne by the host Government/Agency, provided that no additional foreign exchange is involved and that the wife travels exclusively by a Pakistani carrier, like PIA etc.</p> <p>II. Training abroad:  Full powers, subject to the following conditions.-</p> <p>(i) Budget provision exists.</p> <p>(ii) The prescribed procedure is observed.</p> <p>(iii) The terms of deputation are in accordance with the general orders issued by the Finance Division on the subject from time to time.</p> <p>(iv) Foreign exchange expenditure is met out of the sanctioned allocation for the specified period.</p> <p>(v) Sanction of drawal of pay in advance in foreign exchange for a period not exceeding one month if the rupee cover is provided by the Government servant himself</p>		<p>In both the cases mentioned at (vi) (a) and (b), the Government servant will draw his full pay and allowance (excluding compensatory allowances) in foreign exchange for the period of stay of his wife abroad.</p>
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		<p>(vi) Grant of permission to Government servant to take his wife with him on training abroad in the following cases: -</p> <p>(a) Where the period of training is more than one year;</p> <p>(b) Where the period of training is one year or less and the cost of wife's passage is borne by the donor Government/Agency; and</p> <p>(c) Where the period of training is more than six months but not more than one year and the Government servant himself bears cost of wife's passage etc. provided that no additional foreign exchange is involved, the wife travels exclusively by a Pakistani carrier like PIA etc. and the Government servant concerned shall draw, in foreign currency, 50% of his pay as admissible under the normal rules.</p> <p>Note.-The permission shall be granted by the Secretary or the Joint Secretary incharge of a Division, who will certify that it would be desirable for the Government servant to take his wife alongwith him. He shall also satisfy himself that the salary, subsistence allowance etc. admissible in foreign exchange is adequate to cover their expenses.</p>		
46.	Drawal of leave already abroad in foreign exchange.	Full powers in the case of a Government servant appointed on or before 17th March, 1958 subject to availability of foreign exchange to the payment of leave salary up to a maximum of Rs.3,000 p.m. for the period actually spent abroad up to a maximum of 120 days.		

**ADVANCE PAYMENTS FOR EXECUTION OF WORK:**

**11.10** The Federal Ministries/Divisions and Departments etc. are required to pay in advance the estimated expenditure/charges, to the extent indicated below, for the jobs/works to be undertaken by the following agencies:-

S.No	Name of Agency	Nature of work	Amount Advance	Remarks.
1.	P.P.W.D.	Addition/alteration/partitions in the Office building etc.	Full cost	The scheme of Departmentalization of Accounts was implemented in the P. P. W. D. with the concurrence of the Finance Division w. e. f. 1-1-1976. According to the Provision contained in Para 18 of scheme of the Departmentalization of Accounts, the Civil Departments of the Federal Government or Departments of Provincial Governments are required to pay in advance the gross estimated expenditure out of their sanctioned budget grant to the Divisional Accounts Officer of the PPWD in lump-sum or in instalments, by such date as may be specially authorised by the authority competent to accord technical sanction to the estimate.
2.	Printing Corporation of Pakistan.	Printing work	75% of the total cost.	The Economic Coordination Committee of the Cabinet, in its meeting held on 13-4-1971. had decided that the Printing Corporation of Pakistan be allowed to charge 75% of the total value of jobs it undertakes in advance and the balance of 25% after delivery of the printed material.

**11.11** Although the Ministries/Divisions and Departments etc. have full powers for incurring expenditure on the carrying out the above quoted jobs without obtaining approval of the F. As' Organizations, such cases are referred to that organizations for their sanction simply on account of involvement of payment of advances.

**11.12** As the above agencies have been authorised by the Government to carry out the works/jobs on advance payment basis, the Ministries/Divisions/ Departments etc. are authorised to make payment of advance in above mentioned cases without obtaining sanction from the F.As Organizations.

[Finance Division O.M.No.F.3 (21) R-12/81, dated 9-12-1981]

## CHAPTER XII

### BENEVOLENT FUND AND GROUP INSURANCE

#### INTRODUCTION:

**12.1** Benevolent Fund and Group Insurance are regulated by the Federal Employees Benevolent Fund and Group Insurance Act, 1969, as amended vide Act .No.XXV of 1975, Ordinance XLIX of 1980 and Ordinance No.VI of 1988. Broadly speaking, the Act applies to all civil servants including-

(i) person appointed to the Secretarial staff of the National Assembly or the Senate, or any officer or servant of the Supreme Court or of the Election Commission, or

(ii) any officer or servant of such body Corporate Institutions, Organizations or Autonomous Bodies as the Federal Government may, by notification in the official Gazette, specify, and

(iii) any such person, officer or servant, as aforesaid, who is on deputation elsewhere or on foreign service within the meaning of the Fundamental Rules, or

(iv) undergoing study or training in or outside Pakistan, or

(v) on leave

(vi) under suspension;

but does not include any person who-

(a) is an employee of the Railways?

(b) has attained the age of 60 years; or

(c) is an officer or servant of a Provincial Government on deputation to Federal Government?

#### DEFINITIONS:

**12.2** The family for the purpose means-

(a) In the case of male employee, the wife or wives and in the case of a female employee, the husband of the employee, and

(b) The legitimate children, parents, minor brothers, unmarried, divorced or widowed sisters of the employee wholly dependent upon him.

**12.3** The term 'Pay' includes emoluments, which reckon for pension and the pay an employee would have drawn but for his deputation, suspension or leave.

#### BENEVOLENT FUND:

**12.4** Every employee is required to pay to the Benevolent Fund a monthly subscription equal to one percent of his pay maximum Rs.26. whichever be less. The amount of subscription, as far as possible, should be deducted at source from his pay and credited or remitted to the Benevolent Fund.

**12.5** If the amount of subscription, for any reason, cannot be deducted from the pay of the employee, he should remit it to the officer prescribed for the purpose. Any amount of subscription remaining unpaid due to inadvertence or negligence of the employee or otherwise should be recovered from him in such manner as may be prescribed by the rules.

**12.6** Default in the payment of subscription either from the reason that the pay of the employee was not drawn or due to his inadvertence, negligence or fault or any other reason whatsoever would not affect his right or the right of his family to receive the benevolent grant, but the amount of unpaid subscription may be deducted therefrom.

**12.7** Benevolent grants are paid from the Benevolent Fund, if an employee

(a) is declared by the prescribed medical authority to have been completely incapacitated physically or mentally to discharge the duties of his employment and is for that reason removed from service, or

(b) dies during the continuance of his employment or, if he has retired from service within the prescribed period before attaining the age of sixty five years, he or in the event of his death, his family will be entitled to receive a benevolent grant from the Benevolent Fund according to the scale mentioned below, for a period of ten years or upto the date on which the employee attains or might have, if he were alive, attained the age of sixty five years, whichever is earlier. In the case of an employee, who dies after having drawn the benevolent grant, the period of ten years will be reckoned from the date from which he began drawing such grant. In case of retired employees the amount of grant will be determined on the basis of the pay last drawn:

<b>Pay Range</b>	<b>Rate of monthly Benevolent Grant.</b>
In the case of employee whose pay last drawn was between:-	
250 and 300	150
301 and 400	175
401 and 500	200
501 and 600	225
601 and 700	250
701 and 800	275
801 and 900	300
901 and 1000	325
1001 and 1100	350
1101 and 1200	375

1201 and 1300	400
1301 and 1400	425
1401 and 1500	450
1501 and 1600	475
1601 and 1700	500
1701 and 1800	525
1801 and 1900	550
1901 and 2000	575
2001 and 2100	600
2101 and 2200	625
2201 and 2300	650
2301 and 2400	675
2401 and 2500	700
2501 and 2600	725
2601 and above.	750

[Finance Division Notification No.F.17(1)/80-Pub dated 29<sup>th</sup> Sept., 1980]

**12.8** On the death of an employee the amount of benevolent grant payable under will be paid to such member or members of his family as he might have nominated in full or in the shares specified by him at the time of death of an employee. The amount of benevolent grant will be paid to such member or members of his family, subject to such conditions imposed with a view to ensuring that the amount is justly and equitably utilized for the maintenance and benefit of all the members of the family, as may be determined by the Board of Trustees of the Federal Employees Benevolent and Insurance Fund.

**GROUP INSURANCE:-**

**12.9** In the event of the death of an employee, occurred by whatever cause, during the continuance of his employment, the family of the deceased employee will be paid the sum assured as under:—

<b>*In the case of an employee whose pay last drawn was at the monthly rate of:</b>	<b>Sum assured.</b>
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two hundred and fifty rupees or more but not more than five hundred rupees	seven thousand and five hundred rupees.
More than five hundred rupees but not more than seven hundred and fifty rupees.	fifteen thousand rupees.
more than seven hundred and fifty rupees but not more than one thousand rupees.	twenty-two thousand and five hundred rupees.
more than one thousand rupees but not more than one thousand and five hundred rupees.	thirty thousand rupees.
more than one thousand and five hundred rupees.	forty-five thousand rupees.

\*Substituted vide Ordinance No.XIII of 1981 No.F. 17(1)/1-Pub dated 2-5-1981 Published in the Gazette of Pakistan Extraordinary. Part-1

**12.10** The provisions contained in paragraphs 12.5,12.6 and 12.8 will be equally applicable in the case of payment of the sum assured.

**12.11** The employees in B-16 and above have to pay the life insurance premium at the following rates which are to be deducted at source from their pay and credited and remitted to the Insurance Fund:—

Pay range	Sum assured	Rate of monthly premium
UptoRs. 500	7,500	2.62
Rs. 501 to 750	15,000	5.24
Rs. 751 to 1000	22,500	7.86
Rs. 1001 to 1500	30,000	10.50
Over Rs. 1500	45,000	15.75

**12.12** The following procedure is to be observed for the collection of premium and subscription for the Insurance Fund and Federal Employees Benevolent Fund respectively.—

(i) In the case of B-16 & above officers the deductions are to be made by officers themselves from their paybills/computerised payroll.

(ii) For the establishment the Drawing and Disbursing Officers have to make the deduction from establishment paybills/computerised payrolls in respect of Benevolent Fund only.

(iii) No deduction on account of Group Insurance premia is to be made in respect of B-1 to B-5 establishment, as it is to be paid by the Government. However, the amount to be paid by the

Government on that account should be worked out at the prescribed rate and shown in the relevant columns of schedule in Form TR-55-A.

(Finance Division letter No F. 6-11/69-B III dated 12<sup>th</sup> April 1969)

**PAYMENT OF SUBSCRIPTIONS OR PREMIA IN DEFAULT:**

**12.13** Where the amount of subscription to the Benevolent Fund or the premium to the Insurance Fund cannot, for any reason, be deducted from the pay of an employee, the employee shall

(a) in case he is serving abroad, remit the amount to the head of his department; and

(b) in any other case, remit the amount to the Secretary.

**12.14** In the case referred to in clause (a) the head of department and in the case referred to in clause (b) the Secretary shall deposit the amount received by him to the credit of Benevolent Fund or, as the case may be, the Insurance Fund, in the National Bank of Pakistan or any other scheduled bank approved by the Board.

**12.15** Any amount of subscription to the Benevolent Fund or any premium to the Insurance Fund remaining unpaid due to inadvertence or negligence of the employee or otherwise shall upon a direction in writing of the Board, be deducted, in the case of an employee of an Organization, by the head of the Organization, and in any other case, by the Accounts Officer, from the salary of such employee.

**12.16** Where the Accounts Officer or the head of the Organization as the case may be, upon a request being made in writing by the employee finds that deduction of the amounts remaining unpaid will result in any hardship to the employee, he may deduct the amount in such number of instalments, not exceeding twelve, as he may decide.

**MEDICAL AUTHORITY FOR DECLARING AN EMPLOYEE INCAPACITATED:**

**12.17** The medical authority which, in accordance with the rules or regulations governing his employment, declares an employee to have been completely incapacitated physically or mentally to discharge the duties of his employment shall be the medical authority for the purposes.

**Nomination of beneficiaries of the benevolent fund grant and of the assured:**

**12.18(i)** Every employee shall make a nomination conferring on one or more members of his family the right to receive a specified share of the benevolent grant or the sum assured that may be payable.

(ii) The employee may provide in the nomination

(a) that, in the event of any one of the nominees predeceasing the employee, the right conferred upon that nominee under (i) shall pass to such other member or members of the employee's family as he may specify in the nomination; and

(b) that the nomination in respect of all or any of the nominees shall become void in the event of the happening of any contingency specified.

(iii) Every nomination shall be in Form 'A'.

(iv) An employee may at any time cancel a nomination made under (i) and make a fresh nomination.

(v) A nomination under (i), or a fresh nomination under (iv), made by an employee shall be in triplicate and one copy of the nomination or, as the case may be, fresh nomination shall be signed by the head of the office and returned to the employee, one copy shall be placed in the Confidential Report, or, as the case may be, Service Book of the employee and the third copy shall be placed in the Master Folder to be maintained by the department concerned.

(vi) A nomination under (i), or a fresh nomination under (iv), made by an employee shall, to the extent it is valid, take effect on the date on which it is received by the department to whom it is sent under (v).

**PAYMENT OF BENEVOLENT GRANT AND THE SUM ASSURED WHERE NO VALID NOMINATION EXISTS:**

**12.19** Where no valid nomination made by the employee subsists at the time of his death in relation to the whole of the amount of the benevolent grant and the sum assured or any part thereof, the whole amount or, as the case may be, the part to which the nomination does not relate, shall be paid to the member or members of the family of the deceased employee in the manner hereinafter appearing:-

(a) The Board or an officer authorised by it in this behalf, may determine the members of the family of the deceased employee who are eligible to receive the benevolent grant and the sum assured:

Provided that if the members of the family of the deceased employee are determined by an officer authorised by the Board, any member may, within thirty days of such determination, appeal to the Board.

(b) If the members of the family of the deceased employee agree to nominate any one of them to receive the benevolent grant and the sum assured, the payment shall be made to that member.

(c) If there is no such agreement, the payment shall be made in the following manner:-

(i) if the deceased employee is survived by wife or, as the case may be, husband, the benevolent grant and the sum assured shall be paid to her or, as the case may be, him; and, in case the deceased employee is survived by more than one wife, the amount of the benevolent grant and the sum assured shall be distributed between them in the ratio of the number of members each one of them will maintain:

Provided that the recipient shall undertake to utilize the amount so received for the maintenance and benefit of all the members of the family of the deceased employee;

(ii) if the deceased employee is not survived by wife or, as the case may be, husband, the amount of the benevolent grant and the sum assured shall be distributed amongst the members of the family of the deceased employee keeping in view the requirement of each member.

**SUBMISSION OF APPLICATION FOR BENEVOLENT GRANT AND GROUP INSURANCE:**

**12.20(i)** On the death of an employee during the continuance of his employment, the head of the office of such employee shall forward through the head of the department, an application in Form 'B' to the Board for payment of the benevolent grant and the sum assured.

**(ii)** When an employee is declared by the medical authority to have been completely incapacitated physically or mentally to discharge the duties of his employment and is for that reason, removed from service, the head of the office of such employee shall forward, through the head of the department, an application in Form "B" to the Board for payment of the benevolent grant.

**(iii)** Upon receipt of an information that a retired employee has died within the period laid down, the head of the office where from such employee retired shall forward, through the head of the department, an application in Form 'B' to the Board for payment of the benevolent grant.

**(iv)** Upon receipt of an application, the Board shall, after making such enquiry and taking such evidence in the case of an application as it may consider necessary, pay the benevolent grant, or the sum assured, or both as the case may be. to the person entitled to receive it.

**FORM 'A'**

Name and Designation of the employee.....  
 Service/Department.....

I hereby nominate the person/persons mentioned below who is/are member/members of my family as defined in Section 2 of the Federal Employees Benevolent Fund and Group Insurance Act, 1969 (II of 1969), to receive the benevolent grant and the sum assured in the event of my death.

**PART-1**  
**(For wife/husband only)**

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Name of nominee/nominees	Relationship	Age	Specification of share	Remarks
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---

**(For members of family other than wife/husband)**

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Name of nominee/nominees	Relationship	Age	Specification of share	Remarks
--------------------------	--------------	-----	------------------------	---------

Certified that the member or members of my family mentioned in Part-II reside with me and are wholly dependent upon me

The earlier nomination made by me may kindly be treated as cancelled.

(-----)

Dated-----

Signature or thumb impression of the employee

Witness:

(Name in block letters)

Service and Department

-----  
1. (Signature/thumb impression)

-----  
(Name and Designation in block letters)

-----  
2. (Signature/Thumb impression)

-----  
(Name and Designation in block letters)

-----  
Signature and seal of the head of the office

**FORM 'B'**

**APPLICATION FORM**

1. Name of the deceased/incapacitated employee. -----

2. His/her Service or Department. -----

3. Head of the Service or Department. -----

4. Last appointment held -----

5. (a) Pay per mensem. (i) Basic pay -----

(ii) Special pay -----

(iii) Technical pay -----

(iv) Personal pay -----

(v) Indexation pay -----

(b) Certificate of the Head of the Department  
regarding pay: Attached with Annexure. -----

6. Date of Birth (as verified from Service Book). -----

7. (a) Date of death (three copies of the certificate  
from the Head of Department or Medical Officer

or extract from the Register of birth/death of Union Council/Union Committee/Municipal Committee. -----

(b) Date of removal from service on account of incapacitation -----

8. (a) Name/Names of nominee/nominees. -----

(b) Copy of nomination Form. Attached vide Annexure -----

9. Name of other family members of the deceased (in case no valid nomination subsists). -----

10. Address of the nominee/incapacitated employee where correspondence can be made. -----

11. Branch of the National Bank of Pakistan from where benevolent grant can be paid. -----

12. Head Post Office from where sum assured be paid. -----

13. Period for which contribution to Benevolent and Insurance Funds were not paid. -----

14 (a) Four copies of duly attested photographs of each nominee/or the incapacitated employee. -----

Enclosed vide Annexure -----

(b) Four signatures/thumb impressions on separate sheets (four on each sheet) of each nominee/ -----

incapacitated employee. Enclosed vide Annexure -----

**IN CASE OF INCAPACITATED EMPLOYEE ONLY**

15.(a) Certificate from the Medical Authority. Enclosed vide Annexure -----

(b) Copy of the order removing/retiring the incapacitated employee. Enclosed vide Annexure -----

Certified that the information contained above is correct and checked from the record.

Dated-----

Head of the Department

Forwarded to the Board of Trustees of the Federal Employees Benevolent and Insurance Funds.

Dated-----

Head of the Department

(Authority—Notification No.S.R.O. 2(KE)/72, dated the 4<sup>th</sup> March, 1972)

**12.21** In accordance with the Federal Employees Benevolent Fund & Group Insurance (Amendment) Ordinance, 1988 (Ordinance No. VI of 1988) read with Establishment Division Notifications No. S.R.O. 753 (I)/88 & S.R.O. 754 (I) 88 of 4<sup>th</sup> September, 1988 the provisions contained in the preceding paragraph would stand amended w.e.f. 4<sup>th</sup> September, 1988, to the extent indicate in the succeeding paragraphs.

**12.22 "Benevolent grants in he paid from the Benevolent Fund.-If an employee**

(a) is declared by the prescribed medical authority to have been completely incapacitated physically or mentally to discharge the duties of-his employment and is for that reason retired or removed from service, he shall be entitled to receive for life such benevolent grant from the Benevolent Fund as may be prescribed : or

(b) dies during the continuance of his employment, or during retirement before attaining the age of seventy years, his spouse shall be entitled to receive for life such benevolent grant from the Benevolent Fund as may be prescribed :

Provided that, if the deceased employee has no spouse or his spouse has died, the other members of his family shall be entitled to receive benevolent grant from the Benevolent Fund for a period of fifteen years or up to the date the deceased employee would have attained the age of seventy years, whichever is earlier:

Provided further that, in the case of an employee who dies after having drawn benevolent grant, the said period of fifteen years shall be reckoned from the date from which he began drawing such grant,"

**12.23 Contribution to & benefits from Benevolent Fund.-** The rate of contribution to the Benevolent Fund\* and the amount of monthly grant payable out of the Benevolent Fund will be as under :

Sl. No.	Monthly Pay	Rate of monthly contribution	Rate of monthly Benevolent Grant
1	2 (Rs.)	3 (Rs.)	4(Rs.)
1.	501-600	11	270
2.	601-700	13	300
3.	701-800	15	330
4.	801-900	17	360

5.	901-1000	19	390
6.	1001-1100	21	420
7.	1101-1200	23	450
8.	1201-1300	25	480
9.	1301-1400	27	510
10.	1401-1500	29	540
11.	1501-1600	31	570
12.	1601-1700	33	600
13.	1701-1800	35	630
14.	1801-1900	37	660
15.	1901-2000	39	690
16.	2001-2100	41	720
17.	2101-2200	43	750
18.	2201-2300	45	780
19.	2301-2400	47	810
20.	2401-2500	49	840
21.	2501-2600	51	870
22.	2601-2700	53	900
23.	2701-2800	55	930
24.	2801-2900	57	960
25.	2901-3000	59	990
26.	3001-3100	61	1020
27.	3101-3200	63	1050
28.	3201-3300	65	1080

29.	3301-3400	67	1110
30.	3401-3500	69	1140
31.	3501-3600	71	1170
32.	3601-3700	73	1200
33.	3701-3800	75	1230
34.	3801-3900	77	1260
35.	3901-4000	79	1290
36.	4001-4100	81	1320
37.	4101-4200	83	1350
38.	4201-4300	85	1380
39.	4301-4400	87	1410
40.	4401-4500	89	1440
41.	4501-4600	91	1470
42.	4601-4700	93	1500
43.	4701-4800	95	1530
44.	4801-4900	97	1560
45.	4901-5000	99	1590
46.	5001 and above.	100	1620

**12.24 Subscription to & benefits from Group Insurance Fund:** --- The rate of contribution to the Group Insurance Fund and the amount of sum assured to be paid to the family of deceased will be as under.

<b>Sl. No.</b>	<b>Monthly Pay</b>	<b>Rate of monthly contribution</b>	<b>Rate of monthly Benevolent Grant</b>
<b>1</b>	<b>2 (Rs.)</b>	<b>3(Rs.)</b>	<b>4(Rs.)</b>
1.	501-600	7.00	20,000

2.	601-700	8.05	23,000
3.	701-800	9.10	26,000
4.	801-900	10.15	29,000
5.	901-1000	11.20	32,000
6.	1001-1100	12.25	35,000
7.	1101-1200	13.30	38,000
8.	1201-1300	14.35	41,000
9.	1301-1400	15.40	44,000
10.	1401-1500	16.45	47,000
11.	1501-1600	17.50	50,000
12.	1601-1700	18.55	53,000
13.	1701-1800	19.60	56,000
14.	1801-1900	20.65	59,000
15.	1901-2000	21.70	62,000
16.	2001-2100	22.75	65,000
17.	2101-2200	23.80	68,000
18.	2201-2300	24.85	71,000
19.	2301-2400	25.90	74,000
20.	2401-2500	26.95	77,000
21.	2501-2600	28.00	80,000
22.	2601-2700	29.05	83,000
23.	2701-2800	30.10	86,000
24.	2801-2900	31.15	89,000
25.	2901-3000	32.20	92,000

26.	3001-3100	33.25	95,000
27.	3101-3200	34.30	98,000
28.	3201-3300	35.35	101,000
29.	3301-3400	36.40	104,000
30.	3401-3500	37.45	107,000
31.	3501-3600	38.50	110,000
32.	3601-3700	39.55	113,000
33.	3701-3800	40.60	116,000
34.	3801-3900	41.65	119,000
35.	3901-4000	42.70	122,000
36.	4001-4100	43.75	125,000
37.	4101-4200	44.80	128,000
38.	4201-4300	45.85	131,000
39.	4301-4400	46.90	134,000
40.	4401-4500	47.95	137,000
41.	4501-4600	49.00	140,000
42.	4601-4700	50.05	143,000
43.	4701-4800	51.10	146,000
44.	4801-4900	52.15	149,000
45.	4901-5000	53.20	152,000
46.	5001-5100	54.25	155,000
47.	5101-5200	55.30	158,000
48.	5201-5300	56.35	161,000
49.	5301-5400	57.40	164,000

50.	5401-5500	58.45	167,000
51.	5501-5600	59.50	170,000
52.	5601-5700	60.55	173,000
53.	5701-5800	61.60	176,000
54.	5801-5900	62.65	179,000
55.	5901-6000	63.70	182,000
56.	6001-6100	64.75	185,000
57.	6101-6200	65.80	188,000
58.	6201-6300	66.85	191,000
59.	6301-6400	67.90	194,000
60.	6401-6500	68.95	197,000
61.	6501 and above	70.00	200,000

**12.25 Life time arrears:** ----The Benevolent Grant which was not drawn by the beneficiary during his life shall be paid to his family members up to Rs.5,000 on production of an Indemnity Bond:

Provided that, the total amount exceeds Rs 5,000 it shall be paid on production of Succession Certificate.

**12.26 Discontinuance of Grant:** --- (1) The Benevolent Grant shall be discontinued if-

(a) an employee retired on medical grounds under clause (a) of section 13 gets usefully employed or sets up-viable business and his monthly income exceeds Rs. 700 ; or

(b) the recipient of the grant ceases to be a member of the family as defined in sub-section (5) of the section 2.

(2) The recipient of grant shall be required to furnish a certificate every quarter that he has not ceased to be eligible for the grant on account of marriage, employment or setting up business as the case may be.

**12.27** The revised format of Form "B" would be as under: -----

## FORM B

### PART 1

1.(a) Name of the deceased/incapacitated employee. -----

- (b) Father's/Husband's name -----
- (c) His/her Service or Department. -----
- (d) Head of the Service or Department. -----
- (e) Station/Place of last posting. -----
- (f) Last appointment held -----

2. pay per month i.e.

- (a) Basic pay
- (b) Special pay
- (c) Technical pay
- (d) Personal pay
- (e) Indexation pay
- (f) .....

3. Date of Birth -----

4. Date of entry into Service. -----

5. Date of death (death cases only) -----

6. Date of removal from service on account of

- (a) Incapacitating-----
- (b) Retirement-----
- (c) Death during service-----

7. Name/Names of nominee/nominees (Nomination required both in death and invalid cases).

	Name	Age	Relationship	Profession	Marital status	Monthly Income
(a)						
(b)						
(c)						
(d)						
(e)						
(f)						

8. Address of nominee(s) of the deceased or incapacitated employee where correspondence can be made. (In death cases where there is no nomination similar particular of eligible dependent may be given).

9. Branch of National Bank of Pakistan nearest to the residence of beneficiary/beneficiaries.

10. Period for which contributions to Benevolent and Group Insurance Funds were not paid--  
-----

## **PART II**

11. Following Documents must be submitted with Claim:

(a) Annex "A"--A copy of last pay certificate by the Head of the Office duly attested by the Head of Department.

(b) Annex "B"--Attested photostats copy of the page of service book/ document showing date of birth.

(c) Annex "C"--Attested photostats copy of the page of service book showing date of entry in service.

(d) Annex "D"-- (Death Cases only) three copies of death certificate duly attested. These may be in the form of office order notifying the death, certificate by a medical officer or extract from the register of births/death of Union Council/Union Committee/Municipal Committee.

(e) Annex "E"-- (Invalid Cases) A copy of the Medical Board proceedings duly attested by the Head of the Department. Medical Board must comprise of three Medical Officers one of them being a specialist. Medical Board proceedings must record the case history and the exact nature of disability. (See Part IV).

(f) Annex "F"-- Nomination form duly attested.

(g) Annex "G"--List of family members and dependent i. e., wife/wives, children, father, mother, minor brothers and unmarried/divorced sisters. The list should indicate name, relationship, age, marital status, profession, monthly income and present address.

(h) Annex "H"--Wholly dependence certificate (other than wife and husband) by the Head of Department.

(i) Annex "I"--Envelop containing four copies of photographs duly attested in respect of each nominee or the incapacitated employee bearing the name of the person on the reverse of three photos and one on the face. In case of purdah observing ladies, photographs will not be required. A certificate that they are Purdah observing must be attached.

(j) Annex "J"--Four signatures/thumb impressions on separate sheets (four on each sheet) of each nominee/dependents/incapacitated employee duly attested by the competent authority.

## **PART III**

### **CERTIFICATE BY THE HEAD OF DEPARTMENT**

1. Certified that the information contained above is correct according to our record.

2. Certified that the above named employee is/was neither a contingency work charged employee or a deputation's from any Provincial Government. (In case of a deputation's from one Federal Government Department to another, the case will be preferred by his parent Department).

3. Certified that the employee died during the continuance of his service (death cases only).

4. Certified that the employee died after retirement before attaining the age of seventy years (death after retirement cases only).

5. Certified that the above claim has been preferred for the first time and has not been sent previously.

N. B--- Score out which is not applicable.

Dated: -----

Seal & Signature

Head of the Office

Forward to the Assistant Director, Regional Board, Federal Employees Benevolent and Group Insurance Funds, Karachi/Islamabad.

Dated: -----

Seal & Signature

Head of the Department

**PART IV**

**INVALIDATION CERTIFICATE FEDERAL EMPLOYEES**

[See CSR Articles 442 (d), (e) 443 (a), (b) & (c) and 447]

**1. IMPORTANT INSTRUCTIONS**

(a) All columns must be typed.

(b) All columns must be filled. Those not applicable must be crossed.

(c) Head of the Department is personally responsible for accurate completion of this form.

(d) An individual will not be removed from service until Head of the Department has approved the Medical Board proceedings.

(e) Medical Board must comprise three members one being a Specialist.

Name-----S/o, D/o, W/o-----

Designation-----Office-----

Department-----Total Service-----

Age: Per Statement/documents-----per appearance-----

Identification Marks-----

(Left hand thumb impressions/signatures duly attested).

Opinion: (A detailed statement of medical case and of the treatment adopted as per CSR 443 (a). If necessary attach documents).

Signatures & Seal of  
Medical Specialist.

2. Opinion of the Medical Board

In consequence of-----

We consider him/her (name) -----

- (a) To be completely and permanently incapacitated for further service of any kind.
- (b) Completely and permanently incapacitated for service in the Department to which he/she belongs.
- (c) Incapacitated for service in the appointment which he now holds but we are of the opinion that he/she is (or may after resting for-----months be) fit for further service of less laborious character than that which he/she has been doing.
- (d) His/her degree of disability -----
- (e) His/her incapacity does/does not appear to have been caused aggravated or accelerated by irregular or intemperate habits.

Dated: -----

President -----

(Name, Signature & Seal)

Member-----

Member-----

(Name, Signature & Seal)

(Name, Signature & Seal)

**APPROVED/NOT APPROVED**

(For partial disability See CSR Article 447 (b).If a person is likely to improve after a certain period he may be given long leave admissible to him instead of invaliding him out of service.

Place-----

Dated-----

HEAD OF DEPARTMENT,  
(Name, Signature and Seal)

