

## CHAPTER 2 – DEFINITIONS

2.1.1 Unless there be something repugnant in the subject or context, the terms defined in this Chapter are used in this Code in the sense herein explained.

(1) Accounts Officer – means the Head of an office of Accounts or the Head of a Pay and Accounts Office set up under the scheme of departmentalization of accounts.

(1A) Audit Officer – means the Head of an office of Audit.

(2) Administrative Approval – This term denotes the formal acceptance, by the administrative department concerned of the proposals for incurring expenditure in the Public Works Department on a work initiated by, or connected with, the requirements of such administrative department. It is, in effect, an order to the Public Works Department to execute certain specified works at a stated sum to meet the administrative needs of the department requiring the work. See also clause (62).

(2A) Administrator – means an Administrator of Union Territory, by whatever name designated.

(3) Advance Payment – means a payment made on a running account to a contractor for work done by him but not measured. See paragraph 10.2.23

(4) Appropriation – means the assignment of funds to meet specified expenditure included in a primary unit of appropriation.

(5) Assets – In the accounts of works, this term indicates all outstanding or anticipated credits, which have to be taken in reduction of final charges.

Examples: Recoveries of advances or recoverable payment, and sale proceeds or transfer value of surplus materials.

(6) Bank – means accredited bank acting as the agent of the Reserve Bank of India in accordance with the provisions of the Reserve Bank of India Act, 1934 (2 of 1934).

(7) Book Transfer – This term is applied to the process whereby financial transactions which do not involve the giving or receiving of Cash, or of stock materials, are brought to account. They usually represent liabilities and assets of Government brought to account either by way of settlement or otherwise, but they may also represent corrections and amendments made in Cash, Stock, or Book Transfer transactions previously taken to account.

(8) Charged – means expenditure which under the provisions of the Constitution Of India is not subject to vote by Parliament as enshrined in Article 112 (3) of the Constitution of India.

- (9) Chief Accounting Authority – means Secretary of the Ministry.
- (10) Chief Controller of Accounts – means the Head of the Accounting Organisation of the Ministry.
- (11) Commercial Department – means the Department which functions on commercial pattern.
- (12) Competent Authority – The term “Competent Authority” means the Government or any other authority to whom the relevant power may be delegated by Government.
- (13) Completion and Completed – The expression “completion of work” should be understood to include “abandonment of a work”, and “completed work” to include “abandoned work”.
- (14) Contingencies (Works) – When used in respect of the account of works, the term “Contingencies” indicates the incidental expenses of a miscellaneous character which cannot appropriately be classified under any distinct sub head or subwork, yet pertain to work as a whole.
- (15) Contract and Contractor – The term “Contract” means any kind of undertaking, written or verbal, express or implied, by a person, not being a Government servant, or by a syndicate or firm for the construction, maintenance or repairs of one or more works, for the supply of materials, or for the performance of any service in connection with the execution of works or the supply of materials. The term “Contractor” means a person, syndicate or firm that has made such an undertaking, but often its use is restricted to contractors for the execution of works or for service in connection therewith.
- (16) Department – This term, when qualified by the prefix “The”, is used to indicate the Public Works Department, which for the purpose of the rules in this Code, includes also the works organisation, if any, under an Administrator.
- (17) Deposit Works – This term is applied to works of construction or repair, the cost of which is met, not out of Government Funds, but out of funds from non-Government sources, which may either be deposited in cash or otherwise placed at the disposal of the Divisional Officer. Works executed for municipalities and other public bodies fall under this category when the cost is chargeable to cash deposits made for the purpose.
- (18) Detailed Head – means Sub-Scheme.
- (19) Direct and Indirect Charges – “Direct Charges” are those charges pertaining to a work, project, or job, which are incurred directly for its execution and are included in the regular accounts of it. “Indirect Charges” are those charges which pertain, or are incidental to a work, project, workshop job or manufacture job, but which are not incurred directly or solely in connection therewith and thus cannot be taken directly into

such detailed accounts of its as are incorporated in the regular accounts of the expenditure of the Department.

(20) Direction Office – This term indicates the office of an administrative officer who has one or more Divisional Officers working under his orders and is not himself entrusted with the execution of works or with the receipt and disbursement of public money, e.g. Director General of Works/Chief Engineer or a Superintending Engineer, or a Superintendent of Works; but if such an officer is also entrusted at any time with the receipt and disbursement of public money, he is treated as a Divisional Officer for the purposes of this code, even though some part of his emoluments may be treated as Direction charges.

(21) Direction Officer – The head of a Direction Officer is known by this designation.

Explanations:- A Government servant holding the rank of a Superintending or even a Chief Engineer is not a Direction Officer, unless the direction of the business of one or more divisions is entrusted to him. Thus, a Superintending Engineer employed on special duty is not a Direction Officer.

(22) Direct and Indirect Receipts – “Direct Receipts” are those items of revenue receipts which are realized in connection with a work or project, either by officers of the Public Works Department or other departments and are brought to account directly as appertaining to the work or project. “Indirect Receipts” are those receipts which pertain or are incidental to scheme or work, but cannot be taken directly into such detailed accounts of it as are incorporated in the regular accounts of the receipts of the Department.

(23) Division and Divisional Office – These terms are used to denote respectively the executive charge held by a Divisional Officer [Clause(24) below] and the head office of such a charge. Thus, the office of an independent executive Sub-division is a Divisional Office for the purposes of this Code, as also that of the Superintendent of a Workshop working independently of a Divisional Officer.

(24) Divisional Officer – This term is applied to an executive officer of the Public Works Department who is not subordinate to another executive or disbursing officer of the Department, even though the executive charge held by him may not be recognized as a “Division” by the Government concerned. Thus, the officer in charge of an independent sub-division is also treated as a Divisional Officer for the purpose of this Code. See also clause (20).

Disbursing Officer of other departments, if they spend Public Works funds and are required to render their accounts direct to the Pay & Accounts Officer, are also included in the term ‘Divisional Officer’.

(25) Final Payment means the last payment on a running account made to a contractor on the completion or determination of his contract and in full settlement of the account.

(26) Financial Adviser – means adviser on Budget and Accounts matters including internal Finance of the Ministry.

(27) Government means the Central (Union) Government or a Union Territory Administration or both as the context may imply. A State Government means the Government of the State specified in the First Schedule of the Constitution.

(28) Grant – means provision of Funds approved by Parliament.

(29) Inclusive Rate of Cost – means the rate of cost of the entire work relating to a sub-head, including the cost of material, **if** recorded separately in Accounts.

(30) Intermediate Payment is a term applied to a disbursement of any kind on a running account, not being the final payment. It includes an “Advance Payment”, a “Secured advance” and “on account payment” (other than the final payment on a running account), or a combination of these.

(31) Issue Rate – This term denotes the cost per unit fixed, in respect of an article borne on the Stocks of the Department at a valuation, for the purpose of calculating the amount creditable to the sub-head concerned (i.e. the sub-head under which the article is classified) of the stock account by charge to the account or service concerned, when any quantity of that article is issued from Stock; “Handling charges” and other incidental “storage charges” will be included in the “Issue Rate” by adding a suitable percentage based on the carriage and other incidental charges of the previous year, and storage charges as reviewed and fixed at the beginning of a year.

(32) Labour – when a separate materials account is kept for one or more sub-heads of an estimate and the term “labour” is used in connection with such an account, it denotes all charges pertaining to each of those sub-heads, other than (1) the cost of materials issued direct, and (2) carriage and incidental charges in connection with the materials.

(33) Liabilities – when used in respect of accounts of works, this term includes all anticipated charges which are adjustable as final charges, but have not been paid, regardless of whether or not they have fallen due for payment, or having fallen due, have or have not been placed to the credit of the persons concerned in a suspense head subordinate to the account of the work concerned.

(34) Local Loan Works – This expression indicates works executed by the Public Works Department on behalf of a Municipality, Port Trust or other corporation, when the cost of the works is to form part of a loan given to it by Government for the purpose.

(35) Major Estimate is a term applied to the estimate for a work when the sanctioned amount of the works expenditure exceeds Rs. 50,00,000/-. This term is also applied for the sake of convenience, to the work itself.

(36) Major Head – means the main unit of classification in accounts denoting function e.g. 2059-Public Works, 2216-Housing etc.

(37) Market Rate – Used in respect of an article borne on the Stock accounts of a division, this term indicates the cost per unit at which the article, or an article of similar description, can be procured, at a given time from the public markets suitable to the division for obtaining supply thereof. This cost should be inclusive of carriage and incidental charges, and may even include a reasonable provision for wastage and depreciation when these are inevitable.

(38) Minor Estimate is a term applied to the estimate for a work, when the sanctioned amount of the works expenditure does not exceed Rs. 50,00,000/-. This term is also applied, for the sake of convenience, to the work itself.

(39) Minor Head – means the programme.

(40) On Account Payment or Payment on Account – means a payment made, on a running account, to a contractor in respect of work done or supplies made by him and duly measured. Such payments may or may not be for the full value of work or supplies; if it is an intermediate payment, it is subject to final settlement of the running account on the completion of the contract for the work or supplies.

(41) Operation – Used in respect of the accounts of manufacture and workshop transactions, this term indicates the charges incurred on the manufacture operations connected with specific jobs.

(42) Outturn – Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles brought are not supplied departmentally) of manufacture operations connected with specific jobs.

(43) Progress - means the up-to-date quantities of work done or supplies made.

(44) Public Works – means civil works and Irrigation, Navigation, Embankment and Drainage Works etc.

(45) Quantity – In the accounts of works, this expression is used to describe the extent of work done, supplies made or services performed, when these can be measured, weighed or counted.

(46) Rate – In estimates or cost, contracts, contractor's bills and vouchers generally, rate means the consideration allowed for each unit of work, supply or other service.

(47) Rate of Cost – “Rate of Cost” means generally the total cost of a work or supply divided by its quantity. In the accounts, it represents the recorded cost per unit, as arrived at by dividing the up-to-date final charge on a sub-head, by the up-to-date progress thereof.

(48) Re-appropriation means the transfer of funds from one primary unit of appropriation to another such unit.

(49) Recoverable Payment means a payment to or on behalf of a contractor which does not represent value creditable or payable to him for work done or supplies made by him and has, therefore, to be made good to Government by an equivalent cash recovery or short payment of dues.

(50) Running Account is a term applied to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of his contract.

(51) Sectional Officer – Sectional Officer is a non-gazetted official namely Junior Engineer for Civil or Electrical Works, Sectional Officer of Horticulture department who is placed in responsible executive charge or works or stores under the orders of the Officer-in-charge of a recognized sub-division and the accounts of whose transactions are, therefore, ultimately incorporated in those of the Sub-division.

(52) Secured Advance is a term applied specifically to an advance made on the security of materials brought to site of work, to a contractor whose contract is for the completed item of work. See paragraph 10.2.20.

(53) Special Office – The Office of a Special Officer, vide clause (54).

(54) Special Officer (or Specialist Officer) – This term is applied in this Code, to such officials of the Department as are neither Divisional Officers nor officials subordinate to a Divisional Officer, and have no Divisional Officers working under their control.

(55) Storage charges mean expenditure incurred, after the acquisition of the stores, on work-charged establishment, employed on handling and keeping initial accounts, the custody of stock and the maintenance of the store godown or yards, etc. and are added on a percentage basis to the issue rate, so as to form part of the issue rate. [See clause (31)].

(56) Sub-divisional Officer – This designation is applied primarily to an official, whether a gazetted officer or not, who holds the charge of a recognized sub-division subordinate to a Divisional Officer, but when the immediate executive charge of any works or stores has not been constituted into a regular sub-divisional charge, but is held by the Divisional Officer himself, the latter is also treated as the sub-divisional officer in respect of such charge. When a Divisional Officer holds the immediate charge of a recognized sub-division in addition to his own duties as the executive head of the division, he is treated as the Sub-divisional Officer in respect of the charge of the sub-division.

(57) Sub-head – In the account of works and in working estimates this term is used to describe the sub-divisions into which the total cost of a work (or of its sub-works, if it is a large work) is divided for purposes of financial control and statistical convenience. The several descriptions of work that have to be executed in the course of construction or

maintenance or a work or sub-work, e.g. excavation, brick-work, concrete, wood work, etc. are usually treated as the sub-heads of it.

(58) Sub-work – In the case of a large work consisting of several buildings or smaller work, or groups thereof, the term sub-work is often applied to a distinct unit of the same, if that unit is sufficiently large or important to kept distinct for the purpose of accounts. For example, the outer wall, the solitary cells, the cook-houses, the jailor's quarters, etc., in the case of a large central jail. In the case of irrigation etc., projects the Head Works, Main Line, each branch of a canal, each group of distributaries relating to each branch separately, the drainage and protective works, the Water Course Schemes, and Special Tools and Plant, all form separate sub-works.

(59) Supervision charges – This term is ordinarily applied to the charges which are levied, in addition to book value in respect of stock materials sold or transferred and are intended to cover such items of the expenditure incurred on the store as do not enter their book value. [See clause (55).

(60) Suspense Accounts – This term is applied primarily to certain heads of account, falling under the minor head "Suspense" of a major head of expenditure, which are reserved for the temporary passage of such transactions as must at once be taken to the account of the sanction or grant concerned, but cannot be cleared finally either because the relevant payment, recovery, or adjustment is awaited, or because it is necessary to keep an effective watch over the values of any stock materials, until their final disposal. The charges under a suspense account are taken in enhancement of the charges under the major head of expenditure concerned, and the receipts, in reduction thereof. (For Suspense Accounts within the accounts of Works. See paragraph 10.5.12).

(61) Takavi Works – This term denotes works of construction or maintenance relating to water courses or any other works, expenditure on which is treated by Government as a takavi advance (i.e. an advance to cultivators) recoverable from the party or parties concerned.

(62) Technical Sanction – This name is given to the order of competent authority sanctioning a properly detailed estimate of the cost of a work of construction or repair proposed to be carried out in the Public Works Department. Ordinarily, such sanction can only be accorded by Government in the Public Works Department or by such authorities of the Department to whom the power has been delegated by Government. Sanction accorded to a work by any other department of Government is regarded merely as an administrative approval of the work, vide clause (2).

(63) Voted – means expenditure flowing from Consolidated Fund of India duly voted by Parliament.

(64) Water Course – This name is given to a channel for the supply of water from an irrigation work, which falls under the definition of the term as given in the Canal Act

applicable to the area concerned. The definition given in the Northern India Canal and Drainage Act of 1873 is as follows:-

“Water course” means any channel which is supplied with water from a canal, but which is not maintained at the cost of Government, and all subsidiary works belonging to any such channel.

(65) Work – The term “work” when by itself, is used in a comprehensive sense and applies not only to works of construction or repair, but also to other individual objects of expenditure connected with the supply, repair and carriage of tools and plant, the supply or manufacture of other stores, or the operation of a workshop.

(66) Works Expenditure and Works Outlay – These terms are used to indicate respectively the expenditure, and the capital charges, on the special services connected with the construction, repair and maintenance of work. The charges falling under these categories may be net when, under rule, any receipts are taken in reduction of the charges, but they do not include the cost of the general Services, Tools and Plant and Establishment, or any charges not taken to final heads of account but kept under one of the suspense accounts.