

Avinashilingam Institute for Home Science and Higher Education for Women

Coimbatore - 641043.



FINANCE AND ACCOUNTS MANUAL

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Higher Education for Women
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Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category A by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with A+ Grade by NAAC. Recognised by UGC Under Section 12 B

Coimbatore - 641 043, Tamil Nadu, India

Dr. Premavathy Vijayan

M.Sc., M.Ed., M.Phil., Dip.Spl. Edn. (U.K.), Ph.D.

Vice Chancellor

Date :.....9.10.2019.....



FOREWORD

The Government of India provides substantial amount of grants to our Institute for maintenance, development and research through MHRD/UGC. It becomes imperative on the part of the Institute, to ensure that the spending is made by following systematic, efficient, effective, transparent and fair procedures.

This Finance and Accounts Manual of Avinashilingam Institute for Home Science and Higher Education for Women, provides for general provisions and procedures to be followed by the Institute officials while dealing with the matters concerning finance, accounts, procurement and works in order to safeguard and proper utilization of available resources.

The provisions incorporated in this Manual are based on the General Financial Rules 2017 of Government of India and shall help in achieving the above objectives.

My sincere thanks and best wishes to the Registrar, all the Members of the Committee constituted for this purpose and also the Finance Section Staff for their painstaking efforts in their significant contribution and valuable suggestions for the creation of this manual.

Premavathy Vijayan
9/10/2019

Premavathy Vijayan
Vice Chancellor

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Higher Education for Women,
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FINANCE AND ACCOUNTS MANUAL

(As approved by the Board of Management in its 110th meeting held on 01.10.2019)

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Chapter 1

Introduction

1.1. Avinashilingam Institute for Home Science and Higher Education for Women obtains grants-in-aid, from the Ministry of Human Resource Development through University Grants Commission for its requirement. The Institute receives grants to meet the Capital and Revenue Expenditure. It receives Plan grant (General Development Assistance) for creation of assets such as infrastructure, scientific equipment and all other capital expenditure of the Institute. It also receives non-plan grant for salaries, pension, retirement benefits and non-salary expenditure maintenance grant for running the Institute. The Institute also receives an annual grant of Rs.85.20 Lakhs from Tamilnadu Government and Rs.10.00 Lakhs as sponsoring Trust Contribution every year. In addition to that, the Institute receives funds from various funding agencies like UGC, CSIR, DAE, DST, ICSSR, ICAR etc. for operating the research projects, conducting seminars and training programmes. General Financial Rules are strictly followed for all the financial transactions. Apart from this, the specific instructions of the concerned funding agencies are strictly adhered to while incurring the expenditure.

1.2 The Government has felt the need for sound accounting and common financial reporting framework for promoting accountability and for development of the education sector. Therefore, the MHRD introduced the implementation of new uniform accounting standard for educational institutions to ensure proper accountability, financial discipline, end use of funds and to meet the needs of the stakeholders under MHRD letter No.21-16/2012-TS. II dated 21.2.2012 and No.29-4/2012-IFD dated 17.4.2015. The new system for accounting and financial reporting has been introduced from the financial year 2014-15 onwards. This Institute shall follow the General Financial Rules of Government of India as amended from time to time. This manual incorporates all the changes that have been introduced and includes the provisions of General Financial Rules 2017 published by the Department of Expenditure, Ministry of Finance, Government of India.

1.3 This Finance and Accounts Manual provides the essential information to enable the Institute to carry out the financial operations effectively. This manual will provide supportive information in complying with the rules set henceforth. The main purpose of compiling this manual is to ensure that financial statements are in conformity with generally accepted accounting principles, that finances are managed with responsible stewardship and Institute's assets are safeguarded. All the personnel with a role in the management of Institute fiscal operations are expected to uphold the policies pointed out in this manual.

Chapter 2

Basic Accounting Concepts, Policies and Conventions

2.1. Accounting Concepts

i) Business Entity Concept: A business unit is an organization of persons established to accomplish an economic goal. Business entity concept implies that the business unit is separate and distinct from the persons who provide the required capital to it. This concept can be expressed through an accounting equation, viz., $\text{Assets} = \text{Liabilities} + \text{Capital}$. The equation clearly shows that the business itself owns the assets and in turn owes to various claimants. It is worth mentioning here that the business entity concept as applied in accounting for sole trading units is different from the legal concept. The expenses, income, assets and liabilities not related to the sole proprietorship business are excluded from accounting. However, a sole proprietor is personally liable and required to utilize non-business assets or private assets also to settle the business creditors as per law. Thus, in the case of sole proprietorship, business and non-business assets and liabilities are treated alike in the eyes of law. In the case of a partnership firm, for paying the business liabilities the business assets are used first and if any surplus remains thereafter, it can be used for paying off the private liabilities of each partner. Similarly, the private assets are first used to pay off the private liabilities of partners and if any surplus remains, it is treated as part of the firm's property and is used for paying the firm's liabilities. In the case of a company, its existence does not depend on the life span of any shareholder.

ii) Money Measurement Concept: In accounting, all events and transactions are recorded in terms of money. Money is considered as a common denominator, by means of which various facts, events and transactions about a business can be expressed in terms of numbers. In other words, facts, events and transactions which cannot be expressed in monetary terms are not recorded in accounting. Hence, the accounting does not give a complete picture of all the transactions of a business unit. This concept does not also take care of the effects of inflation because it assumes as table value for measuring.

iii) Going Concern Concept: Under this concept, the transactions are recorded assuming that the business will exist for a longer period of time, i.e., a business unit is considered to be a going concern and not a liquidated one. Keeping this in view, the suppliers and other companies enter into business transactions with the business unit. This assumption supports the concept of valuing the assets at historical cost or replacement cost. This concept also supports the treatment of prepaid expenses as assets, although they may be practically unsalable.

iv) Dual Aspect Concept: According to this basic concept of accounting, every transaction has a two-fold aspect, viz., 1. Giving certain benefits and 2. Receiving certain benefits. The basic principle of double entry system is that every debit has a corresponding and equal amount of credit. This is the underlying assumption of this concept. The accounting equation viz., $\text{Assets} = \text{Capital} + \text{Liabilities}$ or $\text{Capital} = \text{Assets} - \text{Liabilities}$, will further clarify this concept, i.e., at any point of time the total assets of the business unit are equal to its total liabilities. Liabilities here relate both to the outsiders and the owners. Liabilities to the owners are considered as capital.

v) Periodicity Concept: Under this concept, the life of the business is segmented into different periods and accordingly the result of each period is ascertained. Though the business is assumed to be continuing in future (as per going concern concept), the measurement of income and studying the financial position of the business for a shorter and definite period will help in taking corrective steps at the appropriate time. Each segmented period is called "accounting period" and the same is normally a year. The businessman has to analyze and evaluate the results ascertained periodically. At the end of an accounting period, an Income Statement is prepared to ascertain the profit or loss made during that accounting period and Balance Sheet is prepared which depicts the financial position of the business as on the last day of that period. During the course of preparation of these statements capital and revenue items are to be necessarily distinguished.

vi) Historical Cost Concept: According to this concept, the transactions are recorded in the books of account with the respective amounts involved. For example, if an asset is purchased, it is entered in the accounting record at the price paid to acquire the

same and that cost is considered to be the base for all future accounting. It means that the asset is recorded at cost at the time of purchase but it may be methodically reduced in its value by way of charging depreciation. However, in the light of inflationary conditions, the application of this concept is considered highly irrelevant for judging the financial position of the business.

vii) Matching Concept: The essence of the matching concept lies in the view that all costs which are associated to a particular period should be compared with the revenues associated to the same period to obtain the net income of the business. Under this concept, the accounting period concept is relevant and it is this concept(matching concept) which necessitated the provisions of different adjustments for recording outstanding expenses, prepaid expenses, outstanding incomes, incomes received in advance, etc., during the course of preparing the financial statements at the end of the accounting period.

viii) Realization Concept: This concept assumes or recognizes revenue when a sale is made. Sale is considered to be complete when the ownership and property are transferred from the seller to the buyer and the consideration is paid in full. However, there are two exceptions to this concept, viz., 1. Hire purchase system where the ownership is transferred to the buyer when the last installment is paid and 2.Contract accounts, in which the contractor is liable to pay only when the whole contract is completed, the profit is calculated on the basis of work certified each year.

ix) Accrual Concept: According to this concept, the revenue is recognized on its realization and not on its actual receipt. Similarly, the costs are recognized when they are incurred and not when payment is made. This assumption makes it necessary to give certain adjustments in the preparation of income statement regarding revenues and costs. But under cash accounting system, the revenues and costs are recognized only when they are actually received or paid. Hence, the combination of both cash and accrual system is preferable to get rid of the limitations of each system.

x) Objective Evidence Concept: This concept ensures that all accounting must be based on objective evidence, i.e., every transaction recorded in the books of account must have a verifiable document in support of its existence. Only then the transactions

can be verified by the auditors and declared as true or otherwise. The verifiable evidence for the transactions should be free from the personal bias, *i.e.*, it should be objective in nature and not subjective. However, in reality the subjectivity cannot be avoided in the aspects like provision for bad and doubtful debts, provision for depreciation, valuation of inventory, etc., and the accountants are required to disclose the regulations followed.

The Institute is following accrual concept in particular and all other concepts in general.

2.2. Accounting Conventions

The following conventions are to be followed to have a clear and meaningful information and data in accounting:

i) Consistency: The convention of consistency refers to the state of accounting rules, concepts, principles, practices and conventions being observed and applied constantly, *i.e.*, from one year to another there should not be any change. If consistency is there, the results and performance of one period can be compared easily and meaningfully with the other. It also prevents personal bias as the persons involved have to follow the consistent rules, principles, concepts and conventions. This convention, however, does not completely ignore changes. It admits changes wherever indispensable and adds to the improved and modern techniques of accounting.

ii) Disclosure: The convention of disclosure stresses the importance of providing accurate, full and reliable information and data in the financial statements which is of material interest to the users and readers of such statements. This convention is given due legal emphasis by the MHRD by prescribing formats for the preparation of financial statements. However, the term disclosure does not mean all information that one desires to get should be included in accounting statements. It is enough if sufficient information, which is of material interest to the users, is included.

iii) Conservatism: In the prevailing present-day uncertainties, the convention of conservatism has its own importance. This convention follows the policy of caution or playing safe. It takes into account all possible losses but not the possible profits or gains. A view opposed to this convention is that there is the possibility of creation of

secret reserves when conservatism is excessively applied, which is directly opposed to the convention of full disclosure. Thus, the convention of conservatism should be applied very cautiously.

2.3. Generally Accepted Accounting Principles:

In order to maintain uniformity and consistency in accounting records throughout the world certain rules and principles have been developed which are generally accepted by the Accounting Profession. These rules, principles, concepts, conventions, postulates or assumptions are taken as generally accepted rather than universal acceptability. Hence, are called Generally Accepted Accounting Principles (GAAP).

Chapter 3

Accounting Standards and Frame work

3. Accounting Standards

An Accounting Standard is a common set of principles, standards and procedures that define the basis of financial accounting policies and practices. The Accounting Standards relevant to the Educational Institutions are furnished below.

3.1. Adopting Accounting Standards enables the Institute to maintain uniformity in presentation of financial statements, proper disclosure and transparency. The Accounting Standards applicable to Educational Institutions are as follows.

i) AS-1: Deals with disclosure of significant policies followed in preparing and presenting financial statements. Eg. Indication of: foreign currency transactions, Valuation of inventories and investments.

ii) AS-4: Contingencies and events occurring after the Balance Sheet date. Eg., Obligation to pay on the outcome of a pending court case, Liability arising, consequent to legislative measures, with retrospective effect.

iii) AS-5: Extraordinary items appearing in the Income and Expenditure account, changes in accounting estimate and prior period items.

iv) AS-6: Depreciation: Different accounting policies are adopted by different enterprises. Such differences need to be indicated.

v) AS-9: Policy for recognition of revenue adopted for disclosing in books of accounts.

vi) AS-10: To disclose information relating to fixed assets such as assets utilized for the purpose of activities of the entity and those kept for sale.

vii) AS-12: Capital approach versus Income approach. Capital Approach – Grant is treated as stakeholder's fund and Income approach is taken to indicate income over one or more periods.

viii) AS 13: Accounting for investments. Investment is valued at the principal cost. Market value or maturity value is not taken for disclosure.

3.2. Accounting Framework

Accounting Framework is about the general purpose of financial statements which are prepared and presented annually for the common information need of the users who rely on the financial statements. Thus, the accounting framework comprises the following,

a) Elements of financial statements which basically comprise income, expenses, assets and liabilities. It identifies and defines the items that should be considered as income, expenses, assets and liabilities. Assets are resources controlled by an entity from which future economic benefits or service potential is expected to flow. E.g., Land, building, furniture and equipment etc,

b) Principles of recognition of items of income, expenses, assets and liabilities: These principles lay down timing of recognition of these items in the financial statement. A grant is recognized as income in the financial statement under accrual basis of accounting when it becomes reasonably certain that the grant will be received.

3.3. Standards of financial propriety (Rule 21 of GFR 2017)

Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following:

1. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
2. The expenditure should not be prima facie more than the occasion demands.
No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
3. Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless
 - (a) a claim for the amount could be enforced in a Court of Law, or
 - (b) the expenditure is in pursuance of a recognized policy or custom.

Chapter 4

Functions of Finance Section

4.1. Accounting of Receipts

The Finance Section is primarily concerned with receiving funds of the Institute in the form of Grants-in-aid from UGC / Government of Tamilnadu, contribution from sponsoring Trust, fees from students and any other internal receipts and accounting for these receipts. The Institute also receives grants for Sponsored projects for Research and Development from Ministries and other Organizations such as CSIR, DAE, DST, ICSSR, ICAR, etc. Similarly, the Finance Section is concerned with all payments for salaries, utilities, academic and student related activities, for procurement and creation of capital assets for infrastructure and other requirements to run the Institute. Based on the information contained in vouchers and bills for procurements and other expenses, compilation of accounts is made classifying all receipts and payments.

4.2. Monitoring of payments

The Finance Officer will be responsible for establishment of agreed financial management arrangements, providing timely financial reports, facilitating smooth and timely flow of funds and providing overall guidance in respect of financial management issues, including monitoring of expenditures, audit and internal control of the Institute. He/she will be responsible for complying with requirements of accounting, disbursement, financial reporting, monitoring of expenditures and audit. He/ She will be assisted by adequate support staff such as Assistant/Deputy Registrars, Section Officers, and other staff of the Finance Section.

4.3. Review of Advances

(a) Outstanding advances to suppliers, contractors, employees, etc. shall be reviewed periodically and provision is to be made for advances which are doubtful of adjustment/recovery.

4.4. Physical verification of Fixed Assets

In respect of physical assets,

- (i) Capitalization of all fixed assets completed/commissioned/brought into use during the year.

- (ii) Physical verification of all fixed assets and adjustment of discrepancies.
- (iii) Survey reporting of assets considered to be beyond economic repair or redundant and provide for possible diminution in value.

4.5. Review of Subsidiary Ledgers and Bank Reconciliation

- (i) Reconciliation and verification of various control accounts in the general ledger and subsidiary ledgers, reconciliation of bank account etc.
- (ii) Passing of all adjustment/rectification entries.
- (iii) Subsidiary ledgers shall be maintained for detailed analysis of the balances in main ledgers wherever such details are required in Tally software. A list of balances from different folios in subsidiary ledger, pertaining to one account shall be prepared and the total shall be tallied with the balance in the concerned account in the main ledger.

4.6. Conditions for incurring expenditure

The responsibility of Finance Section is to ensure that,

- a) every expenditure is approved by the competent authority to whom powers to incur expenditure from Institute's funds are delegated.
- b) the expenditure is provided for in the Institute's Budget and is within the allocation or revised allocation.
- c) if the expenditure is related to procurement or creation of assets, a formal Purchase order or Work order is issued after calling for quotations following the procedures laid down in this Manual.
- d) the consumables / Capital assets procured are taken possession of and are properly accounted for and that before passing a bill/claim under contract/Purchase/Work order, evidence of inspection, installation and accounting of Asset in the Assets Register of the Institute or other Stock Register for consumables are looked for. The claim should be generated from the User Department and after approval by the competent authority to be forwarded to Finance Section for further action.
- e) if the claim relates to fellowship, scholarship and stipend it is ensured that there is sanction for the expenditure. If it relates to sanction from external

agency, it should be ensured that the funds sanctioned has been actually received from such agency. The receipt entry in the Bank account should be linked before authorizing release of payment. The claim related to such payments should be generated from the Academic Section and submitted for further processing the claims.

- f) a salary bill is passed for payment before the last date of the month except for the salary for the month of March which will be released in April of the following financial year. While passing salary bill the following points should be scrutinized,
 - i) The previous month's salary bill should be seen to ensure that there is no addition in the current month's salary bill. If addition is noted, it should be seen that there is sanction of the competent authority in the form of Appointment Order.
 - ii) It should be checked to ensure that the pay and allowances claimed are correct as per sanction.
 - iii) If increment is claimed, such increment sanctioned, deductions made from salaries are authorized.
 - iv) It should be ensured that the deduction from salary such as Income Tax, New Pension scheme and any such deductions are remitted to the appropriate authorities within the due date.
 - v) Salary bill should be generated from the Establishment section and forwarded to Finance Section for authorizing payment.
- g) no claim or bill is generated by the Finance Section as the internal check function and transaction audit function will be compromised.
- h) in respect of civil/electrical construction work, the following checks are exercised:
 - i) Verification of the contract agreement if the work is allotted to Civil/Electrical engineering contractor or Memorandum of Understanding if the work is assigned as Deposit work to the State/Central PWD/any other public sector undertakings like NBCC, etc.

- ii) Before passing a civil/electrical works, the contract agreement entered into by the competent authority should be scrutinized to observe whether the General principles for contract laid down in the Institute Finance and Accounts Manual have been fully complied with.
- iii) While passing the Running Account Bills (RAB), the value of work completed as assessed and certified by the Engineer-in-Charge and signed by the contractor should be checked. This certificate should be supported by the entries in the Measurement Books which are legally authentic records of works completed. If the RAB is a second or subsequent one, it should be checked to see that the advance paid through the earlier RAB is adjusted from the amount payable.
- iv) Deductions on account of TDS on Income tax / GST, water and electric consumption charges, Labour Cess and any other recovery as laid down in the contract are appropriately made and remitted to the concerned authorities within the due date.
- v) The final bill should be supported by complete entries in Measurement Book(s) and supported by a Completion Certificate signed by the Engineer in charge.
- vi) It should be checked to see that the completion cost does not exceed cost of construction as administratively approved. If exceeds, revised administrative approval should be asked for before passing the bill.
- i) in respect of utility bills for electricity consumption, it is checked to see that the amount claimed is as per agreed Tariff / contract load.
- j) in respect of claims for outsourced services, it is checked to see that the Service Provider complies with all statutory requirements and such deductions are deposited with EPF/ESI authorities regularly every month.

4.7. Investments

- i. The monthly balances of all Bank accounts should be reviewed on the 10th of the succeeding month and should be maintained to the barest minimum which would be sufficient to meet the monthly requirement and the remaining amount is to be invested in any form of investment such as FDRs. Finance Section shall identify the availability of surplus funds and recommend investment of the same in any form which gives maximum rate of interest preferably in Government Sectors.
- ii. On receipt of FDR / Certificate etc., the same shall be entered in the Investment Register and kept under the custody of Registrar. Such certificates are to be physically verified quarter lywith the Ledger balance of the concerned account / Investment Register.
- iii. The maturity date of each and every investment should be watched and prompt renewal/encashment should be ensured.

At the time of making investment, renewal or closure of the FDRs and receipt of interest, necessary journal entries are to be made duly mentioning the name & number of such FDR. Separate ledger account should be maintained for each FDR.

4.8. Registers/Documents to be maintained

1. All the original documents relating to Registration with Tax authorities such as TAN/PAN, GST/Customs/Excise exemption certificates, etc, of the Institute.
2. Register to record all recurring payments such as Electricity, Water, internet charges etc.
3. Register of Earnest Money Deposit: Entries are to be made as and when relevant receipt or payment relating to parties is made in the relevant ledger accounts in a consolidated form. In this register, entries are to be made party wise and receipt and payments linked to relevant entry in the ledger giving reference to relevant receipt/voucher number with details of contract or purpose

of receiving EMD. The total balance in the register should be reconciled with the ledger balance, every month.

4. Register of Security Deposit – Receipts and payments of Security Deposits party-wise, the purpose and relevant contract should be recorded in this register. Entries made should relate to the relevant voucher number as recorded in the ledger accounts. The balance appearing in the ledger account in a consolidated form should be reconciled with the balance in this register every month.

5. Register of investments- Investments shall be classified under long term i.e., for more than one-year term and current investments under less than one year and are intended to be held for purpose of ready encashment to meet exigencies. Each earmarked and endowment fund investments should be individually and separately recorded and other short-term investments from revenue receipts must be separately recorded. This register will show number and date of the term deposit, period for which invested, rate of interest, and maturity value. Entry will be made for all renewals and encashment including premature encashment indicating interest earned. Entries made will indicate the relevant ledger entry and the amount under individual classification and total shall agree with the compiled actual.

6. Register of Grants-in-aid - The number and date of sanction of Grants-in-aid under each classification such as Capital Grant / Plan Grant (General Development Assistance) for assets creation, General, SC/ST (Non-recurring) and Revenue Grant for Recurring expenses should be separately recorded in this register. Receipt during the year under each head should be recorded under each classification. Annually, expenditure incurred under each head of account be recorded and unspent balance/deficiency be recorded on which basis Utilization Certificate be submitted to the Ministry/Grantor.

7. Register of sponsored /Research and Development Projects- Number and date of sanctions for each project, Name of Grantor, Period of the project, amount of sanction, amount released during the year, name of the project, name of Coordinator along with break up details of grant as sanctioned for Capital

expenditure and other recurring expenditure for each year should be recorded in this register. Amount of expenditure incurred each year and unspent balance/deficiency arrived for rendering Utilization Certificate to the Grantor authority.

8. Register of Fellowship /Scholarship: It is to indicate the name of the grantor, number and date of the sanction, amount of scholarship, period to which it relates, name of the student, Department and Semester details, amount paid to the student and amount adjusted towards hostel or other fees. Receipts and payments should indicate date and number of vouchers. The total and net remaining balance should match with the Ledger balance.

9. Student Fees Register – Since Fees are paid into the bank and Students generate the mode of remittance from the net, receipt can be entered into the ledger in a consolidated form on a monthly basis. This register will be on the basis of Semester-wise, department-wise and Student-wise. Data generated from the Bank Statement could also be source for maintaining this Register.

10. Student Fees Demand –Collection-Balance Register: This is to be maintained in order to ascertain the exact amount of dues from students at any given point of time for follow up action.

11.To ensure a transparent and accurate accounting system, separate books of accounts and record of fund flow for the project funds will be maintained. The standard Books of Account (Bank Book, Journal, Ledgers, etc.) will be maintained.

12. Chart of Accounts: The Chart of Accounts provides the detailed list of ledger accounts that are required to be maintained by Finance Section as per the instructions and formats provided by MHRD. As the said chart of accounts comprehensively covers all the account heads that would be required to account for transactions, it is expected that no additional accounts will be required to be opened. The Chart of Accounts based on the MHRD instructions is furnished in the separate Chapter.

13. Mapping of Expenditure: The Mapping of Expenditure provides the information about the permissible expenditure of the Institute under different components and sub-components to be reported under respective accounting heads

14. Standard Books of Accounts to be maintained at Finance Section,

(i) Cash Book: The Finance Section will maintain Cash Book as per the format given in Tally software. The transactions of Bank will be recorded in the Cash Book along with classification as and when transactions take place. The Cash Book will be closed monthly and attested by the In-charge (Finance).

(ii) Petty Cash / Imprest Advance Book: A reasonable amount of cheque payment will be made as Imprest to meet routine office expenses at the Departments and it will be in the custody of the respective Imprest holder.

(iii) Journal Book and Journal Vouchers: Journal Voucher will be prepared for any adjustment entry and the same will be posted to Journal Book. The entries from Journal Book will be posted to General Ledger as and when recorded in the Journal Book, giving full details of transactions, Journal Voucher number and amount.

(iv) **General Ledger:** The entries from Cash Book will be posted to General Ledger as the transactions occur. It will be balanced on before 5th of succeeding month.

(v) **Subsidiary Ledgers:** Subsidiary Ledgers should be maintained for the group of Accounts Receivables such as Pending Advances, fee receivable from students, other Receivables, etc and Accounts Payables such as Sundry Creditors, EMD, Security Deposit Payable, etc.

(vi) **Fixed Asset Register:** The Institute shall maintain a separate Fixed Asset Register to record the assets acquired and created out of grant-in-aid, project funds, donations, etc. Individual asset-wise entries will be recorded in the Fixed Asset Register. An identification number would be assigned to each item of asset for easy identification. These identification numbers would be painted on each item prominently and the same would be

recorded in the Fixed Assets Register. There will be an annual physical verification of fixed assets. The result of such verification will be recorded in Fixed Asset Register under date and signature of verifying officer. Any significant difference will be dealt with in the books of accounts properly. A consolidated Fixed Asset Register shall also be maintained either manually or in the Computer Systems as per the Form GFR-22 of GFR Rules 2017.

- (vii) **General Advances Register:** The Institution shall maintain advances register for the temporary advances given for any specific purpose.
- (viii) **Register of Contracts:** There should be separate Register of Contracts.
- (ix) **Advances to staff:** Details of various advances made to the employees such as Festival Advance, LTC advances, TA advances, etc.
- (x) **Budget Control Register:** Details of amount approved by UGC, provision made and actual amount spent under each head of account will be furnished in this Register.
- (xi) **Despatch & Incoming Tapal Register:** Every department shall have a despatch register and incoming register to record all outgoing and incoming office correspondence with outside agencies of the Institute. No official letters shall be sent without an entry and a reference number in the despatch register.

4.9. Inter Departmental Transfer:

Generally, no fund shall be transferred from one account to another. In extraordinary circumstances, if fund is transferred with the approval of authorities, such transfer shall be accounted for properly in both the accounts i.e. transferor account and transferee account as detailed below:

Transfer Debit Advice (TDA) / Transfer Credit Advice (TCA) to facilitate Inter Departmental Transfer:

- i) When one account is to be debited by another towards transfer of fund / materials / expenditure / accounting of any other receivables, an advice called 'TDA' is prepared. When fund / materials / expenditure is transferred from one account to another, the transferor shall raise a 'Transfer Debit

Advice', wherein, the details of payment made such as cheque number, date, amount of transfer, etc. or journal reference if any are mentioned. This advice is prepared in triplicate. First and Second copies shall be sent to the transferee of the fund, keeping the third copy for his reference.

- ii) On receipt of such TDA, the dealing assistant who maintains the transferee account shall prepare a journal and after recording the same in his books of accounts, return the second copy, duly mentioning the reference of such Journal Voucher to the originator. The first copy shall be retained by him for his reference.
- iii) In the same way, 'Transfer Credit Advice' may also be operated for crediting another account.
- iv) On or before 15th of every month, the acceptances of all such TDAs/TCAs shall be reviewed by the Section Officer in order to ascertain the prompt accounting of such transfer in both the accounts. If no acceptance is received, reminder shall be given to regularize the accounting of such fund transfer.
- v) It shall be ensured that all the Transfer Debit Advices (TDAs) and Transfer Credit Advices (TCAs) raised are accepted and properly accounted so as to ensure that the net balance of all the Inter Unit transfer account becomes zero as on the date of closure of accounts.
- vi) In case of fund transfer from one account to another, the transactions shall be shown under the group of "Inter Unit Account" as the Current Liabilities. The balances appearing on each account of the Inter Unit accounts shall be analyzed and ensured that the corresponding balances appear on the respective account. A statement showing all the balances of debit and credit with the details of individual accounts shall be prepared and submitted along with monthly accounts. The grand total of all debit balances and credit balances should be equal. In case of discrepancy, the individual accounts shall be analyzed and corrections if any to be made, so as to

ensure that the balances shown are either payable from one account or receivable by another account.

- vii) It shall be ensured that the fund, materials etc. transferred on loan basis are returned promptly and there is no long pending of dues from such inter unit accounts.

Form of TDA/TCA

In Triplicate

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER EDUCATION
FOR WOMEN
TRANSFER DEBIT / CREDIT ADVICE**

Originating Account No. _____

No. _____ Date : _____

The undersigned has the honour to advise that a sum of
Rs. _____ (Rupees _____
_____) as detailed below has been debited / credited in transfer from
our Account No. _____ of _____ to
your Account No. _____ of _____
for the Financial Year _____ and to request that an acceptance may please
be furnished as early as possible.

No. and date of voucher	Particulars of transaction	Amount Rs.
Total		

Section Officer / Finance Section

(Transferor / Originator)

Acceptance by the Receiver of the Advice:

The advice is responded to in the account of No. _____ of _____

Vide Journal Entry No. _____ dated _____.

Section Officer / Finance Section

(Acceptor / Transferee)

Chapter 5

Internal check, Internal Control and Audit

5.1. Internal check

(i) Internal check is a method of organizing the accounts system of a business concern or an Institution where the duties of different clerks are arranged in such a way that the work of one person is automatically checked by another and thus the possibility of fraud, or error or irregularity is minimized unless there is collusion between the clerks.

(ii) According to the special committee on Terminology, American Institute of Accountants, 1949. "Internal check-a system under which the accounting methods and details of an establishment are so laid out that the accounts procedures are not under the absolute and independent control of any person - that, on the contrary, the work of one employee is complementary of that of another, and that a continuous audit of the business is made by the employees."

The essential elements of an internal check are:

- (a) Instituting of checks on day-to-day transactions.
- (b) These checks operate continuously as a part of routine system.
- (c) Work of each person is made complementary to the work of another.

5.2. Internal Control

1. Internal control, as defined in accounting and auditing, is a process for assuring of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization. It is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in detecting and preventing fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as trademarks).

2. Internal control mechanism at Institutional level would include the following,
 - (i) Establishment of appropriate budgeting systems.
 - (ii) Regular monitoring of actual financial performance with budgets and targets.
 - (iii) Monitoring of physical and financial progress.
 - (iv) Establishment of procedures and systems for ensuring standard internal controls such as checking of expenditures, appropriate documentation, levels of authorization, bifurcation of duties, joint signature of two officers on all payments, periodic bank reconciliation and physical verification.
3. For the purpose of proper checks and control, the institutions will ensure the following,
 - (i) Maintenance of basic day-to-day transactions on a regular basis in separate registers and ledgers.
 - (ii) Generation of Trial Balance, Bank Reconciliation statements, Receipts and Payment Account, Income and Expenditure statements, Balance Sheet etc. as per the formats as prescribed by the MHRD.
 - (iii) Comparison of Statement of expenditure with the annual budgetary allocations and categories of disbursement.
 - (iv) Periodic checks on delay in payments of pending bills and immediate corrective action to be taken.
 - (v) Periodical review and /or internal audit of the Bank Reconciliation Statement and Stock Registers.
4. The following are internal control points relating to Accounting functions,
 - (i) Accounting of receipts and payments.
 - (ii) Realization of receipts.
 - (iii) Sanctions to expenditure and authorization to disburse.
 - (iv) Disbursement of payments and utilization.
 - (v) Prompt making of entries in the books of accounts.
 - (vi) Evidence for substantiation of the entries in books of accounts.

- (vii) Measures for periodical surprise check of physical assets.
- (viii) Method of matching Balance in the Bank with balance as per books of accounts.
- (ix) Classification of capital and revenue.

5. The process of internal control measures are,

- a. Depositors: Students and other parties depositing money should be requested to deposit only through cheques/drafts or other electronic modes such as RTGS/NEFT/Net-banking etc. directly into the Bank account. Cash transactions are not allowed in any case.
- b. The counterfoils of Pay-in-slips for depositing money in the Bank account should be retained as a record in support of the deposit through which the receipts are properly classified and recorded in the ledger in the Finance Section.
- c. Cheques/drafts and other direct credits should be checked from Bank Statement as appearing in the net-banking access. This check should be carried out by the Section Officer or other senior staff within three days of credit in the Bank. This also requires that the Institute migrates all bank accounts to net banking facility so as to enable periodic direct viewing of the Bank account for reconciliation purpose.
- d. Bank Reconciliation Statement is to be prepared and submitted to the authorities on or before 5th of the following month. Balance in all Bank accounts should be reconciled with the balance in the books of accounts and reconciliation statements as appearing in the Tally software may be prepared, duly authenticated by the Section Officer, Finance Section and kept in a separate file for audit purposes. Un-cleared cheques deposited in the bank and cheques not presented should be closely checked to ensure that the same has been cleared or presented in subsequent month or months. Such clearance must be noted in the month's reconciliation to which the same relates. Cases pending long shall be carefully investigated and pursued to ensure that there is no misappropriation or fraud.

- e. Payments are to be invariably made through electronic mode i.e NEFT /RTGS /Net-banking. If not possible to transfer the fund electronically, only account payee cheques / Demand Drafts are to be issued. The joint signatures of both the Registrar and the Finance Officer of the Institute, who have been authorized are necessary for drawing the cheques. The outstation cheques are to be sent only through 'Registered Post' invariably.
- f. Before payment is made, the relevant Bill is to be checked for its correctness and submitted to the appropriate authority for approval.
- g. The bill or claim or invoices for services obtained must be addressed to the Registrar of the Institute and should have all details of Registration, PAN/TAN, & GST. It should be checked to see that the same bill/invoice has not been produced to claim any other payment.
- h. Documents evidencing of obtaining service, arrival of materials purchased should be checked to ensure that the services/materials have been actually availed/received and recorded in the relevant Stock Register.
- i. After making payment, the documents submitted in support of the claim, bill/invoice should be stamped "PAID & CANCELLED" and signed by the staff passing the bill for payment to prevent making a double payment using the same document / bill.
- j. It should be checked to see that purchase of service/materials is made only after calling for tenders/quotations following the Purchase Procedure laid down and Purchase Orders are placed by the competent authority.
- k. It should be ensured that entries are regularly made in the Assets Registers which are to be maintained in the form GFR-22 vide Rule 213(1) of GFR 2017.
- l. Periodically, at least once in a year, assets are to be physically verified for its serviceability and working condition. The discarded, damaged, obsolete and unusable assets are to be identified and action to be taken for e-auctioneering at regular interval of six months period.
- m. Investments made in the form of Term Deposit Receipts should be quarterly verified and linked to the relevant ledger entries.

- n. All payments of above Rs.5000 are required to be stamped with Revenue Stamp to be legally tenable.
- o. All letters/remittances through cheques/DDs received directly or through post should be opened by a responsible person in the Finance Section and action taken immediately to avoid delay.
- p. It should be checked to see that only one cheque book for each bank account is in use at a time and all cancelled cheques are retained in record for eventual check by Audit or other authorities.
- q. Demands for the dues from students for fee remittances are to be raised electronically through MIS system for the existing students and collections are to be monitored by preparing the 'Demand –Collection- Balance' statement. For the newly admitted students fee collection is to be made through 'on line' payment. The refund is to be made to students by checking the 'Fee Control Register' which is being maintained at the Finance Section.
- r. Administrative approval for the expenditure proposals of more than Rupees One Lakh is to be obtained from the Vice- Chancellor.
- s. The proposals for expenditures will be sanctioned by the authorities based on the availability of Budget provisions i.e after scrutiny by the Development and Finance Sections.
- t. Permanent Advance or Imprest (Rule 322 of GFR2017): Permanent Advance or imprest for meeting day to day contingent and emergent expenditure may be granted to the Departmental Heads, keeping the amount of advance as to the minimum required for smooth functioning.
- u. Temporary Advances for Contingencies and Miscellaneous purpose (Rule 323 of GFR 2017): Temporary advance is given for any special purpose. The amount should be spent only for the purpose for which it was drawn. The adjustment bill, along with the remittance challan for the balance if any remitted into the Institute Bank Account, shall be submitted within 15 days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary. No second advance is allowed when the earlier advance is pending.

- v. All the bills are to be initiated by the concerned Department and further checked for their accuracy by the concerned dealing assistant, Section Officer, Assistant Registrar / Deputy Registrar, Finance Officer and the Registrar.

5.3. Financial powers

- (i) Finance Officer shall sanction proposals upto Rs.5000/-.
- (ii) Registrar shall sanction proposals upto Rs.15000/-.
- (iii) For amount exceeding Rs.15000/- proposals shall be approved by the Vice-Chancellor.
- (iv) Imprest advance to Departments / Sections shall be based on the request from the concerned HOD / Section Head and past recoupment records. Finance Officer shall approve / sanction the imprest advance.
- (v) Imprest advance holder may spend upto Rs.2000/- on purchase of a single item, for which they cannot afford to wait for financial sanction from the competent authorities from imprest advance.

5.4. Internal Audit

- i) Internal audit system is one of the important parts of financial management to examine and verify the adequacy and effectiveness of the inherent internal control system of an organization.
- ii) All receipts and payment vouchers are to be checked by the Internal Audit Section. The Accounts statements are to be verified by the Internal Audit Section on or before 15th of every month.
- iii) All the cash transactions / bank transactions carried out by the Departments are to be checked for their accuracy and correctness. The Bank book and Bank Pass sheet are to be checked on or before 15th of every month to ensure the accuracy of the accounting of income and expenditures.
- iv) A routine and regular internal audit will be conducted by a team of Internal Audit Section. The Report of Internal Auditor should be prepared and submitted to the authorities at regular interval of three months period.

5.5. Statutory Audit

1. The Institute will appoint a firm of Chartered Accountants who are empanelled by office of the Comptroller and Audit General, for statutory audit of the Institute by following the required norms and procedure. The Finance Section will be required to maintain the records of accounts for the grants-in-aid and the sponsored projects, to enable the auditor to carry out necessary checks and verification effectively. For this purpose, the Institution is required to furnish all documents / records to the auditors to facilitate timely audit positively on or before the last week of April of every year, so that the C&AG may be informed about the readiness for their audit. Annual audit of the Institute by a firm of chartered accountants will be completed by second week of May, so that the C&AG audit may be completed on or before 30th June of every Financial Year.

2. The objective of the audit of the Institute accounts, is to enable the auditor to express a professional opinion as to whether

(i) the Annual Financial Statements present fairly, in all material respects, the sources and applications of funds for the period under audit examination,

(ii) the funds were utilized for the purposes for which they were provided, and

(iii) expenditures shown in the statements are as per the directions given by the funding Agencies.

In addition, the auditor will express a professional opinion as deemed necessary.

3. Period of Appointment

The auditors shall be appointed for a period of one Financial Year beginning on 1st April and ending on 31st March of the following year. The contract may be extended to two years on the basis of performance of the auditor.

4. General: The auditors should be given access to all legal documents, correspondence, Books of Accounts, Government Orders, Office Orders and any

other information associated with the Accounts and as deemed necessary by the Auditors.

5.6.Audit of Accounts by C&AG

a) (Rule 236(1) of GFR2017)

The accounts of all Grantee Institutions or Organizations shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG(DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institution or Organization is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning Grants-in-aid.

b) Rule 236 (2) of GFR2017

(i) The accounts of the Grantee Institution or Organization shall be audited by the Comptroller and Auditor General of India under Section 14 of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971, if the Grants or loans to the institution in a financial year are not less than Rupees twenty-five lakhs and also not less than seventy-five percent of the total expenditure of the Institution. The accounts may also be audited by the Comptroller and Auditor General of India if the Grants or loans in a financial year are not less than Rupees one crore. Where the accounts are so audited by the Comptroller and Auditor General of India in a financial year, he shall continue to audit the accounts for a further period of two years notwithstanding that the conditions outlined above are not fulfilled.

(ii) Where any Grant and /or loan is given for any specific purpose to any Institution or Organization or authority, not being a foreign State or international Body/Organization, the Comptroller and Auditor General is competent under Section 15 (1) of the CAG's (DPC) Act, 1971, to scrutinize the procedures by which the sanctioning authority satisfies himself as to the fulfillment of the conditions subject to which such Grants and/or loans were

given and shall, for this purpose, have right of access to the books and accounts of that Institute or Organization or authority.

(C) Rule 236 (3) of GFR 2017

In all other cases, the Institution or Organization shall get its accounts audited from Chartered Accountants of its own choice.

(d) Rule 236 (4) of GFR 2017

Where the Comptroller and Auditor General of India is the sole auditor for a local Body or Institution, auditing charges will be payable by the auditee Institution in full unless specifically waived by Government.

5.7. Time Schedule for submission of annual accounts

(Rule 237 of GFR 2017)

The dates prescribed for submission of the annual accounts for Audit leading to the issue of Audit Certificate by the Comptroller and Auditor General of India and for submission of annual report and audited accounts to the nodal Ministry for timely submission to the Parliament are listed below,

- (I) Approved and authenticated annual accounts to be made available by the Autonomous Body to the concerned Audit Office and commencement of audit of annual accounts-30th June.
- (II) Issue of the final SAR in English version with audit certificate to Autonomous Body/ Government concerned -31st October.
- (III) Submission of the Annual Report and Audited Accounts to the Nodal for it to be laid on the Table of the Parliament -31st December.

5.8. Transactional Audit

The C&AG also conducts regularity audit of the Institute on all aspects covering all functional areas of the Institute. The normal areas to which audit extends are cases of purchases, establishment functions such as salaries and service matters of faculties and staff, pay fixations, leave

entitlements, Academic functions and departmental activities, etc., The C&AG team after completion of audit will issue an audit objection statement and the Institute shall take suitable action on the observations and send a prompt reply to C&AG authorities. C&AG also conducts performance audit of the Institute periodically examining the Institute's functional aspects and render a report.

Chapter 6

Accounting of Government Grants

6.1. Accounts of Grantee Institutions (Rule 235 of GFR 2017)

Institutions or Organizations receiving Grants should, irrespective of the amount involved, be required to maintain subsidiary accounts of the Government grant and furnish to the Accounts Officer of the grantor a set of audited statement of accounts. These audited statements of accounts should be required to be furnished after utilization of the Grants-in-aid or whenever called for.

6.2. Utilization Certificates

(i) Rule 238 (1) of GFR 2017: In respect of non-recurring Grants to an Institution or Organization, a certificate of actual utilization of the Grants received for the purpose for which it was sanctioned in Form GFR 12-A, should be insisted upon in the order sanctioning the Grants-in-aid. The Utilization Certificate in respect of Grants referred to in Rule 230 (10) should also disclose whether the specified quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and if not, the reasons therefor. They should contain an output-based performance assessment instead of input-based performance assessment. The Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned. Receipt of such certificate shall be scrutinized by the Ministry or Department concerned. Where such certificate is not received from the Grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government.

(ii) Rule 238 (2) of GFR 2017: In respect of recurring Grants, Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after Utilization Certificate in respect of Grants of preceding financial year is submitted. Release of Grants-in-aid in excess of

seventy-five per cent of the total amount sanctioned for the subsequent financial year shall be done only after utilization certificate and the annual audited statement relating to Grants-in-aid released in the preceding year are submitted to the satisfaction of the Ministry/Department concerned. Reports submitted by the Internal Audit parties of the Ministry or Department and Inspection Reports received from Indian Audit and Accounts Department and the performance reports if any received for the third and fourth quarter in the year should also be looked into while sanctioning further Grants.

(iii) Rule 238 (3) of GFR 2017: Utilization certificates need not be furnished in cases where the Grants -in -aid / CFA are being made as reimbursement of expenditure already incurred on the basis of duly audited accounts. In such cases the sanction letters should specify clearly that the Utilization Certificates will not be necessary.

Chapter 7 **Chart of Accounts**

7.1. Description of Account Code

The Chart of Accounts contains Account Number for various transactions to be uniformly followed for all the accounts maintained at the Finance Section. The Account Number has got a five-digit numerical code in which, the first two digits represent Accounts Centre as defined below:

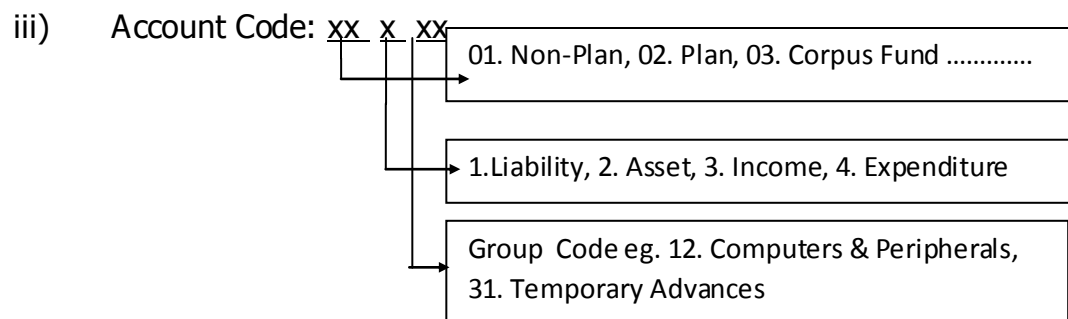
01. Non-Plan Fund Account
02. Plan Fund (GDA) Account
03. Corpus Fund Account
04. Engineering Faculty Account
05. Self-Finance Account
06. Examination Fund account
07. Online Account
08. Deposit and Advance Account
09. GPF Account
10. New Pension Scheme Account
11. UGC Project Accounts
12. CSIR Project Accounts
13. DAE Project Accounts
14. DST Project Accounts
15. ICSSR Project Accounts
16. NSS Accounts
17. HBA Revolving Fund account
18. NSS -ETI Account
19. Fellowships Account
20. Scholarship Account
21. Endowments Account
22. upto 99.

Other accounts will be added as and when necessary upto 99.

i) Second digit represents as follows:

1. Liabilities
2. Assets
3. Income
4. Expenditure

ii) Last two digits represent Group Code, under which various Ledger accounts are maintained.



7.2. Account Code for Non-Plan

1. Liabilities

Capital Fund	01101
One Time Special Assistance Fund	01102
Grant Account	01103
Current Liabilities:	
Deposits from staff	01104
Deposits from students	01105
Sundry Creditors	01106
Deposit – Others	01107
EMD Deposits	01108
Security Deposits	01109
Statutory Liabilities	01110
Other Current Liabilities	01111
Unutilised Grant	01112
Grant-in-advance	01113
Retirement Benefits Payable	01114
Inter Unit Account	01115
Provisions:	
Provision for Leave Encashment	01116
Provision for Retirement Gratuity	01117
Provision for Superannuation	01118
Any other provision	01119

2. Assets

Fixed Assets:

Land	01201
Buildings	01202
Roads & Bridges	01203
Tube wells & Water supply	01205
Sewerage & Drainage	01206
Electrical Installations & Equipment	01207

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Plant & Machinery	01208
Scientific & Laboratory Equipment	01209
Office Equipment	01210
Audio Visual Equipment	01211
Computers & Peripherals	01212
Furniture, Fixture & Fittings	01213
Vehicles	01214
Lib. Books & Scientific Journals	01215
Small Value Assets (Others)	01216
Capital Works-in-Progress	01217
Intangible Assets	01218
Investments:	
Long Term Investments	01219
Short Term Investments	01220
Investments – Others	01221
Current Assets:	
Stock of materials	01222
Sundry Debtors	01223
Bank Balances with Scheduled Banks	01224
Bank Balances with Non-Scheduled Banks	01225
Loans, Advances and Deposits:	
Loans:	
Vehicles Loans	01226
House Building Advance (HBA)	01227
Any other Loans to Employees	01228
Advances:	
Festival Advances to Employees	01229
TA/LTC Advances	01230
Temporary Advances to Employees	01231
Imprest Advances	01232
Deposits:	
Deposit with CPWD	01233
Deposits with TNEB	01234
Gas Connection Deposit	01235
Telephone Deposit	01236
Deposits with others	01237
Income Accrued:	
Interest on Investments	01238
Interest on Loans and Advances	01239

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Grants sanctioned and Receivables	01240
Other Account Receivables	01241

3. **Income**

Academic Receipts	01301
Grants / Subsidies	01302
Income from Investments	01303
Interest Earned on SB Accounts	01304
Other Income	01305
Prior Period Income	01306

4. **Expenditure**

Staff Payments and Benefits	01401
Academic Expenses	01402
Administrative and General Expenses	01403
Transportation Expenses	01404
Finance Costs	01405
Depreciation	01406
Other Expenses	01407
Prior Period Expenses	01408

In the same way, Accounts codes can be created for other Accounts Centres. For Example, Account Code for Plan Fund Account:

EMD	02108
Buildings	02202
Deposit with CPWD	02233
Grants / Subsidy	02302
Transportation Expenses	02404

Chapter 8

Budget Estimate and Reports

8.1. Budget is an instrument of Financial Control. Budget is defined as “A comprehensive plan, expressed in financial terms by which an operating programme is effective for a period of time. It includes estimate of services, activities and projects comprising the programme”.

8.2. As the Institute is fully funded by the Government of India through the MHRD Budget, Institute has to follow instructions contained in Appendix – 3 Rule 52 of GFR 2017, which refers to estimates for expenditure on two categories: Revenue account and Capital account.

8.3. Budget has three primary functions to perform,

- i) **Planning:** It refers to the process of determining objectives and evaluation of programmes.
- ii) **Management:** Budget provides authority to ensure efficient use of resources.
- iii) **Control:** It is a process of enforcing the limitations and conditions set in the budget. Comparison of actual attainment with the Budget provision by variance analysis should facilitate for taking corrective action or revision.

8.4. Revenue Expenditure

Revenue Expenditure (Recurring) Budget estimate is forecast under each head of account (i)Salaries and (ii)Non-salaries.

In order to do so, the Budget has to follow the same layout of Accounts heads which form part of the ledger accounts maintained by the Accounts Department. The layout of ledger accounts is planned and systematically laid down to match the layout plan of the new MHRD Annual Financial Report format. The broad division of recurring expenditure appearing in the Income and Expenditure are:

- a. Staff Payments and Benefits
- b. Academic Expenses

- c. Administrative and General Expenses
- d. Transportation Expenses
- e. Repair and Maintenance
- f. Finance Costs
- g. Other Expenses.

Thus, Budget has to be forecast under this broad division with sub-divisions. The sub-divisions of these Major heads are as follows,

I. STAFF PAYMENTS AND BENEFITS

- a. Salaries and Wages with further subheads separately for i) Teaching Staff ii) Non-Teaching Staff iii) Ad-hoc staff iv) Arrears of DA iv) Salary arrears due to increment/pay-fixation on promotion etc.
- b. Allowances and Bonus
- c. Contribution to New Pension Fund
- d. Staff Welfare Expenses
- e. Retirement and Terminal Benefits
- f. LTC facility
- g. Medical facility
- h. Children Education Allowance
- i. Honorarium
- j. TA/DA expenses
- k. Pension
- l. Others

II. ACADEMIC EXPENSES

- a. Laboratory expenses
- b. Field work/Participation in Conferences
- c. Expenses on Seminars/Workshops
- d. Payment to visiting faculty.
- e. Examination
- f. Student Welfare expenses
- g. Admission expenses

- h. Convocation expenses
- i. Publications
- j. Stipend/means-cum-merit scholarship
- k. Subscription Expenses
- l. Others (specify)

III. ADMINISTRATIVE AND GENERAL EXPENSES

- a. Electricity and Power
- b. Water charges
- c. Insurance
- d. Rent, Rates, and Taxes (including Property Tax)
- e. Postage and telegram
- f. Telephone and Internet Charges
- g. Printing and Stationery
- h. Travelling and Conveyance Expenses
- i. Expenses on Seminar/Workshops
- j. Hospitality
- k. Auditors Remuneration
- l. Professional charges
- m. Advertisement and Publicity
- n. Magazines and Journals
- o. Other if any to be specified

IV. TRANSPORTATION EXPENSES

- a. Vehicles (owned by Institution) i) Running Expenses, ii) Repairs and Maintenance, iii) Insurance expenses and Taxes.
- b. Vehicles taken on rent/lease a) Rent/lease expenses
- c. Vehicles (Taxi) hiring expenses.

V. REPAIRS AND MAINTENANCE

- a) Buildings
- b) Furniture & Fixtures
- c) Plant & Machinery
- d) Office Equipment
- e) Computers and Laboratory& Scientific equipment
- g) Audio Visual equipment
- h) Cleaning Material & Services
- i) Book binding charges.
- j) Gardening '
- k) Estate Maintenance
- l) Others (Specify)

VI. FINANCE COSTS

- a. Interest on fixed loans
- b. Interest on other loans
- c. Bank charges
- d. Others to be specified

VII. OTHER EXPENSES

- a. Provision for Bad and Doubtful Debts/Advances
- b. Irrecoverable Balances written off
- c. Grants /Subsidies to other Institutions / Organizations
- c. Others to be specified.

8.5. Capital Expenditure

Fixed Assets are classified as detailed below.

a) Tangible Assets

- 1. Land
- 2.Site Development
- 3.Buildings
- 4.Roads & Bridges
- 5.Tube wells & Water Supply

- 6.Sewerage & Drainage
7. Electrical Installation and equipment
- 8.Plant & Machinery
- 9.Scientific & Laboratory Equipment
- 10.Office Equipment
- 11.Audio Visual Equipment
- 12.Computers & Peripherals
- 13.Furniture, Fixtures & Fittings
- 14.Vehicles
- 15.Library Books& Scientific Journals

b) Intangible Assets (amortization)

1. E-Journals
2. Computer Software
3. Patents and Copyrights

8.6. Budget reports

The UGC in terms of Rule 230 of GFR2017, calls for requirement of funds with supporting details by the end of October every year. In addition, UGC may call for requirement of funds every quarter for release of quarterly installments of funds. The Finance Section is also required to submit expenditure details against budgetary allotment to the Finance Committee and Board of Management. The reports submitted at the end of October will give details of actual expenditure up to September of the year and expenditure up to September of the previous year. This report should also contain details of budget and expenditure thereof of the previous three years and forecast budget of the following year. The projection for the ensuing year may indicate anticipated amount of internal revenue generation by way of fees and interest on deposits if any. The UGC will use this information for releasing grant on quarterly installments. Therefore, these reports are to be carefully and properly prepared.

Chapter 9

Compilation of Annual Accounts and Balance Sheet

9.1. Introduction

The Department of Higher Education, MHRD has introduced the Revised formats of Accounts of Central Educational Institutions vide their letter number 29-4/2012-IFD dated 17.04.2015 to be implemented from the Financial Year 2014-15. The detailed notes and instructions for compilation of Financial statements issued by MHRD are to be strictly followed. The preparation and presentation of Annual Accounts of the Institute need to be strictly as per the revised formats of Accounts, as approved by the office of the C&AG of India which are as follows:

9.2. Accounting Principles

1) The financial statements of non-profit and other similar organizations (viz., Balance Sheet and Income and Expenditure Account) shall be prepared on accrual basis; and shall be in the form suggested, or as near thereto as possible.

2) Normally, Central Educational Institutions cannot raise loans, particularly by pledging their Assets. The heads Secured Loans & unsecured Loans do not therefore find a place in the Balance Sheet. If, however there is a rare case of an institution getting a World Bank Loan, a new head "unsecured loans" could be included on the Liabilities side of the Balance Sheet supported by a Schedule.

3) It is mandatory to follow the Accounting Standards applicable for Autonomous organizations and Higher Educational Institutions. Where any of the accounting policies is not in conformity with accounting standards, and the effect of departures from accounting standards is material, the particulars of the departure shall be disclosed, together with the reasons there for and the financial effect thereof, except where such effect is not ascertainable.

4) A statement of all significant accounting policies adopted in the preparation of the Balance Sheet and the Income and Expenditure Account shall be included in the financial statements. The significant Accounting Policies should be disclosed at one place. Accounting Policies refer to the specific accounting principles and the method of

applying those principles adopted by the Entity in the preparation of the financial Statements. Accounting policies shall be applied consistently from one financial year to the next. Any change in the accounting policies which has a material effect in the current period or which is reasonably expected to have a material effect in later periods, shall be disclosed in the Notes on Accounts. In case of a change in accounting policies which has a material effect in the current period, the amount by which any item in the financial statements is affected by such change, shall also be disclosed to the extent ascertainable. Where such amount is not ascertainable, wholly or in part, the fact shall be disclosed.

5) The accounting treatment and presentation in the Balance Sheet and the Income and Expenditure Account, of transactions and events shall be governed by their substance and not merely by the legal form.

6) In determining the accounting treatment and manner of disclosure of an item in the Balance Sheet and/or the Income and Expenditure Account, due consideration shall be given to the concept of materiality. If the information required to be given under any of the items or sub-items in this Form cannot be conveniently included in the Balance Sheet or the Income and Expenditure Account itself, as the case may be, it can be furnished in a separate Schedule or Schedules to be annexed to and forming part of the Balance Sheet or the Income and Expenditure account. This is recommended where items are numerous.

7) The Schedules referred to above and the Schedules forming part of the Accounts (Significant Accounting Policies; Contingent liabilities and Notes on Accounts) should form an integral part of the financial statements.

8) The corresponding amounts for the immediately preceding year for all items shown in the Balance Sheet and the Income and Expenditure Account should also be given in the Balance Sheet or Income and Expenditure Account as the case may be.

9) Revenue shall not be recognized unless,

(a) The related performance has been achieved;

(b) No significant uncertainty exists regarding the amount of the consideration; and

(c) It is not unreasonable to expect realization and ultimate collection.

10) Provision shall be made for all known liabilities and losses even though the amount cannot be determined with substantial accuracy (and the amount of provision represents only a best estimate in the light of available information). Provision means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability, the amount of which cannot be determined with substantial accuracy.

Provision shall be made for contingent loss, if:

a) It is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred at the balance sheet date, and

b) A reasonable estimate of the amount of the resulting loss can be made. If either of the above conditions is not met, the existence of the contingent loss shall be disclosed by way of a note to the Income and Expenditure account, unless the possibility of the loss is remote.

11) Where any amount written off or retained by way of providing for depreciation, renewals or diminution in the value of assets or retained by way of providing for any known liability is in excess of the amount which is considered reasonably necessary for the purpose, the excess shall be treated as a reserve and not as a provision.

12) Separate disclosure shall be made in the Income and Expenditure Account in respect of,

(a) "Prior period" items, which comprise material items of income or expenses which arise in the current period as a result of errors or omissions or non-provision of Liability for outstanding expenses due to adoption of Cut-off date for the purpose of closing the accounts, in the preparation of the financial statements of one or more prior periods. The concept of Prior Period Income and Prior Period expenditure applies only to Revenue items, and not to Asset/Liability Accounts. The latter are accounted in the year in which the corresponding transactions take place.

(b) "Extra ordinary" items, which are material items of income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the entity and, therefore, are not expected to recur frequently or regularly.

(c) Any item under the head "Miscellaneous Income" which exceeds per cent of the total turnover/gross income of entity or *Rs.50,000/-* whichever is higher. This shall be shown against an appropriate account head in the Income and Expenditure Account.

(d) Any item under the head "Miscellaneous Expenses" which exceeds 1 per cent or the total turnover/gross income of entity or *Rs.50,000/-* whichever is higher. This shall be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure account.

13) A Receipts and Payments Account shall also be prepared by the Educational Institutions.

14) Disclosures as suggested in the formats are minimum requirements. An Educational Institute is encouraged to make additional disclosures.

15) The figures in the Balance Sheet and Income and Expenditure Account, if rounded off, shall be rounded off as below:

Amount of turnover (in Rs.)	Rounding off to (Rs.)
Less than One lakh	Hundred
One lakh or more but less than one crore	Thousand
One crore or more but less than one hundred crores	Lakh
One hundred or more but less than one thousand crores	Crore

16) Reference may also be made to the enclosed Notes and Instructions for compilation in relation to the formats suggested.

17) Most Central Universities and Institutes of Higher education, manage the general Provident Fund and New Pension Scheme Funds. These are owned

by the members and hence cannot be accounted as part of the Accounts of the Institutions. As these are managed by them along with their accounts, it is necessary to prepare annually for these funds, a Balance Sheet, an Income and Expenditure Account (on accrual basis) and a Receipts and Payments Account and separately attach them to the accounts of the Institution, to show that they are managed in the best interests of the members.

In respect of the New Pension Scheme, funds in respect of the employees who have been allotted PRA numbers, would have been transferred to the National Securities Depository Limited (NSDL) - Central Record Keeping Agency (CRA). In these cases, only the employer's contribution along with the subscription recovered is transferred every month to NSDL. "The employer's contribution is included in Schedule 15- Establishment expenses- Retirement and Terminal Benefits"

If there are any employees whose subscriptions and matching contributions have been retained and managed by the Institution pending allotment of PRA numbers, the annual Accounts of the New Pension Scheme (including interest credited) to be attached separately to the accounts of the Institution, will cover only such employees. The formats in which GPF, CPF and NPS Annual Accounts have to be Prepared, as given by MHRD.

9.3 Other Important Instructions regarding compilation of accounts

1. Accounting Period

The accounting period for which the annual accounts have to be compiled by the Institute shall be a period of twelve calendar months ending on the 31st day of March every year or in the case of the first accounts a shorter period commencing on the date of constitution of such account Centre and ending on the immediately following the 31st day of March.

2. Submission of Monthly and Quarterly accounts

The accounting entries of all the individual accounts shall be posted upto date in the Tally software and the Income and Expenditure of every month shall be generated on or before 10th of succeeding month. It should be ensured that

the Bank Reconciliation is prepared for all the individual accounts and differences if any are made good by making necessary correction entries. The quarterly accounts statements shall be submitted to the authorities as detailed below:

April to June	:	25 th July
July to September	:	25 th October
October to December	:	25 th January
January to March	:	30 th April

3. Compilation and Submission of Annual Accounts

i) The Institute shall compile its accounts within a period of three months from the date of closure of the Financial Year i.e. before 30th of June and make them available for audit to enable the MHRD to lay the Reports and the audited accounts before Parliament within nine months of the close of the accounting year, ie 31st December of every year.

ii) Subsidiary ledgers shall be maintained for detailed analysis of the balances in main ledgers wherever such details are required such as creditors, contractors, employees, students etc. Subsidiary ledgers for EMD, Security Deposits, Advances to employees, Fee Receivables from students, Deposits accounts refundable to students, deductions and remittances into Government Accounts, etc. are to be verified for their correctness.

iii) Bank Reconciliation Statement – The Bank Reconciliation Report as on the closing date shall be verified so as to ensure the correctness of the receipts and payments. The correction entries if any shall be made and the copy of BRS shall be submitted along with the statement of accounts.

iv) The certificate for the Bank balance as on 31st March shall be obtained from the concerned Branch and submitted along with statement of accounts for verification by the auditors.

v) The Ledger balances of the individual investment accounts shall be verified and tallied with the availability of physical certificates / FDRs. In case of discrepancy necessary Journal Entry, omitted to have been entered at the time of closure / renewal is to be made. The total balance of the investments

should tally with the availability of investment certificates / FDRs which shall be physically verified by both the Statutory Auditors and AG's auditors.

vi. Imprest – It shall be ensured that all the imprest accounts are settled on or before 31st March.

vii. Temporary advance – It shall be ensured that all the temporary advances drawn are settled on or before 31st March except in emergent cases.

viii. Inter Unit Transfer – It shall be ensured that the fund transferred on loan basis is returned before closure of the accounts. All the Transfer Debit Advices (TDAs) and Transfer Credit Advices (TCAs) raised shall be accepted and properly accounted so as to ensure that the net balance of all the Inter Unit transfer account becomes zero as on the date of closure of accounts.

ix. At the year end, all the accruals both income and expenditure as also any other outstanding liabilities shall be brought into account through journal entries. It shall be ensured that all the income due, such as fee receivable from students, interest receivable from banks, refund of deposits due etc. are taken into account before closure of accounts. Necessary journal entry based on accrual concept, shall be made. Interest on Investments shall be approximately calculated and accounted on accrual basis. This provision shall be reversed in the beginning of next year.

x. Expenditure due - No Provision need be made for March salary as the pay bills for the month of March will be journalized in the month of March itself.

xi. A few adjusting entries that are to be passed have been illustrated below. The illustrations are only indicative and not exhaustive.

a) Interest on provident fund

Interest on G.P.F. A/c Dr.

To G.P.F. Account

Note: The interest shall be correctly calculated and accounted for as above.

b) Expenses outstanding

Concerned Expenses Account Dr.

To Provision for liability for expenses

Note: This journal entry shall be reversed at the beginning of the next year.

c) Expenses Prepaid

Pre-paid Expenses Dr.

To Concerned expenses Account

Note: This journal entry shall be reversed.

d) Income Accrued

Income accrued and due Dr.....

Income accrued but not due Dr.....

To Concerned income account

Note: This journal entry shall be reversed

e) Depreciation Account(under I & E A/c)

Depreciation Dr.....

To Provision for depreciation : Building

To Provision for Depreciation : Plant and Machinery

To Provision for depreciation : Vehicles

To Provision for depreciation : Furniture

To Provision for depreciation : Office Equipments

Note: The above journal entry shall not be reversed.

xii. Simultaneous with the preparation of adjusting journal entries all the adjusting entries made during the previous year if any that are to be reversed shall be reversed through journal entries.

xiii. Preparation of list of contingent liabilities in consultation with other departments concerned.

xiv. Preparation of Annual Statement of Accounts - The Schedules forming part of Balance Sheet and Income & Expenditure Account are to be

prepared as per the General Instructions given by MHRD vide Circular No.29-4/2012-IFD dated 17.4.2015.

(xii). **Project Accounts:**

For the grant received for Sponsored Projects for Research and Development from Ministries and other Organizations such as CSIR, DAE, DST, ICSSR, ICAR, etc., the guidelines, terms and conditions stipulated in the respective sanction orders have to be scrupulously followed.

Separate bank accounts are to be operated for each project, and the Utilization Certificates are to be submitted every year or as per the norms of the Funding Agency.

The details of the Projects Accounts are to be shown separately, in the annual consolidated financial statements of accounts as per the instructions of the MHRD.

AIHS&HE Finance and Accounts Manual

Form of Balance Sheet:

AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER EDUCATION FOR WOMEN

BALANCE SHEET AS AT 31ST March,

(Amount in Rs.)

SOURCES OF FUNDS	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND	1		
DESIGNATED/EARMARKED / ENDOWMENT FUNDS	2		
CURRENT LIABILITIES & PROVISIONS	3		
TOTAL			

APPLICATION OF FUNDS	Schedule	Current Year	Previous Year
FIXED ASSETS	4		
Tangible Assets			
Intangible Assets	4		
Capital Works-in-Progress	4		
INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS	5		
Long Term			
Short Term			
INVESTMENT - OTHERS	6		
CURRENT ASSETS	7		
LOANS, ADVANCES & DEPOSITS	8		
TOTAL			

AIHS&HE Finance and Accounts Manual

Form of Income and Expenditure Account:

AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER EDUCATION FOR WOMEN

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD / YEAR ENDED 31st MARCH, ____

(Amount in Rs.)

Particulars	Schedule	Current Year	Previous Year
INCOME			
Academic Receipts	9		
Grants / Subsidies	10		
Income from Investments	11		
Interest earned	12		
Other Income	13		
Prior Period income	14		
TOTAL (A)			
EXPENDITURE			
Staff Payments & Benefits (Establishment Expenses)	15		
Academic Expenses	16		
Administrative and General Expenses	17		
Transportation Expenses	18		
Repairs & Maintenance	19		
Finance Costs	20		
Depreciation	4		
Other Expenses	21		
Prior Period Expenses	22		
TOTAL (B)			
Balance being excess of income over Expenditure (A-B)			
Transfer to / from Designated Fund Building fund			
Others (Specify)			
Balance Being Surplus / (Deficit) Carried to Capital Fund			

Significant Accounting Policies 23

Contingent Liabilities and Notes to Accounts 24

The relevant schedules forming part of Balance sheet / Income and Expenditure accounts as detailed above shall be attached with the Financial Statements.

Chapter-10

TDS on Income Tax and GST

A.TDS /TCS on Income tax:

1. Tax Deducted at Source (TDS) on Salary:

TDS rate on payment of Salary and Wages:

TDS has to be deducted if estimated income of the Employee exceeds taxable income. The staff dealing with disbursement of salary has to calculate income tax payable as per income tax rates applicable on the estimated income of the employee for the financial year and to be deducted proportionately at the end of every month.

The amendments made to the provisions of Income Tax Act 1961 from time to time are to be updated periodically.

2. TDS on Payments other than salary:-

TDS rates on payments other than salary to resident and Non-resident are furnished below for the FY2019-20.

Sl. No	Nature of payment	Section	TDS Rate%	Threshold limit/ basic cut-off p.a.
1.	Payment of Interest by others	194A	10%	5,000
2.	Payment to Contractors by any person	194C	Individual- 1% Others-2%	30,000 (single bill) or 1 lakh aggregate bills during the year
3.	Payment of commission or Brokerage	194H	5%	15,000
4.	Payment of rent on land, building, furniture and fittings.	194I	10%	2,40,000
5.	Payment made on account of transfer of immovable property other than agriculture land.	194IA	1%	50,00,000
6.	Payment of Professional Fees to call centers	194J	10%	30,000

Note: The rate of TDS and the threshold limit are subject to change as per the periodical notifications by the Government.

3. Point of Deduction of TDS:

Salary : At the time of payment of salary
 Other payment : when expense is paid or credited including credit to 'payable' or 'suspense' Account.

Thus, provisional Journal Vouchers made at the end of accounting year would also account TDS, and to be remitted.

TDS at a higher rate of 20% or TDS rate, whichever is higher has to be deducted if the deductee does not provide PAN. In case of salary where PAN is not provided, TDS is to be deducted at maximum rate applicable on such employee, based on his computed salary.

ii) Due date for depositing TDS :

Month	Salary	Other payments
April to February	7 th of next month	7 th of next month
March	30 th April	30 th April

4. TDS at the time of purchase of immovable property:-

Section 194IA relates to payment on transfer of certain immovable property other than agricultural land and provides for levy of TDS @ 1% on the amount of consideration. It is noted that in the transaction involving purchase of immovable property, there are other types of payments besides the sale consideration and the buyer is contractually bound to make such payments to the builder/seller, either under the same agreement or under different agreement. The term consideration shall include all charges of the nature of club membership fees, car parking fee, maintenance fee, electricity & water facility fee (w.e.f. 1st September 2019).

On getting approval for land purchase for any purpose, this TDS provision applicability has to be reviewed and complied with before making payment to land sellers.

5. TCS on sale of scrap:-

In order to strengthen the PAN mechanism, section 206CC has been inserted with effect from April 1, 2017 itself. The provisions of Section 206CC are given below:

- Tax collection at higher rate – The buyer of scrap has to furnish PAN

number. If PAN is not intimated, tax shall be collected at twice the normal rate or at the rate of 5 percent, whichever is higher. This may be noted while placing sales order itself.

- PAN to be quoted in all correspondence – The collectee shall furnish his PAN to the Collector and both shall indicate the same in all correspondence, bills and vouchers exchanged between them.
- Invalid PAN – Where the PAN provided by the collectee is invalid or it does not belong to the collectee, it shall be deemed that PAN has not been furnished to the collector. Thus, all such new PANs shall be verified in website, before processing of tender, sales order etc.
- Not applicable if collectee is non-resident – The above provisions of section 206CC shall not apply in the case of a non-resident collectee who does not have any permanent establishment in India.

6. **Consequences of failure to deduct TDS:**

- (i) Interest :Interest @ 1% per month from the date when TDS was deductible till date of actual deduction.
- (ii) Penalty u/s.271C :Failure to deduct TDS, Penalty equal to the amount of tax which such person failed to deduct or pay.
- iii) Consequences of failure to deposit Tax/Late payment:
Interest @ 1½% per month from date of deduction till date of actual payment.

iv) Due date for filing Quarterly TDS& TCS statements :

Quarter ending	Due date for TDS	Due date for TCS
30 th June	31 st July of Financial Year	15 th July of Financial Year
30 th September	31 st October of Financial Year	15 th October of Financial Year
31 st December	31 st January of Financial Year	15 th January of Financial Year
31 st March	31 st May of immediately following Financial Year	15 th May of immediately following Financial Year

v) Penal provisions for default in submitting returns :

Section 234 E	Failure to file TDS return in time	Fine of Rs.200/- every day during which failure continues subject to the maximum of TDS amount
Section 271H	Defaults for more than 1 year in filing TDS statements, furnishes incorrect PAN, TDS amount, Challan particulars etc.	Penalty shall not be less than 10,000/- but which extend upto Rs.1,00,000/-.

vi) Avoidance of TDS default :

Detailed instructions were already issued on the nature of TDS defaults persisting in Circles, Penalty involved in the past years, Rectification measures to be initiated etc. It has been specifically instructed that those TDS defaults shall not be continued from April 2018 onwards and responsibility will be fixed on the erring official. Thus, utmost care shall be taken while filing e-TDS returns every quarter, monitoring the errors in returns for immediate rectification, avoidance of delay in remittance, return filing etc.

B. TDS on GST:

1. Purpose of Introduction of TDS on GST

The concept of TDS on GST was initially introduced in the Income Tax Act and has now been introduced in GST as well. The purpose of introduction of TDS on GST is only to enable the Government to have a trail of transactions and to monitor and verify the compliance. It acts as a powerful instrument to prevent tax evasion and expands the tax net, as it provides for the creation of an audit trail.

Just like in the Income Tax Act, the person deducting the TDS is required to deposit the TDS with the Government and issue Form 16 and Form 16A, similarly under GST Act as well, the person deducting the TDS would be required to deposit the same with the Government by the 10th of the next month and issue Form GSTR7A to the person whose TDS has been deducted.

The concept of TDS under GST is a fairly new concept and has initially been implemented only on a small number of assesses at a flat rate of 2%. The category of assesses who are required to deduct TDS under the GST Regime are mentioned below.

2. Who is required to deduct TDS on GST

The following class of persons are required to deduct TDS on GST from the payment made or credited to the supplier if the Contract Value is more than Rs. 2.5 Lakhs:-

- a. A Department or Establishment of the Central Govt or State Govt
- b. Local Authority
- c. Govt Agencies
- d. Such persons or category of persons notified by the Govt

The following category of persons have been notified by the Govt on which the provisions of TDS on GST would be applicable:-

1. An authority or board or any other body with 51% or more participation by way of equity or control
 - a. Set up by an Act of Parliament or a State Legislature;
 - or
 - b. Established by any Govt.,
2. Society established by the Central Govt. or State Govt or a Local Authority under the Society Regulations Act, 1860.
3. Public Sector Undertakings

No TDS to be deducted if the payment is made by a person who is not mentioned in the above mentioned list.

3. Cases where TDS on GST is not required to be deducted

TDS on GST is only required to be deducted where the payment made or credited to the supplier is done by the above mentioned category of persons.

There are certain exceptions to this and in the following cases, TDS would not be deducted even if the payment is made by the above mentioned persons: -

1. Contract Value does not exceed Rs. 2.5 Lakhs

If the Contract value does not exceed Rs. 2.5 Lakhs, No TDS is required to be deducted. While determining the applicability of TDS on GST- it is the individual contract value which would be considered irrespective of the total number of contracts.

2. Location of Recipient is different from Location of Supplier and Place of Supply

TDS on GST would not be applicable if the Location of Recipient is different from the Location of Supplier and the place of supply.

This can be explained with the help of an example.

For Eg: Delhi Govt. enters into a contract worth Rs. 5 Lakhs with Radisson Haryana to rent space for the purpose of conducting an event in their hotel. In this case, Radisson hotel will levy Haryana SGST and CGST.

- Place of Supply – Haryana
- Location of Supplier- Haryana
- Location of Recipient-Delhi

The provisions of TDS would not apply in this case irrespective of the contract value as the place of supply and Location of Supplier is different from the Location of Recipient.

Eg 2: A vendor registered in Karnataka provides services to the Tamilnadu Govt worth Rs. 3 Lakhs. In this case, IGST would be levied.

- Place of Supply – Tamilnadu
- Location of Supplier- Karnataka
- Location of Recipient- Tamilnadu

The provisions of TDS will apply in this case.

Therefore, while determining the applicability of TDS on GST, it is very important to determine the place of Supply.

4. Is TDS on GST 1% or 2%?

1% TDS is required to be deducted under both the CGST and the SGST Act and therefore the total TDS to be deducted is 2%. In case of an inter-state transaction, IGST would be levied and 2% TDS would be levied in this case as well.

For example: Suppose a supplier makes an intra-supply i.e. supply within the same state worth Rs. 10 Lakhs to a recipient and CGST @ 9% and SGST @ 9% is required to be paid. The recipient while making the payment of Rs. 10 Lakhs to the supplier shall deduct 1% TDS i.e. Rs. 10,000 under the CGST Act and 1% TDS i.e. Rs. 10,000 under the SGST Act and therefore the total TDS deducted would be Rs. 20,000.

In case the above supplier makes an inter-state supply, TDS @ 2 % i.e. Rs. 20,000 would be deducted under the GST Act and deposited with the Government. The value for the purpose of computing the amount of TDS shall not include 18% GST.

5. Comprehensive Guidelines on TDS on GST@2%

TDS @ 2% is required to be deducted on payment made to the supplier of taxable goods or services of both where the value of such supply under a contract exceeds Rs. 2.5 Lakhs.

The provisions of TDS on GST are applicable from 1st Oct 2018 [Notification No. 50/2018- Central Tax dated 13th Sept 2018].

For the purpose of the computation of the contract value, the following shall be excluded.

1. Central GST
2. State GST
3. Union Territory GST
4. Integrated GST
5. Cess

6. Deposit of GST, TDS and TDS Certificate

The amount of TDS deducted should be deposited with the Government by the deductor by the 10th of the next month in Form GSTR 7 through the online portal gst.gov.in. The deductor would be liable to pay interest if the tax deducted is not deposited within the prescribed time limit as mentioned above.

A TDS Certificate would also be required to be issued by the deductor (the person who is deducting the tax i.e. the recipient) in GSTR 7A to the deductee

(the supplier whose payment is being deducted) within 5 days of depositing the TDS with the Govt.

If the TDS Certificate is not issued within 5 days from the date of deposit with the Govt., the deductor would be liable to pay late fees of Rs. 100/ day. However, the late fees levied should not be more than Rs. 5,000.

The TDS so deducted would also be visible to the suppliers in Form GSTR 2A and the supplier can include and avail the same in GSTR 2. The Supplier can take this amount as credit in his electronic cash register and use the same for payment of tax or any other liability.

7. Penalty for not complying with provisions of TDS on GST

S. No	Event	Consequence
1	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per law.
2	TDS Certificate not issued or delayed beyond the prescribed period of 5 days	Late Fee of Rs. 100 per day subject to a maximum of Rs. 5000
3	TDS Deducted but not paid to the Govt or paid later than 10 th of the succeeding month.	Interest to be paid along with the TDS amount, else the amount shall be determined and recovered as per law.
4	Late filing of TDS Return	Late fees of Rs. 100 per day for each day for which the failure continues subject to a maximum of Rs. 5000

Any excess or erroneous amount deducted and paid to the Govt shall be dealt for refund under Section 54. However, if the deducted amount is already credited to the electronic cash ledger of the supplier, the same shall not be refunded.

Chapter-11

Consultancy Policy

1. Preface

The Consultancy Policy of the Institute mentioned herein has been approved in the 108th Meeting of Board of Management held on 23.07.2018 vide item No.18/BOM/2018/1.

Considering the vision and mission of Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, one of the major research policies includes consultancy assignment apart from active research and teaching. The institute strives to promote and enhance the external profile and the societal impact of the institute includes the expertise and research inclination of the faculty members. This creates mutually beneficial opportunities for collaborative research and consultancy services. The Consultancy projects and services enrich and broaden the professional experience and knowledge of the teaching faculties. Consultancy services in an academic environment functions as a tool for contributing to the national economic growth.

2. Definition of Consultancy Services and Projects

This includes an assignment or job basically for providing expert advice, problem solving, targeted training, testing and laboratory based experimental work, market research and survey. The faculty member of the Institute or the department involved in consultancy are referred as consultants and the industry or private party or any other outside agency seeking consultancy is referred as the beneficiary.

3. General Principles of Consultancy

1. A consultancy work may be undertaken by the faculty members in their area of expertise.
2. The consultancy services should be undertaken only with prior permission of the Institute
3. It should not interfere with the discharge of prime duties of the consultant- the faculty member or the department.
4. Consultancy services should not be in conflict with the interest of the Institute.
5. In the context of the consultancy services, the consultant should not directly or indirectly get associated with any activities which may be unethical or inappropriate.

6. The two types of the consultancy are Individual Consultancy and Institutional Consultancy. Individual Consultancy is offered by a faculty member in her individual capacity. Institutional Consultancy is offered by a team of faculty members from the same discipline or different discipline of the Institute.
7. In the case of foreign Consultancies, the Institute will permit to take up the consultancy based on the nature of the consultancy work. The Consultant team has to execute a bond with the Institute.

4. Institutional policy on Revenue sharing

The consultancy fees for the consultant should be mentioned in the budget proposal submitted by the beneficiary and should be approved by the Registrar.

The distribution ratio of the consultancy fee is 60:40 for individual consultancy services or projects and 50:50 for Institutional consultancy services or projects. The institute share and the consultant share should be collected as separate demand draft.

5. Nature of tasks considered for Consultancy

- a. Establishment of laboratory / pilot plant
- b. Project for setting up a pilot plant / getting a bank loan
- c. Efficacy testing of new products
- d. Offering consultancy work in their site / factory
- e. Private agencies requesting for training of their staff
- f. Annual consultancy on contract for food quality improvement/product development
- g. Field visit for diagnosis and problem solving

6. General procedure

- (i) Consultancy proposal should be received (from the beneficiary) by the consultant (individual faculty member or the department)
- (ii) The proposal should be submitted to the Head of the Institution (HOI) and the Head of the Department (HOD).
- (iii) HOI / HOD will examine the proposal and submit it along with their recommendations to the Registrar.
- (iv) The higher authorities will consider the following aspects before recommending the proposal:
 - ❖ Extent to which the consultancy work will be undertaken by the faculty or the department in addition to their normal duties and work load.

- ❖ During the days of Institutional commitments, the consultants should not neglect their duties and concentrate on consultancy work alone.
 - ❖ The consultancy fees should be carefully proposed in the budget submitted by the beneficiary.
 - ❖ The entire consultancy service or project should be focused on the interest of the Institute in the long run.
 - ❖ All issues related to the progress of the consultancy work, handling of the budget amount and the stipulated time frame should be legally discussed with the competent authorities and should be mentioned in the agreement.
- (v) The Registrar will issue the approval letter after getting the consent of the competent authorities.
 - (vi) The consulting commitment should not exceed 30 days in an academic year for the faculty member or the department.
 - (vii) A Memorandum of Understanding should be signed between the beneficiary and the consultant before undertaking the consultancy assignment.

Disclaimer:

Registrar's decision will be final and binding in all matters regarding research.

7. Form for approval of Consultancy service:

Approval for Consultancy projects / Services submitted to Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore – 641043.

1. Name of the Organisation for whom
work is to be undertaken :
2. Nature of work to be undertaken :
3. Probable duration of consultancy :
4. Consideration money
 - a) Total receivable :
 - b) Service Tax, if any :
 - c) Total Estimated Expenditure :
 - i) Consumables :
 - ii) Travel :
 - iii) Contingency :
 - iv) Any other item :
 - d) Net amount (a-b-c) :
5. Value of Avinashilingam Institute
resources involved, if any :
 - a) Time of other staff :
 - b) Equipment and Consumables :
 - c) Other resources :
6. Permission may please be accorded to undertake outside activities as outlined above

Name of the Consultant.....

DesignationInstitute

Signed.....

Dated.....

7. Recommendation of HOI / HOD

I recommend the work outlined above being undertaken. Alternate arrangement during her non-availability has been made and the assignment would be in the interest of Institute.

Signed.....

Dated

Head of the Institution

Head of the department

PART-II – PURCHASE AND WORKS
Chapter 1

Permanent Advance and Temporary Advance

1.1. Permanent Advance or Imprest : (Rule 322 of GFR2017)

Permanent Advance or Imprest may be granted to the Departmental Heads for meeting day to day contingent and emergent expenditure in consultation with the Finance Section, keeping the amount of advance to the minimum required for smooth functioning of the Department subject to the following conditions.

- i) All imprest holders have to bear in mind that the imprest is meant only to meet urgent and unforeseen expenditure in the day to day functioning of the Department.
- ii) The imprest amount drawn shall be kept in possession of the imprest holder and the expenses shall be met out of that imprest.
- iii) Imprest holder shall invariably cancel all the original sub-vouchers so that it would be impossible to use them in support of a double or fraudulent claim.
- iv) Duplicate or Photo copy of the vouchers will not be accepted.
- v) All imprest holders will maintain Imprest Register.
- vi) The Imprest Register along with vouchers will be sent for recoupment.
- vii) The bill amount should be rounded off to the nearest rupee.
- viii) Objectionable payment not requiring detailed investigation may be disallowed and the imprest holder may be intimated accordingly.
- ix) Ledger Account should be maintained for the Permanent Imprest Account allotting separate folio for each individual.
- x) Imprest advance to Departments / Sections shall be based on the request from the concerned HOD / Section Head and past recoupment records.
- xi) Imprest advance holder can spend upto Rs.2000/- on purchase of single item, for which they cannot afford to wait for financial sanction from the competent authorities from imprest advance.

- xii) The maximum limit of Imprest Amount shall be decided and approved by the authorities based on the actual requirement.
- xiii) On inspection, at any given point of time, the total imprest amount should agree with the cash balance in hand/ bank balance and the bills on hand / bills submitted.
- xiv) At the year end, the unspent cash balance shall be remitted into Institute's Bank account on or before 31st of March under intimation to the Finance Section. The vouchers for the amount spent shall also be sent to the Finance Section for adjustment of the imprest.

1.2. Temporary Advance (Advances for Contingent and Miscellaneous purpose) (Rule 323 (1) of GFR 2017)

Temporary Advance is sanctioned when it is considered necessary for the purpose of meeting contingent expenditure of a specified kind or on a specified occasion. The Authorities of the Institute may sanction advances to an employee, for purchase of goods or services or any other special purpose needed for the management of the office, subject to the following conditions: -

- (i) The amount of expenditure being higher than the Permanent Advance available, cannot be met out of it.
- (ii) The purchase or other purpose cannot be managed under the normal procedures, envisaging post- procurement payment system.
- (iii) The amount of advance should not be more than the power delegated to the Head of the Office for the purpose.
- (iv) The Head of the Office shall be responsible for timely recovery or adjustment of the advance.
- (v) Rule 323 (2) of GFR2017: The adjustment bill, along with balance if any, shall be submitted by the government servant **within fifteen days of the drawal of advance**, failing which the advance or **balance shall be recovered from his next salary(ies)**.
- (vi) The copy of the challan for remittance of balance amount if any, into the Bank account of AIHS&HE shall be enclosed along with the adjustment Bill.

- (vii) The amount shall be spent only for the purpose for which it was drawn.
- (viii) Temporary Advance shall be adjusted by detailed bills and vouchers within 15 days from the date of receipt of Cheque.
- (ix) Separate ledger account shall be maintained for each account holder and the list of advances shall be reviewed by the Finance Section on or before 10th of every month.
- (x) All third-party payments will be made invariably by way of electronic transfer ie NEFT/RTGS/Net banking. If it is not possible, Account Payee cheque / Demand Draft can be issued. No cash Payment or Money Order will be allowed except for petty expenses.

Chapter 2

Guidelines to claim NMR wages

The following guidelines are issued for claiming wages for engagement of NMRs.

1. Proposal for engagement of NMRs detailing the works to be done and the number of man-days required along with the amount payable should be submitted to Finance Section at the beginning of the month for providing financial sanctions
2. A register containing details of sanction orders, the names of the persons engaged, the dates / number of days and the actual amount payable should be maintained in the Department.
3. At the end of the month, duly certified bills along with Nominal Muster Rolls and the register kept for the purpose duly certifying that the works have been completed satisfactorily should be submitted to the Finance Section. In case, the actual number of days engaged exceeds the number of days for which sanction was originally accorded, justification for the same should be furnished and revised sanction order obtained while submitting the claim for payment.
4. Even in respect of NMRs to be engaged on a regular basis for routine works, the above procedure will have to be followed.
5. The claim will be processed in Finance Section and a cheque issued to the HoD for making the payment under acquaintance.
6. Only in respect of NMRs engaged for very short duration for attending to unforeseen and emergent works, payments shall be made out of imprest account subject to a maximum of Rs.2000 for each work.

The above guidelines are to be followed strictly.

Chapter 3

Purchase Procedures

3.1. Terminology

- i. Tender, Bid, Quotation - Meaning: offer received from a supplier.
- ii. Tenderer, Bidder - Meaning: an entity who seeks to supply goods by sending tender / bid.
- iii. Tender Enquiry Document, Tender Document, Bidding Document - Meaning: a detailed document issued by the purchaser specifying his needs and the requirement that a potential tenderer / bidder must meet.
- iv. Notice Inviting Tenders, Invitation for Bids - Meaning: advertisement containing brief details of the requirement.
- v. Earnest Money Deposit, Bid Security - Meaning: monetary guarantee furnished by a tenderer along with its tender.
- vi. Security Deposit, Performance Security - Meaning: monetary guarantee furnished by the successful tenderer for due performance of the contract concluded with it.
- vii. Goods(Rule144 of GFR2017): The term 'goods' includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, vehicles, aircraft, ships, medicines, railway rolling stock, assemblies, sub-assemblies, accessories, a group of machineries comprising of an integrated production process or such other category of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library.

The term 'goods' also includes works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

3.2. Fundamental principles of public buying (for all procurements including procurement of works) Rule 144 of GFR2017

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. The procedure to be followed in making public procurement must confirm to the following yardsticks:

(i) The description of the subject matter of procurement to the extent practicable should -

a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.

b) not indicate a requirement for a particular trade mark, trade name or brand.

(ii) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure.

(iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist. Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.

(iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

(v) offers should be invited following a fair, transparent and reasonable procedure.

(vi) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.

(vii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

(viii) at each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

(ix) a complete schedule of procurement cycle from the date of issuing the tender to date of issuing the contract should be published when the tender is issued.

3.3. Financial Sources for purchase proposals

i) The source of finance will generally be made available to the authorities of this Institute, under the following categories, in form of allocation / sanction.

- a) Non-plan grant or maintenance grant.
- b) Plan grant or General Development Assistance grant.
- c) Earmarked special funds or project funds.
- d) Special allocation from internal resources.
- e) Special assistance from external sources.

All sanctions to the expenditure shall indicate the details of the provisions in the relevant grant wherefrom such expenditure is to be met.

ii) Before initiating any purchase or approving purchase proposals, all the functionaries / authorities should ensure the availability of finance, for their respective units or at their disposal in the form of allocation or sanction under any one of the sources mentioned.

iii) The Vice-Chancellor may allocate, sanction, re-allocate, re-appropriate, change the head of account internally of the funds received under non-plan, plan(GDA), self-financing and special assistance head of accounts, provided that no re-appropriation from Plan (GDA) to Non plan or vice versa is resorted to unless specifically permitted by UGC.

3.4. Mandatory Requirement of Financial Concurrence

(i) It is mandatory that the financial concurrence from the Office of the Finance Section has to be obtained by every Authority / Functionary while exercising their power / delegated power towards purchase of Capital goods / consumables.

(ii) While granting financial concurrence in every purchase proposal, the Finance Section should keenly evaluate the budget allocation, fund position of the respective Head of Account and compliance.

3.5. Financial powers for sanctioning expenditure

- i. Finance Officer shall sanction proposals upto Rs.5000/-.
- ii. Registrar shall sanction proposals upto Rs.15000/-.
- iii. For amount exceeding Rs.15000/- proposals shall be approved by the Vice-Chancellor.
- iv. Imprest advance to Departments / Sections shall be based on the request from the concerned HOD / Section Head on past recoupment records. Finance Officer shall approve / sanction the imprest advance.
- v. Imprest advance holder can spend upto Rs.2000/- on purchase of single item, for which they cannot afford to wait for financial sanction from the competent authorities from imprest advance.

3.6. Rate Contract.(Rule 149 of GFR2017)

DGS&D shall conclude rate contracts with the registered suppliers for such goods, which are not available on GeM, and are identified as common use items and are needed on recurring basis by various Central Government Ministries or Departments. DGS&D will furnish and update all the relevant details of the rate contracts on its website. The Ministries or Departments shall follow those rate contracts to the maximum extent possible.

3.7. Government e-Market place (GeM) (Rule 149 of GFR2017)

(a) DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services. DGS&D will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers.

(b) The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM.

(c) The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates.

(d) The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:-

(i) Up to Rs.50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.

(ii) Above Rs.50,000/- and up to Rs.30,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the competent authority.

(iii) Above Rs.30,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.

(iv) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.

(v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, outside GeM, relevant GFR Rules shall apply.

(vi) The Government buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the last purchase price on GeM, Department's own last purchase price, etc.

(vii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

3.8. Debarment from bidding (Rule 151 of GFR 2017)

- i) A bidder shall be debarred if he has been convicted of an offence-
 - (a) under the Prevention of Corruption Act, 1988 or
 - (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.
- (ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.
- (iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period of not exceeding two years, if it determines that a bidder has breached the code of integrity. The Institute will maintain such list which will also be displayed on its website.
- (iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.

3.9. Reserved Items and other Purchase/Price Preference Policy (Rule 153 of GFR 2017)

- (i) The Central Government, through administrative instructions, has reserved all items of hand spun and hand-woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by Central Government departments for exclusive purchase from KVIC and/or the notified handloom units of Association of Corporations and Apex Societies of Handlooms (ACASH).
- (ii) Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under section 11 of the Micro, Small and Medium Enterprises Development Act, 2006.

(iii) The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services

3.10. Purchase of goods-Procedures

A) Purchase of goods without obtaining prior sanction -Upto Rs.2000

Purchase of goods upto Rs.2000/-on each occasion may be made without inviting quotations/bids and without obtaining prior sanction, on the basis of a certificate to be recorded by the HODs/Section Heads/Project Holders/Course Coordinators etc. in the following format:

"I am personally satisfied that the goods purchased are of the requisite quality and specifications and have been purchased from a reliable supplier at a reasonable price". This may be met from the Imprest account.

B) Purchase of goods with quotations but without the recommendation of Purchase Committee-above Rs.2000 and up to Rs.25000

i) Purchase of goods with quotations but without the recommendation of Purchase Committee: Purchase of goods above Rs.2000 and upto the value of Rs. 25,000/- (Rupees Twenty-five Thousand) only on each occasion may be made by inviting quotations or bids and on the basis of a certificate to be recorded by the competent authority in the following format.

"I, _____, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

ii) Prior sanction is to be obtained before purchase of goods.

C) Purchase of goods by Purchase Committee -above Rs.25000 and up to Rs.2,50,000 (Rule 155 of GFR2017).

i) Purchase of goods by Purchase Committee: Purchase of goods costing above Rs.25000 (Rupees Twenty Five Thousand) and upto Rs.250000 (Rupees Two lakh Fifty Thousand) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of the following members.

1. Registrar, 2. Finance Officer, 3. Assistant Registrar 4. Dean of concerned Faculty, 5. The HOD of the concerned department.

ii) The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier.

iii) Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under.

“Certified that we _____, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question and is not debarred by Department of Commerce or Ministry /Department concerned. ”

D) Purchase of goods directly under Rate Contract:

(i) Rule 156(1) of GFR2017: In case a Ministry or Department directly procures Central Purchase Organization (e.g. DGS&D) rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the Rate Contract. The Ministry or Department shall make its own arrangement for inspection and testing of such goods where ever required.

(ii) Rule 156(2) of GFR2017: The Central Purchase Organization (e.g.DGS (D) should host the specifications, prices and other salient details of different rate contracted items, appropriately updated, on the web site for use by the procuring Ministry or Department.

(iii)) Rule 156(3) of GFR2017: A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

E) Purchase of goods by obtaining bids-Above Rs.2,50,000

Except in cases covered under Rule 154, 155 and 156(1), Ministries or Departments shall procure goods under the powers referred to in Rule 147 above by following the standard method of obtaining bids in:

- (a) Advertised Tender Enquiry
- (b) Limited Tender Enquiry
- (c) Two-Stage Bidding
- (d) Single Tender Enquiry
- (e) Electronic Reverse Auctions

(a.1). E-Publishing (Rule 159 of GFR2017)

(i) It is mandatory for all Ministries/ Departments of the Central Government, their attached and Subordinate Offices and Autonomous/Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP).

(ii) Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory e-publishing requirement. The decision to exempt any case on the said grounds should be approved by the Secretary of the Ministry/ Department with the concurrence of the concerned Financial Advisor. In the case of Autonomous Bodies and Statutory Bodies' approval of the Head of the Body with the concurrence of the Head of the Finance should be obtained in each such case. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure.

(iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, notice for pre-Qualification/ registration or any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party.

(iv) In the case of procurements made through DGS&D Rate Contracts or through any other Central Procurement Organizations (CPOs) only award details need to be published.

(v) These instructions would not apply to procurements made in terms of provisions of Rules 154 (Purchase of goods without quotations) or 155 (Purchase of goods by purchase committee) of General Financial Rules.

(a.2.) E-Procurement (Rule 160 of GFR2017)

(i) It is mandatory for Ministries/ Departments to receive all bids through e-procurement portals in respect of all procurements.

(ii) Ministries/ Departments which do not have a large volume of procurement or carry out procurements required only for day-to-day running of offices and also have not initiated e-procurement through any other solution provided so far, may use e-procurement solution developed by NIC. Other Ministries/ Departments may either use e-procurement solution developed by NIC or engage any other service provider following due process.

(iii) These instructions will not apply to procurements made by Ministries / Departments through DGS&D Rate Contracts.

(iv) In individual case where national security and strategic considerations demands confidentiality, Ministries/ Departments may exempt such cases from e-procurement after seeking approval of concerned Secretary and with concurrence of Financial Advisers.

(a.3). Advertised Tender Enquiry (Open Tender)-Above Rs.25 lakhs (Rule 161 of GFR2017)

(i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25 lakhs (Rupees Twenty-Five Lakh) and above. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website.

(ii) The organization should also post the complete bidding document in its website and on CPPP to enable prospective bidders to make use of the document by downloading from the web site.

(iii) The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded.

(iv) In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.

(v) Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian Embassies abroad as well as to the foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 may not be insisted.

(vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

(b).Limited Tender (Above 2.50 lakh upto Rs.25.00 lakh) (Rule 162 of GFR2017)

(i) This method may be adopted when the estimated value of the goods to be procured is up to Rupees Twenty-five Lakh. Copies of the bidding document should be sent directly by speed post/registered post/courier/ e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web-based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

Further, an organization should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP, the organizations should publish the tender enquiries on the Department's or Ministry's web site.

(ii) The unsolicited bids should not be accepted. However, Ministries/ Departments should evolve a system by which interested firms can register and bid in next round of tendering.

(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.

(a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.

(b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.

(c) The sources of supply are definitely known and possibility of fresh source (s) beyond those being tapped is remote.

(iv) Sufficient time should be allowed for submission of bids in limited tender Enquiry cases.

(c). Two bid system-Simultaneous receipt of separate technical and financial bids-(Rule 163 of GFR2017)

For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under: -

(a) Technical bid consisting of all technical details along with commercial terms and conditions; and

(b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed. The technical bids are to be opened by the purchasing Ministry or Department at the first instance and evaluated by

a competent committee or authority. At the second stage financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

(d). Two-Stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids) -Rule 164 of GFR2017:

(i) Ministry/Department may procure the subject matter of procurement by the method of two-stage bidding, if

(a) it is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or

(b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or

(c) Ministry/Department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or

(d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement.

(ii) The procedure for two stage bidding shall include the following, namely:

a) in the first stage of the bidding process, the Ministry/Department shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price;

(b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Ministry/ Department;

(c) the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions;

(d) in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the procurement itself, but

may add, amend or omit any specification of the subject matter of procurement or criterion for evaluation;

(e) in the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement;

(f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalized in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification.

(e).Late Bids (Rule 165 of GFR2017)

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

(f).Single Tender Enquiry (Rule 166 of GFR2017)

Procurement from a single source may be resorted to in the following circumstances:

(i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.

(ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.

(iii) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

Note : *Proprietary Article Certificate in the following form is to be provided by the Ministry/Department before procuring the goods from a single source under the provision of sub **Rule 166 (i) and 166 (iii)** as applicable.*

- (i) The indented goods are manufactured by M/s.....
- (ii) No other make or model is acceptable for the following reasons:
.....
.....
- (iii) Concurrence of Finance Section to the proposal vide:
- (iv) Approval of the competent authority vide:

(Signature with date and designation
of the procuring officer)

3.11. Maintenance contract (Rule 169 of GFR2017)

(i) Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods.

(ii) Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may, however, be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

3.12. Bid Security-EMD (Rule 170 of GFR2017)

(i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organization or the concerned Ministry or Department. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured.

The exact amount of bid security rounded off to the nearest thousands of Rupees, as determined by the Institute is to be indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

(ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.

(iii) In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

(iv) Forfeiture of EMD: EMD of tenderer will be forfeited, if the tenderer withdraws or amends its tender or impairs or derogates from the tender in any respect within the validity period of tender. Further, if the successful tenderer fails to furnish the required performance security within the specified period, the EMD will be forfeited.

3.13. Performance Security (Rule 171 of GFR2017)

(i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of five to ten per cent. of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a

Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.

(ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

(iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

(iv) Refund of Performance Security: Performance Security shall be refunded to the supplier without any interest, whatsoever, after he duly performs and completes the contract in all respects but not earlier than 60 days of completion of all such obligations under the contract.

3.14. Advance payment to suppliers (Rule 172 (1) of GFR2017)

Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments for example in the following types of cases: -

(i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.

(ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc. Such advance payments should not exceed the following limits:

(a) Thirty percent of the contract value to private firms;

(b) Forty percent of the contract value to a State or Central Government agency or a Public Sector Undertaking; or

(c) in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract. Ministries or Departments of the Central Government may relax, in consultation with their Financial Advisers concerned, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee etc. should be obtained from the firm.

3.15. Part payment to suppliers (Rule 172 (2) of GFR2017)

Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

3.16. Transparency, competition, fairness and elimination of arbitrariness in the procurement process. (Rule 173 of GFR2017)

All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

(i) The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document. The bidding document should contain, inter alia.

(a) Description and Specifications of goods including the nature, quantity, time and place or places of delivery.

(b) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc or limitation for participation of the bidders, if any.

(c) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc which may require to be met by the successful bidder.

(d) the procedure as well as date, time and place for sending the bids.

(e) date, time and place of opening of the bid and Criteria for evaluation of bids

(f) special terms affecting performance, if any.

(g) Essential terms of the procurement contract

(h) Bidding Documents should include a clause that "if a firm quotes NIL charges/ consideration, the bid shall be treated as unresponsive and will not be considered"

(ii) Any other information which the procuring entity considers necessary for the bidders to submit their bids.

iii) Modification to bidding document

(a) In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was made.

(b) In case a clarification or modification is issued to the bidding document, the procuring entity shall, before the last date for submission of bids, extend such time limit, if, in its opinion more time is required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids.

(c) Any bidder who has submitted his bid in response to the original invitation shall have the opportunity to modify or resubmit it, as the case may be, or withdraw such bid in case the modification to bidding document materially affect the essential terms of the procurement, within the period initially allotted or such extended time as may be allowed for submission of bids, after the modifications are made to the bidding document by the procuring entity:

Provided that the bid last submitted or the bid as modified by the bidder shall be considered for evaluation.

(iv) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid. The reasons for rejecting a tender or non-issuing a tender document to a prospective bidder must be disclosed where enquiries are made by the bidder.

(v) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.

(vi) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.

(vii) The bidders should be given reasonable time to prepare and send their bids.

(viii) The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.

(ix) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible

(x) Pre-bid conference: In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment or wherever felt necessary, a suitable provision is to be kept in the bidding documents for one or more rounds of pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery etc. projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date. The records of such conference shall be intimated to all bidders and, shall also be exhibited on the website(s) where tender was published.

(xi) Criteria for determining responsiveness are to be taken into account for evaluating the bids such as: (a) time of delivery. (b) Performance/ efficiency/ environmental characteristics. (c) the terms of payment and of guarantees in respect of the subject matter of procurement (d) price. (e) cost of operating, maintaining and repairing etc.

(xii) Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; No new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.

(xiii) Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.

(xiv) **Negotiation (Rule No.173 of GFR2017):** Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.

(xv) In the Rate Contract system, where a number of firms are brought on Rate Contract for the same item, negotiations as well as counter offering of rates are permitted to the bidders and for this purpose special permission has been given to the Directorate General of Supplies and Disposals (DGS&D).

(xvi) Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad-hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.

(xvii) Procurement of Energy Efficient Electrical Appliances: Ministries/ Departments while procuring electrical appliances notified by Department of Expenditure shall ensure that they carry the notified threshold or higher Star Rating of Bureau of Energy Efficiency (BEE).

(xviii) The name of the successful bidder awarded the contract should be mentioned in the CPPP, Ministries or Departments website and their notice board or bulletin.

(xix) Rejection of all Bids is justified when

- a. effective competition is lacking.
- b. all Bids and Proposals are not substantially responsive to the requirements of the Procurement Documents.

c. the Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget; or

d. none of the technical Proposals meets the minimum technical qualifying score.

(xx) Lack of competition in rule 173 shall not be determined solely on the basis of the number of Bidders. Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied:

a. the procurement was satisfactorily advertised and sufficient time was given for submission of bids.

b. the qualification criteria were not unduly restrictive; and

c. prices are reasonable in comparison to market values

(xxi) When a limited or open tender results in only one effective offer, it shall be treated as a single tender contract.

(xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement exceeds Rs. 25 lakhs.

3.17. Buy-Back Offer-(Rule 176 of GFR2017):

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

3.18. Tender Committee

A Tender Committee shall be constituted by the Vice-Chancellor for the purchase of goods above Rs.2,50,000/- (both for limited tender and open tender). The committee shall consist of the following members.

- i) Registrar
- ii) Dean of the Faculty / HOD of concerned department
- iii) Assistant Registrar
- iv) HOD from another department nominated by the Vice-Chancellor
- v) Technical Expert, if necessary
- vi) Finance Officer

The Dean /HOD / Project holder / Course Coordinator shall be the member and convener of the Committee.

In the case of purchase of sophisticated item of equipments, one technical expert from outside the AIHS&HE will be included in the Committee with prior approval of the Vice-Chancellor. For all the purchase proposals, 50% of the members will form the quorum of the Committee.

3.19. Registration of Suppliers-(Rule 150 of GFR2017)

i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Central Purchase Organization (e.g. DGS&D) will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as "Registered Suppliers". All Ministries or Departments may utilise these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids.

ii) The office of the Vice-chancellor may also register suppliers of goods which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity.

iii) The Vice-chancellor on the recommendation of the Finance Officer, Assistant Registrar and the Registrar may approve registration of suppliers of goods, which are specifically required by the Institute, especially for supply of goods like laboratory wares, equipments, chemicals, stationeries, furniture and other items. This registration of suppliers may be undertaken and such registered suppliers are prima facie eligible for consideration for procurement process may be taken up once in two years; after wide publicity in national news papers is given by the Development Section of the Institute. The Deans, HODs& PIs may also recommend suppliers of goods which are specifically required by the department or office for incorporating in the registered list of suppliers.

iv) Credentials, manufacturing capability, quality control systems, past performance, after sales service, financial background etc. of the supplier(s) should be carefully verified before registration.

v) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending upon the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.

vi) The registered supplier(s) are liable to be removed from the list of approved suppliers, if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply substandard goods or make any false declaration to the Institute or in the opinion of the Institute his continuance as registered supplier is not in public interest, without any advance notice.

3.20. Repeat Order

a) Repeat order may be placed within 6 months from the date of original purchase order.

b) The indenter has to certify that there was no downward trend in the price during the intervening period.

c) In case quantity of the item proposed to be purchased now, exceeds the quantity purchased in the earlier / original purchase order, then (i) either fresh

quotation has to be called for, (ii) or the rate per piece quoted in the original / earlier purchase order is required to be negotiated. This strategy is required to be adopted as rate per piece may decrease due to increase in the quantity.

3.21. Purchase by Imports

Items not available indigenously or if the indigenous materials are not technically suitable, purchase may be made by Imports from foreign sources. Such requirements shall be notified in the Indian Trade Journal and given wide publicity. DGS&D may be consulted regarding the availability of such items indigenously.

i) Letter of Credit is opened only after receiving the acknowledgement of Purchase order from the Manufacturer / Supplier. As the foreign exchange rate is subject to the fluctuation in accordance with condition prevailed in international market, due care should be taken to open LC, as quickly as possible from the date of opening of the tender. Otherwise the Institute will be forced to bear additional unnecessary cost due to upward fluctuation in Forex rates.

ii) The supplier shall be responsible for obtaining the necessary Export Licence / Permit / Authorization from the respective government for exporting the Materials / Materials / Equipment to India, and all expenses incidental to the execution of statutory and non-statutory obligations in this regard shall be to supplier's account.

iii) In case of LCs, bank charges outside India including confirmation charges, if any, shall be to the supplier's account. The documents for payment shall be presented to the purchasers' bank by the supplier within 21 days of shipment of Materials / Equipment.

iv) The Letters of Credit opened for purchase of imported goods shall be entered in a separate register by the Department. The payments made against the Letter of Credit shall be noted in the register as and when the intimations are received from the Bank.

v) Steps should be taken to ensure that the imported items are cleared through customs immediately. The Finance Section must process the bills regarding customs duty, freight charges and insurance within 2 working days, to avoid demurrage charges.

Vice-Chancellor's sanction should be obtained for payment of demurrage / wharfage charges if any.

vi) Pre-installation including site preparation requirements may be obtained from the manufactures in advance, and steps should be initiated accordingly for site preparation, well before installation of the equipment.

vii) Suitable mechanism should be evolved to detect damages if any, in the imported equipments at the time of inspection and to prefer claims with Insurance Companies, suppliers etc. well in time.

(viii) The Registrar's Office shall place orders and arrange to open LC immediately by obtaining the necessary sanctions. The Deputy / Assistant Registrar (Development) shall work in close co-ordination with the Finance Officer and shall keep the Finance Section posted at every stage till the instrument is received by the Department.

(ix) On arrival of the cargo, the concerned HOD or his representative or project investigator shall arrange for release of equipment through cargo clearing agents and shall also involve himself with clearance, in order to expedite the process.

3.22. Procedure for purchase of Major Scientific Equipment costing more than Rs.25.00 Lakh

1. Every Department, Centre, Project Investigator should take diligent care in purchase of scientific equipment particularly high value items costing more than Rs.25.00 Lakh, to ensure a transparent, competitive and fair approach, to secure best value for money spent in this regard. After purchase of such costly equipment, the concerned Deans / HODs/ PIs should take responsibility for optimum utilization of such equipment and which should not be left unused or under repair for a long time. Under-utilization and non-utilization of such costly equipment, owing to the negligence of the concerned in-charge will be viewed seriously.

2. The detailed procedure to be followed for purchase of such costly equipment is as follows: -

i) The user Department should work out and finalize the technical details and specification of the equipment to be purchased in consultation with prospective

user of Department. If needed, the opinion of the external expert may also be obtained. The proposal should include the following:

a) The justification for procurement should include the list of end user and their requests;

b) Identification of the site of installation in co-ordination, if needed with Engineering Section;

c) Identification of proper technical / scientific personnel and a faculty, who would be in charge & responsible for the installation, performance and maintenance of the scientific equipment and who would be willing to render services to all user within and outside the department.

ii) The Proposal for purchase should be submitted to the Registrar along with the following details: -

(a) End Users and justifications;

(b) Source of funds;

(c) Acceptance from the identified faculty member who will be taking charge of the instrument and provide services;

(d) A detailed technical specification (provisional) of the instrument for incorporation in the tender document, if the proposal is accepted;

(e) Approximate or probable cost of the equipment.

(iii) After the receipt of the proposal, the Institute administration shall put up the same for consideration within a period of one week (seven working days) from the date of receipt of the proposal. If there are any shortcomings in the proposal, the same shall be called for from the department within 3 working days of the receipt of the proposal.

(iv) If the proposal is approved, the concerned Department shall prepare the tender document with the provisional technical details, and float the same.

(v) The Institute will notify the tenders in at least one national English Daily and one Tamil Daily newspaper. Tenders shall be in two parts, Technical and Financial.

(vi) The technical tenders shall be opened in the presence of Purchase Committee members, for further study.

(vii) Technical Evaluation of Bids:

a. The Technical Committee should first prepare the detailed "Technical Comparative Statement" which should also include clear comments on the advantages and disadvantages in each of the makes. The technical comparative statement should be an exhaustive document for technically selecting one or more bidders for further consideration by the fully constituted "Technical Evaluation Committee" with external experts.

b. The Technical Evaluation Committee will consist of HODs of all user departments, person proposed to be in-charge of equipment and external experts to be nominated with the approval of the Vice Chancellor. The T.A. and D.A to the external experts shall be paid by Institute.

c. The Technical Evaluation Committee will examine the technical bids and shortlist the technically qualifying bids, then prepare a list of final requirements consisting of main equipment, spares and other conditions carefully deleting unwanted items given by bidders and also including those omitted by them. (This list will be used while negotiation). The first elimination of the technical bids shall be based on the major / essential specifications which do not meet the basic requirement. The Technical Evaluation Committee can decide to overlook a few very minor deviations which, it feels, are not of significance and will not affect the full use of the instrument. This should be recorded in writing.

d. The Technical Evaluation Committee, if finds necessary, may call for a presentation by qualified bidders, before preparing a final list of requirements.

e. During the purchase of highly sophisticated Scientific equipment used for advance research and teaching in Universities, it has been the experience that international manufactures come out with improvements in technology and innovative facilities, almost every year, and such changes and innovative facilities are normally not known at the time of floating tenders; and hence a general specification tenders are floated. It has also been the experience that only after studying the latest technical tender and listening to the presentations of manufactures, the researcher realizes to narrow down his requirements, which obviously would change the costing.

If the finally prepared list of specification by the Technical Evaluation Committee, after studying the technical bids, is in deviation from the quoted lists of the qualified bidders which may contain unwanted items of least priority, and is likely to affect the cost, then the committee may decide to invite a revised proforma invoice based on the final specification requirement lists prepared by the Technical Evaluation Committee. The option shall be extended to all qualified bidders to bring them on same platform of technical requirement and allow them to make their revised offer again in sealed covers, within a stipulated date.

3.23. Procedures to be followed in bid Opening:

Immediately after the deadline for bid submission, the Bid Opening Committee shall proceed to the bid opening.

i) The authorized representatives of bidders, who intend to attend the tender opening in OTE/GTE/LTE are to bring with them letters of authority from the corresponding bidder. The prescribed format for the letter of authority for attending the bid opening should be given in the bidding document. All bid-opening activities should be carried out demonstrably before such a gathering. The bid opening attendance sheet and report are to be maintained.

ii) At a prescheduled date and time, the BOC of the day should get the particular tender box opened, after ensuring and demonstrating that the seal on the box has not been tampered with. All bids should be collected from the tender box. Bids for tenders not opening on that day should be put back into the box and the box resealed. Sometimes, there would be tenders dropped wrongly into this tender box. Such wrongly dropped tenders with appropriate endorsement should be put into the appropriate box or sent to the Tender Committee (TC) concerned, if the date of opening is over. The bids for different tenders opening on the day (including oversized bids, which were submitted to designated officers) should be sorted, and a count for each tender should be announced and recorded, particularly noting any modifying/altering/withdrawal of bids. BOC should ensure and demonstrate that bid envelopes are duly sealed and untampered. Late bids should be separately counted but kept aside and not opened. In the case of an advertised tender enquiry or limited

tender enquiry, late bids (that is, bids received after the specified date and time for receipt of bids) should not be considered (Rule 165 of GFR 2017);

iii) After opening, every tender shall be numbered serially (say 3/14 – if it is the third bid out of 14 total), initialed, and dated on the first page by the BOC. Each page of the price schedule or letter attached to it shall also be similarly initialed, particularly the prices, delivery period, and so on, which shall also be circled and initialed along with the date. Any other page containing significant information should also be dealt with similarly. Blank tenders, if any, should be marked accordingly by the BOC. The original (and duplicate, if any) copies in a tender set are to be marked accordingly by the BOC;

iv) Erasure/cutting/overwriting/use of whitener/columns left unfilled in tenders, if any, shall be initialed along with date and time and numbered by the officials opening the tenders and total number of such noticed alterations (or the absence of any alteration) should be explicitly marked on the first page of the bid. Wherever quantity/amount is written only in figures, the BOC should write them in words. All rebates/discounts should be similarly circled, numbered and signed. In the absence of any alteration/overwriting/whitener/ blanks, the remark “no corrections noted” should be written. Similarly, the absence of discounts should be marked with “no discounts noted;”

v) The BOC is to announce the salient features of the tenders such as description and specification of the goods, quoted price, terms of delivery, delivery period, discount, if any, whether EMD furnished or not, and any other special feature of the tender for the information of the representatives attending the tender opening. No clarifications by tenderers should be entertained or allowed to be recorded during the bid opening. It should be understood that BOC has no authority to reject any tender at the tender opening stage;

vi) Proper sealing and codification need to be done on samples as well for samples which accompany the bid. These should be kept for reference under lock and key. Details should be recorded in the sample register maintained in the opening section. Documents related to money should be noted in the bid opening report/register and handed over to the Finance Section for safe custody and monitoring; and

vii) A bid opening report containing the names of the tenderers (serial number wise), salient features of the tenders, as read out during the public opening of tenders, will be prepared by the tender opening officers, and duly signed by them along with the date and time. The tenders that have been opened, list of the representatives attending the tender opening, and bid opening report are to be handed over to the nominated purchase officer and an acknowledgement obtained for him.

3.24. Cost of Tender documents:

Tender documents should preferably be sold or available for download up to date of opening of tenders and this should be clearly indicated in the documents. The Institute should also post the complete tender document in the website and permit prospective tenderers to make use of the document downloaded from the website. The tender document fee should be as low as possible considering the cost/effort of preparing documents. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.

Normally, in Single Tender Enquiry, Limited Tender Enquiry and Proprietary Articles, no cost of tender document is collected.

Suggested Cost Of Tender Documents in OTE, GTE Tenders	
Estimated Value of Tender	Tender Document Cost
Below Rs 25 lakh	Rs. 500
Rs 25 Lakh to Rs 2 crore	Rs. 1,500
Rs 2 crore to Rs. 25 crore	Rs. 2,500
Rs 25 crore to Rs. 50 crore	Rs. 5,000
Above Rs 50 crore	To be decided on case to case basis

3.25. Purchase of library books:

A separate manual on 'Library Policy and Procedures' approved in the 108th of BOM held on 23-07-2018 is available, wherein detailed procedures for purchase and accounting of library books are dealt with.

3.26. Relaxation of the Rules and Procedures of AIHS&HE

The Vice-Chancellor on the recommendations of Departmental Purchase Committee or any other Committee may, for reason to be recorded in writing, grant relaxation on these rules and procedures in specific cases, in the interest of the Institute to save time, money and in the cases of urgency and justified exigency.

3.27. Specimen Format for Inviting Quotations:

Appendix-I

AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER EDUCATION FOR WOMEN Coimbatore. 641043. Tamilnadu.

Ref:

Date:

Sir / Madam

On behalf of the Avinashilingam Institute for Home Science and Higher Education for Women, sealed bids / quotations / tenders are invited from the Registered / reputed suppliers. Quotations will be received upto 3.00 PM on and the same will be opened at 4.00 PM on the same day in the presence of the available bidders / tenderers / their representative of the firms.

Sl.No.	Name of items with specifications	No. of Qty. required

Configuration of the items to be sold under Buy-back scheme

Sl.No.	Name of items with specifications	No. of Qty. available

Terms and conditions

- The rate should clearly indicate the unit / numbers
- The rate should include duties and taxes and also packing and forwarding charges.
- The period upto which the materials / equipments are guaranteed / warranty period should be indicated separately.
- The nearest service point should also be indicated in the offer.
- The offer should be as far as possible from ready stock.
- Where the offer is not from ready stock, the period before which supply will be effected should be indicated.
- The mode of payment should be specified.
- GST / PAN may be indicated. The rate and the amount of GST should be separately shown. The price quoted should be in Net. (including freight charges if any).
- Payment will be made within fifteen days from the date of the receipt of materials and duly certified by the officers concerned / within a week of the satisfactory completion of the work.
- Validity of offer should be normally for 60 days from the date of the offer. If otherwise, the period should be specifically mentioned in the offer.
- Quotations should be addressed to:

AIHS&HE Finance and Accounts Manual

- The Registrar,
Avinashilingam Institute for Home Science and Higher Education for
Women,
Coimbatore-641043
Tamil Nadu.
- Sealed envelope should be addressed & sent to :
The Head / Dean
Dept. of _____/ Faculty of _____
Avinashilingam Institute for Home Science and Higher Education for
Women,
Coimbatore-641043, Tamil Nadu.
Sealed envelope should be superscripted as "Quotation for purchase of
_____ Last date: _____"
- The above terms and conditions also be visited in our website: www.avinuty.ac.in.

REGISTRAR

3.28. Specimen Format for Purchase Proposal under Tender System Appendix-II

AVINASHILINGAM INSITUTE FOR HOME SCIENCE AND HIGHER EDUCATION FOR WOMEN

Coimbatore. 641043. Tamil Nadu.

Part A : Purchase Proposal under Tender System

Date:

1. Name of the Faculty / Dept. / :
Section / Project
2. Name & Description of the :
item(s) to be purchased
3. Amount of the Proposal : Rs.
(Rupees _____ Only)
- 4(a). Present similar stock position :
with status / condition
- 4(b). Whether the item proposed Yes / No (*If 'Yes' Annexure-B to be annexed*)
to be purchased under buy
back scheme
5. Budget Head in which : Non-Plan/Plan/Projects/CDF/Others (Specify)
expenditure to be met from _____
Sub Head :
6. Pl. tick the method followed : Single Tender / Limited Tender / Open
for inviting Tender
bid/quotation/tender
(In the case of limited
tender more than 3
quotations are required)
- 7(a) Justification for single :
tender with estimate
- 7(b). Whether Comparative : Yes / No
Statement Annexure-A
enclosed is duly scrutinized
by the Purchase Committee
8. Amount of advance if :
required
(As per GFR payment of
advance to suppliers is
discouraged)
- 8(a). To whom advance is to be :
paid
9. Details of previous pending :
advance(s)

AIHS&HE Finance and Accounts Manual

- 9(a). If pending advance(s) :
remains unsettled, Pl. give
reason
- 9(b). Justification for requesting :
fresh advance even though
earlier advance(s) remains
pending settlement

Signature of the Proposer with seal

Part B :Remarks on the Proposal by Finance Section

1. Whether purchase procedure has : Yes No
been fully followed for the
amount proposed
2. If No, specify the lapses noticed :
in a separate sheet to enable the
proposer to set right the lapses
3. Whether the above lapses : Yes No
noticed were duly set right

Recommendation of the proposal processing section :

Part C : Budget provision by the Finance Section

Proposal No.	:	
Account No.	:	
Major Budget Head	:	
Sub Budget Head	:	
Budget Allotment	:	
Provision so far made	:	_____
Balance available	:	_____
Less: Current Proposal	:	_____
Net balance available	:	_____

Remarks of the Finance Section if any:

Dealing Asst.

Section Officer

Finance Officer

Part D :

Approval of the Authorities

FINANCE OFFICER

REGISTRAR

VICE-CHANCELLOR

CHECK LIST

Whether the Purchase Committee verified the following:

1. All sealed quotations/bids/tenders were received within the date and time mentioned in the call letter : Yes / No
(Late receipt of quotations shall be rejected)
2. The Specification of the items furnished in the quotation are exactly the same as in the call letter : Yes / No
3. Proof for having dispatched the quotation call letters by Speed Post / Regd. Post/Couriers and web publicity (in case of Limited Tender / Open Tender) is verified
Yes / No
4. Whether GST/PAN has been mentioned by the suppliers in the quotation
5. A. No. of quotations invited:
B. No. of quotations received:
C. No. of quotations rejected:
6. Whether the quotations were opened in the presence of the quotationers / bidders/Tenderers or their representatives Yes / No:
Yes No
7. Whether the sealed envelopes and the quotations were duly signed by the members of the Tender Committee or its authorised officer with date.
: Yes No

3.29. Format for Comparative Statement

Annexure - A

COMPARATIVE STATEMENT

Sl. No.	Specification of the items as prescribed in the quotation call letter	Qty.	Rate quoted by the bidders							
			Agency 1		Agency 2		Agency 3		Agency 4	
			Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount

Recommendations of the Purchase Committee:

Member 1* Member 2* Member 3* Member 4* Chair Person / Convener*

*Signature with date

Annexure – B

DETAILS OF THE ITEM(S) PROPOSED TO BE SOLD UNDER BUY-BACK SCHEME

1.	Name of the item(S) Note : Please mention the period of warranty	:	
2.	Date of purchase of the item(S)	:	
3.	Name of the grant / SB Account utilized for purchase of the items(s)	:	Non-Plan / Plan / Projects / CDF/ Others (Specify) _____
4.	Original cost of the item as per Stock Register with page no.	:	
5.	Whether Technical Report of the item(s) to be sold is enclosed	:	

Signature of the Proposer with seal

AIHS&HE Finance and Accounts Manual

Depreciation for the items worked out by the Finance Section I / II

1.	Financial year in which purchase was made	:	
2.	Actual cost as per the books of account	:	
3.	Less : Depreciated value upto previous year	:	
4.	Net value for the current year to be written off or otherwise to account appropriately	:	
5.	Sale price offered by the supplier	:	
6.	Amount of Profit / Loss (Sl.No. 5-4)	:	

Finance Officer

Chapter 4
Guidelines relating to Works Contracts

4.1 Original works and Repair works

- i. Rule 130 of GFR2017: Original works means all new constructions, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodeling or replacement.
- ii. Repair works means works undertaken to maintain buildings and fixtures.
- iii. Administrative control of works includes (Rule 131 of GFR2017):
 - a) Assumption of full responsibility for construction, maintenance and upkeep;
 - (b) Proper utilization of buildings and allied works;
 - (c) Provision of funds for execution of these functions.

There are four main stages in the project for a work, namely, administrative approval, expenditure sanction, technical sanction, and appropriation or re-appropriation of funds.

4.2. Administrative Approval and Sanction (Rule 136(1) of GFR2017)

- (a) No works shall be commenced or liability incurred in connection with it until,
 - (i) administrative approval has been obtained from the appropriate authority in each case;
 - (ii) sanction to incur expenditure has been obtained from the competent authority;
 - (iii) a properly detailed design has been sanctioned; while designing the projects etc, principles of Life Cycle cost may also be considered;
 - (iv) estimates containing the detailed specifications and quantities of various items have been prepared on the basis of the Schedule of Rates maintained by CPWD or other Public Works Organizations and sanctioned;

- (v) funds to cover the charge during the year have been provided by competent authority;
 - (vi) tenders invited and processed in accordance with rules;
 - (vii) a Work Order issued.
- (b) On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out under GFR 136.1 cannot be complied with, the concerned executive officer may do so on his own judgement and responsibility. Simultaneously, he should initiate action to obtain approval from the competent authority and also to intimate the Finance Officer. -Rule 136(2) of GFR2017
- (c) Any development of a project considered necessary while a work is in progress, which is not contingent on the execution of work as first sanctioned, shall have to be covered by a supplementary estimate.

4.3. Group of similar works (Rule 137 of GFR2017)

- (a) For purpose of approval and sanctions, a group of similar works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other.
- (b) **Rule 138 of GFR2017:** Any anticipated or actual savings from a sanctioned estimate for a definite project, shall not, without special authority, be applied to carry out additional work not contemplated in the original project.

4.4. Powers to sanction works

a) New Works:

S. No.	Value of work in Rs.	Sanctioning Authority
1.	Upto Rs.1 lakh	Registrar
2.	Above 1 lakh and Upto Rs.15 lakhs	Vice-Chancellor
3.	Above Rs.15 lakhs to 75 lakhs	Building Committee
4.	Above Rs.75 lakhs	BOM

b) Repair and Maintenance/Renovation of Building

- | | |
|---|--------------------|
| 1. Upto Rs.1.00 lakh | -Registrar |
| 2. Above 1.00 lakh and upto Rs.5.00 lakhs | -Vice-Chancellor |
| 3. Above Rs.5.00 lakhs | -Finance Committee |

4.5. Procedure for Execution of Works (Rule 139 of GFR2017)

The broad procedure to be followed by the Institute for execution of works under its own arrangements shall be as under:

(i) The detailed procedure relating to expenditure on such works shall be prescribed generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Central Public Works Department (CPWD);

(ii) Preparation of detailed design and estimates shall precede any sanction for works;

(iii) No work shall be undertaken before Issue of Administrative Approval and Expenditure Sanction by the competent Authority on the basis of estimates framed;

(iv) Open tenders will be called for works costing Rupees five lakh and above;

(v) Limited tenders will be called for works costing less than Rupees five lakh;

(vi) Execution of Contract Agreement or Award of work should be done before commencement of the work;

(vii) Final payment for work shall be made only on the personal certificate of the

Engineer who is in-charge of execution of the work in the format given below:

"I, Executing Officer of (Name of the work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is up to the standards followed in the Industry."

4.6. Tendering and award of works contract

The following guidelines are issued for the tendering and award of works contracts.

- i) All the proposals for new construction shall have the administrative approval by the competent authority and shall be cleared by the Building Committee.
- ii) Estimates are to be prepared based on the CPWD Schedule of Rates.
- iii) Wherever rates have been worked out due to non-availability of rates in the Standard Schedule of Rates, the workings thereof have to be furnished along with estimates separately.
- iv) Wherever market rates are adopted, evidence in the form of quotations obtained or a certificate that market rates are adopted based on oral enquiry or market survey has to be furnished.
- v) Name of work to be executed giving detailed narration should be clearly mentioned in the estimates.
- vi) Estimates are to be prepared under broad headings like, site preparation, earth work, concreting work, masonry, flooring, plastering etc. and an abstract of the same has to be given. Separate estimates will be prepared for civil and electrical works.
- vii) All the proposals after scrutiny by Engineering Section are to be submitted to Finance section for making financial provisions. The proposal will then be submitted to competent authority for approval. On approval by competent authority, Engineering Section will issue sanction orders.

- viii) Works estimated to cost upto Rs. 15 lakhs for new construction and all repair and maintenance works estimated to cost upto Rs. 10 Lakhs shall be executed departmentally by the Engineering Department. All other works shall be entrusted to CPWD or other Public Sector Undertakings or Registered Contractors.

4.7. Works executed departmentally by AIHS&HE

- i) Tender procedure will be followed as per GFR provisions.
- ii) Collect EMD from the contractors by Demand Draft in favour of the Registrar, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore and remit EMD into the respective accounts from which works are budgeted.
- iii) The proposal will be placed before a duly formed Tender Committee for scrutiny along with comparative statements of bids received.
- iv) The Tender Committee must certify in their recommendations whether the tenders submitted by the contractors are from registered contractors of CPWD/PWD or AIHS&HE.
- v) Abnormal variation (more than 10%) between estimates and quoted rates should be properly explained.
- vi) Works should be placed with lowest quoted party. In case L1 is not considered, justification for the same is to be stated. No negotiation will be held as far as possible.
- vii) Work orders issued should contain clauses relating to levy of liquidated damages for delay in completion, arbitration clause etc. The General Conditions of Contract may be got approved and the same will form part of all agreements.
- viii) If the works are not commenced within 15 days of issue of work order, the contract should be cancelled and the EMD forfeited.
- ix) Contractors are to be asked to submit Running Account bills (Part Bills) preferably on a quarterly basis duly certified for measurements.

- x) Final bills of contractors are to be duly counter-checked for measurements and certified that the works have been completed satisfactorily without any deficiency.
- xi) All recoveries towards departmental supplies, if any, liquidated damages if applicable, security deposit and other statutory deductions etc are to be made from the final bill.
- xii) In case, the contractor is not able to complete the work or abandons the work, the balance work will be got executed through another contractor at the cost and risk of the original contractor.
- xiii) The security deposit withheld will be released on completion of the specific period mentioned in the contract subject to satisfactory condition of the new construction. If any defects are noticed, the same will be got rectified by the contractor.
- xiv) A Works Register shall be maintained to record expenditure relating to each work separately.
- xv) A contractors' Ledger shall be maintained to record all Running Account bills and final bills with details of recoveries made.
- xvi) On completion of the work, the date of taking over with the certificate that the works have been satisfactorily completed in all respects shall be intimated to Finance section for capitalization of the expenditure.
- xvii) Minor works upto a value of Rs.25,000/- may be got executed by Engineering department without inviting quotations but after getting sanction order from the authorities.
- xviii) Monitoring system: A Monitoring Committee constituted by the Registrar on the basis of specialisation of the works executed, shall approve the completion of works. The Monitoring Committee shall consist of one technical person who shall measure 10% of the executed works. The Committee shall recommend modifications or any other suggestions if needed which shall be carried out by the Contractor. After the completion

of works satisfactorily, the Committee shall recommend for release of payment of the final bill.

- xix) Measurement Books (M-Books) and check measurement: The measurement book (both for new construction and maintenance works) is the basis for all accounts related to quantities of works done. It shall be written clearly so that the items are traceable in the specified work. While recording measurements adequate care must be taken apart from check measuring the same. The M-Book has to be preserved for future. This is also relied as evidence when a dispute arises. If needed, a computerised form adhering to the measurement book format shall be used. As per procedure followed in CPWD, the contractor shall record measurements and submit a hardcopy. These shall then be 100% check measured by the Supervisor. The contractor shall incorporate any changes suggested (by the Engineer or his supervisor), and submit the same with machine numbered pages in the form of a book.

- xx) Check measurement:

% of Work done	Check measurement done by
100% of the work done	Supervisor /Junior engineer in the Institute
50% of the work done	Institute Engineer
25% of the work done	Consulting Engineer

All the concealed items shall be test checked by the Engineer / HOD of Department concerned. The computerised measurement book shall be given a serial number and maintained in a separate register so that every detail is made available for future reference.

4.8. Works entrusted to CPWD, PWD or Public Sector Undertakings

- i. After getting the approval of the Building Committee based on preliminary estimates and drawings, administrative approval will be given and

CPWD/PWD/ Public Sector Undertakings will be asked to submit the detailed estimates.

- ii. On receipt of detailed estimates, each item shall be scrutinized to check the rates, quantity adopted and whether the estimates are prepared in accordance with the requirements.
- iii. After getting financial sanction, CPWD will be asked to take up the work with the approved estimates. On receipt of the demand, advance will be released to CPWD/PWD/ Public Sector Undertakings.
- iv. Monthly statement of physical and financial progress of the work along with Form No.65 shall be obtained from CPWD/PWD/ Public Sector Undertakings.
- v. On completion of the work, Form No.65, Completion Report along with related documents, Cost Statement showing the details of expenditure handing over - taking over report shall be submitted to Finance Section for accounting purpose.
- vi. The status of all the works at the end of the year along with expenditure incurred upto March shall be furnished to Finance Section. If any liability is to be provided for in respect of outstanding bills submitted by the contractor, details of such bills may be intimated to Finance section, for making provisions.
- vii. The value of work in progress upto the end of March shall be properly calculated and be taken into account while finalization of accounts.

Specimen: Check List

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE, 641043. TAMILNADU
ENGINEERING DEPARTMENT**

Name of Agency	
Sanction No.	
Notice Inviting Tender No.	
Name of Work	
Estimated Cost	
Earnest Money	
Security Deposit	
Time Allowed	
Last date & time of submission of Tender	
Period during which EMD and other Documents shall be submitted	
Time and date of opening of tenders	
Certified that this NIT contains _____ Pages.	
Registrar	

Specimen

FORM-06

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE, 641043. TAMIL NADU
ENGINEERING DEPARTMENT**

NOTICE INVITING TENDER

Ref: AIHS&HE (DU)/ES/- /2019-2020

Date:

1) Item rate tenders are invited on behalf of the Registrar of the Avinashilingam Institute for Home Science and Higher Education for Women from approved and eligible contractors of CPWD/MES/BSNL/Railways/ Public Sector Undertaking and SPWD for the work

of _____

_____.

The enlistment of the contractors should be valid on the last date of sale of tenders.

In case only the last date of sale of tender is extended, the enlistment of contractor should be valid on the original date of sale of tenders.

In case both the last date of receipt of application and sale of tenders are extended, the enlistment of contractor should be valid on either of the two dates i.e. original date of sale of tender or on the extended date of sale of tenders.

1.1) The work is estimated to cost Rs. _____. This estimate, however, is given merely as a rough guide.

1.1.1) The authority competent to approve NIT for the combined cost will consolidate NITs for the calling of tenders. He will also nominate the Department/Section which will deal with all matters relating to invitation of tenders.

For composite tender, besides indicating the combined estimated cost put to tender, should clearly indicate the estimated cost of each component separately. The eligibility of tenderer will correspond to the combined estimated cost of different components put to tender.

1.2) Tenders will be issued to eligible contractors provided they produce definite proof from the appropriate authority, which shall be to the satisfaction of the competent authority, of having satisfactorily completed similar works of magnitude specified below:

Criteria of eligibility for issue of tender documents:

1.2.1) Successful completion of three similar works each for value not less than 40% of the estimated cost put to tender or Two similar works each for value not less

than 60% of estimated cost put to tender or one similar work each for value not less than 80% of the estimated cost put to tender during last seven years.

For the purpose of this clause 'Similar work means the works as in schedule.

1.2.2) To become eligible for issue of tender, the tenderer shall have to furnish an affidavit as under: -

I/We undertake and confirm that eligible similar work(s) has/have not been got executed through another contractor on back to back basis. Further that, if such a violation comes to the notice of the Institute, then I/We shall be debarred for tendering in the Avinashilingam Institute for Home Science and Higher Education for Women, in future forever. Also, if such a violation comes to the notice of Institute before date of commencement of work, the Engineer-in-charge shall be free to forfeit the entire amount of Earnest Money Deposit/Performance Guarantee.

2) Agreement shall be drawn with the successful tenderer on prescribed CPWD Form No. 08 which is available as a Government of India publication, and also available on the website www.cpwd.gov.in. Tenderer shall quote his rates as per various terms and conditions of the said form which will form part of the agreement.

3) The time allowed for carrying out the work will be _____ from the date of commencement as defined in Schedule 'F' or from the first date of handing over of the site, whichever is later, in accordance with the phasing, if any, indicated in the tender documents.

4) The site for the work is the Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore. (Or)

The site for the work shall be made available in part as specified below:

5) Applications for issue of Tender forms shall be received by _____ (4.00 PM) and tender documents shall be issued on _____ (4.00 PM)

Tender documents consisting of plans, specifications, the schedule of quantities of the various classes of work to be done and the set of terms and conditions of contract to be complied with by the contractor whose tender may be accepted and other necessary documents can be seen in the Office of the Institute Engineer, Avinashilingam Institute for Home Science and Higher Education for Women,

Coimbatore between hour of 10.00 A.M. and 5.00 PM from _____ to _____ everyday except on Saturday, Sunday and Public Holidays. Tender Form can also seen from the Institute web site www.avinuty.ac.in. Tender documents, excluding standard form, will be issued from the Office of the Institute Engineer, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, during the hours specified above, on payment of the following:-

(i) Rs. _____ on payment of Demand Draft in favour of the "**The Registrar**, Avinashilingam Institute for Home Science and Higher Education for Women," (or) the amount may also be remitted into **Indian Bank in the Institute Campus in the Account No.** as cost of tender and

(ii) Earnest Money of Rs. _____ (2% of the Estimated Cost upto Rs. 10 Crores and Rs. 20 Lakhs plus 1% of the estimated cost in excess of Rs. 10 Crores) in the form of Demand Draft in favour of the "**The Registrar**, Avinashilingam Institute for Home Science and Higher Education for Women" (or) the amount may also be remitted into **Indian Bank Account No. in the Institute Campus.**

6) After submission of the bid, the contractor can re-submit revised bid any number of times but before last date and time of submission of tender as notified.

7) While submitting the revised bid, contractor can revise the rate of one or more item(s) any number of times (he need not re-enter rate of all the items), but before last date and time of submission of tender as notified.

8) Tenders, and the Earnest Money shall be placed in a separate sealed envelope each marked "**Tender**" and the "**Earnest Money**" respectively, with the name of the work and due date written on the envelopes, should be dropped in the tender box which is placed in the Administrative Block of this Institute upto 03.00 P.M. on _____ and same will be opened at 03.00 P.M on _____ in the presence of the representatives of the firms who are available and the Institute tender processing committee in front of the Registrar, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore.

9) The contractor, whose tender is accepted, will be required to furnish performance guarantee of 5% (Five Percent) of the tendered amount within the period specified in Schedule F. This guarantee shall be in the form of Demand Draft in favour of the "**The Registrar**, Avinashilingam Institute for Home Science and Higher

Education for Women” (or) amount may also be remitted into **Indian Bank in the Institute Campus in the Account No.** . In case the contractor fails to deposit the said performance guarantee within the period as indicated in Schedule 'F' including the extended period if any, the Earnest Money deposited by the contractor shall be forfeited automatically without any notice to the contractor.

The description of the work is as follows:

10) Intending bidders are advised to inspect and examine the site and its surroundings and satisfy themselves before submitting their bids as to the nature of the ground and sub-soil (so far as is practicable), the form and nature of the site, the means of access to the site, the accommodation they may require and in general shall themselves obtain all necessary information as to risks, contingencies and other circumstances which may influence or affect their bid. A bidder shall be deemed to have full knowledge of the site whether he inspects it or not and no extra charge consequent on any misunderstanding or otherwise shall be allowed. The bidder shall be responsible for arranging and maintaining at his own cost all materials, tools & plants, electricity access, facilities for workers and all other services required for executing the work unless otherwise specifically provided for in the contract documents. Water for work will be supplied at Rs. 10/= (Rupees Ten Only) for every Thousand rupees of work done. In case, the Institute is unable to supply water, the contractor will have to make his own arrangements of water. Submission of a bid by a bidder implies that he has read this notice and all other contract documents and has made himself aware of the scope and specifications of the work to be done and of conditions and rates at which materials, tools and plant, etc. will be issued to him by the Government and local conditions and other factors having a bearing on the execution of the work.

11) The competent authority on behalf of the Registrar does not bind itself to accept the lowest or any other bid and reserves to itself the authority to reject any or all the bids received without the assignment of any reason. All bids in which any of the prescribed condition is not fulfilled or any condition including that of conditional rebate is put forth by the bidder shall be summarily rejected.

12) Canvassing whether directly or indirectly, in connection with bidders is strictly prohibited and the bids submitted by the contractors who resort to canvassing will be liable for rejection.

13) The competent authority on behalf of Registrar reserves to himself the right of accepting the whole or any part of the bid and the bidders shall be bound to perform the same at the rate quoted.

14) The contractor shall not be permitted to bid for works in the Institute responsible for award and execution of contracts in which his near relative is posted as Accountant or as an officer in any capacity. He shall also intimate the names of persons who are working with him in any capacity or are subsequently employed by him and

who are near relatives to any officer in the Institute. Any breach of this condition by the contractor would render him liable to be removed from the approved list of contractors of this Institute.

15) No Engineer of gazette rank or other Gazetted Officer employed in Engineering or Administrative duties in an Engineering Department of the Institute is allowed to work as a contractor for a period of one year after his retirement from Institute service, without the previous permission of the Institute in writing. This contract is liable to be cancelled if either the contractor or any of his employees is found any time to be such a person who had not obtained the permission of the Institute as aforesaid before the submission of the bid or engagement in the contractor's service.

16) The bid for the works shall remain open for acceptance for a period of thirty/forty five/sixty/ninety (30/45/60/90) days from the date of opening of bids in case of single bid system/Ninety (90) days from the date of opening of technical bid in case bids are invited on 2 bid/envelop system/one hundred twenty (120) days from the date of opening of technical bid in case bids are invited on 3 bid/envelope system for specialized work (strike out as the case may be). If any bidder withdraws his bid before the said period or issue of letter of acceptance, whichever is earlier, or makes any modifications in the terms and conditions of the bid which are not acceptable to the Institute, then the Institute shall, without prejudice to any other right or remedy, be at liberty to forfeit 50% of the said earnest money as aforesaid. Further the bidder shall not be allowed to participate in the re-bidding process of the work.

17) This notice inviting bid shall form a part of the contract document. The successful bidder/contractor, on acceptance of his bid by the Accepting Authority shall within 21 days from the stipulated date of commencement of the work, sign the contract consisting of:

a) The Notice Inviting bid, all the documents including additional conditions, specifications and drawings, if any, forming part of the bid as uploaded at the time of invitation of bid and the rates quoted online at the time of submission of bid and acceptance thereof together with any correspondence leading thereto.

b) Standard C.P.W.D. Form 8 or other Standard C.P.W.D. Form as mentioned.

REGISTRAR

Specimen - Tender Notice issued in dailies

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE,641043. TAMILNADU**

ENGINEERING DEPARTMENT
www.avinuty.ac.in

TENDER NOTICE

Tenders are invited from CPWD/MES/BSNL/Railway, Public Sector Undertakings and SPWD registered contractors for the following Civil Work. Tender schedule may be collected from the Engineering Department, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore on payment of D.D drawn in favour of "The Registrar, Avinashilingam Institute for Home Science and Higher Education for Women".

SI No	Details of work	Tender fee & EMD Rs.	Estimated amount Rs.
CIVIL WORKS:			
1			
Last date for issue of tender : Date: 3.00 P.M		Last date for submission of tender: Date: 3.00 P.M	Tender opening on: Date: 2.30 P.M
*Tender cost			

All the contractors should produce documentary evidence in support of their having satisfactorily completed the building worth equal to the estimated cost, along with the application requesting tender schedule.

Place: **Coimbatore**

Date:

REGISTRAR

AIHS&HE Finance and Accounts Manual

Specimen - Limited Tender Notice

Ref: AIHS&HE/IE/Tender Notification /2019-20/

Date:

TENDER NOTIFICATION

For and on behalf of Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, tenders are invited to execute the following works. Tender schedule may be collected from the **Engineering Department**, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, on payment of D.D drawn in favour of "The Registrar, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore", The authorities reserve the right to delete any work in part or in full as the case may be depending on the requirement. The EMD amount produced in Demand Draft only is acceptable form or else the tender will be rejected.

Sl. No.	Details of work	Tender fee & EMD Rs.	Estimated amount Rs.
CIVIL WORKS:			
1			
2			
3			
4			
5			
6			

Last date for issue of tender	:	3.00 P.M
Last date for submission of tender	:	3.00 P.M
Tender opening on	:	2.30 P.M

REGISTRAR

Specimen

FORM-08

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE, 641043. TAMILNADU
ENGINEERING DEPARTMENT**

RATE TENDER & CONTRACT FOR WORKS

Ref: AIHS&HE(DU)/ED/- /2019-20

Date:

A) Tender for the work of:

(i) To be submitted by _____ hours on _____ to: _____
(Time) (Date)

(ii) To be opened in presence of tenderers who may be present at _____
hours on _____ in the office of:

Issued to: _____

(Contractor).

Signature of officer issuing the documents

Designation _____ Date of issue: _____

TENDER

I/We have read and examined the Notice Inviting tender, schedule, A,B,C,D,E&F Specifications applicable, Drawings & Designs, General Rules and Directions, Conditions of Contract, clauses of contract, Special conditions, Schedule of Rate & other documents and rules referred to in the conditions of contract and all other contents in the tender document for the work.

I/We hereby tender for the execution of the work specified for the Institute within the time specified in Schedule 'F', viz., schedule of quantities and in accordance in all respects with the specifications, designs, drawings and instructions in writing referred to in Rule-1 of General Rules and Directions and in Clause 11 of the Conditions of contract and with such materials as are provided for, by, and in respects in accordance with, such conditions so far as applicable.

We agree to keep the tender **open for** _____ **days** from the due date of its opening/ _____ **days** from the date of opening of financial bid in case tenders are invited on 2/3 envelope system (**Strike out as the case may be**) and not to make any modifications in its terms and conditions.

A sum of Rs. _____ is hereby forwarded in Demand Draft of a scheduled bank in favour of the " **The Registrar, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore**" (or) challan for remittance into **Indian Bank in the Institute Campus in the Account No.** _____ as Earnest Money. If I/we, fail to furnish the prescribed performance guarantee within prescribed period. I/we agree that the said Institute shall without prejudice to any other right or remedy, be at liberty to forfeit the said earnest money absolutely. Further, if I/we fail to commence work as specified, I/we agree that Institute or his successors in office shall without prejudice to any other right or remedy available in law, be at liberty to forfeit the said earnest money and the performance guarantee absolutely, otherwise the said earnest money shall be retained by him towards security deposit to execute all the works referred to in the tender documents upon the terms and conditions contained or referred to therein and to carry out such deviations as maybe ordered, upto maximum of the percentage mentioned in Schedule 'F' and those in excess of that limit at the rates to be determined in accordance with the provision contained in Clause 12.2 and 12.3 of the tender form. Further, I/We agree that in case of forfeiture of earnest money or both Earnest Money & Performance Guarantee as aforesaid, I/We shall be debarred for participation in the re-tendering process of the work.

I/We hereby declare that I/we shall treat the tender documents drawings and other records connected with the work as secret/confidential documents and shall not communicate information derived there from to any person other than a person to whom I/we am/are authorized to communicate the same or use the information in any manner prejudicial to the safety of the Institute.

"I/We undertake and confirm that eligible similar work(s) has/have not been got executed through another contractor on back to back basis. Further that, if such a violation comes to the notice of Department, then I/We shall be debarred for tendering in the Institute in future forever. Also, if such a violation comes to the Notice of the Institute before date of commencement of work, the Engineer-in-charge shall be free to forfeit the entire amount of Earnest Money Deposit/Performance Guarantee."

Dated:

Signature of Contractor

Witness :

Postal Address

Address:

Occupation :

ACCEPTANCE

The above tender (as modified by you as provided in the letters mentioned hereunder) is accepted by me for and on behalf of the Institute for a sum of Rs. _____
(Rupees _____)
_____)

The letters referred to below shall form part of this contract Agreement: -

- a)
- b)
- c)

For & on behalf of the Registrar

Signature _____

Designation _____

Dated _____

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PROFORMA OF SCHEDULES

(Operative schedules shall be supplied separately to each intending tenderer)

SCHEDULE 'A'

Schedule of Quantities (Page _____ to _____) (Enclosed)

SCHEDULE 'B'

Schedule of materials to be issued to the contractor:

S. No.	Description of item	Quantity	Rates in figures & words at which the material will be charged to the contractor	Place of issue
1	2	3	4	5

SCHEDULE 'C'

Schedule of Tools and Plants to be hired to the contractor

S. No.	Description	Hire charges per day	Place of issue
1	2	3	4

SCHEDULE 'D'

Extra schedule for specific requirements/documents for the work, if any:

SCHEDULE 'E'

Reference to General Conditions of contract: -

Name of Work:

_____.

Estimated cost of work : Rs._____.

(i) Earnest money (2% of estimated cost put to tendered value of the work) : Rs._____(to be returned after receiving performance Guarantee)

(ii) Performance Guarantee (5% of tendered value of the work) : Rs. _____

(iii) Security Deposit (5 % of tendered value of the work) : Rs. _____

SCHEDULE 'F'

General rules and directions:

Officer inviting tender : _____

Maximum percentage for quantity of items of work to be executed beyond which rates are to be determined in accordance with Clauses 12.2.& 12.3 : See below.

Definitions:

2(v) Engineer-in-Charge : _____

2(viii) Accepting Authority : _____
_____.

2(x) Percentage on cost of materials
And labour to cover all overheads
and profits : 15%

2(xi) Standard Schedule of Rates : T.N. State PWD / CPWD Schedule of rates
with up to date Correction slips

2(xii) Department : Engineering Department, AIHS&HE (DU),
Coimbatore

9(ii) Standard CPWD contract Form : GCC 2014, CPWD form 8 as modified &
corrected
up to last date of submission of tender.

Clause 1

i) Time allowed for submission of Performance
Guarantee from the date of issue of letter of
Acceptance : 10 Days

ii) Maximum allowable extension beyond the period
(provided in i) above : 07 Days
(Stipulated date of completion plus 60 days beyond that)

Clause 1A

The AIHS&HE shall deduct a sum at the rate of 5% of the gross amount of each running bill till the sum along with the sum already deposited as earnest money, will amount to security deposit of the tendered value of the work.

Clause 2

Compensation for delay of work under Clause 2 : at 1.5% per month of delay to be computed as per day basis subject to a maximum amount of 10% of the value of work awarded.

Clause 2A

Whether Clause 2A shall be applicable : No

Clause 5

Number of days from the date of issue of letter of acceptance for reckoning date of commencement : 7 Days

If the contractor commits, default in commencing the execution of the work as aforesaid. GRI shall without prejudice to any other right to remedy available in law, be at the liberty to forfeit the earnest money & performance guarantee absolutely.

Mile stone(s) as per table given below: -

Table of Mile Stone(s)

S. No.	Description of Milestone (Physical)	Time Allowed in days (from date of commencement)	Amount to be withheld in case of non-achievement of Milestone
1	1/8 th (of which work)	1/4 th (of whole work)	
2	3/8 th (of which work)	1/2 th (of whole work)	
3	3/4 th (of which work)	3/4 th (of whole work)	
4	Full	Full	

Time allowed for execution of work : _____ days.

Authority to decide

- (i) Extension of time :
- (ii) Rescheduling of mile stone :
- (iii) Shifting of date of commencement :

Clause 6, 6A

Clause applicable – **Clause (6 or 6A)** : 6 A

Clause 7

Gross work to be done together
with net payment/Adjustment of advances
for material collected, if any, since the last
such payment for being eligible to interim
payment : Rs. _____

Clause 10A

The contractor shall at his own expense, provide materials required for the works.

List of testing equipment to be provided by the contractor at site lab.

- | | |
|----|----|
| 1) | 2) |
| 3) | 4) |
| 5) | 6) |

Clause 10B (ii) (Secured Advance/Mobilization Advance)

Whether Clauses 10 B (ii) shall be applicable: No

Clause 10C

The rates specified in the work order will not be changed later due to escalation in prices.

Component of labour expressed as percent of
value of work : _____ %

Clause 10 CA : Not applicable

Clause 11

Specifications to be followed for execution of work
: State PWD Specification 2015-16,
with correction slips up to date of
opening of tender.

Clause 12

12.2 & 12.3 Deviation limit beyond which clauses
shall apply for building work : 30%

12.5 Deviation limit beyond which clauses
12.2 & 12.3 shall apply for foundation work : 100%

Clause 13

Reduction in scope of work : Applicable

Clause 14

Penalty for unfinished work portion

Clause 15

Right to suspend the work : Applicable

Clause 16

Competent Authority for deciding reduced rates : The Registrar
Avinashilingam Institute for
Home Science and Higher
Education for Women,
Coimbatore

Clause 17

Refund of security deposit : Applicable

Clause 18

List of mandatory machinery, tools and plants to
be deployed by the contractor at site :-

- | | |
|----------|----------|
| 1) _____ | 2) _____ |
| 3) _____ | 4) _____ |
| 5) _____ | 6) _____ |
| 7) _____ | 8) _____ |

Clause 36 (i)

S. No.	Minimum Qualification of Technical Representative	Discipline	Designation (Principal Technical/ Technical representative)	Minimum Experience	Number	Rate at which recovery shall be made from the contractor in the event of not fulfilling provision of clause 36 (i)	
						Figures	Words
1.	Graduate Engineer	Civil / Electrical	Principal Technical	Nil	-	Rs.15,000/- per month	Rupees Fifteen thousand per month
2.	Diploma Holder	Civil / Electrical	Technical Representative	5 Years	-	Rs.10,000/- per month	Rupees Ten thousand per month

Clause 37

Levy/Taxes payable by contractor : Sales Tax/Works Contract Tax/Income Tax, any other taxes as applicable will be deducted from the payment of bills.

Clause 42

i) a) Schedule/ statement for determining theoretical quantity of cement & bitumen on the basis of SPWD Schedule of Rates_____ :

ii) Variations permissible on theoretical quantities:

a) Cement for works with estimated cost put to tender not more than 5 Lakhs. : 3% plus/minus

for works with estimated cost put to tender more than 5 Lakhs : 2 % plus/minus

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- b) Bitumen for all works : 2.5% plus only & nil on minus side.
- c) Steel reinforcement and structural steel sections for each diameter, section and category. : 2% plus/minus.
- d) All other materials : Nil

RECOVERY RATES FOR QUANTITIES BEYOND PERMISSIBLE VARIATION

Sl. No.	Description of items	Rates in figures and words at which recovery shall be made from the contractor	
		Excess beyond permissible variation	Less use beyond the permissible variation
1	Cement		
2	Steel Reinforcement		
3	Structural Sections		
4	Bitumen issued free		
5	Bitumen issued at stipulated fixed price		

Clause 45:

Security Deposit of the work shall not be refunded till the contractor produces a clearance certificate from the Labour officer. As soon as the work is virtually completed, the contractor shall apply for the clearance certificate to the Labour Officer under intimation to the Engineer-in-charge. The Engineer-in-charge on receipt of the communication shall write to the Labour officer to intimate if any complaint is pending against the contractor in respect of the work. If no complaint is pending on record till after 3 months after completion of the work and or no communication is received from Labour officer to this effect till 6 months after the date of completion it will be deemed to have received the clearance certificate and Security Deposit will be released if otherwise due.

CONTRACTOR

Registrar

Specimen **SCHEDULE 'A'**

**AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN
COIMBATORE, 641043. TAMILNADU
ENGINEERING DEPARTMENT**

Civil work for _____.

Sir,

Sub: AIHS&HE (DU) –Engineering Department- -----Works-
-Work Order – Issued- Reg.

Ref 1) Your Tender Schedule dated

2) Our proposal dated

3) Sanction order No.

4) Tender No:

5) Approval of the Vice-Chancellor dated

WORK ORDER No.

Sl. No.	Description	Quantity	Quoted Rate	Total Amount
		Total		

(Rupees only)

Place:

Registrar.

Date:

Copy to:

1) Finance Section

3) File

Chapter 5

Physical Verification of Fixed assets/Consumables/ Library books

5.1 Physical Verification of Fixed Assets (Rule 213(1) of GFR2017)

The inventory for fixed assets shall ordinarily be maintained at Departments. Fixed assets should be verified at least once in a year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

5.2. Verification of Consumables (Rule 213 (2) of GFR2017)

A physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority.

5.3. Procedures for physical verification

1. It is the responsibility of the Head of the Engineering Section to issue circular by 15th of January every year for Assets Verification by using the Inter-departmental staff.
2. It is the responsibility of the Head of Department Concerned to complete the Asset /consumables Verification by contacting the verification staff from the Inter-Department as per the circular.
3. The Head of the Department shall complete the Asset /consumables Verification as on 31st March of every year and submit the verification report on or before 10th of April every year.
4. Verification shall always be made in the presence of the officer, responsible for the custody of the inventory being verified.
5. A certificate of verification along with the findings shall be recorded in the stock register.
6. Discrepancies, including shortages, damages and unserviceable goods, if any, identified during verification, shall immediately be brought to the notice of the competent authority for taking appropriate action in accordance with provisions.

7. The Head of the Engineering Section on receipt of the Verification reports shall initiate note for formation of Condemnation Committee for identification of the Surplus/obsolete/Unserviceable items, so that the committee shall submit its report on or before 31st May of every year.

8. The Condemnation Committee shall consist of the following members.

- | | |
|---|------------|
| i. Finance Officer | - Member |
| ii. One Professor nominated by the Vice-Chancellor | - Member |
| iii. One Associate Professor nominated by the Vice-Chancellor | - Member |
| iv. Institute Engineer | - Convener |

9. After receiving the report of the Condemnation Committee, it shall be the responsibility of the concerned Head of the Department to transit such Condemned/Surplus/Obsolete / Unserviceable item to a particular place identified by the Engineering Section.

10. After ensuring that all the condemned articles are pooled at a particular place, the Engineering Section shall initiate action for auction of the items by forming Auction Committee, so that the process of auction is completed before June of every year.

5.4. Physical verification of Library books (Rule 215 of GFR2017)

- (i) Complete physical verification of books should be done every year.
- (ii) Sample physical verification at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes.
- (iii) In case such verification reveals unusual or unreasonable shortages, complete verification shall be done.
- (iv) Loss of a book shall invariably be investigated and appropriate action taken.

5.5. Disposal of Surplus, obsolete and unserviceable items

An item may be declared surplus or obsolete or unserviceable, if the same is of no use to the Institute or when the item is beyond economical repair. An item may be rendered surplus, obsolete or unserviceable in the process of upgrading or replacing institute property or when institute property or equipment

no longer serves a functional use due to programme, procedure or other changes. Under such circumstances, the property and equipment be disposed of in the best interest of the Institute as per the following guidelines with prior approval of the Vice-Chancellor.

- a) Wherever possible, the materials /equipment is traded under buy back scheme, so as to reduce the cost impact on the new materials/ equipment.
- b) If the above option is not available, the property and equipment be sold out rightly with due procedures.
- (c) Obsolete, unusable materials beyond economic repair be disposed of as per procedure.

This manual outlines the procedure for write off and disposal of unserviceable materials purchased by Department /Inter-disciplinary programme /Centers /Central facilities/Sections and purchases in projects etc.

5.6. General Procedure for writing off the unserviceable Materials/Items

i) The items to be declared obsolete /surplus/ unserviceable should first be identified by the authority competent to purchase the material. The items so identified, shall be examined by a committee appointed by the Vice-Chancellor to declare such items of materials as obsolete, surplus or unserviceable which shall recommend for their disposal. The committee should take into account the prescribed or stipulated life period of the materials. In case, such period is not prescribed /stipulated or it is not over, the committee should examine the conditions of materials and record suitable reasons. If an item has become obsolete/surplus/ unserviceable on account of negligence, fraud or mischief on the part of employee, the same should be brought out clearly. The Committee shall prescribe minimum price at which those items could be disposed of.

ii)Where the "life period" has been prescribed on any item and the same is already over, it should normally be taken as enough ground for declaring the item obsolete and unserviceable. However, the condition of the item should still be thoroughly examined to see whether the item could be put to further use.

iii. In other cases, where the life period is not over or no life period has been prescribed or stipulated, the reason for declaring the item unserviceable should be clearly recorded such as, may be normal wear and tear, excessive use in public interest, accidental fire, flood and other natural causes, damage due to insect, rats etc.

iv. An item may be declared obsolete / surplus if it is no longer required by the Departments. Reasons for the same should be recorded.

v. In case of loss due to negligence fraud or mischief on the part of any employee responsibility should be fixed and losses made good.

vi. Authority competent to purchase a material shall be competent to declare the material as obsolete / surplus /unserviceable.

vii. The condemnation Committee shall submit its recommendations in the prescribed form (i.e. FORM GFR -10) obtainable from the Engineering Section after ensuring that the items have become unserviceable, obsolete due to wear and tear and is beyond economic repairs.

viii. After approval of the Vice-Chancellor on the recommendations of condemnation Committee, Head of the Department / Section shall forward a copy of the Vice-Chancellor's approval to the convener of the Auction Committee with copy to Engineering Section.

ix. Actual physical disposal of items which have been written-off will be done only after the Vice-Chancellor has approved the recommendations of the write-off / Condemnation committee.

x. Label the items/ materials for write off.

5.7. Auction Committee:

The Committee shall consist of

- i) Registrar – Secretary
- ii) Institute Engineer or his nominee –Convener
- iii) Finance Officer or his nominee –Member
- iv) Assistant Registrar –Member
- v) A Dean / HOD / Professor nominated by the Vice Chancellor-Member

5.8. Procedure for Auction

- i. After approval of the Vice-Chancellor on the recommendations of Condemnation Committee, Head of the Department / Section shall forward a copy of the VC's approval to the Registrar who is the member Secretary of the Auction Committee.
- ii. The concerned Department / Section / Center, shall make arrangement to remove the condemned articles/materials from the Department/Section concerned to the place earmarked for their temporary storage, within a week from the date of receipt of the copy of the condemnation report. Items to be disposed of shall be under the custody of the Member Secretary, Auction Committee until their disposal.
- iii. The unserviceable materials shall be disposed of at least once in six months preferably through e-tender or open/sealed tendering.

5.9. Models of disposal (Rule 218 of GFR2017)

(i) Surplus or obsolete or unserviceable goods of assessed residual value above Rupees Two Lakh should be disposed of by: (a) obtaining bids through advertised tender or (b) public auction / e-auction.

(ii) For surplus or obsolete or unserviceable goods with residual value less than Rupees Two Lakh, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. The Institute should, as far as possible prepare a list of such goods.

(iii) Certain surplus or obsolete or unserviceable goods such as expired medicines, food grain, ammunition etc., which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods.

(iv) Surplus or obsolete or unserviceable goods, equipment and documents, which involve security concerns (e.g. currency, negotiable instruments, receipt books, stamps, security press etc.) should be disposed of/ destroyed in an appropriate manner to ensure compliance with rules relating to official secrets as well as financial prudence.

(v) Sale of Hazardous waste/Scrap Batteries/Electronic waste: Scrap lots comprising of hazardous waste, batteries etc. shall be sold keeping in view the extant guidelines of Ministry of Environment & Forest. Prospective bidders of such lots of hazardous waste/scrap batteries/ e-waste should be in possession of registration, valid on the date of e-Auction and on the date of delivery, as recycler/ pre-processor agency.

5.10. Disposal through Advertised Tender. (Rule 219 of GFR2017)

(i) The broad steps to be adopted for this purpose are as follows:

- (a) Preparation of bidding documents.
- (b) Invitation of tender for the surplus goods to be sold.
- (c) Opening of bids.
- (d) Analysis and evaluation of bids received.
- (e) Selection of highest responsive bidder.
- (f) Collection of sale value from the selected bidder.
- (g) Issue of sale release order to the selected bidder.
- (h) Release of the sold surplus goods to the selected bidder.
- (i) Return of bid security to the unsuccessful bidders.

(ii) The important aspects to be kept in view while disposing the goods through advertised tender are as under: -

(a) The basic principle for sale of such goods through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold. All the required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. Applicability of taxes, as relevant, should be clearly stated in the document.

(b) The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding.

(c) The bidders should be asked to furnish bid security along with their bids. The amount of bid security should ordinarily be ten per cent. of the

assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document.

(d) The bid of the highest acceptable responsive bidder should normally be accepted. However, if the price offered by that bidder is not acceptable, negotiation may be held only with that bidder. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter offered to the next highest responsive bidder(s).

(e) In case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder.

(f) Full payment, i.e. the residual amount after adjusting the bid security should be obtained from the successful bidder before releasing the goods.

(g) In case the selected bidder does not show interest in lifting the goods, the bid security should be forfeited and other actions initiated including re-sale of the goods in question at the risk and cost of the defaulter, after obtaining legal advice.

(iii) Late bids i.e. bids received after the specified date and time of receipt should not to be considered.

5.11. Disposal through Auction (Section 220 of GFR2017)

- (i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers.
- (ii) The basic principles to be followed here are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender.
- (iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale etc., (as already indicated

earlier while giving wide publicity for the same), should be announced again for the benefit of the assembled bidders.

(iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of Deposit-at-Call-Receipt (DACR), drawn in favour of the Institute. The goods should be handed over to the successful bidder only after receiving the balance payment.

(v) The composition of the auction team will be decided by the competent authority. The team should however include an officer of the Internal Finance Wing of the department

5.12 Maintenance of records (Rule 320 of GFR2017)

(i) Rule 320 (1) of GFR2017-Destruction of Records:

Subject to any general or special rules or orders applicable to particular departments as prescribed in their departmental manuals, no Government record connected with accounts shall be destroyed except in accordance with the provisions of Appendix -9.

(ii) Rule 320 (2) of GFR2017-

All the records prescribed for retention in Appendix - 9, if maintained in electronic form should mandatorily have a backup and adhere strictly to the retention period and the prescribed formats. The responsibility for verification and certification on a monthly/annual basis as prescribed under relevant rules should also be ensured.
