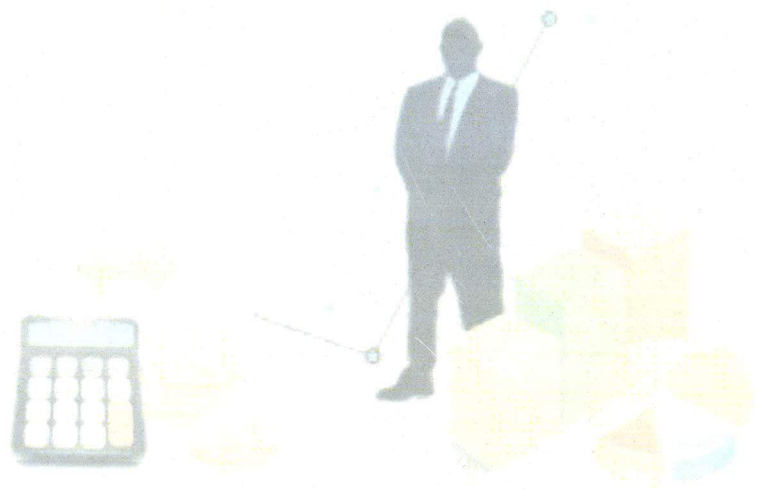


FINANCE AND ACCOUNTS MANUAL



THE GANDHIGRAM RURAL INSTITUTE

DEEMED UNIVERSITY

GANDHIGRAM-624302 - DINDIGUL DISTRICT

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GANDHIGRAM RURAL INSTITUTE - DEEMED UNIVERSITY

(Ministry of Human Resource Development, Govt. of India)

GANDHIGRAM - 624 302, DINDIGUL DISTRICT, TAMIL NADU, INDIA

Phone: 0451-2452305/2453845, Fax: 0451-2454535, Mobile: 94421 05116, E-mail: vco_gri@yahoo.com / www.ruraluniv.ac.in

Dr.S.NATARAJAN
Vice-Chancellor

15.08.2016



Foreword

Gandhigram Rural Institute has been growing from strength to strength since its establishment and has continuously built relevant systems, structures and policy tools to make it grow towards maturity. Efficient management of finances and other available resources is fundamental to the success of any Educational Institution.

Therefore, the need of one 'Finance and Accounts Manual' with detailed guidelines for functioning of the Finance Section, streamlining the procedures to be followed in case of preparation of Annual Accounts Statements, Purchase Procedures and works contract, etc was felt necessary for a long time.

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I am glad to know that the provisions of GRI Procedure Manual already approved by BOM in its 135th Meeting, have also been included with slight modifications / additions wherever felt necessary, without any deviation from the General Financial Rules of Government of India. I do hope this manual would be a guidance for the efficient financial management and accounting policies.

I wish to congratulate and thank the Finance Section and all the members of the Committee constituted for this purpose, for the efforts and good work done in the development of this Finance and Accounts Manual.

(S. Natarajan)

THE GANDHIGRAM RURAL INSTITUTE / DEEMED UNIVERSITY
FINANCE AND ACCOUNTS MANUAL

(As approved by the Board of Management in its 142nd meeting held on 22-01-2017)

**THE GANDHIGRAM RURAL INSTITUTE – DEEMED UNIVERSITY,
GANDHIGRAM**

**FINANCE AND ACCOUNTS MANUAL
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Chapter 1

Introduction

1.1. The Gandhigram Rural Institute - Deemed University obtains grants-in-aid, from the Ministry of Human Resource Development through University Grants Commission for its requirement. The Institute receives Plan grant for creation of assets such as infrastructure, scientific equipment and all other necessities of the Institute. The Institute also receives non-plan grant for salaries and non salary expenditure for running the Institute. 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 in 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 found 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 manual incorporates all the changes that have been introduced and includes the provisions of GRI Procedure Manual which was already approved by the BOM in its 135th Meeting, with slight modifications.

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 GRI's 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., $Assets = Liabilities + Capital$. 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 a stable 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., $Assets = Capital + Liabilities$ or $Capital = Assets - Liabilities$, 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 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 Companies Act, 1956 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

3.1. Accounting Standards:

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: Every officer incurring or authorizing expenditure from public money 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:

- i) 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.
- ii) The expenditure should not be prima facie more than the occasion demands.
- iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- iv) Expenditure from public money should not be incurred for the benefit of a particular person or a section of the public, 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.
- v) The amount of allowance granted to meet expenditure of a particular type should be so regulated that the allowance are not on the whole a source of profit to the recipients.

Chapter 4

Functions of Finance Section

The Finance Section of the GRI consists of two sections namely, Finance Section-I and Finance Section-II.

4.1. Accounting of Receipt of Funds:

The Finance Section-I is primarily concerned with receiving funds of the Institute in the form of Grants-in-aid (Plan and Non-plan), fees from students, and any other receipts and accounts for these receipts. Similarly, the Finance Section-I 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. 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, which is dealt with by Finance Section-II.

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 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. 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 scale-of pay and grade pay claimed are correct as per sanction.
 - iii) If increment is claimed, such increment is sanctioned. Deductions made from salaries are authorized.
 - iv) It should be ensured that the deduction from salary such as Income Tax, New Pension scheme deductions and any such deductions are remitted to the appropriate authorities within the due time.
 - v) Salary bill should be generated from the Establishment section and forwarded to Finance Section for authorizing payment.
 - vi) Bills for GRI employer's contribution should also be submitted by Establishment section and submitted to the Finance Section for further action.
- 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/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 GRI 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, 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.

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 investments 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 every quarter with the Ledger balance of the concerned account.

- 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 TAN/PAN, Customs/Excise exemption certificates, etc, of the Institute.

2. The Cheque books should be kept in the custody of the Section Officer of Finance Section.

3. Register to record all recurring payments such as Electricity, Water, internet charges etc.

4. 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 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.

5. 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.

6. 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.

7. Register of Grants-in-aid - The number and date of sanction of Grants-in-aid under each classification such as Plan Grant Asset's creation, General, SC/ST Non recurring and Re-curring 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.

8. 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.

9. 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 amount adjusted towards hostel or other fees. Receipts and payments should indicate date and number of voucher. The total and net remaining balance should match with the Ledger balance.

10. Student Fee Register – Since Fee are paid into the bank and Students generate the medium of deposit 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 building up this Register.

11. Student Fee 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

12.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 (Cash Book, Bank Book, Journal, Ledgers, etc.) will be maintained.

13. 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.

14. 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

15. 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 will 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.

- (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 Unit 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:

- 1) Transfer Debit Advice (TDA) / Transfer Credit Advice (TCA):
 - 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 fund such 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 analysed 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 analysed 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.

Chapter 5

Internal Control and Audit

5.1. Internal Control:

1. Internal control is an arrangement which provides for proper division and definition of tasks and responsibilities, introduction of an appropriate accounting system and the institution of forms of internal check. Internal check means the checks on day to day transactions which operate continuously as part of the routine system whereby the work of one person is proved independently or is complimentary to work of another, the objective being the prevention or early detection of errors or fraud.

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 by ensuring the preparation of 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 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 revenues

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 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. This requires that the receipts are properly classified and recorded in the ledger.
- 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. Uncleared cheques deposited in the bank and cheques not presented by the beneficiaries 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 ie NEFT / RTGS. 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 GRI, 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 Registrar of the Institute and should have all details of Registration, PAN/TAN, Service Tax & VAT. 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 to be maintained in the form GFR 40 vide Rule 190(2) of GFR.
- 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 periodically 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 ie after scrutiny by the Development and Finance Sections.
- t. Permanent Advance or Imprest (Rule 291 of GFR): 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 292 of GFR): 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.
- w. Time barred cheques:
 - a. In case a time barred cheque is identified, the following journal entries are to be made.

- a. Debit Bank A/c Dr.
Credit To Time barred Cheques A/c
- b. When a fresh cheque is issued:
Debit Time barred Cheques A/c Dr.
Credit To Bank A/c

5.2. 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.

5.3. 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, hostels and Guest House, etc 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 six monthly internal audit will be conducted by a team of Internal Audit Section or "C.A Firm" appointed by the Institute for carrying out internal audit. The Report of Internal Auditor should be prepared and submitted to the authorities at regular interval of three months period.

5.4. Statutory Audit:

1. 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.

2. The GRI will appoint a firm of chartered accountants for audit of the Institute by following the required norms and procedure. The Finance Section will be required to maintain the records of accounts of 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.

3. Period of Appointment:

The auditor 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 auditor should be given access to all legal documents, correspondence, Books of Accounts, Government Orders and Office Orders and any other information associated with the Accounts and as deemed necessary by the Auditor.

5.5. C&AG Audit:

1. Time Frame for C&AG Audit: 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 the Parliament within nine months of the closure of the accounting year, ie 31st December of every year. In terms of GFR 211, the accounts of the Institute shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provisions of section 20(1) of the Comptroller & Auditor General's (Duties, Powers and Conditions Service) Act 1971 and

internal audit by the Principal Accounts Office of MHRD, whenever the Institute is called upon for such audit.

2. C&AG carries out audit of Institute's accounts annually as shown below:
 - A. Certificate Audit: Once the Financial Statements are prepared and approved by the Finance Committee and Board of Management, the C&AG authorities are intimated of the readiness and a team of auditors arrive to carry-out the process of audit and certification. After certification the C&AG authorities render Separate Audit Report (SAR). The Annual Financial Statement and SAR along with action taken thereon are submitted to the Finance Committee and BOM for approval. Thereafter, the report is submitted to the UGC which arranges the Annual Financial Statement of the year along with SAR to be placed before both the Houses of Parliament.
 - B. 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 etc., Academic functions and departmental activities. 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 210 of GFR):

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 a set of audited statement of accounts. These audited statements of accounts are required to be furnished after utilization of the grants-in-aid or whenever called for.

6.2. Audit of Accounts of Grants-in-aid (Rule 211 of GFR):

- (i) 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.
- (ii) (a) 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 per cent 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.
- (b) 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 itself 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.

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

6.3 Utilization Certificates (Rule 212 of GFR) :

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 19-A, should be insisted upon in the order sanctioning the grants-in-aid. The Utilization Certificate in respect of grants referred to in Rule 209 (6) 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. This fact should also be put on the website of the Ministry or Department. 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 75 per cent of the total amount sanctioned for the subsequent financial year shall be done only after the Utilization Certificate and 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 year should also be looked into while sanctioning further grants.

NOTE. 1. *Utilization certificates need not be furnished in cases where the grants-in-aid 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.

NOTE 2. *In respect of Central Autonomous Organizations, the Utilization Certificate shall disclose separately the actual expenditure incurred and the Loans and Advances given to suppliers of materials and assets, to construction agencies, to staff (for house building and purchase of conveyance, etc.), which do not constitute expenditure at that stage. These shall be treated as unutilized grants but allowed to be carried forward. While regulating the grants for the subsequent year, the amounts carried forward shall be taken into account.*

Form of Utilization Certificate:

**The Gandhigram Rural Institute- Deemed University,
Gandhigram-624 302. Dindigul District. Tamilnadu**

FORM GFR 19-A

Name of the Project:

Period of Utilization Certificate : From To

(As per GFR Form 19-A Rule 212 (1))

Sl. No.	Letter and date	No.	Amount
	Total		

Certified that out of Rs..... of Grants-in-aid sanctioned during the year..... in favour of the Registrar, GRI, under this Ministry / UGC Letter No. given in the margin and Rs..... on account of unspent balance of the previous year,

a sum of Rs.....has been utilized for the purpose of..... for which it was sanctioned and that the balance of Rs.....remaining unutilized at the end of the year has been surrendered to the Government (vide No..... dated) will be adjusted towards the grant-in-aid payable during the next year..... .

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised;

1.

2.

Signature.....
Designation

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.

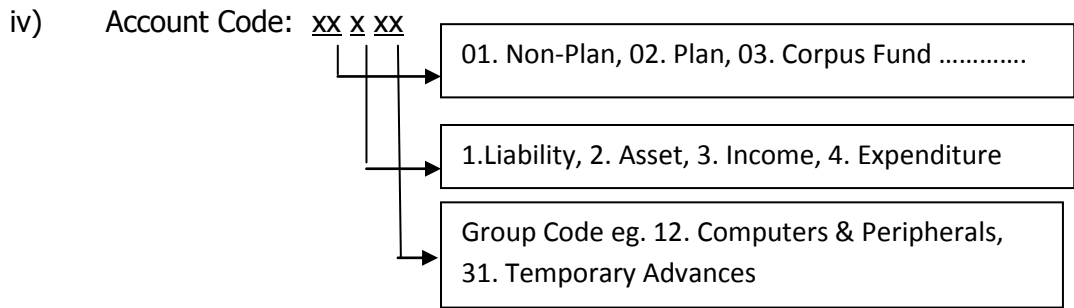
- i) The Account Number has got a five digit numerical code in which, the first two digits represent Accounts Centre as defined below:
1. Non-Plan Fund Account
 2. Plan Fund Account
 3. Corpus Fund Account
 4. General Development Fund Account
 5. Students Fund Account
 6. Institute Fund Account
 7. Students Deposit Fund Account
 8. GPF Account
 9. New Pension Scheme Account
 10. UGC Project Accounts
 11. CSIR Project Accounts
 12. DAE Project Accounts
 13. DST Project Accounts
 14. ICSSR Project Accounts
 15. NIOS Accounts
 16. NSS Accounts
 17. Tamil Nadu Funding Agencies Accounts
 18. FCRA Accounts
 19. MNRE-PCRA-Rural Energy Centre
 20. KVK Main Account
 21. KVK Revolving Fund (Farm) Account
 22. KVK Revolving Fund (Building) Account
 23. OBE VIII STD Accounts
 24. Distance Education Centre Account
 25. Project - Others
 26. Fellowship Accounts
 27. Scholarship Accounts
 28. Endowment Accounts
 29. upto 99.

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

- ii) Second digit represents as follows:

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

- iii) 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
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
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

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" (Chapter 9 GFR). As the Institute is fully funded by the Government of India through the MHRD Budget, Institute has to follow instructions contained in Appendix – 3 GFR 48 which refers to estimates for expenditure on two categories: Non-Plan expenditure (Recurring) and Plan (Non-recurring).

- A) Non-Plan - Revised Budget Estimate for the current year should always precede estimation for the ensuing year. Revised Estimate should be framed with great care to include only those items which are likely to materialize for payment during the current year, in the light of
- i) actual so far recorded during the current year, compared with the actual for corresponding period of the last and previous years.
 - (ii) Seasonal character or otherwise of the nature of expenditure
 - (iii) sanctions for expenditure and orders of appropriation or re-appropriation already issued or contemplated and
 - (iv) any other relevant factor, decision or development.

The Budget estimate for the ensuing year be prepared on the basis of what is expected to be paid during the ensuing year including arrears of the previous years if any. Due attention to considerations of economy must be paid and while all inescapable and foreseeable expenditure should be provided for, care should be taken that the estimate is not influenced by undue optimism.

- B) Plan Expenditure - Estimate / Revised Estimates: While preparing the Budget Estimates for the Plan Expenditure, the instructions given by the UGC are to be followed.

2. Factors to be noted when framing Budget:
- i) Objectives of the entity
 - ii) Plan outlay and its outcome
 - iii) Target to be achieved
 - iv) Cost overrun
 - v) Savings in some segments and excess in others
 - vi) Additional onsite eventualities

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.
4. Non-Plan (Recurring) Budget estimate is forecast under each head of account
- i. Salaries and
 - ii. Non-salaries etc.
 - iii. 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 are planned and systematically laid down to match the layout plan of the new MHRD Annual Financial Report format. The broad division 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.
5. 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 & 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. Others
 - II. 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
- III. 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
- IV. REPAIRS AND MAINTENANCE
 - a. Building
 - b. Furniture & Fixture
 - c. Plant & Machinery
 - d. Office Equipments
 - e. Cleaning Materials and services
 - f. Others to be specified
- V. FINANCE COSTS
 - a. Interest on fixed loans
 - b. Interest on other loans
 - c. Bank charges
 - d. Others to be specified
- VI. OTHER EXPENSES
 - a. Provision for Bad and Doubtful Debts/Advances
 - b. Irrecoverable Balances written off
 - c. Others to be specified.

6. Budget reports:

The UGC in terms of GFR 209 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 and 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 therefor 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 1 per cent of the total turnover/gross income of entity or *Rs.50,0001-*, 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 ur 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 crore	Lakh
One hundred or more but less than one thousand crore	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 employers contribution along with the subscription recovered are transferred every month to NSDL. "The employers 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 will 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:

Depreciation on : Building Dr.....
Depreciation on : Plant and Machinery Dr.....
Depreciation on : Vehicles Dr.....
Depreciation on : Furniture Dr.....
Depreciation on : Office Equipment 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.

Form of Balance Sheet:

THE GANDHIGRAM RURAL INSTITUTE – DEEMED UNVIERSITY, GANDHIGRAM

BALANCE SHEET AS AT 31ST March,

Amount in Rs.

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

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

Form of Income and Expenditure Account:

THE GANDHIGRAM RURAL INSTITUTE – DEEMED UNVIERSITY, GANDHIGRAM
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD / YEAR ENDED 31st MARCH, ____

Amount in Rs.

Particular	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			

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PART-II – PURCHASE AND WORKS

Chapter 1

Permanent Advance and Temporary Advance

1.1. Permanent Advance or Imprest : (Rule 291 of GFR):

Permanent Advance or Imprest may be granted to the Departmental Heads for meeting day to day contingent and emergent expenditure. The amount of advance to be granted shall be kept at the minimum required for the 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 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 292(1) of GFR):**

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 292 (2) of GFR:** 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)**. The copy of the challan for remittance of balance amount if any, into the Canara Bank account of GRI, shall be enclosed along with the adjustment Bill.
- (vi) The amount shall be spent only for the purpose for which it was drawn.
- (vii) Temporary Advance should be adjusted by detailed bills and vouchers within 15 days from the date of receipt of Cheque.
- (viii) Separate ledger account shall be maintained for each account holder and the list of advances shall be reviewed by the Section Officer on or before 10th of every month.

- (ix) All third party payments will be made invariably by way of electronic transfer ie NEFT/RTGS. 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 Development Section at the beginning of the month for providing sanctions
2. The proposal will be transmitted to Finance Section for making financial provision
3. 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.
4. At the end of the month, duly certified bills along with Nominal Muster Rolls and the register kept for the purpose duly certified 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.
5. Even in respect of NMRs to be engaged on a regular basis for routine works, the above procedure will have to be followed.
6. The claim will be processed in Finance Section and a cheque issued to the HoD for making the payment under acquittance.
7. 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

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to ensure 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.

In accordance with the above principles, the following guidelines are framed for observance while procuring the items such as machinery, equipment, furniture, chemicals, glass wares, stationery, services such as repairs & maintenance, etc., as required by the Faculties / Departments / Sections / Centres of GRI.

3.1. Terminology:

Standard terminology has been adopted as given below:-

- 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.

3.2. Financial Source 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.
 - c) Ear marked 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, self financing and special assistance head of accounts. Provided that no re-appropriation from Plan to Non plan or vice versa is resorted to unless specifically permitted by UGC.

3.3. 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 proposals, the Finance Section should keenly evaluate the budget allocation, fund position of the respective Head of Account and compliance.

3.4. 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 and 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.

3.5. Purchase of goods-Procedures:

A) Purchase of goods 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 above Rs.2000 and up to Rs.15000:

i) (Rule 145 of GFR) Purchase of goods without quotation : Purchase of goods upto the value of Rs. 15,000/- (Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids 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.

iii) Present stock position of items proposed may be mentioned with justification for additional purchase if any. Justification for new items is to be given in the proposal.

C) Purchase of goods above Rs.15000 and up to Rs.100000:

i) Rule 146 of GFR. Purchase of goods by Purchase Committee : Purchase of goods costing above Rs.15000 (Rupees Fifteen Thousand) only and upto Rs.100000 (Rupees One lakh) 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. Dy.Registrar / Asst.Registrar of Dev.Section, 4. Dean of concerned Faculty, 5. The Proposer of the goods to be purchased (Invitee).

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. ”

D) Purchase of goods above Rs.1,00,000:

i) Rule 148 of GFR. 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.

ii) Rule 149 of GFR. Purchase of goods by obtaining bids: Except in cases covered under Rule 145, 146 and 147(1), Ministries or Departments shall procure goods under the powers referred to in Rule 140 above by following the standard method of obtaining bids in :

- (a) Limited Tender Enquiry;
- (b) Advertised Tender (Open Tender) Enquiry;
- (c) Single Tender Enquiry.

(a) Limited Tender (Above 1.00 lakh upto Rs.25.00 lakh):

Limited Tender Enquiry (Rule 151 of GFR)

- (i) This method may be adopted when 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 142 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.
- (ii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakh, in the following circumstances:

- (a) The Institute 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.
- (iii) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

(b) Advertised Tender (Open Tender) - (Above Rs. 25.00 lakh):

- (i) Subject to exceptions incorporated under Rules 151 and 154 of GFR, invitation to tenders by advertisement should be used for procurement of goods of estimated value Rs. 25 lakh (Rupees Twenty Five Lakh) and above. Advertisement in such case should be given in the Indian Trade Journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily having wide circulation.
- (ii) The Institute should also publish all its advertised tender enquiries on the web site and provide a link with NIC web site. It should also give its web site address in the advertisements in ITJ and newspapers.
- (iii) The Institute should also post the complete bidding document in its web site and permit prospective bidders to make use of the document downloaded from the web site. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft etc. along with the bid.
- (iv) Where the Institute 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.

- (v) 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.

Two bid system (Rule 152 of GFR) : 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 superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. 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.

Late Bids (Rule 153 of GFR) : 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.

(c) Single Tender Enquiry:

Rule 154 of GFR. 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 154 (i) and 154 (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 wing to the proposal vide :

(iv) Approval of the competent authority vide :.....

(Signature with date and designation
of the procuring officer)'

3.6. Tender Committee :

A Tender Committee shall be constituted by the Vice-Chancellor for the purchase of goods above Rs.1,00,000 (both for limited tender and open tender). The committee shall consist of the following members.

- i) Dean of the Faculty
- ii) HOD / Project holder / Course Coordinator
- iii) HOD from other department nominated by the Vice-Chancellor
- iv) Technical Expert, if necessary
- v) Finance Officer or Assistant Registrar from Finance Section

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 GRI will be included in the Committee with prior approval of the Vice-Chancellor. For all the purchase proposals, 50% of the members including a member from other department will form the quorum of the Committee.

3.7. Buy-Back Offer (Rule 162 of GFR):

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 quote 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.

3.8. Registration of Suppliers (Rule 142 of GFR):

- i) The Vice-chancellor on the recommendation of the Finance Officer 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.
- ii) Credentials, manufacturing capability, quality control systems, past performance, after sales service, financial background etc. of the supplier(s) should be carefully verified before registration.
- iii) 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.
- iv) 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.

3.9. 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.

3.10. 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 should be entered in a separate register by the Department. The payments made against the Letter of

Credit should 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) The Deputy / Assistant Registrar (Development) shall mark copies of all correspondences related to the purchase to the concerned HOD / Dean.
- x) On arrival of the cargo, the Deputy / Assistant Registrar (Development) shall arrange for release of equipment through cargo clearing agents. However the concerned HOD or his representative or project investigator shall also involve himself with clearance, in order to expedite the process.

3.11. Procedure for purchase of Major Scientific Equipments costing more than Rs.25.00 Lakh:

1. Every Department, Centre, Project Investigator should take diligent care in purchase of scientific equipments 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 equipments, the concerned Deans / HODs/ PIs should take responsibility for optimum utilization of such equipments 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 equipments 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 Development Section 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 news paper. Tenders shall be in two parts, Technical and Financial.
- vi) The technical tenders shall be opened in the Institute Offices 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 requirement 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 negotiating). 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 equipments 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.

3.12. Bid Security (Earnest Money Deposit) (Rule 157 of GFR):

- (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 those National Small Industries Corporation (NSIC) or the concerned Ministry or Department. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should be two percent of the estimated value of the goods to be procured. 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 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.

3.13. 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.

3.14. Performance Security:

- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status etc. Performance Security should be for an amount of five to ten per cent. of the value of the contract. 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 in an acceptable form safeguarding the purchasers 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.

3.15. Forfeiture of Performance Security:

Performance Security is to be forfeited in the event of a breach of contract by the supplier, in terms of the relevant contract.

3.16. 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.

3.17. Opening of Quotations:

1. The date and time (if necessary) of receipt of quotations shall be noted on the envelope of the quotations received either by the purchasers (HOD/PI) or any other responsible person. If the tender is received in person, it should be put only in the tender box kept in the custody of the Registrar or his representative (convenor of the committee).
2. After the last date and time prescribed, the sealed quotations received shall be opened in the presence of the purchase committee members and the bidders available at the time of opening of quotations notified in the quotation call letter.

3. The authorised person shall affix his/her signature with date on the envelope of the quotations received and also in the quotations.

3.18. Tender Evaluation:

1. The Tender Committee will survey the market if necessary to ascertain the reasonableness of rate, quality and specifications.
2. The Tender Committee will scrutinise the quotations received and invalid quotations will be rejected. Quotations received late, quotations not in conformity with tender specifications; unsigned quotations and quotations of doubtful nature will be rejected. All valid quotations will be tabulated and a comparative statement will be prepared.
3. The comparative statement containing the details of the items required with specifications, rate quoted by the bidders for each item, tax payable, packing and forwarding charges, requirement of advance, terms of payment etc. shall be prepared and signed by the members of the committee with date. No advance should normally be paid to the supplier. In exceptional cases, advance can be made on the basis of Bank Guarantee to be furnished by the supplier. Suitable financial loading has to be done in case of variation in payment terms, credit period etc.
4. On tabulating the quotations received, the committee members shall recommend the company / firm / person which / who quotes the lowest rate. Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and capable of performing the contract satisfactorily as per the terms and conditions incorporated in the bidding document. However, where the lowest acceptable bidder 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.

3.19. Negotiation with bidders:

Negotiation with bidders after bid opening must be discouraged. However, in exceptional circumstances where price negotiation against ad-hoc procurement is necessary due to reasons to be recorded in writing, the same may be resorted to only with the lowest evaluated responsive bidder. Guidelines issued by the Central Vigilance Commission from time to time shall be followed in letter and spirit. The

Tender Committee shall open the financial bids of all technically qualified bidders. Negotiations can be only with the lowest tender. The offers obtained in sealed covers shall be opened by the committee in the presence of bidders and the lowest shall be accepted. The negotiating committee shall further negotiate with successful bidder on issues such as

- a. Option of special pricing for educational institutions;
- b. Negotiate for inclusion of certain special features in proposed equipment, without additional cost.
- c. Period of warranty.
- d. After sale, service on completion of warranty period;
- e. Essential spares and consumables for a minimum period of five years;
- f. Technical training for the users (including onsite, factory, and offshore); and
- g. Periodical visits by the Service Engineer / Technician, from the prospective supplier during the period of warranty as well as thereafter, as and when required.
- h. Performance Guarantee for an appropriate percentage of purchase value.
- i. Payment terms which may include retention of certain percentage till the equipment is installed and performance Guarantee is received.

This step is felt necessary to finally purchase the right kind of equipment with most economic pricing.

3.20. Purchase of goods under DGS&D rate contract

1. Ascertain from the DGS&D website www.dgsnd.gov.in whether the intended goods are under DGS&D rate contract.
2. If multiples of particular product is available, choose the appropriate brand by keeping the cost, brand, specification and past performances of the product in mind.
3. Contact local dealer and place firm supply order. Specify the conditions that 90% of payment will be released on receipt of good and balance 10% will be paid on satisfactory performance of the product.
4. Arrange for inspection on specification / performance of the goods purchased under DGS&D rate contract.
5. Ensure the payment as per the agreed terms and conditions.

3.21. Relaxation of the Rules and Procedures of GRI

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

3.22. Black listing

Black-listing of firm can be done on the recommendations of the HOD/PI and with the approval of Competent Authority. The Officer–In-charge of Development Section shall process all such cases reported by the Department/Centers. A committee specially constituted by the Vice-Chancellor shall examine the case and shall submit its recommendations to the competent authority for final action. The information on such firms shall be promptly and widely disseminated by Officer–In-charge of Development Section to all concerned.

3.23. Format for Inviting Quotations:

Specimen:

Appendix-I

**THE GANDHIGRAM RURAL INSTITUTE (DEEMED UNIVERSITY)
(Fully Controlled by MHRD, Govt. of India)**

Gandhigram – 624 302
Dindigul District
Tamil Nadu

Head

Ref:

Date:

Sir / Madam

On behalf of the Gandhigram Rural Institute, Gandhigram, 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.

- TIN / PAN may be indicated. 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 :
 - The Registrar,**
 - Gandhigram Rural Institute (Deemed University),**
 - Gandhigram – 624 302**
 - Dindigul District – TN**
- Sealed envelope should be addressed & sent to :
 - The Head / Dean**
 - Dept. of _____/ Faculty of _____**
 - Gandhigram Rural Institute- Deemed University**
 - Gandhigram – 624 302**
 - Dindigul District - TN**
- Sealed envelope should be superscripted as "Quotation for purchase of _____ Last date : _____"
- The above terms and conditions also be visited in our website : www.ruraluniv.ac.in.

SIGNATURE OF THE REGISTRAR

To

The Gandhigram Rural Institute – Deemed University, Gandhigram

Format –A

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 to be purchased under buy back scheme : **Yes / No** *(If 'Yes' Annexure-B to be annexed)*
5. Budget Head in which expenditure to be met from : **Non-Plan/Plan/Projects/CDF/Others (Specify) _____**
Sub Head : _____
6. Pl. tick the method followed for inviting bit/quotation/tender : **Single Tender / Limited Tender / Open Tender**

(In the case of limited tender more than 3 quotations are required)
7. Name of the supplier as recommended by the Purchase Committee (Purchase Committee is must for the value of purchase

exceeding Rs.10000)

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)

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 Development 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 noticed : Yes No
were duly set right

Recommendation of the proposal processing section

Dealing Asst.

Section Officer

Asst. Registrar / Dy Registrar

Part C :

Budget provision by the Finance Section I / II

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

Asst. Registrar (Fin)

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 TIN/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
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

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 / Convenor*

*Signature with date

Specimen

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

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 / Section Officer (Finance)

Chapter 4

Guidelines relating to Works Contracts

4.1 Original works and Repair works:

- i. Rule 123 of GFR. 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 124 of GFR):
 - (i) Assumption of full responsibility for construction, maintenance and upkeep;
 - (ii) Proper utilization of buildings and allied works;
 - (iii) Provision of funds for execution of these functions.

4.2 Administrative Approval and Sanction (Rule 129.1 of GFR):

- (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;
 - (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 Organisations 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 129.1 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 concerned Accounts Officer.
- (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 130 of GFR):

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.

4.4. Procedure for Execution of Works (Rule 132 of GFR):

The broad procedure to be followed by a Ministry or Department 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 Estate Officer who is in-charge of execution of the work in the format given below:

“ I, Estate Officer of GRI, am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is upto the standards followed in the Industry.”

4.5. 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 are to be cleared by the Building Committee.
- ii) Estimates are to be prepared based on the CPWD Schedule of Rates or Tamil Nadu State PWD Standard Schedule Rates of relevant year whichever is less and should be so certified in the estimates.
- 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 are to be submitted to Development section. The Development Section after scrutiny shall send the proposals to Finance Section for making financial provisions. The proposal will then be submitted to competent authority for approval. On approval by competent authority, Development Section will issue sanction orders.
- viii) Works estimated to cost upto Rs.15 lakh (new construction) and all repair & maintenance works estimated to cost upto Rs.10 lakh shall be executed departmentally. All other works will be entrusted to CPWD.
- ix) Financial limit for value of work to be executed:-

S.No.	Type of work	Value of work in Rs.	Sanctioning Authority
1.	New works	Upto Rs.4 lakhs	Concerned Departments
	Maintenance of buildings	Upto Rs.2 lakhs	
2.	New works	Rs.4 lakhs to 60 lakhs	Building Committee
	Maintenance of buildings	Rs.2 lakhs to 30 lakhs	
3.	For any type of work	Beyond the above limits	BOM

4.6. Works executed departmentally by GRI:

- i) Tender procedure will be followed as per GFR provisions.
- ii) Collect EMD from the contractors by Demand Draft in favour of the Registrar, Gandhigram Rural Institute, Gandhigram 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 GRI.
- v) Abnormal variation (more than 25%) 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 a 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.15000 may be got executed by Heads of Departments 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 Junior engineer / Assistant Executive Engineer. The contractor shall incorporate any changes suggested (by JE or his superiors), and submit the same with machine numbered pages in the form of a book.

xx) Check measurement:

	Check measurement done by
100% of the work done	Junior engineer in the respective departments
50% of the work done	Estate officer / HOD of departments concerned
25% of the work done	Technical officer above EE cadre in Development Section

All the concealed items shall be test checked by the Estate Officer / 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.

4.7. Works entrusted to CPWD:

- i. After getting the approval of the Building Committee based on preliminary estimates and drawings, administrative approval will be given and CPWD 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.
- iv. Monthly statement of physical and financial progress of the work along with Form No.65 shall be obtained from CPWD.
- 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 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.

Specimen

THE GANDHIGRAM RURAL INSTITUTE

(DEEMED UNIVERSITY)

(Fully funded by the MHRD, Govt. of India)

GANDHIGRAM – 624 302



WORKS 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.	
<p>ESTATE OFFICER for and on behalf of The Registrar The Gandhigram Rural Institute (DU) Gandhigram</p>	

THE GANDHIGRAM RURAL INSTITUTE

(DEEMED UNIVERSITY)

(Fully funded by the MHRD, Govt. of India)

GANDHIGRAM – 624 302



WORKS DEPARTMENT

NOTICE INVITING TENDER

Ref: GRI (DU)/WD/EO/TQ- /2015-2016

Date:

1) Item rate tenders are invited on behalf of the Registrar of the Gandhigram Rural Institute –Deemed University, Gandhigram – 624 302 from approved and eligible contractors of CPWD/MES/BSNL/Railway 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 Gandhigram Rural Institute –Deemed University, Gandhigram 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 Gandhigram Rural Institute –Deemed University, Campus, Gandhigram.

(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 Estate Officer, Works Department, GRI (DU), Gandhigram 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.ruraluniv.ac.in. Tender documents, excluding standard form, will be issued from the Office of the Estate Officer, Works Department, GRI (DU), Gandhigram, during the hours specified above, on payment of the following:-

- (i) Rs. _____ (including 4 % VAT) on payment of Demand Draft in favour of the “ **The Registrar, The Gandhigram Rural Institute –Deemed University, Gandhigram- 624 302** ” (or) the amount may also be remitted into **Canara Bank in the Institute Campus in the Account No. 10000** 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, The Gandhigram Rural Institute –Deemed University, Gandhigram- 624 302**” (or) the amount may also be remitted into **Canara Bank in the Institute Campus in the Account No. 10000**.

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, The Gandhigram Rural Institute –Deemed University, Gandhigram.

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, The Gandhigram Rural Institute –Deemed University, Gandhigram- 624 302** ” (or) amount may also be remitted into **Canara Bank in the Institute Campus in the Account No. 10000**. 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.

ESTATE OFFICER

for and on behalf of The Registrar
The Gandhigram Rural Institute (DU)
Gandhigram

Specimen - Tender Notice issued in dailies



THE GANDHIGRAM RURAL INSTITUTE
(DEEMED UNIVERSITY)
Re-accredited with 'A' grade by NAAC
GANDHIGRAM – 624 302– DINDIGUL DISTRICT – TAMIL NADU
www.ruraluniv.ac.in

TENDER NOTICE

Tenders are invited from CPWD/MES/BSNL/Railway and SPWD registered contractors for the following Civil Work. Tender schedule may be collected from the Works Department, The Gandhigram Rural Institute (Deemed University), Gandhigram -624 302 on payment of D.D drawn in Favour of “**The Registrar, The Gandhigram Rural Institute (Deemed University)**”, Gandhigram -624 302”, amount may also be remitted into Canara Bank in the Institute Campus.

SI No	Details of work	Tender fee & EMD Rs.	Estimated amount Rs.
CIVIL WORKS: (XII FYP GRANT)			
1	<u>GRI (DU)/WD/EO/TO-19/2014-2015</u> Proposed Construction of the NMR Laboratory Building and Power Room for the NMR Laboratory for the Department of Chemistry at The Gandhigram Rural Institute (DU), Gandhigram	3000.00 *, 120.00 ** 75,960.00 ***	37, 97,867.00
Last date for issue of tender : 14.01.2015 3.00 P.M		Last date for submission of tender : 19.01.2015 3.00 P.M	Tender opening on : 20.01.2015 2.30 P.M
* Tender cost - **Towards VAT 4% for tender cost - *** Towards EMD			

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.

www.ruraluniv.ac.in

Place: **Gandhigram**

Date: **27.12.2014**

REGISTRAR

Specimen - Limited Tender Notice

THE GANDHIGRAM RURAL INSTITUTE

(DEEMED UNIVERSITY)

(Fully funded by the MHRD, Govt. of India)

GANDHIGRAM – 624 302



WORKS DEPARTMENT

ESTATE OFFICER

GANDHIGRAM
DINDIGUL DISTRICT

Ref: EO/Tender Notification /2015-16/

07-09-2015

TENDER NOTIFICATION

For and on behalf of Gandhigram Rural Institute (Deemed University), Gandhigram, tenders are invited to execute the following works. Tender schedule may be collected from the **Works Department**, The Gandhigram Rural Institute (Deemed University), Gandhigram 624 302, on payment of D.D drawn in favour of “**The Registrar, The Gandhigram Rural Institute (Deemed University)**, Gandhigram 624 302”, amount may also be remitted into Canara Bank in the Institute Campus. 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 should be 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	<u>GRI (DU)/WD/EO/TQ-02/2014-2016</u> Civil Work for providing Grill Gate for the Institute Canteen at The Gandhigram Rural Institute (DU), Gandhigram	240.00 *, 10.00 ** 590.00***	29,503.00
2	<u>GRI (DU)/WD/EO/TQ-03/2014-2016</u> Civil Work for the Repair and remodeling the existing class room into Canara Bank Extension area for the GRI (DU) at The Gandhigram Rural Institute (DU), Gandhigram	500.00 *, 20.00 ** 6,006.00***	3,00,324.00
3	<u>GRI (DU)/WD/EO/TQ-04/2015-2016</u> Civil Work for providing Repair and Renovation works, Colour washing work in the Staff Quarters OB-15 and OB-16 at the Gandhigram Rural Institute – Deemed University, Gandhigram	500.00 *, 20.00 ** 4,948.00***	2,47,380.00

4	<u>GRI (DU)/WD/EO/TQ-06/2015-2016</u> Civil work for Conversion, Repair and Remodelling the Existing Class Room into Head of the Department Cabin for the Department of Political Science and Development Administration at the Gandhigram Rural Institute – Deemed University, Gandhigram	240.00 *, 10.00 ** 1,636.00***	81,777.00
5	<u>GRI (DU)/WD/EO/TQ-07/2015-2016</u> Civil work for Repair and Renovation work (Conversion of Verandah into Dining Hall) for the Canteen at The Gandhigram Rural Institute -Deemed University, Gandhigram	500.00 *, 10.00 ** 5,638.00***	2,81,916.00
6	<u>GRI (DU)/WD/EO/TQ-08/2015-2016</u> Civil work for Providing Aluminium Partitions to Split a Hall into Two Class Room and a Hall into three Staff Rooms at GRI-089 Building of Faculty of English and Foreign Languages at The Gandhigram Rural Institute -Deemed University, Gandhigram	500.00 *, 10.00 ** 6,546.00***	3,27,305.00

Last date for issue of tender : **.09.2015 3.00 P.M**
Last date for submission of tender : **.09.2015 3.00 P.M**
Tender opening on : **.09.2015 2.30 P.M**

* Tender cost, **Towards VAT 4% for tender cost
*** Towards EMD should be drawn in favour of **The Registrar, GRI (DU), Gandhigram**

ESTATE OFFICER
for and on behalf of The Registrar
The Gandhigram Rural Institute (DU)
Gandhigram

To

As per the enclosed list

THE GANDHIGRAM RURAL INSTITUTE

(DEEMED UNIVERSITY)

Re-accredited with 'A' Grade by NAAC

GANDHIGRAM – 624 302



WORKS DEPARTMENT

RATE TENDER & CONTRACT FOR WORKS

Ref: GRI (DU)/WD/EO/TQ- /2015-2016

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, The Gandhigram Rural Institute –Deemed University, Gandhigram- 624 302** ” (or) challan for remittance into **Canara Bank in the Institute Campus in the Account No. 10000** 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 _____

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 Schedule of rates with up to date Correction slips

2(xii) Department : Works Department, GRI (DU), Gandhigram

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 1 A

The GRI 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 at 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 2 A

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 with held 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 10 A

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

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

Clause 10 C

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,
The Gandhigram Rural Institute (DU)
Gandhigram.

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.10,000/- per month	Rupees Ten 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
- 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 complete, 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

ESTATE OFFICER
for and on behalf of The Registrar
The Gandhigram Rural Institute (DU)
Gandhigram

Specimen

SCHEDULE 'A'

THE GANDHIGRAM RURAL INSTITUTE

(DEEMED UNIVERSITY)

(Fully Funded by Ministry of Human Resource Development, Government of India)

GANDHIGRAM – 624 302



WORKS DEPARTMENT

Civil work for Repair and Remodelling the existing class room into Canara Bank

Extension Area for the GRI (DU) at the Gandhigram Rural Institute (DU), Gandhigram

Sir,

Sub: GRI (DU) - Works Department- EO- Civil work for Repair and Remodelling the existing class room into Canara Bank Extension Area for the GRI (DU) at the Gandhigram Rural Institute (DU), Gandhigram -Work Order – Issued- Reg

- Ref 1) Your Tender Schedule dated 01-10-2015
2) Our proposal dated 29-04-2015 and 10-09-2015
3) Sanction order No. Dev.3/EO/Maintenance/Buildings/2015-16 dated 10/09/2015 for Rs.3,00,324.00
4) Tender No: GRI (DU)/WD/EO/TQ-03/2015-2016 dated 25-09-2015
5) Approval of the Vice-Chancellor dated 26-10-2015

WORK ORDER

WS-30/15-16

Sl. No.	Description	Quantity	Quoted Rate	Total Amount
1	Dismantling: Brick / stone masonry in Cement mortar walls under 3m high.	3.66 M3	100.00	366.47

2	Dismantling: Dismantling RCC	1.54 M ³	300.00	461.73
3	Earth work excavation for foundation: In all soils and sub-soils and to full depth as may be directed except in rock requiring blasting inclusive of shoring shuttering, bailing out water wherever necessary and depositing the surplus earth within the compound in places shown by the departmental officers with an initial lead of 10 mts and initial lift of 2 mts. and clearing and levelling the site, etc., complete complying with standard specification.	35.10 M ³	150.00	5,264.49
4	P.C.C. 1:5:10 Mix Work: Cement Concrete 1:5:10 (One Cement, Five sand and Ten hard broken stone jelly) using 40 mm gauge hard broken granite stone jelly for foundation including dewatering wherever necessary and laid in layers of not more than 15 cm thick well rammed, consolidated and curing etc. complete complying with standard specification	7.01 M ³	2,000.00	14,015.91
5	R.R. Masonry Work: R.R.Masonry in Cement mortar 1 : 5 for Foundation and Basement (New stone)	4.08 M ³	3,400.00	13,878.59

6	<p>Brick on Edge Wall for Ground Floor:</p> <p>Brick partition walls of 10.80cm thickness using best quality country bricks of size 8-3/4" x 4-1/4" x 2-3/4" in Cement Mortar 1:3 (One Cement and Three Sand) using hoop iron reinforcement if found necessary including curing etc. complete and as directed by the departmental officers. (Hoop iron reinforcement will be measured and paid for separately)</p>	2.41M ²	2,600.00	6,274.84
7	<p>R.C.C. Work:</p> <p>For Ground floor</p> <p>Cement Concrete 1:1-1/2:3 (One Cement, One and a half sand and Three hard broken stone jelly) using 20 mm gauge hard broken granite stone jelly for all RCC items of works excluding cost of reinforcement grill and fabricating charges centering and shuttering but including laying, vibrating with mechanical vibrators, finishing, curing, etc. and providing fixtures like fan clamps in the RCC floor / roof slabs wherever necessary and bearing surfaces of walls, beams etc. shall be finished smooth with Cement Mortar 1:3 (One Cement and Three Sand) and kraft paper laid over it without claiming extra, etc., complete complying with standard specification and as directed by the departmental officers.</p>	1.57 M ³	4,800.00	7,526.31

	<p>Steel:</p> <p>Supplying, fabricating and placing in position Mild Steel / Ribbed Tor Steel grills for all RCC works as per design given including cost of steel and G.I. binding wire in all floors etc. complete complying with standard specification. (Contractor has to make his own arrangements for the supply of steel and binding wire)</p>	311.94 Kgs	50.00	15,596.92
	<p>Centering:</p> <p>Supplying and erecting steel centering including necessary supports for plane surfaces for Reinforced Cement Concrete works such as column footings, column pedestals, plinth beams, grade beams, staircase steps, etc. which require only nominal strutting using mild steel sheets of size 90cm x 60cm and 10 BG stiffened with welded mild steel angles of size 25mm x 25mm x 3 mm for boarding, laid over silver oak joists of size 10cm x 6.5cm spaced at about 75cm centre to centre or at suitable intervals etc. complete in all floors complying with standard specification. (Payment for centering shall be given after the concrete is laid)</p>	5.96 M ²	300.00	1,787.04
8	<p>Brick work:</p> <p>Brick work in following Cement Mortar using best quality of II Class Ground Moulded Chamber Burnt Brick of size 9" x 4 3/8" x 2 3/4" for foundation and basement including curing, etc., complete complying with standard specification.</p>	12.50 M ³	3,800.00	47,481.84

9	<p>Plastering Work:</p> <p>Plastering with Cement Mortar 1:5 (One cement and Five sand), 12mm thick in all floors including curing etc. complete complying with standard specification and as directed by the departmental officers.</p>	72.13 M ²	160.00	11,540.96
10	<p>Plastering Work:</p> <p>Plastering with Cement Mortar 1:5 (One cement and Five sand), 12mm thick in all floors including curing etc. complete complying with standard specification and as directed by the departmental officers.</p>	62.27 M ²	160.00	9,962.67
11	<p>Flooring Work:</p> <p>Paving the floor with best quality Vetrified (Such as Morbonite) Tiles of size 600 x 600 x 8mm of approved colour, shade and quality laid in cement mortar 1:3 (one cement and three sand) 20mm thick in all floors and the top pointed with the white cement mixed same colour pigments etc., complete complying with standard specification. (The make and brand of the tiles should be got approved by Executive Engineer before use on works)</p>	31.97 M ²	1,050.00	33,569.03
12	<p>Wall Tiles:</p> <p>Dadoing with printed design colour glazed tiles of size 300mm x 200mm x 6mm</p>	9.96 M ²	700.00	6,969.20
13	<p>White washing:</p> <p>White washing two coats with freshly burnt white shell lime in all floors including cost of lime, blue powder fevicol type gum, brushes, scaffolding charges, etc., complete complying with standard specification and as directed.</p>	134.40 M ²	15.00	2,015.97

14	<p>Colour Washing:</p> <p>Supplying and painting the walls with two coats of oil bound distemper over one coat of water based cement primer including cost for distemper, primer, cleaning and scrapping the walls, rendering the walls smooth with necessary putty, brushes, scaffolding arrangements, labour charges, etc., as per standard specification. (The colour and shade of the distemper shall be got approved by the Executive Engineer before use of work).</p>	100.50 M ²	40.00	4,020.00
15	<p>Colour Washing:</p> <p>Supplying and painting the walls with two coats of oil bound distemper over one coat of water based cement primer including cost for distemper, primer, cleaning and scrapping the walls, rendering the walls smooth with necessary putty, brushes, scaffolding arrangements, labour charges, etc., as per standard specification. (The colour and shade of the distemper shall be got approved by the Executive Engineer before use of work).</p>	27.88 M ²	40.00	1,115.08
16	<p>Supplying and fixing rolling shutters:</p> <p>Supplying and erecting pull and push type rolling shutter with ISI make of approved size and section using 18 GI sheet. The shutter shall be painted with one coat of red oxide primer and the rate is inclusive of hood covers, transportation charges etc.,</p>	4.54 M ²	2,600.00	11,795.94

17	<p>P.V.C. Door:</p> <p>Solid PVC door shutters using 19 Gauge 19mm MS square tubes for styles and outer frames. 15mm MS square tubes for top, lock and bottom rails. The steel tubes shall be covered with 5mm thick solid PVC sheets. Shutter using 5mm thick solid PVC sheets for panelling shall rigidly fixed in position including necessary furniture and fittings. The overall size of styles shall be 50mm x 30mm. The overall size of top rail, Lock rail and bottom rail shall be 75mm x 30mm. The overall size of frames shall be 50mm x 45mm, with suitable rabate for housing the shutter.</p> <p>Solid panel PVC door with frame</p>	1.79 M ²	2,800.00	5,009.76
18	<p>Painting Work:</p> <p>Painting new iron works such as steel doors, windows, ventilators, window bars, balustrades etc., with two coats of best approved first quality and colour of synthetic enamel paint over the red oxide priming coat in all floors including cost of priming coat etc., complete complying with standard specification. (The make, quality and colour of paint should be got approved by the Executive Engineer before use on works.)</p>	10.21M ²	80.00	816.64

19	<p>E.W.C Work:</p> <p>Supplying and fixing in position white / colour glazed European Water Closet of best quality and approved make with 100 mm "P" or "S" trap connecting with CI pipe of 100mm dia / PVC pipe of 110mm dia, double flapped rigid PVC black seat and seat cover with CP brass hinges including cost of white cement, cement for packing, spun yarn, teak wood plugs, brass screws, etc., including supplying and fixing 10 litres capacity PVC / 12.5 litres capacity porcelain low level flushing tank with a pair of CI brackets, etc., complete with all fittings such as 15mm brass ball valve with polythene float with brass handle, union, coupling connected by means of 40mm white PVC flush hand using Indian adopter joint including all internal fittings..... such as 15mm brass connections, 15mm GM wheel valve, 15mm brass nipple (2 Nos.), 15mm nylon connection, TW plugs, screws and also giving necessary connection to the PVC pipe including cost of 600mm length of 110mm dia PVC pipe and painting the CI brackets with 2 coats of approved paint over one coat of red oxide primer, dismantling the masonry and re-doing the dismantled masonry to original condition etc. complete complying with standard specifications. (The EWC and flushing tank with all accessories should be got approved by the Executive Engineer before use on works) White glazed European Water Closet with 10 liters capacity PVC flushing tank fixed on to wall without CI Brackets</p>	1 No	5,000.00	5,000.00
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20	<p>Mirror Work:</p> <p>Supplying and fixing in position Indian make bevelled edge mirror of approved quality and brand PVC / Fibre Glass framed 600 x 450 x 5.5mm thick mirror, shelf type with hard board backing of approved colour fixed with brass screws, rawl plug, etc., complete complying with standard specification. (The mirror should be got approved by the Executive Engineer before use on woks)</p>	1 No	700.00	700.00
21	<p>White Glazed Wash Hand Basin Without Pedestal</p> <p>Supplying and fixing in position best quality and approved make Indian made white / colour glazed earthen ware wash hand basin of size 550 x 400mm (with pedestal / without pedestal) with a pair of cast iron brackets, including cost 15mm dia brass CP pillar tap, 32mm dia "B" class GI waste pipe with rubber plug and chain, 15mm dia GM wheel valve, 15mm brass nipple, 15mm dia nylon connection, 32mm dia CP brass waste coupling including fixing of wash basin using CI brackets on to the wall in position with TW plugs and screws, rubber washers, white lead and giving necessary water supply connection and painting the brackets with two coat of painting over a priming coat of anti-corrosive paint including testing for leakages etc., complete complying with standard specification and as directed by the departmental officers. (The wash hand basin and specials should be got approved by the Executive Engineer before use on works).</p>	1 No	1,500.00	1,500.00

22	<p>Waste Water Pipe Line:</p> <p>Supplying and fixing in position best quality PVC soil / waste pipes of various dia having 6 kg / sq.cm. pressure BIS mark and providing leak proof joints using PVC adhesives including fixing to the wall with special PVC / MS clamp, teak wood plugs, brass screws, etc., and making connection to all sanitary fittings, dismantling masonry / RCC works wherever found necessary and making the good dismantled portion to the original condition, including testing for any leakages, etc., complete complying with standard specifications. (The PVC pipes should be got approved by the Executive Engineer before use on works). The rate for earth work excavation, sand filling and refilling charges etc. will be measured and paid separately in the cases where the pipe lines are proposed to laid Below Ground Level 110mm</p>	80 Mts	400.00	32,000.00
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23	<p>Water Supply and Sanitary Item of works: Internal / External water supply arrangements Supplying, laying and jointing G.I. Pipes of approved quality and best variety of "B" class pipe of the following dia including labour fixing G.I. Specials, (excluding charges for cutting and threading of pipes, cost of such specials) to wall with necessary teak wood plugs, clamps, screws, thread balls, shellac, etc., making holes on the walls (or) drilling holes in roof and making good the dismantled portions to original condition with necessary brick work / concrete and plastering wherever necessary with necessary scaffolding charges. The pipes are to be painted with the 2 coats of good variety and approved best quality of synthetic enamel paint over a priming coat of red oxide etc., complete in all floors complying with standard specification. G.I. pipes shall be got approved by the Executive Engineer before use on works. Above ground level.</p>	50 Mts	200.00	10,000.00
24	Ready Made Chamber Cover as per the direction of the in-charge engineer	5 Nos	2,000.00	10,000.00
25	Providing and fixing factory made ISI marked steel glazed doors, windows and ventilators, side / top / centre hung, with beading and all members such as F7D, F4B, K11 B and K12 B etc. complete of standard rolled steel sections, joints mitred and flash butt welded and sash bars tenoned and riveted, including providing and fixing of hinges, pivots, including priming coat of approved steel primer , but excluding the cost of other fittings, complete all as per approved design, (sectional weight of only steel members	20 Kgs	110.00	2,200.00

	shall be measured for payment). Fixing with 15x3 mm lugs 10 cm long embedded in cement concrete block 15x10x10 cm of C.C. 1:3:6 (1 Cement : 3 coarse sand : 6 graded stone aggregate 20 mm nominal size).			
	Total			2,60,869.37

(Rupees Two Lakhs Sixty Thousand Eight Hundred and Sixty Nine and Thirty Seven pasie only)

Place: GRI (DU), Gandhigram

Date: 27-11-2015

ESTATE OFFICER
for and on behalf of The Registrar
The Gandhigram Rural Institute (DU)
Gandhigram

Copy to:

- 1) Development Section**
- 2) Finance Section-I**
- 3) File**

Chapter 5

Write off, Condemnation and Disposal

5.1. Physical Verification of Fixed Assets:

1. It is the responsibility of the Head of the Development Section (a) 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 Verification by contacting the verification staff from the Inter-Department as per the circular.
3. The Head of the Department shall complete the Asset Verification as on 31st March of every year and submit the verification report on or before 10th of April every year.
4. The Head of the Development Section on receipt of the Asset 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. The 52nd Finance Committee has recommended to constitute the following members for Condemnation Committee.

i. Director/ USIC	-	Chairman
ii. Special Officer(Finance)	-	Member
iii. One Professor nominated by the Vice-Chancellor	-	Member
iv. One Associate Professor nominated by the Vice-Chancellor-	Member	
v. Assistant Registrar (Dev)	-	Convener
5. 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 Development Section.
6. After ensuring that all the condemned articles are pooled at a particular place, the Development 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.

5.2. 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 off 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.

5.3. 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 -17) obtainable from the Development 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 Development 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.

5.4. Auction Committee:

The Committee shall consist of

- i) Registrar – Secretary
- ii) Dy.Registrar / Asst. Registrar of Development Section or his nominee –Member
- iii) Finance Officer or his nominee –Member
- iv) In-Charge (Internal Audit) or his nominee –Member
- v) Officer-in-charge of R&D Section or his nominee -Member
- vi) Estate Officer or his nominee- Member

5.5. 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.
- iv. The Auction Committee shall decide the mode of auction. As far as possible, the disposal would be through Institute by e-tendering or by tender notice/press tender notice where interested parties would be issued tender forms to quote the rate under sealed cover.
- v. The tenders shall be accompanied with earnest money deposit for items/materials, by way of demand draft drawn in favour of the Registrar, GRI, payable at Canara Bank, Gandhigram.
- vi. Tenders received without Earnest Money Deposit would be straight away get rejected, or shall not be entertained.
- vii. The tender forms along with the terms and conditions may be obtained from the office of the Estate Officer or it can be downloaded from Institute website.
- viii. The party whose tender is accepted will be required to deposit the balance amount (after adjustment of earnest money deposit) within a period of five days of the receipt of the order/notification. If the amount is not deposited within the aforesaid period, the acceptance of offer shall stand cancelled and the earnest money shall be forfeited.
- ix. After depositing the balance amount the party should lift the goods within a period of seven days. If the goods are not removed within the said period, the tenderer shall have no right or claim to the goods and whatever the money deposited shall be deemed to have been forfeited. The institute shall be free to dispose of the goods in any manner as it may deem fit.

- x. A sale account of auction shall be prepared (in triplicate) in the prescribed form (GFR-18) and shall be submitted to the Vice-Chancellor, duly signed by the Secretary and Members of Auction Committee.
- xi. The institute shall reserve the right to reject all or any tender without assigning any reason. The decision of the Vice-Chancellor in this behalf and all other matters relating to the disposal shall be final and binding.
- xii. On receipt of the sale account the Department/Section/Centre, the Development Section will write off the auctioned items from the Asset Register.
- xiii. For item not covered by the above procedure, special permission of the Vice-Chancellor shall be obtained.
- xiv. The Member Secretary of Auction Committee shall arrange for the handing over of unserviceable materials to the successful tenderer after the deposit of the auction money in GRI Bank Account of Canara Bank.
- xv. The employees of the Institute are not eligible to participate in the auction.
- xvi. In case of any dispute, the jurisdiction of the matter should invariably remain with the courts situated at Madurai City.
- xvii. The tender should be complete in all respects and should be duly signed. Late and delayed tenders due to any reason including postal delays should not be considered. Incomplete and unsigned tenders should not be considered at all. Offers sent through fax/email will not be accepted.
- xviii. Cases not covered by this manual will be decided by the Vice-Chancellor in the interest of Institute.

5.6 Destruction of records connected with accounts (Rule 289 of GFR):

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-13 of GFR.

