

FINANCE & ACCOUNTS MANUAL

(UPDATED UP TO JULY, 2011)

(as approved by F&AC and Board of Governors in its meeting held on 1st July
and 12th July, 2011 respectively)



National Institute of Fashion Technology

Ministry of Textiles, Government of India

Head Office, NIFT Campus, Hauz Khas, New Delhi-110016

This document contains the details of all issues concerning Finance & Accounts of NIFT.

All policies, norms and procedures are detailed for the reference of faculty and administrators dealing with Finance & Accounts.



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The Director (F&A) and CAO shall be the joint custodians of the NIFT Accounts Manual at NIFT.

AMENDMENT TO FINANCE ACCOUNTS MANUAL

NIFT reserves the right to add on, delete, alter or amend any of the policies and procedures contained in this manual without any notice. Such additions, deletions, alterations and/or amendments will be approved by the F&AC of the Board of Governors, NIFT and notified to all centres by NIFT - HO through the Director (F&A).

JURISDICTIONS

In case of any dispute or any matter arising out of or relating to the policies and procedures contained in this document or otherwise, New Delhi will be considered as the place where the course of action has arisen and the appropriate court at New Delhi will alone have jurisdiction over such matters.

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FROM THE DIRECTOR GENERAL'S DESK

A duly updated Management Information System is the backbone of an expanding Organisation like National Institute of Fashion Technology (NIFT). This keeps the top Management informed about the path being followed by the organisation and about the organisational goals and objectives. Invariably, an effective financial management system comprising of Budget, Account and Audit functions, is one of the most important factor for this Management Information System.

NIFT with its fifteen Centres spread throughout the country, the challenge was to develop a sound financial management system with uniform processes and procedures across all the centres. The colossal task of updating the existing rules and norms alongwith adding new inputs was taken up by the NIFT team. Suggestions were invited from Centre Directors, HODs, CPs and DR (F & A), which were evaluated, discussed and then integrated.

This manual is a step towards codifying the best practices developed in different centres. The codification of best practices and systems will lead to better and timely access to information for the Management and will ultimately improving the productivity and efficiency at all levels.

I am happy to introduce this manual in the Silver Jubilee Year of the Institute and I am sure that this will bring uniformity across the Centres and will improve the efficiency of the Organisation as a whole.



**(Monika S.Garg)
Director General**

National Institute of Fashion Technology

Head Office, New Delhi

PREFACE

Circulars have been issued from time to time regarding various issues related to Finance and Accounts matter to streamline the system existing in Finance & Accounts and also for standardization of procedures. Moreover, in the past decade a number of Policies have also been framed in the area of financial accounting, to take care of the revision of various instructions received from the Govt of India, related to Finance & Accounts.

Need has been felt to consolidate all these circulars in the form of a hand book, not only to serve a quick reference but also to build up Finance and Accounting discipline of Autonomous Organization like NIFT.

The Finance & Accounts Manual has been divided under different chapters covering different topics. One redeeming feature of the printed Finance & Accounts Manual is that at the end of every Chapter is a table consisting of gist of the chapter and responsibility of the different Units at HO & Centre. Different circulars issued for different policy decisions has also been incorporated along with relevant subject matter.

We are sure that this Finance & Accounts Manual is responsive to the needs of all concerned and this will work together with earlier guidelines issued. This would cater to the needs of not only the department, but will also serve as useful reference for the every member of this organization. Suggestions for Improvement in the Finance & Accounts Manual are most welcome for considering in future publications.



(Dhnanjay Kumar)
Director (F&A)



(B.K. Pandey)
Chief Account Officer

THE ABBREVIATIONS USED IN THE MANUAL MAY BE READ AS FOLLOWS:

A.D	Assistant Director
AG	Accountant General
A.M.C	Annual Maintenance Contract
A.O	Accounts Officer
BE	Budget Estimates
B.G	Bank Guarantee
B.O.G	Board of Governors
F&AC	Finance & Audit Committee
C&AG	Comptroller & Auditor General
C.A.M	Civil Accounts Manual
C.A.O	Chief Accounts Officer
C.B.D.T	Central Board of Direct Taxes
C.C.S	Central Civil Services (Rules)
C.D.A	Controller of Defence Accounts
C.E	Continuing Education Policy
C.E.A	Children Education Allowance
C.G.A	Controller General of Accounts
C.P.F	Contributory Provident Fund
C.T.RS	Central Treasury Rules
D.C.R.G	Death cum Retirement Gratuity
D.D	Deputy Director
D.D.F	Department Development Fund
D.D.O	Drawing & Disbursing Officer
D.F.PRs	Delegation of Financial Powers Rules
D.G	Director General
D.R	Deputy Register

DIR	Director
E.M.D	Earnest Money Depot
F&A	Finance & Account
FA	Financial Advice
FA.& C.A.O	Financial Advisor & Chief Accounts Office
FRs & S.Rs	Fundamental Rules and Supplementary rules
G.FRs	General Financial Rules'
G. P F	General Provident Fund
G.S.Rs	General Service Rules
H.B.A	House Building Advance
H.O :	Head Office
LTC	Leave Travel Concession
M.C.A	Motor Car Advance
M.PR	Material Purchase Requisition
N.I.T	Notice Inviting Tender
NIFT	National institute of Fashion Technology
P.A.C	Public Account Committee
P.A.O	Pay & Accounts Officer
P.O.	Purchase Officer
PS.B	Public Sector Bank
R.B.I	Reserve Bank of India
R.C	Resource Centre
R.E	Revised Estimates
TA	Traveling Allowance
T.D.S	Tax Deducted at Source
TE	Transfer Entry
U.Cs	Utilisation Certificates

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CHAPTER - 1

The Institute

About the Institute

National Institute of Fashion Technology (NIFT), under the aegis of the Ministry of Textiles has been registered under the SOCIETIES REGISTRATION ACT, XXI of 1961 under Certificate of Registration No. S/16363 dated 22nd January, 1986 for the promotion and development of education and research in Fashion Technology and matters connected therewith.

The National Institute of Fashion Technology become an Institute of National Importance as per Act passed by the Parliament and Gazette Notification to this effect issued by the Government on 14th July, 2006.

With effect from such date as the Central Government may, by notification in the Official Gazette appoint, the National Institute of Fashion Technology shall be established as a body corporate by the name aforesaid.

The Institute shall have perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and shall, by that name, sue or be sued.

The Institute shall consist of the Board of Governors having the following persons, namely

- a) a Chairperson, who shall be an eminent academician, scientist or technologist or professional, to be nominated by the Visitor;
- b) three members of Parliament, two from Lok Sabha to be nominated by the Speaker of Lok Sabha and one from Rajya Sabha to be nominated by the Chairman of Rajya Sabha;
- c) the Director-General of the, ex officio;
- d) the Financial Adviser of the Ministry or Department in the Government of India dealing with the National Institute of Fashion Technology, ex-officio;
- e) the Joint Secretary, in the Ministry or Department in the Government of India dealing with the National Institute of Fashion Technology, ex officio;
- f) the representative of the Ministry or Department in the Government of India dealing with higher education to be nominated by the Secretary of that Ministry or Department, ex officio;
- g) five persons to be nominated the Central Government, representing the States in which the campus of the Institute is located, from amongst persons who are academicians or industrialists of repute engaged in area of fashion technology; and
- h) two eminent experts in fashion technology, one of whom shall be an educationist, to be nominated by the visitor on the recommendations of the Central Government.

The terms of office of the Chairperson and other members of the Board other than ex officio members thereof shall be three years and they shall be entitled for such allowances as may be determined by the Central Government.

The term of office of members of the Board nominated to fill a casual vacancy shall continue for the remainder of the term of the member in whose place he has been nominated.

The Board shall meet at least four times in a year at such place and time and observe such rules of procedure in regard to the transaction of business at its meetings as may be determined by the Board.

It is hereby declared that the office of member of the Board of Governors shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.

The other authority of the Institute is called a '**Senate**' consisting of (a) the Director General-Chairperson of the Senate; (b) all Institute Campus Directors and Senior Professors; (c) three persons, not the employees of the Institute, from amongst educationist of repute; (d) one alumnus of the Institute to be nominated by the Chairperson in consultation with the Director-General by rotation; and (e) such other member of the staff as required.

The **Senate** of the Institute has the control and general regulation, and is responsible for the maintenance of standards of instruction, education and examination in the Institute and exercise such powers and perform such other duties.

The Director General being the principle executive officer of the Institute is responsible for the proper administration of the Institute and also for imparting of instruction and maintenance of discipline therein.

The Registrar acts as the Secretary of the Board is responsible to the Director - General and is the custodian of records, the funds of the Institute and other property of the Institute.

Sources of Receipts:

Funds to the Institute are provided after due appropriation made by Parliament and paid by Central Government in each financial year

The other sources of receipts are:

- 1) Tuition Fee
- 2) Receipts from Projects
- 3) Miscellaneous receipts - fines, scrap sales etc
- 4) Sale of Tender Forms
- 5) Hostel fee
- 6) Library Fee
- 7) Re-exam fee

- 8) Interim income from investments
- 9) License fee from leased accommodations
- 10) Guest House Charges
- 11) CE Programme

Functions of the Institute:

The functions of the Institute are:-

- a) to nurture and promote quality and excellence in education and research in area of Fashion Technology;
- b) to lay down courses leading to graduate and post-graduate degrees, doctoral and post-doctoral courses and research in Fashion Technology;
- c) to hold examinations and grant degrees in area of Fashion Technology;
- d) to confer honorary degrees, awards or other distinctions in area of Fashion Technology;
- e) to cooperate with educational or other institutions in any part of world having objects conducive to their common objective;
- f) to conduct courses for teachers, Fashion Technologists and other professionals;
- g) to undertake research and studies in area of Fashion Technology and application thereof;
- h) to collect and maintain literature and materials available in area of fashion technology so as to develop a modern information center within the country;
- i) to create a central faculty of Fashion Technology resource and analysis for use by the researchers;
- j) to have a centre to experiment and innovate and train persons in the area of Fashion Technology;
- k) to develop an International centre for creation and transmission of information in the area of Fashion Technology, with focus on educational, professional and industrial commitments;
- l) to organize National or International symposia, seminars, conferences and exhibitions in selected area of Fashion Technology, from time to time;
- m) to arrange courses catering to the special needs of the developing countries;
- n) to provide technical assistance to artisans, craftsmen, manufacturers, designers and exporters of fashion products; and to carry out any other activity in the area of Fashion Technology not mentioned above.

Approved in 11th BOG meeting held on 25th August, 2010 vide agenda item no.1104

I) CONSTITUTION OF FINANCE & AUDIT COMMITTEE OF THE BOARD

1. AS&FA - Chairperson

2. Joint Secretary - Member
3. DG - NIFT - Member
4. Director (F&A) - Member

To be assisted by Registrar (Estt.) - Secretary to the Committee.

The Committee will meet every quarter or as frequently as may be required.

The Finance & Audit Committee shall perform the following functions and any other function as the Board may entrust to it from time to time, namely:-

- to examine and scrutinize the Annual Budget of the Institute prepared by the Director General and make recommendations to the Board.
- to examine the accounts and to scrutinize the proposals for expenditure;
- to consider and make its recommendations to the Board on all such matters connected with the Institute as have financial implications.
- to act the Audit Committee for all financial matters
- to exercise full powers with regard to write off of assets, engagement of consultant, disposal of surplus stores of book value beyond the delegated powers of Director General
- to accord the necessary administrative approval and expenditure sanction for all capital good and major works, beyond the delegated powers of Director General.
- to fix limits of the total recurring expenditure and the total non- recurring expenditure of the year based on the income and resources of the Institute.
- to give its views and make its recommendations to the Board either on the initiative of the Board or of the Director General, or on its own initiative of any financial question affecting the Institute;

The committee of the Board shall have the financial power of upto Rs. 25 Crores. If the financial implication in case of any project exceeds Rs. 25 Crores, the proposal has to be submitted to the Board for approval.

IV) CONSTITUTION OF ACADEMIC AFFAIRS COMMITTEE OF THE BOARD

1. DG-NIFT-Chairman
2. M.D. Alok Industries Ltd. -Member
3. Joint Secretary -Member
4. Dean (Academics) -Member
5. Professor, IIT, Delhi -Member
6. Designer -Member

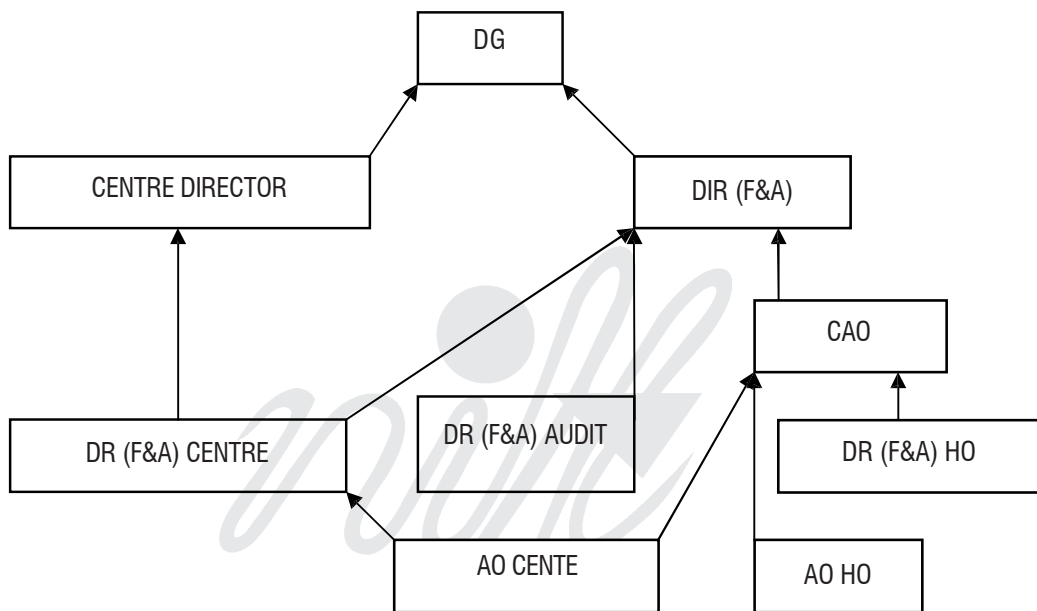
To be assisted by Registrar (Estt.)- Secretary to the Committee

The Academic Affairs Committee will meet every quarter or as frequently as may be required.

The Academic Affairs Committee shall be responsible for all academic and allied matters of the Institute and shall provide academic vision and direction for its functions in terms of section 6 of the Act and any other function as the Board may entrust to it from time to time. The

committee of the Board shall have the financial power of upto Rs. 25 Crores. If the financial Implication In case of any project exceeds Rs. 25 Crores, the proposal has to be submitted to the Board for approval.

ORGANISATIONAL CHART OF FINANCE & ACCOUNTS DEPTT.



CHAPTER - 2

Budget and Control

1. Brief about Budget

Budget represents the Annual Financial statement showing the estimates of receipts and expenditure in respect of a financial year. Financial year commences on 1st day of April of each year and ends on 31st day of March of the following year.

Budget will be prepared by the estimating authorities i.e. Centre Director separately for each Head of Account in the prescribed form. The Revised Estimates of current financial year and Budget Estimates of the following financial year after scrutiny by the Centre's Director, will be forwarded to the Head Office. Head Office shall compile the budget centre-wise and put up consolidated major head to BOG for final approval. Minor head wise details of budget will be approved by DG.

The budget shall contain the following:-

- a) Estimates of all Revenue/Income expected to be raised during the financial year to which the budget relates
- b) Estimates of all Expenditure for each head-wise expenditure.

Receipt Estimates:- The detailed estimates of receipts will be prepared by Centre Director in consultation with finance Unit of the Centre related to Budget in the prescribed form enclosed giving break-up sub-head-wise along with the actual of the past three years. Any major variation will be supported by cogent reasons.

Expenditure Estimates:- The detailed estimates of expenditure will be prepared by the Centre Director in consultation with finance Unit of the Centre for each unit of appropriation head-wise. Estimates should interalia include provision for liabilities of the previous year left unpaid during the relevant year.

2. Heads of Revenue & Capital Receipts.

2.1 Revenue Receipts :-

The income of NIFT comprises of:-

1. Regular Programme
2. Admission Receipts
3. Resource Centre
4. Hostel Income
5. Surplus from Projects & CE Programme
6. Interest
7. Misc Receipts

2.2 Capital Receipts

These comprise (i) Plan grant provided by the Central Government; ii) States grants; and iii) Bank loans.

Estimates of receipts in all other cases will be prepared by each Centre after obtaining necessary data by the 30th November from the centers/

units and such scrutiny as may be necessary in the light of policy decisions and other post Budget developments. This will be compiled by the budget unit at H.O.

3. Preparation of RE & BE

In preparing the Revised Estimates, while previous year's actuals and current year's trends will be material factors to review the original Budget Estimates, special attention should be devoted to making as realistic an estimate as possible of receipts which are likely to materialize during the rest of the financial year. Format for preparation of RE & BE is enclosed at Appendix-II.

In framing the Budget Estimates for the ensuing year, the estimating authorities should exercise utmost care. While all receipts which can be foreseen in the light of latest trends, decisions and developments must be provided for, care should be taken to ensure that undue optimism does not influence these estimates. Similarly, where the receipts have a seasonal character, due note should be taken thereof in preparing the estimates.

Estimates of Receipts by way of interest on loans and advances will be based on the terms of the loans sanctioned, as entered in the Loan Registers, including defaults, if any. The estimates should be realistic; that is to say, that the estimates should reflect not merely what is due but what is likely to be realized during the year together with the reasons for non-recovery of the difference between receipts due and assumed in the estimates. Interest receipts expected from internal resources should be distinguished from notional recoveries offset by corresponding expenditure provisions in the form of Plan/ Non-plan subsidies and loans.

In reporting estimates of receipts by way of foreign assistance in cash or in kind, care should be taken to classify foreign receipts in cash. For utilization of cash, provision in expenditure estimates under the final functional Heads of Account will be necessary. The estimates should confine to those items of receipts, which are to be accounting for finally in the account of NIFT.

3.1 Estimate of Expenditure

1. For purpose of Budge Estimates, expenditure from the NIFT Fund falls in two categories - Non - Plan expenditure and Plan Expenditure - each comprising expenditure on revenue account and on capital account including loans and advances.

The framing of the Revised Estimates for the current year should always precede estimation for the ensuing year. The Revised Estimates 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 order of appropriation of re-appropriation already issued or contemplated and
- (iv) any other relevant factor decision or development.

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

No lump sum provision will be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/ scheme which has been accepted in principle for being taken up in the financial year. Budget provision in such cases should be limited to the requirements of preliminary expenses and for such initial outlay, as, for example, on collection of material, recruitment of skeleton staff, etc.

The estimate of establishment charges should be framed taking into account the trends over preceding three years and other relevant factors like changes in rates of pay, allowances, number of posts and their filling and the economy instructions issued by the Ministry of Finance from time to time.

Expenditure estimates will be prepared with full accounts classification, i.e., by Major/ Sub Major Head, Minor Head, Sub-Head and Detailed Head and Object Head of Account. The correctness of accounts classification must be ensured in each case in case of any doubt, cleared beforehand.

S.No.	Dates	Action Required
1	By 15th October	RE for scrutiny of the estimates from Centres as well as proposal for BE next year
2	By 15th December	Major head-wise approval by Board
3	Jan-February	Minor head-wise approval by DG for next year BE
4	March	Circulation to all the Centres the minor head-wise budget allocation.

The detailed demands show ' actual expenditure' as per the accounts in the previous year, Budget and Revised Estimates for the ensuing year. The process of compilation should start in July/August.

4. Budget Schedule / Cycle:-

The following is the time schedule to be observed by NIFT in finalizing the annual accounts and submission:-

Sending of copies of annual accounts to the statutory auditor by 30th June

Completion of audit by statutory auditor 30th Sept.

Sending of printed copies of Annual Report along with audited accounts with audit certificate to the Ministry 30th November

5. Control & Checks

The responsibility for control of expenditure on different heads falls on Centre Director and DR (F&A) concerned. Deputy Registrar of each center shall be responsible for the control of expenditure against the sanctioned estimate in the budget. The control shall be exercised through the Heads of the Departments and other controlling Officers, if any, through Disbursing officer (Accounts Officer).

No expenditure shall be incurred which is beyond the provision of the budget. Heads of the Centres and the Accounts officer shall be jointly responsible for the quarterly reconciliation of the figures given in the accounts and the actual expenditure incurred. The procedure for reconciliation should be followed as provided. Quarterly statement showing the expenditure vis-a-vis the Budget provision under the various heads of accounts in the prescribed pro- forma should be sent to the Head Office for overall control of expenditure against Budget.

In order to exercise an effective check to watch the expenditure within the budget, a separate register (Bill passing cum Expenditure Control Register) should be maintained in each accounting unit of each center. Budget control provision is also provided by NIFT in the TALLY Software system. This Software will not allow to punch /enter any voucher unless budget provision is available.

For items purchased from the Plan grant, the power to dispose off need prior approval of the Ministry. The authority sanctioning the expenditure should be competent to do so by virtue of power vested in it by the provisions of rules or orders i.e., Delegation of Powers. The sanction should be definite and needs no reference either to the sanctioning authority or by any higher authority.

It is primarily the responsibility of the sanctioning authority to satisfy itself on the propriety of the sanction.

Standard budget heads as well as accounts heads have been finalized.

Points to be ensured while preparing the Budget:

The observations of Board indicated below should be kept in mind while exercising budgetary control.

- 1) The Centre has to earn at least 10% of the revenue expenditure as surplus (before depreciation and allocation of DDF)
- 2) Centre should strictly adhere to Budgetary Provisions and appropriate measures should be taken to exercise budgetary control.

While preparing budget and expenditure booking in accounts, **standard budget heads should only be used** as per guidelines/parameters.

The following points be ensured while processing the proposal for financial approval.

- 1) Whether funds are available in the budget or not.
- 2) The proposal should indicate the amount of the budget available, amount incurred so far and balance amount.
- 3) No re-appropriation from one head to another head budget can be done without the approval of the D.G. and with the valid reasons for the same.

4) All departments have to maintain an Expenditure Control Register which can be shown to the audit as well as accounts as and when required.

5) Any change in major head budget will be done by the board.

All the above points should be strictly adhered to before forwarding processing any proposal for financial approval.

6. Standardization of Revenue Budget Heads of every Centre and standard allocation of annual budget for Centres and Head Office

Standard Budget heads have been finalized for all the Centres and HO is enclosed at APPENDIX-I. Budget for the ensuing financial year is required to be prepared and actual (provisional) expenditure incurred during current year may be indicated in the prescribed format while preparing the budget. Following guidelines/ parameters may be kept in mind.

- i) Academic expenditure should be restricted to a maximum of Rs. 15,000/- per student, out of which maximum of Rs. 10,000/- should be used for common academic expenses of the Centre and Rs.5,000/- approx. should be allocated towards departmental expenditure, above amount includes scholarship to be paid to students.
- ii) Hostel expenditure should be limited to hostel receipts only, hostel is treated as profit Centre. As such profit and loss account of hostel income and expenditure should be prepared while taking all types of expenditure, opportunity cost / notional rent should also be considered in case of Centres having their own building. It should be ensured that after allocating all the expenditure hostel should run on no profit no loss basis.
- iii) Admission expenditure should be kept minimum because admission is also a Profit Centre. Accordingly, budget will be prepared by Head Office.
- iv) Administrative expenses should not be more than 12-15% of the total expenditure.
- v) While preparing the budget for building maintenance certain items like electricity bill, water bill, property tax may vary from Centre to Centre as per the State Govt. rate, but as regards expenditure on housekeeping and security manpower deployment should be more or less the same, but budget may vary due to minimum wage rate with a view to different States, accordingly, budget may be prepared. However, the expenditure on repair and maintenance of the building including electricity and water (excluding property tax) should be roughly around 275 per Sq. Mtr as on today.
- vi) While preparing budget for establishment expenditure only the salary and other expenses may be considered and a maximum of 7-8% increase may be considered while preparing the budget for the next year.
- vii) Resource Centre is to be treated as a Profit Centre. All income generated by Resource Centre should be ploughed back to Resource Centre only. The capital budget for the Resource Centre should be prepared separately which includes books and other items required by the Resource Centre.

viii) Each CE Programme should be treated as Profit Centre. For CE Programmes, CE Policy called the NIFT Continuing Education Programmes Policy, came into effect from 1st April,2006 may be referred, accordingly, amount may be transferred to DDF and corresponding accounting should be reflected in the books of accounts. For this purpose, while receiving the Fee of CE Programmes accounting entry should be made in the books of Accounts, so that amount can be transferred to DDF. However, in CE Programme expenditure should not exceed 15% of the revenue and amount created as DDF can be utilized as per DDF policy. DDF Fund can be utilized as per guidelines given in the Policy effective from April 2006. For each and every CE Programme separate profit and loss Account should be prepared as per the budget heads indicated at Appendix-1. The DDF available to the Departments will be restricted to 50% of the permissible amount, if the Centre does not break even.

ix) Each Project will be treated as profit centre. For executing Projects, Policy circulated vide circular dated 21st July, 2004 and subsequent amendments dated 10th Jan. 2005 should be strictly adhered to. Whenever a new Project comes, detailed activity wise budget should be prepared and expenditure should be incurred as per that project only. For each and every Project separate Profit and Loss account should be prepared and surplus from Projects should be booked in the books of Accounts, instead of booking total receipt and total expenditure.

In earlier years, in accounts, it was observed that proper booking of expenditure was not done by different Centres resulting in showing more expenditure under one head and less expenditure in another heads, because standard budget heads as well as accounts heads were not being used. To avoid this budget heads have been finalized and account should book expenditure under these heads only.

In addition to above, following instructions should also strictly be adhered to by the Centre Directors while preparing the budget in the revised format.

- 1) Proper control of expenditure will have to be ensured by the Accounts Department against each budget head.
- 2) All the expenditure should be properly booked against proper budget head only.
- 3) Re-appropriation of different budget heads to sub budget heads can only be done with the prior approval of the Competent Authority.
- 4) Profit and Loss indicated in the budget submitted for the financial year concerned should be ensured while preparing the budget in the above revised format.
- 5) All Centres should try to become self -sufficient.
- 6) Govt. Circular regarding economy of expenditure, copy already sent to all the Centres should be strictly adhered to.

In view of the above guidelines and instructions, Centers may be directed to prepare budget as per standard budget heads.

Standard budget Heads for Centres and Head Office

SL. NO.	CENTRE	PARTICULARS
		Expenditures
		ACADEMIC EXPENSES
		a) Departmental Expenditures
1.		Class Room Expenses
2.		TA/DA other Centre faculty
3.		Jury Expenses
4.		Final Diploma / Graduation Show/Presentation limited to 2 lacs
5.		Deptt. Meets (Industry, Advisory, Curricular Dev. Meeting, Review Meeting)
6.		Field Study
7.		Display and Exhibition
8.		Guest Faculty
9.		Craft Documentation
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		COMMON EXPENSES
1.		Printing & Publication
2.		Student Welfare - (Zero Hour & others)
3.		Students Insurance
4.		R & M - Equipment including Computers
5.		Convocation
6.		Orientation Programme
7.		Faculty Conclave
8.		Alumni Meet, alumni co-ordinator
9.		Scholarships
10.		TA/DA of faculty
11.		Examination & Evaluation Exp. Through EAC
12.		Sub Committee Exp. (LASC CASC etc.)
13.		Postage & Telegram
14.		Membership fee
15.		Placement/ Internship expenses - RIC
16.		Foreign visit expenses
17.		Training & development
18.		Expenses on Certificate, Awards & Trophies - Head Office
19.		Expenditures on Foreign Faculties - TA. DSA, etc.

20.		Promotional Expenditure (Centre Events/seminars / Workshops)
21.		Internet Fee
22.		HO. Fee Share Account
23.		Misc.
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		ADMISSION EXPENSES
1.		Advertisement
2.		Exam Centre Booking Expenses
3.		Payment to Agency
4.		Jury Expenses
5.		Postage & Telegram
6.		Printing & Stationery
7.		Travel Expenditures
8.		Invigilation Fees
9.		Misc. expenses
10.		Promotion - Careers, Fairs, etc.
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		HOSTEL DEPT.
		Expenses
1.		Hostel - Rent
2.		Hiring charges of Furnitures / Fixtures
3.		Electricity
4.		Water
5.		Bus
6.		Salary - Hostel Staff
7.		Telephone/Internet
8.		Cable Connection
9.		Newspaper/ Periodicals
10.		Mess Charges
11.		Notional rent (where ever permanent campus exist and accommodated in own Building)
12.		Housekeeping, Security exp. Insurance, property tax (to be apportioned)
13.		R & M of Hostel equipment / furniture
14.		Misc. expenses
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		RESOURCE CENTRE
		Expenses
1.		Audio-Visual Materials
2.		Periodicals & Magazines
3.		TA/DA
4.		Misc. Expenses - Binding, Printing & Stationery, Brochures, slides, IT Consumables, etc.
5.		Training/ Seminar
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		ADMINISTRATIVE EXPENSES
1.		Advt.
2.		Audit Expenses - Internal & Statutory & CAG
3.		Internal / Statutory & CAG FEE
4.		Bank Charges
5.		Interest on Loan
6.		BOG, Sub- Committee & Standing Committee exp.
7.		Hospitality
8.		Hindi expenses
9.		Legal & Professional charges
10.		Local Conveyance
11.		Postage & Telegram
12.		Printing & Stationery
13.		R & M - other than Class Room Equipments/ Furniture
14.		Running & Maintenance of Vehicles
15.		Vehicle Insurance
16.		Telephone charges office
17.		Travel - India
18.		Travel Abroad
19.		Hiring of Vehicle
20.		House Keeping exp.
21.		Horticulture exp.
22.		Liveries
23.		Prior Period Expenses
24.		Loss from sale of Asset
		Guest House expenses
25.		- Repair & Maintenance

26.		- Electricity & Water	
27.		- Security	
		Depreciation	
28.		- Dept. Building	
29.		- Dept. Plant & Machinery	Dep. Vehicles
30.		- Dept. - office Equipment	Dep. Books
31.		- Dept. - Class Room & Lab Equipment	Dep. Other Assets
32.		- Dept. - Computers	Dep. Furniture Fixtures
33.		- Dept. - DG Set	Dep. AC, AV, Water Cooler
34.		- Dept. - Electrical items	Dep. Resource Centre Collection
		Insurance	
35.		- Cash & Fidelity	
36.		- Equipment	
37.		- Vehicle	
38.		- Stores	
39.		- Furniture & Fittings	
40.		Misc.	
		TOTAL	

SL. NO.	CENTRE	PARTICULARS
		BUILDING SECTION
1.		Electricity charges
2.		Water charges
3.		Property tax
4.		Local Authority Payments
5.		Building - Insurance
6.		R & M - Canteen expenses
7.		R & M - Building
8.		R & M - Furniture
9.		R & M - DG Set
10.		R & M - Equipment A/c., Cooler, fan, fire alarm, solar hot water system, Lifts, PA systems
11.		PO.L. Exp. (Fuel)
12.		Misc. Expenses
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		ESTABLISHMENT EXPENSES
1.		Grade Pay
2.		Dearness Pay
3.		Dearness Allowance
4.		HRA
5.		TA/DA
6.		Transfer Traveling Allowances
7.		Consolidated Salary
8.		CPF - Administrative charges
9.		EDLI Premium
10.		Bonus
11.		Gratuity
12.		Honorarium/ Incentives
13.		Leave Salary & Pension contribution
14.		LTC
15.		Medical expenses / Medical Insurance
16.		Employer's contribution (CPF + Family Pension)
17.		OTA
18.		Reimbursement of Newspaper & Magazine expenses
19.		House incentive
20.		Reimbursement of Children Tuition Fee (Limited to 2)
21.		Staff Welfare
22.		Reimbursement of Telephone - Residence
23.		Transport Allowance
24.		Cash handling allowance
25.		Washing allowances
26.		Special Pay
27.		Hardship Allowance
28.		Hill Area Allowance
		Total

SL. NO.	CENTRE	PARTICULARS
		FOR EACH CE PROGRAMME
1.		Advt. / Promotion
2.		Printing & Publication
3.		Faculty Lecture Fee
4.		Guest Faculty Lecture Fee
5.		Curriculum / Course Dev. Expenses
6.		Co-Ordination charges
7.		Documentation Charges
8.		TA/DA
9.		Industrial Visit charges
10.		Class Room Expenses (Muslin, Pattern Making Paper, etc.)
11.		Examination related expenses
12.		Inaugural / Valedictory expenses
13.		Hiring charges - Hall, Equipment, etc.
14.		Course support Materials
15.		CE Programmes - Common expenses
16.		Support Staff expenses
17.		Misc. & contingent expenses
18.		Course Marketing Fee

SL. NO.	CENTRE	PARTICULARS
		PROJECTS
1.		EXPENSES
2.		15% NIFT Administrative Charges
3.		Consumables
4.		TA/DA expenses
5.		Guest Faculty, Experts fee, Designer, etc.
6.		Guest Faculty - NIFT
7.		Display, Seminar, Exhibition etc.
8.		Other Direct expenses
9.		Inauguration / Valedictory expenses
10.		Hospitality
11.		Printing, Documentation & Publication
		TOTAL
		Balance amount
12.		Consultancy for faculty & Staff
13.		NIFT Share

SL. NO.	CENTRE	PARTICULARS
		SECURITIES RECEIVED
		Security Received from student
1.		– Hostel
2.		– Academic
3.		– Resource Centre
4.		– Other
		Security Received from Suppliers
5.		– EMD
6.		– Performance Security
7.		– Retention Money
8.		– Other
		Security Received from others
9.		– EMD
10.		– Performance Security
11.		– Retention Money
12.		– Other

SL. NO.	CENTRE	PARTICULARS
		SECURITIES PAID
1.		Security paid for Hall booking
2.		Security paid for supply of petrol
3.		Others Security paid

SL. NO.	CENTRE	PARTICULARS
		HEAD OF ADVANCES
		Advance paid to Employees
1.		TA ADVANCE
2.		LTC ADVANCE
3.		MEDICAL ADVANCE
4.		FESTIVAL ADVANCE
5.		SCOOTER ADVANCE
6.		MOTOR CAR ADVANCE
7.		COMPUTER ADVANCE
8.		HOUSE BUILDING ADVANCE
9.		MISC. ADVANCE
10.		PROJECT ADVANCE
		CONTRACTOR ADVANCE
11.		– MOBILIZATION ADVANCE
12.		– MATERIAL ADVANCE
13.		– WORKS ADVANCE
		SUPPLIER ADVANCE
14.		– MOBILIZATION ADVANCE

SL. NO.	CENTRE	PARTICULARS
		HEADS OF LIABILITIES - PROVISIONS
1.		TDS PAYABLE
2.		WORKS TAX PAYABLE
3.		CPF PAYABLE
4.		GPF PAYABLE
5.		LEAVE SALARY PAYABLE
6.		PROVISION FOR GRATUITY
7.		GSLIS PAYABLE
8.		PROVISION AGAINST CONTRACTOR ADVANCE
9.		PROVISION AGAINST SUPPLIER ADVANCE
10.		PROVISION AGAINST BILLS OUTSTANDING
11.		OTHER PROVISIONS
12.		PROVISION FOR EXP. AGAINST EMPLOYEES ADVANCE
13.		SALARIES - PAYABLE
14.		PENSION

SL. NO.	CENTRE	PARTICULARS
		MISC. RECEIPTS
1.		Misc. Receipts
2.		Income from Guest House
3.		Advt. - Fashion & Beyond
4.		Subscription received
5.		Maintenance charges (Against use of NIFT Premises)
6.		Royalty
7.		Insurance Claim received
8.		Sales of Scrap
9.		Profit from sale of Assets
10.		Sale of Tender Forms
11.		Charges from students - Color photocopier, Computer, Printout, etc.
12.		Liquidated Damages
13.		License Fee - Leased Accommodation
14.		Recovery of use of Office car
15.		Recovery for Cell Phones
16.		Other receipts
17.		Prior period income
		Interest
18.		Advances - HBA, Motor Vehicles, Computer, Loan to Staff
19.		Bank
20.		Other Investments
		Grant
21.		Plan
22.		Non-Plan
23.		EMD- BG Fund
24.		State Govt. Grant
25.		Endowment Fund - NDF
26.		Donations & Others
		TOTAL

SL. NO.	CENTRE	PARTICULARS
		REGULAR PROGRAMME INCOME
1.		TUITION FEE
2.		RE-EXAM FEE
3.		STUDENT DEVELOPMENT FEE
4.		INSURANCE FEE
5.		RE-EVALUATION FEE
6.		LATE FEE
7.		RE-ADMISSION
8.		REGISTRATION
9.		FINES
10.		MISC.
		ADMISSION RELATED INCOME
11.		APPLICATION FORM FEE
12.		EXAM. FEE
13.		SALE OF PROSPECTUS
		RESOURCE CENTRE INCOME
14.		ANNUAL FEE
15.		FASHION FORECAST FEE
16.		FINES
17.		MISC. RECEIPTS (BOOK LIST, SALE OF COLOR CHIPS)
18.		DAMAGES COLLECTED
		HOSTEL INCOME
19.		HOSTEL FEE
20.		MESS FEE
21.		TRANSPORTATION FEES
22.		FINE
23.		ELECTRICITY
24.		TELEPHONE
25.		MISC. FEE
26.		SERVICE CHARGES
27.		INTERNET
		TOTAL
		CE PROGRAMME RECEIPT
28.		TUITION FEE
29.		LATE FEE & FINES
30.		APPLICATION FEE
31.		MISC.
		TOTAL



NIFT, HEAD OFFICE, NEW DELHI
CAPITAL EXPENDITURE

SL. NO.	CENTRE	PARTICULARS
1.		LAND & Building
2.		BUILDINGS
		IT-Items
3.		COMPUTER FOR CENTRES
4.		COMPUTER HARDWARE & ACCESSORIES
5.		COMPUTER PROJ - OTHER ASSET
6.		COMPUTER -SOFTWARE
		NON-IT Items
7.		DG SET
8.		CLASS ROOM EQUIPMENT
9.		FURNITURE & FIXTURES - COMPUTERS
10.		FURNITURE FIXTURES & FITTING
11.		HOSTEL EQUIPMENTS
12.		INTERIOR WORK
13.		AC. AV WATER COOLER
14.		OFFICE EQUIPMENT
15.		OTHER ASSETS
16.		RESOURCE CENTRE COLLECTION
17.		VEHICLES
18.		BOOKS & PERIODICALS

APPENDIX-II
NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HEAD OFFICE HAUZ KHAS NEW DELHI

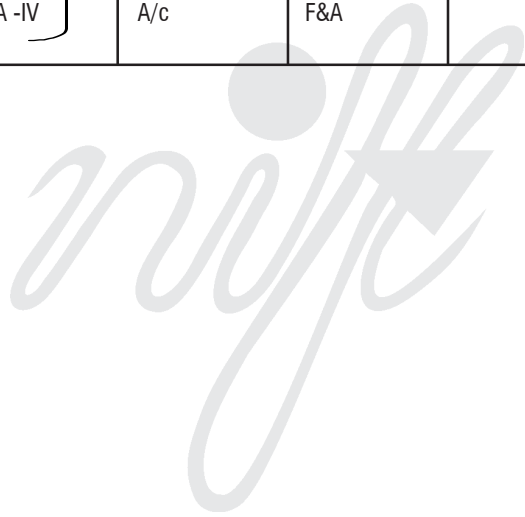
O/o No. 1509(1)/Accts. H.Q./cir-order/05 dated 10.5.2005

PARTICULARS	BE Last FY	RE Last FY	Actual Exp. Last FY (6 months)	BE Current FY	Actual Exp. Current FY	RE Current FY	BE Next FY	Reason for variation
EXPENDITURE								
Academic Exp.								
Hostel Deptt. Exp.								
Resource Centre Exp.								
Administrative Exp.								
Building Deptt. Exp.								
Establishment Deptt. Exp.								
Deficit from CE Programme								
Deficit from Projects								
Total Expenditure								
INCOME								
Misc. Receipts								
Regular Programme								
Admission receipts								
Resource Centre								
Hostel Income								
Surplus from CE Programme								
Surplus from Projects								
Interest								
Total Income								
Surplus/Deficit								

Above Format is for major heads of expenditure. In the same format minor headwise budget may also be prepared by HO and different Centres.

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
Brief about Budget, Rct/Expn Estimates, Rev./Capital Rcpt.,preparation of RE/BE, Budget - Schedule, Control & Checks, Std. Bud.Hds	1	F&A -IV	DR(F&A)	CAO/Dir F&A	F&A -I	DR (F&A) wherever DR (F&A) is not posted AO/OSD/SA. Ac.	Director
	2 to 2.2						
	3, 3.1						
	4	F&A -I	DR (F&A/AO/ OSD/Sr. Asst. A/c	CAO/Dir. F&A	F&A -IV	AO	Director
5	F&A -IV						
6							



CHAPTER - 3

Procedure for Financial Concurrence

1. Canons of Financial Propriety

Every officer incurring or authorizing expenditure from public money should be guided by high standard of financial propriety. Every officer should also ensure financial order and strict economy and see that all relevant rules and regulations are observed, by his / her own office and by subordinate officers. It should be the aim of each executive to get the maximum benefit of every rupee of expenditure. Certain canons of financial propriety as indicated below are to be kept in view.

- a. Every executive should exercise the same vigilance in respect of expenditure incurred on any account as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- b. No authority should exercise its powers of sanctioning expenditure which will be directly or indirectly to its own advantage.
- c. Money should not be utilized for the benefit of a particular person or section of the community unless.
 - i) the amount of expenditure involved is insignificant; or
 - ii) a claim for the amount could be enforced in a court of law; or
 - iii) the expenditure is in pursuance of a recognized policy or custom.
- d. No finance executive should concur any expenditure which is likely to involve at later date expenditure beyond its own power of concurrence.
- e. The amount of allowances such as traveling allowances, granted to meet the expenditure of a particular type, should be so regulated that the allowances on the whole does not become a source of profit to the recipient.
- f. The expenditure should not be prima facie more than the occasion demands.
- g. In cases where it becomes necessary to issue a sanction to expenditure before funds are communicated, the sanction should specify that such expenditure is subject to funds being communicated in the Budget of the year.
- h. That adequate control mechanism is functioning in the department for prevention, detection of errors and irregularities in the financial proceedings and to guard against waste and loss of public money.

2. DELEGATION OF POWERS

A. Delegation of Powers as per ACT (Gazette Notification dated 14th July, 2006)

Board of Governors: Extent of Board's Power

The general superintendence, direction and control of the affairs of the Society (NIFT) and its income and property shall be vested in the

Governing Body, which shall be called the Board of Governors of the National Institute of Fashion Technology, known as "the Board" for NIFT.

The Director General of the Institute appointed by the Board is the principal executive officer of the Institute. Board has delegated its powers to DG for the running of the Institute who has sub-delegated it to various other officers. The details of the same is given in the Annexures enclosed.

F&AC as the Finance Committee has been given certain powers as per **ANNEXURE -I**.

Delegation of Financial Powers Rules empowers Head of Departments and Administrator to declare any officer subordinate to them as "Head of Office". The Head of Office or any other officer designated as Disbursing Officer by a Head of the Department or an Administrator in terms of Rules 2 of General Financial Rules functions as the Drawing and Disbursing Officer for drawing bills and making payments on behalf of the office / Administrator. He is also responsible for all moneys received or disbursed in his office and for the maintenance of accounts thereof. The Head of Office may authorize any other officer serving under him to sign a Bill or Order for him. This will not, however, confer on the designated Drawing and Disbursing Officer any powers of the Head of the Office. The latter is also not relieved of his responsibility for the correctness of the bill or for the disposal of the money received in payment.

Sub - Delegation of Powers

In exercise of the powers available to the DG for sub-delegation of all or any of the powers vested with the DG by the BOG in its meeting dated 05.02.1988, subject to the ultimate control and authority being retained by the Director General, the Director General is pleased to sub-delegate the powers as contained in **Annexure-IV** to the Subordinate Officers in NIFT HO, Registrars of NIFT Centres and Directors, NIFT Centres respectively for the effective running of the Institute.

The Officers will exercise the powers within the delegated authority subject to:

- Standing Orders, policy directives and explicit and duly approved budget and any other instructions issued from time to time;
- Subject to such specific rules as are prescribed, power to sanction expenditure and authorize disbursement shall be exercised within the allocations made for specific purposes in the approved budget;
- Full powers to incur expenditure subject to budget provisions in all cases which are obligatory under various statutory Acts or any Regulation rule or service rules or any order made there under;
- The expenditure shall be incurred in accordance with the procedure laid down and statement of all items of non-recurring expenditure exceeding Rs.25,000/- to be submitted on monthly basis;

- Proposals with financial implications shall be examined by the finance division of the Institute.

The expenditure should be incurred judiciously keeping in view the instructions for economy and control on expenditure and various provisions contained in GFRs and DFPRs and other Govt. guidance on the subject. Periodic statements may be submitted as required.

1. The BPFC its meeting held on 03/9/2007 that only the cases of deviations/violations of the delegated/sub-delegated powers may be reported to the BPFC/Board in future vide agenda item no.2007.

2. It has been approved in the BOG meeting held on 14/9/2007 that BPFC committee may be renamed as Finance and Establishment Committee (F&EC) vide agenda item no. 2008
3. It has been approved in the BOG meeting held on 14/12/2007 that F&EC committee may be renamed as Finance Committee vide agenda item no. 3010
4. It has been approved in the BOG meeting held on 25/8/2010 that BPFC committee may be read as Finance & Audit Committee vide agenda item no.1116.

ANNEXURE-I

DELEGATION OF POWERS TO F & AC

S.No.	NAME OF THE ITEM	POWERS TO F& AC
1.	Hiring of Accommodation for long term consultant only.	Full powers to hire office / residential accommodation
2.	Purchase of equipment	Powers to purchase equipments of value exceeding Rs.10 lakhs on any one item on each occasion subject to the condition that Institute's purchase procedure shall be followed and subject to budgetary provisions.
3.	Write off	All proposal for write off
4.	Fellowships	Full powers for award of fellowships to NIFT students.
5.	Engagement of Consultant	Full Powers.
6.	Disposal of surplus stores	Disposal of stores of book value beyond Rs.5 lakhs
7.	Any other administrative / Establishment matter requiring special consideration / dispensation.	Full powers.

ANNEXURE - II

DELEGATION OF POWERS TO A.A.C.

S.No.	NAME OF THE ITEM	POWERS TO A.A.C.
1.	Administration of NIFT Development Fund	Full powers as per guidelines approved by the Board.

DELEGATION OF POWERS TO DIRECTOR GENERAL, NIFT

S. NO.	AREA OF DELEGATION	DELEGATED POWER OF THE DIRECTOR GENERAL
	ADMINISTRATIVE AND FINANCIAL	
1.	Grant of regular increments	Full powers
2.	Grant of special pay / special allowance / personal pay / personal allowance	Full powers in cases which involve specific additions to responsibilities and arduous nature of duties subject to the condition that the rate of additional remuneration so granted shall not exceed 20% of the grade pay of the employee upto a maximum ceiling of Rs.2500/- p.m.
3.	To act as Controlling Officer in respect of pay and allowances of the employees of the Society as per rules	Full Powers
4.	Fixation of Pay	Full Powers
5.	Grant of T.A including advance TA and to act as Controlling Officer for T.A claims.	Full Powers
6.	Sanction of Festival Advance	Full Powers
7.	Sanction of Festival, Fan, Bicycle & Flood Advance	Full Powers
8.	Grant of honorarium or reward	To grant honorarium or reward for a specially meritorious work. The total amount of such honorarium or rewards granted in a financial year shall not exceed Rs.5,000/-
9.	To fix installments for recovery of over payment of salary and allowance	Full powers subject to GOI rules.
10.	Grant of advance of Pay and lead salary advance	Full Powers
11.	Sanctioning of expenses on honorarium for visiting Faculty as per rules.	Full Powers
12.	Officiating appointment against leave vacancies	Full powers against sanctioned posts
13.	Authorizing Tour	<p>1) Within India - Full powers to authorise travels in accordance with the rules of the Institute including self on the Institute's work / business or for delivering lectures, attending seminars / symposium / conferences, professional / technical courses etc. on behalf of the society.</p> <p>2) Outside India- Full powers to authorise travels in accordance with the rules of the Institute excluding self on the Institute's work / business or for delivering lectures, attending seminars / symposium / conferences, professional / technical courses etc. on behalf of the society.</p>
14.	Authorising Deputation within India or training	Full powers, except of long term training for Foreign Service / Deputationists.
15.	Grant of T.A. to candidates called for interview	Full powers to grant T.A. subject to the policy approved by the Board.

16.	Authorising employees to travel by a Class/ mode higher than that authorised under the Institute's T.A. rules in special circumstances.	Full powers subject to justification on case to case basis.
17.	Cancellation charges in respect of air / rail and hotel bookings etc.	Full powers to incur expenditure on such cancellations necessitated by exigencies of Institute's business or other exceptional circumstances, such as sudden illness, sickness, bereavement, etc. of the employee concerned.
18.	Sanction of permanent advance / imprest.	Full powers as per GSR/Govt. Rules.
19.	Hiring of accommodation etc.	Full Powers to hire office / Academic Accommodation and Hostels Accommodation subject to requirements already budgeted for and after following prescribed procedure.
20.	To fix rent for shops, land and business premises.	Full powers
21.	Additions to leased building including renovation	Full powers within terms of such lease/s.
22.	Grant of advance for medical treatment.	Full powers as per rules.
23.	Reimbursement of medical expenses.	Full Powers
24.	Reimbursement of medical expenses in case of hospitalization	Full Powers
25.	Insurance of property / Assets of the Institute.	Full powers.
26.	Execution of instruments, deeds, leases, contracts etc.	Full powers to execute contracts, deeds, instruments and insurance of property and in particular - (a) All service agreements, (b) leases of houses, lands or other immovable property and (c) agreements, deeds etc. for lending / borrowing.
27.	Appointment of Solicitors and Advocates and sanction of legal charges.	Full powers to meet legal charges including reimbursement of legal expenditure incurred by the employees of the Institute in cases arising out of the official duties. Exercise of powers will be subject to scales of charges not being higher than the rates prescribed by the High Court / Supreme Court Rules. If the fees quoted are higher than the fees prescribed by the corresponding High Court / Supreme Court rules, justification for the same should be recorded.
28.	Grant of leave	As per GSR
29.	Revocation of / recall from leave	Full powers
30.	Working days and weekly off days in respect of staff operational	Full powers
31.	Investigation of arrear claims	Full powers
32.	Authorising handing over / taking over of charge away from Headquarters	Full powers, subject to exiguous.

33.	Grant or permit acceptance by the Institute's / employees of honorarium / fees / towards and permit acceptance by employees of such employment plus allowances in addition to pay and allowances from the Institute.	Full powers as per Consultancy Policy.
34.	Powers to make and give receipts, releases and other discharges for money payable to the Institute and for the claims and demands of the Institute.	Full powers
35.	Powers to determine from time to time who shall be entitled to sign on Institute's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases and Contracts.	Full powers
36.	a) To act as Controlling Officer for the Institute's vehicles / machinery to incur expenditure on their installation, repairs & maintenance to fix hire charges for their use and sanction reduction/permission where necessary. b) Incurring of expenditure on repairs & maintenance of Institute's vehicles	Full powers Full Powers
37.	Maintenance of and repairs to office furniture and equipments and residential furniture and equipments, where necessary	Full powers subject to budgetary provision following purchase procedure
38.	Advertisement Charges	Full powers subject to budgetary provision
39.	Printing and Bindings	Full powers subject to budgetary provision
40.	Other contingent Charges	Full powers subject to budgetary provision
41.	To award contracts for loading, unloading, handling, transport etc. and to incur expenditure thereon.	Full powers
42.	Sanction of claims for demurrages/ wharfages	Full powers subject to detailed justification on a case to case basis.
43.	Sanction of expenditure on ceremonial occasions / promotional purposes.	Full powers with budgetary provisions.
44.	Hospitality	Full Powers to incur expenditure on official guests within the budgetary provisions
45.	Liveries	Full powers to sanction issue of liveries to eligible employees and to waive return of liveries/recovery of cost thereof in special circumstances.
46.	Extent of compensation to employees as per statutory rules/orders	Full powers
47.	Incurring of expenditure on immediate safety of employees, plant, machinery etc. within works premises and townships	Full powers

48.	Payment of stipend, T.A. etc. to trainees, apprentices etc.	Full powers as per rules.
49.	Membership of organizations	Full powers regarding enrolment of the Institute as a member of the organizations connected with matters of interest to the Institute
50.	Recognition of Staff Union	Full powers
51.	Expenditure on gifts for visiting dignitaries.	Powers to incur expenditure on gifts upto Rs.5,000/- on each occasion.
52.	Appointment of Visiting Faculty or part time faculty / staff.	Full powers subject to observations of contractual requirements.
53.	Day to day administration of the Institute	Full powers to decide on matters concerning employees including faculty, students and academic affairs as per rules.
54.	Sanction for purchase of: (a) Raw Materials (b) Spares and Tools (c) Stationery & Other stores (d) Furniture and fixtures (e) Books and Periodicals (f) Vehicles (g) Office equipment (h) Miscellaneous items and any other consumables items.	Full powers subject to the Institute purchase procedure shall be followed in respect of those classes of stores which are mentioned therein. As per project policy in case projects subject to budgetary provisions.
55.	Purchase of equipment, furniture and fixtures and vehicles	Powers to purchase equipments of value not exceeding Rs. 10 lakhs on any one item on each occasion subject to the condition that Institute's purchase procedure shall be followed and subject to budgetary provisions.
56.	Purchase of Books	Full Powers
57.	Maintenance & repairs of office equipments and petty repairs and works to building where necessary	Full Powers
58.	Acceptance of tenders when open tenders are invited and more than one valid tender is received or on the basis of DGS& D rates contract	Full Powers subject to administrative approval of appropriate authority.
59.	Acceptance of standardized supplies under the DGS&D contract supplies from manufacturers/wholesalers at list prices or supplies from Govt./Public Sector will be procured without quotations.	Full powers
60.	Power to sanction expenditure for tender, recruitment and advertisement	Full Powers
61.	Entering into contracts/agreements	Full powers to enter into contracts/agreements on behalf of the Institute provided that where foreign collaboration is involved budgetary control on foreign exchange have to be adhered to and prior approval of Board of Governors/Standing Committee and the Government of India shall be obtained as per rules regulations and provided further that the details of all signed contracts be presented to the Board for information/confirmation.
62.	Power to sanction scholarship	Full powers subject to policy.

63.	Power to hire conveyance	Full powers
64.	Advertisement	Full Powers
65.	Expenses on Statutory payments	Full Powers
66.	Expenditure on approved capital items such as machinery, equipments, furniture, building projects etc.	Full powers
67.	Sponsored Projects	Full powers in accordance with approved budget of the project.
68.	Outside assignments/ consultancies by faculty members	Full powers to approve outside consultancies by NIFT faculty with or without remunerations, as per policy.
69.	Expenditure on postage/ stamps / courier charges	Full powers
70.	Approval for deputation of faculty & staff of the institution.	Full powers as GOI Rules.
71.	Disposal of Stores	Disposal upto the book value of Rs.5 lakhs in each case, as per policy.
72.	Residuary Powers	All powers available to the Heads of the Departments under various Govt. Rules shall be exercised by the Director General, NIFT.

ANNEXURE - IV

SUB DELEGATION OF POWERS BY DG TO SUBORDINATE OFFICERS IN NIFT HEAD QUARTER

S. NO.	AREA OF DELEGATION	EXTENT OF DELEGATION	TO WHOM DELEGATED
1.	Grant of regular increments	Group C & D Employees	Registrar (Estt.)
2.	To fix installments for recovery of over payment of salary and allowance	Full powers in respect of C&D staff of Headquarter as per Rules / Guidelines issued by Headquarter.	Registrar (Estt.)
3.	To act as Controlling Officer in respect of pay and allowances of the employees of the Society as per rules.	Full powers in respect of employees for Headquarter other than self.	Director (F & A)
4.	Grant of T.A. including advance TA and to act as Controlling Officer for T.A. claims.	Full powers in respect of employees for Headquarter other than self.	Director (F & A)
5.	Cancellation charges in respect of air / rail and hotel bookings etc.	Full powers to incur expenditure on such cancellations necessitated by exigencies of Institute's business or other exceptional circumstances such as sudden illness, sickness, bereavement, etc. of the employee concerned of HQ.	CAO
6.	Sanction of Festival Advance	As per residuary powers in respect of employees of HQ.	Director (F & A)
7.	Reimbursement of medical expenses.	As per residuary power in respect of employees of HQ.	CAO
8.	Insurance of property / Assets of the Institute.	Full powers subject to provisions of GFR and guidelines issued by HQ.	Director (F&A)
9.	Execution of instruments, deeds, leases, contracts etc.	Full powers to execute all service agreements in respect of HQ subject to provision of GFR and guidelines issued by HQ.	Director (F & A)
10.	Grant of leave	As per residuary power in respect of C&D employees of HQ.	Registrar (Estt.)
11.	Revocation of / recall from leave	As per residuary power in respect of C&D employees of HQ.	Registrar (Estt.)
12.	Working days and weekly off days in respect of operational staff	Full powers in respect of operational staff at HQ.	Project Engineer
13.	a) To act as Controlling Officer for the Institute's vehicles/ machinery to incur expenditure on their installation, repairs & maintenance	Full powers in respect of HQ. subject to provision of GFR & guidelines issued by HQ.	Director (F&A)

	b) Incurring of expenditure on repairs & maintenance of Institute's Vehicles	Full powers in respect of HQ. subject to provision of GFR & guidelines issued by HQ.	Director (F&A)
14.	Repairs & Maintenance of office furniture and equipments, where necessary	Full powers subject to budgetary provisions and following purchase procedures.	Director (F&A)
15.	Printing and Bindings	Upto Rs.10,000/- per order in each case subject to budgetary provisions and following procedures and not exceeding Rs.50,000/- per year.	Director (F & A)
16.	Other contingent Charges	Rs.1,000/- in each case subject to following the Rules & guidelines issued by HQ.	Registrar (Admin.)
17.	To award contracts for loading, unloading, handling, transport etc. and to incur expenditure thereon.	Upto Rs.5,000/- per case and not exceeding Rs.25,000/- per annum subject to following the set procedures and budget provisions.	Registrar (Admin.)
18.	Sanction of expenditure on ceremonial occasions/promotional purposes	Upto Rs. 50,000/- in each case and maximum of Rs. 1,00,000/- per year	Director (F & A)
19.	Hospitality expenses	Upto Rs. 1000/- in each case on hospitality of official guests subject to a maximum of Rs. 6000/- per annum	Registrar (Admin.)
20.	Liveries	Full powers to sanction issue of liveries to eligible employees and to waive return of liveries/recovery of cost thereof under unavoidable circumstances as per Rules & Guidelines issued by the HQ	Director (F & A)
21.	Purchase of equipment against DDF and Project	Full powers to purchase equipment of value not exceeding Rs. 50,000/- on any one item subject to Purchase Procedures from the funds available in the DDF. In the case of purchases for projects where the entire cost of the purchase is borne from the project funds, the value of no single item in the purchase order should exceed Rs.50,000/-	Director (F & A)
22.	Acceptance of standardised supplies under the DGS&D contract supplies from manufacturers/ wholesalers at list prices or supplies from Govt./ Public Sector will be procured without quotations.	Full power subject to purchase procedures.	Director (F & A)
23.	Power to hire conveyance	Upto Rs.15,000/- per month subject to the budget provisions each year and subject to following the procedures prescribed	Director (F & A)
24.	Expenses on Statutory Payments	Full powers : Electricity - as per bill, Telephones/ Fax - As per bill, subject to certification of all calls were for official used only and personal calls if any are paid for. House Rent, Taxes, Services Charges etc. -As per legal obligation subject to the budget provisions each year and subject to following the procedures prescribed	Director (F & A)

25.	Expenditure on postage/ stamps / courier charges	Rs.5,000/- per occasion upto Rs.10,000/- per month.	Director (Admin.)
26.	Purchase of consumables items including tool kits	Rs. 5,000/- in each case	Director (Admn.)
27.	Maintenance of and repair to office furniture & equipments and residential furniture and equipments, buildings including spares and tools where necessary	Rs. 5000/- per month for emergent case only	PE Building
28.	Project Expenses	Rs. 5000/- in each case of expenditure for HO Project.	AD Project
29.	Expenditure on Hospitality at HO	Up to Rs.10,000/- on one occasion with over all limit of Rs.1,00,000/- per annum. For hospitality like arranging tea, and lunch etc. Approved vide BOG meeting held on 25/8/2010 agenda item no.1105	Director (Admn.)
30.	Residuary Powers	All powers available to Heads of the offices under various Govt. Rules shall be exercised by Director (F & A)/ Registrar (Estt.) / Registrar (Admn.) / CAO as the case may be in NIFT Headquarters.	Director (F & A)/ Registrar (Estt./Admn.)/ CAO

REVISED SUB-DELEGATION OF POWERS TO DIRECTORS - NIFT CENTRES D.G'S ORDER NO.NIFT/DR(F&A)/DOP/2005 DATED 28.1.2008

Sub-Delegation' of Powers

In exercise of the powers available to the Director General for sub-delegation of all or any of the powers vested with the Director General. The BOG in its meeting dated 05.02.1988, subject to ultimate control and authority being retained by the Director General, the Director General is pleased to sub-delegate the powers as approved by BOG in its meeting held on 18th December 2007 to the Subordinate Officers In NIFT HO, Registrars of NIFT Centers and Directors, NIFT Centers respectively for the effective running of the Institute.

The Officers will exercise the powers within the delegated authority subject to

- Standing orders, policy directives and explicit and duly approved budget and any other instructions issued from time to time
- Subject to such specific rules as are prescribed, power to sanction expenditure and authorize disbursement shall be exercised within the allocation made for specific purposes in the approved budget.

- Full powers to incur expenditure subject to budget provisions in all cases which are obligatory under various statutory Acts or any Regulations rule or service rules or any order made there under.
- Proposals with financial implications shall be examined by the finance division of the Institute.

The expenditure should be incurred judiciously keeping in view the instructions of economy and control on expenditure and various provisions contained in GFR and DFPR and other Govt. guidance on the subject.

This is in supersession of all previous orders on the subject as well circular circulated vide Office letter No. NIFT/DR/(F&A)/(DOP)/2005 dated 4th January 2006.

Sr. No	AREA OF DELEGATION	DELEGATION/SUB DELEGATION OF POWERS TO DIRECTORS IN CENTRES
	ADMINISTRATIVE AND FINANCIAL	DIRECTORS (IN CENTRES)
1	Fixation of pay	Full powers in relation to post carrying pay scale below Rs.9300-34800 (subject to availability of posts in the set up approved by NIFT, Headquarter and subject to GSR, NIFT and specific instructions of Headquarter. All matters to be decided in consultation with Finance & Accounts.
2	Grant of regular increments of Group B Officers	Same in respect of Group B officers only.
3	Grant of advance of pay and leave salary advance.	Full powers in relation to post carrying pay scale below Rs. 9300-34800 (subject to availability of posts in the set up approved by NIFT, HQ and subject to GFR, NIFT and specific instructions of HQ all matters to be decided
4	To fix installments for recovery of over payment of salary and allowance	Full powers in respect of C&D staff of Centre as per Rules / guidelines issued by HQ.
5	Sanctioning of expenses on honorarium for visiting Faculty as per Rule	Full powers subject to budgetary provision & reporting to Headquarter
6	To act as Controlling Officer in respect of pay and allowances of the employees as per rules.	As per Residuary Powers in respect of Centers
7	Authorizing Tour	Within India only - Full powers to authorize travels in accordance with the rules, of the Institute's employees excluding himself / herself within India on the Institute's work / business or for delivering lectures, attending seminars symposium / conferences, professional / technical courses etc. on behalf of the society subject to budgetary ceiling and quarterly reporting to HQ.
8	Grant of T.A including advance TA and to act as Controlling Officer.	As per Residuary Powers in respect of Centers
9	Cancellation charges in respect of air / rail and hotel bookings etc.	Full powers to incur expenditure on such cancellations necessitated by exigencies of Institute's business or other exceptional circumstances such as sudden illness, sickness, bereavement, etc. of the employee concerned of their centre.
10	Sanction of Festival Advance	As per residuary powers in respect of C&D employees.
11	Hiring of hotel accommodation etc.	Full powers to hire accommodation for hostel only provided that no subsidy is available to Hostel after accounting opportunity cost of all inputs and subject to quarterly reporting to HQ
12	Reimbursement of medical expenses in case of hospitalization	Full Powers for B, C & D employees.
13	Insurance of property / Assets of the Institute	Full powers subject to provisions of GFR and guidelines issued by HO and monthly reporting to HQ.

14	Execution of instruments, deeds, leases, contracts etc.	Full powers to execute all service agreements in respect of Centre subject to provision of GFR and guidelines issued by HQ and monthly reporting to HQ.
15	Appointment of Solicitors and Advocates and sanction of legal charges.	Fees not exceeding RS.10,000/- for a case (to engage- solicitors/ legal consultants for specific litigation) subject to the budget provision each year and subject to following the procedure prescribed
16	Grant of leave	Full powers in respect of B officers. For Group C&D employees powers delegated to Registrar
17	Revocation of / recall from leave.	Full powers in respect of B officers.
18	Working days and weekly off days in respect of operational staff	Full powers in respect of employees of Centres subject to guidelines issued by HQ.
19	a) To act as Controlling Officer for the Institute's vehicels / machinery to incur expenditure on their installation, repairs & maintenance to fix hire charges for their use and sanction reduction/permission where necessary b) Incurring of expenditure on repairs & maintenance of Institute's Vehicles	a) Full powers subjec to provisions of GFR & guidelines issued by HQ. b) Full powers subject to provision of GFR & guidelines issued by HQ.
20	Maintenance and repairs of furniture & equipments and residential furniture & equipments, Building including spares & tools where necessary	Full powers subject to budget provision
21	Printing & Binding	Upto RS.10,000/- per order in each case subject to budgetary provisions and following laid down procedures and not exceeding RS.50,000/- per year.
22	To award contracts for loading, unloading, handling, transport etc. and to incur expenditure thereon.	Full powers after following laid down procedures and guidelines issued by HO. subject to budget provisions
23	Sanction of expenditure on ceremonial occasions / promotional purposes	Upto RS. 50,000/- in each case and maximum of RS.1,00,000/ per year
24	Hospitality	Power to incur expenses on hospitality for official guests upto Rs.5000/- on one occasion provided the total expense on this account does not exceed Rs.50,000/- per annum
25	Incurring of expenditure on immediate safety of employees ,plant & machinery etc. within works premises and Campuses	Full powers depending on the justification of the case and recommendation of Committee
27	Payment of stipend, T.A. etc. to trainees apprentices etc.	Full powers as per rules & guidelines issued by HO.
28	Expenditure on gifts for visiting dignitaries	Powers to incur expenditure on gifts up to Rs. 2,000/- on each occasion subject to budgetary ceiling
29	Sanction for purchase of : (a) Raw Materials (b) Spares and Tools (c) Stationery & Other stores (d) Furniture and fixtures (e) Books and Periodicals (f) Vehicles (g) Office equipment (h) Miscellaneous items and any other consumable items.	Full powers to follow purchase procedures and budgetary provisions provided no single items in the PO is above Rs. 25,000/-. In case of purchases for projects where the entire cost of the purchase is borne from the project funds, the value of no single item in the purchase order should exceed Rs. 50,000/- and in conformity with project policy.

30	Purchase of Books	Full powers upto Rs. 10, 000/--, subject to budgetary provisions.
31	Purchase of equipment, Furniture & fixtures and Vehicles	Full powers to purchase equipment of value not exceeding RS.2,00,000/- on any one item on each occasion subject to the condition that institute Purchase Procedures shall be followed and subject to budgetary provision
32	Acceptance of standardized supplies under the DGS&D contract supplies from manufacturers wholesalers at list prices or supplies from Govt./ Public Sector Will be procured without quotations.	Full power subject to budgetary provisions
33	Entering into contracts/agreements	Full powers (for routine services such as cleaning, security gardening, canteen etc.) subject to competitive bids and subject to budget provisions and subject to following prescribed procedures & guidelines issues by HQ.
34	Power to sanction expenditure for tender, recruitment and advertisement	Up to Rs. 25,000/- per month subject to budget provisions / each year and subject to following procedure prescribed
35	Power to sanction scholarship	Full powers subject to Budget Provision
36	Power to hire conveyance	Upto RS. 25,000/- per month subject to the budget provisions each year and subject to following the procedures prescribed
37	Advertisement	Full powers subject to budgetary provisions
38	Expenses on Statutory payments	Full powers subject to budgetary provisions
39	Expenditure on postage / stamps / courier charges	Full powers subject to budget ceiling
40	Purchase of consumable items including tool kits	Upto Rs. 20,000/- at a time subject to the budget provisions each year and subject to following the procedure prescribed
41	Purchase of consumable items including tool kit	Upto Rs.20,000/- at a time subject to the budget provisions each year and subject to following the procedure prescribed.
42	Disposal of Stores	Upto the book value of Rs. 1 lakh in each case as per the disposal policy.
43	Grant of honorarium or reward	Upto Rs. 2,500/- per annum subject to budgetary provision
44	Delegation of Powers to Director for works of repair and Maintenance of building, equipments office furniture fixture, at centres	Rs. 2.00 lakhs on each occasion & maximum of Rs. 10.00 lakhs per annum under each category may also be added.
45	Extent of compensation to employees as per statutory rules/orders	Full Powers as per rules
46	Residuary Powers	All powers available to Heads of the offices under various Govt. Rules shall be exercised by Directors in NIFT Centres
		Approved by BOG meeting held on 19/12/2007 vide agenda item no. 3005.

ANNEXURE-IV

SUB - DELEGATION OF POWERS TO REGISTRARS & OTHER OFFICER NIFT CENTRES

S No.	AREA OF DELEGATION	DELEGATION/SUB DELEGATION OF POWERS TO REGISTRARS AND OTHER OFFICER NIFT CENTRES
1	Hospitality and Entertainment expenses	Power to incur expenses upto Rs.1,000/- in each case on hospitality of official guests subject to a maximum of Rs.6,000/- per annum
2	Expenditure on postage stamps / courier charges	Rs. 5,000/- per occasion upto Rs 10,000/- per month subject to budgetary provision.
3	Purchase of consumable items & tool kits	Upto RS. 10,000/- in each case subject to budgetary provision.
4	Maintenance of and repairs to office furniture and equipments and residential furniture and equipments, Buildings including spares and tools where necessary	Upto Rs. 5,000/- per month for emergent cases only (EE)
5	Grant of regular increments	Group C & D employees
6	Release of Annual increment	Full powers in respect of C & D staff of centres.
7	Sanction of Festival, Fan, Bicycle & Flood Advance	As per residuary powers.
8	Reimbursement of medical expenses	As per residuary powers.
9	Liveries	Full powers to sanction / issue of liveries to eligible employees and to waive return of liveries/ recovery of cost thereof under unavoidable circumstances as per Rule & Guidelines issued by the HQ
10	Grant of leave	Full powers in respect of C&D employees
11.	Revocation / recall from leave	Full powers in respect of C&D employees

Sub Delegation Power to Centre Director on Service Matters :

NIFT/HO/E-II/Delegation of works.2010 dated 15/12/2010

1. In pursuance of the decision of the Board of Governors taken in it's 12th meeting held on 26th November, 2010, vide agenda item no. 1206 the Centre Director/Director, Head Office have been delegated powers to deal with the following service matters of Group 'A' & 'B' officers/faculty at Centres and Head Office except Director/Registrar/ Chairpersons/ Group 'A' officer/faculty in Head Office:

- (i) Sanction of Leave of all kind except Sabbatical leave, EOL
- (ii) Reimbursement of medical claim and medical Insurance claims.
- (iii) Remittance of leave Salary & Pension Contribution of deputationists.

- (iv) Sanction of Leave Travel Concession (by apex fare)(LTC) advance/ settlement/ Leave encashment
- (v) Matter related to routine pay fixations.
- (vi) Settlement of Transfer TA
- (vii) Completion of service records including verification of character and antecedent from concerned authorities.
- (viii) Grant of annual increments and incentive for family planning
- (ix) Court Cases (under intimation to HO)
- (x) RTI matters
- (xi) Maintenance & updation of service book/record

2. The Director{HO} is also delegated the above powers in respect of Group C & D officials in NIFT,-Head Office for dealing with the above service matters.

3. The other work related to service matters such as recruitment promotion, transfer/posting, extension of - contracts/deputations, disciplinary matters, maintenance and completion of ACRs, permission for going abroad, sanction of HBA, forwarding of applications outside NIFT, acceptance of resignations, grant of special pay, grant of sabbatical leave, permission for presentation of papers etc, shall continue to be handled by Head Office.

3. Concurrence of proposals relating to Works

Broadly the following points should be kept in view while giving concurrence to the proposals relating to works after verifying that Budget exists and funds available:

- a. Whether the existing procedures have been followed.
- b. Whether the proposal comes within the delegated powers of the approving authority.
- c. Whether the nature of tender is open, limited or single-whether approval of the competent authority where-ever necessary has been obtained before floating the tender.
- d. In case of limited tenders whether selection of parties has the approval of the competent authority whether the credentials of the parties considered under the limited tender enquiries have been examined and found to be in order.
- e. Whether reasonable time limit, extension of time limit has been considered in the tender enquiry-in case of short tender whether specific approval of the competent authority has been obtained.
- f. Whether the tenders were opened by a committee duly approved including a Finance representative.
- g. Whether comparative statement has been prepared in the prescribed format of the Company.
- h. Whether Finance vetting where required exists on the comparative statement.
- i. Whether the tender has been processed by a committee duly approved by the competent authority where prescribed.
- J. Whether earnest money has been deposited by the party.
- k. Whether notice inviting tender has been duly prepared and vetted by Finance where prescribed before issue.
- l. Whether any advance considered in the proposal is fully guarded against proper security and approved by competent authority-whether recovery schedule has been appropriately considered so as to ensure full recovery before completion of the work.
- m. In respect of machinery advance against hypothecation of assets it may be ensured that appropriate steps have been taken by the sanctioning authority to ensure that the machineries brought to site are in running condition to the entire satisfaction of the engineer-in-charge and the same are free from any charge or encumbrances and are properly insured. The advance in any case should not be more than the value of assets to ensure full security of the advance.

- n. Whether the rates offered by the contractors have been checked by the Engineer-in-charge and certified as reasonable.
- o. Whether escalations, if any, considered in the proposal are clear with specific formula as may be acceptable in order to avoid any ambiguity in future.
- p. Whether turn over tax etc., if any applicable has been considered. Execution of Contract Agreement or Award of Work should be done before commencement of the work.
- r. Any other point that may come to notice during scrutiny.

In case any procedural shortcomings and / or any deficiency in respect if any important points as referred to above are noticed, the same may be suitably highlighted while giving concurrence to the proposal.

In pursuance of the observation of the board of governors on the standing operating procedure for the construction projects taken on in its 13th meeting held on 18th March, 2011 agenda items no. 1317 is as follows:

Standard Operating Procedure for Construction Project.

1. The necessity of requirement for a construction project may be analyzed with justification and rough estimates approved by the Director of the center.
2. Land should be available for the project with status of statutory approvals.
3. The Proposal of Project should be technically examined by the engineering authorities of the center.
4. The proposal should be submitted to building Deptt. of Head Office with rough estimates for their recommendations.
5. The recommendation of building Deptt. of Head Office are further required to ascertain the availability of funds.
6. The proposal may be submitted to DG for consideration / approval in principal.
7. The approval is further required by the FC/BOG.
8. The DPR is to be prepared by the center as follows.
 - a) Preparation of design and building plan.
 - b) Approval of building plan by local authorities
9. Analysis of DPR by the Building Deptt of Head Office
10. Analysis of DPR for financial inputs by Finance Deptt of Head Office
11. Approval of Draft DPR by DG NIFT for submission to FC / BOG for approval.
12. The selection of mode and agency for construction and MOU may also be approved by the DG/FC/BOG as per proposal of the center dully recommended by Building and Finance Deptt.

13. Phasing of expenditure in construction year wise/quarter wise if required.
14. MOU to be finalized with construction agency by the centre.
15. Transfer of fund to centers by Head Office.
16. Release of funds as per MOU by the centre
17. Monitoring of progress of work by the centre Director and Building Deptt Head office in terms of MOU and report of progress to be sent to Building Deptt Head Office highlighting delay in execution of work, if any, with reasons for the same.
18. The monthly expenditure report of the project may be monitored by the centre Director to keep a watch over expenditure on the project.
19. Payment to the agency for the project should be released by the centre after verifying the completion of physical status of the project.
20. The building Deptt of H.O. to monitor the progress and submit the report to DG, NIFT, in case of any slow progress the matter would be taken up with the construction agency and remedial measures would be taken.
21. Utilization certificates may be furnished by the Centre in the form of GFR 19-A at the end of the year to Head Office.

Release of Funds on works (D.G's circular no.1551(150)/NIFT/DR/Release of fund/10-11 dated 24th November,2010

Before transferring any funds for any projects, it must be ensured that the project has been approved by the Competent Authority, necessary formalities with local authorities have been completed, and adequate funds are available for the completion of the project.

CVC Guidelines for Mobilization Advances: as communicated by Vigilance Division(HO) vide latter no.01/30/2009-Vig./557 dated 8/3/2011

The various guidelines/ circulars/Office Memorandum issued by the Central Vigilance Commission on account of Mobilization of Advance are as follows:

**No. 4CC - I - CTE-2
Government of India
Central Vigilance Commission
(CTEs Organisation)**

Satarkta Bhawan,
I.N.A Colony,
New Delhi - 10023
Dated : 08.06.2004

OFFICE MEMORANDUM

Mobilization Advance

In order to address the problem of misuse of mobilization advance provision in the civil and other works, the Commission had issued an O.M. dt. 8.12.1997 for grant of interest bearing 'Mobilization Advance' in selected works. In view of references from certain organizations on this issue, the Commission has reviewed the issue and it has been decided to modify and add the following provisions in the existing O.M. This may be read as addendum to the Commission's O.M. dt. 8.12.1997.

- (i) If the advance is to be given, it should be expressly stated in the NIT/ Bid Documents, indicating the amount, rate of interest and submission of BG of equivalent amount.
- (ii) The advance payment may be released in stages depending upon the progress of the work and mobilization of required equipments etc.
- (iii) There should be a provision in the contract for adjustment of advance progressively even as the bills are cleared for payment.

**No 4CC-1CTE-2
Government of India
Central Vigilance Commission**

Satarkta Bhawan, Block- A
4th Floor, GPO complex
I.N.A, New Delhi- 110023

OFFICE MEMORANDUM / CIRCULAR NO 10/4/07

SUB :Mobilisation Advance

Commission has reviewed the existing guidelines on "Mobilisation Advance" issued vide OM/NO UU/POL/18 dated 08.12.97 and OM NO. 4CC-I-CTE-2 dated 08.06.2004.

The following guidelines are issued in supersession of earlier guidelines issued by the Commission on 'Mobilisation Advance'

1. Provision of mobilisation advance should essentially be need-based. Decision to provide such advance should rest at the level of Board (with concurrence of Finance) in the organization.
2. Though the Commission does not encourage interest free mobilization advance but, if the management feels its necessity in specific cases, then it should be clearly stipulated in the tender document and its recovery should be time- base and not linked with progress of work. This would ensure that even if the contract is not executing the work or executing it at a slow pace, the recovery of advance could commence and scope for misuse of such advance could be reduced.
3. Part 'Bank Guarantees' (BGs) against the mobilization advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any point of time even if the contractor's money on account of work done is not available with the organization, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
4. There should be a clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the contractor or any other reason besides the reason giving rise to the encashment of BG, as stated above.
5. The amount of mobilisation advance, interest to be charged, if any, its recovery schedule and other relevant details should be explicitly stipulated in the tendered document upfront.
6. Relevant format for BG should be provided in the tender document which should be enforced strictly and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently by the organization.
7. In case of "Machinery and Equipment advance" insurance and hypothecation to the employer should be ensured.
8. Utilization certificate from the contractor for the mobilization advance should be obtained. Preferable, mobilization advance should be given in instalments and subsequent instalments should be released after getting satisfactory utilization certificate from the contractor for the earlier instalment.

**No. 01-11-CTE-SH-100
Central Vigilance Commission**

Satarkta Bhawan, Block 'A'
GPO Complex, I.N.A.,
New Delhi - 110023
Dated the 17th Feb., 2011
Circular No. 02/02/2011

Sub: Mobilization Advance

Commission had earlier issued guidelines on granting of 'Mobilisation Advance' vide OM No. UU/POL/18 dated 08.12.1997, OM No., 4CC-I-CTE-2 dated 08.06.2004 and OM No. 4CC-I-CTE-2 dated 10.04.2007.

1. The matter has been further reviewed and It has decided by the Commission that following additional guidelines may be followed in case of grant of Mobilisation Advance.
 - (i) The Bunk Guarantee etc. taken towards security of 'Mobilisation Advance' should be at least 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.
 - (ii) The mobilisation advance should not be paid in less than two instalments except in special circumstances for the reasons to be recorded. This will keep check on contractor misutilizing the full utilisation advance when the work is delayed considerably.
 - (iii) A clause in the tender enquiry and the contract of cases providing for interest free mobilisation advances may be stipulated that if the contract is terminated due to default of the contractor the 'Mobilisation Advance' would be deemed as interest bearing advance at an interest rate of _%, (to be stipulated depending on the prevailing rate at the time of issue NIT) to be compounded quarterly.

**NO.UU/POLI19
Government of India
Central Vigilance Commission**

Bikaner House, 1st Floor,
New Delhi, 8th Oct.,1997

OFFICE MEMORANDUM

All Chief Vigilance Officers/PSUs

Grant of interest free mobilization advance

1. It has come to the notice of this Commission that PSUs are stipulating payment of interest free mobilization advance in their tenders. Many times mobilization advance is allowed after acceptance of tender also. The amount of mobilization advance thus paid to the contractor is prone to be used by him for building his own capital or for the purpose other than the one for which it is disbursed. For big projects mobilization advance of 5 to 10% stipulated in the contract works out to a huge amount and the contractor is likely to be benefited with interest free amount to a very big extent. Normally while preparing justification, elements of gain in terms of interest on capital investment by way of mobilization advance is also not considered and thus the contractor gets higher rates than that may be justified. In case there is a delay in commencement of work the contractor is likely to get undue benefit by way of retention of huge money.
2. It is, therefore, desired that adequate steps may be taken to ensure stipulation of mobilization advance only for selected works and advance should be interest bearing so that contractor does not draw undue benefit. Timely execution/completion of all projects is an essential requirement and the contractor would like to draw interest bearing mobilization advance only when he needs to maintain his cash flow.

**F.No.01/16/2010-Vig. (Vol.III)/477
National Institute of Fashion Technology,
Vigilance Department (Head Office),
New Delhi-110 016**

24th December, 2010

OFFICE MEMORANDUM

Subject: Submission of Quarterly Progress Report - Instructions... reg.

The undersigned is directed to forward herewith CVC's letter No.CTE(VR)/2010/112553 dated 14.12.2010 and other related orders.

2. All Centre Director / Registrar are requested that the Quarterly Progress Report (QPR) related to Civil Work, Electrical/ Mechanical and other allied works, Horticulture works and work related to Electronics, Computerization, IT, Telecommunications or other specialized works be reported in the QPR in the enclosed format.
3. CVC has desired that, (i) the QPRs may be prepared in the Excel Work Sheet and Soft Copies as well as the Hard Copies of the QPRs are to be sent by CVO to CVC. (ii) the hard / soft copy of the QPR of all contracts entered into 2010 with copies of last four bills paid to the contractor and the pending bills against which payment is yet to be released be furnished to CVC.
4. It is therefore, requested that information as on 31.12.2010 as desired by CVC may be furnished to CVO NIFT in her Email address **cvo@nift.ac.in**. For the purpose of uniformity, you are requested to send the information in Times New Roman font, size 10. Hard & soft copies of the information may separately be sent to Building Division of NIFT, on 31.12.2010 so that the entire information can be compiled / consolidated and sent to CVC by 07.1.2011.

This issues with the approval of CVO.

(N.S.Bora)

Assistant Director (Vig.)

End.: As above.

CENTRAL VIGILANCE COMMISSION

Satarkta Bhawan, G. P.O. Complex,
Block A, INA, New Delhi 110023
No.CTE (VR) / 2010 / 112553
Dated: 14 Dec. 2010

To

All CVO's

1. Please refer to Commission's Office Order No.37/11/2010 dated 22.11.2010 regarding submission of QPRs. As desired therein, QPRs may be prepared in Excel Worksheet and soft copies of all QPRs are also to be sent to the Commission in addition to hard copies.
2. Further, hard and soft copies of QPRs of all the contracts entered into in the year 2010 with copies of last four bills paid to the contractor and the pending bill against which payment is yet to be released may also be furnished to the Commission.
3. Commission has desired that action in this regard may be taken immediately so that full details as on 31.12.2010 are received in the Commission latest by 7.1.2011.
4. The soft Copy of the above be mailed to CTE(VR) at the following mail address **v.ramachandran@nic.in** in addition to forwarding the hard copy addressed to the Chief Technical Examiner Room No 212, Satarkta Bhawan, INA, New Delhi - 110023.

No.98/VGL)25/110094
Government of India Central
Vigilance Commission
(CTE's Organisation)

Satarkta Bhawan, Block-A,
INA, New Delhi - 110023
Dated 22nd Nov 2010

OFFICE ORDER No.3711112010

Sub : Submission of Quarterly Progress Report (QPR) to Commission.

1. Reference is invited to the Commission's even no OM dated 20.10.98. 20.07.2001 and 16.05.2005 on the captioned subject.
2. It has been noticed by the Commission that some Departments/ Organisations are either not submitting the QPR at all or some are submitting in incomplete shape. Non-submission of QPR may be treated as suppression of Facts. Therefore it is enjoined upon all the Chief Vigilance Officers to arrange for the submission of QPR duly compiled and endorsed by respective CVO only.
3. It has also been observed that some organizations dealing with works related to Electronics. Computerization, IT, Telecommunications or other specialised work are not reporting these works to the Commission. The CVO of concerned organization may ensure inclusion of these works also in QPR.
4. Further it is to inform that QPR may be prepared on Microsoft Excel Worksheet in present format. The Commission is contemplating to review the QPR submission methodology by using uniform application software, which may be posted on respective website in due course.
5. The above instruction are for strict compliance.

- Chief Technical Examiner
Central Vigilance Commission
New Delhi

No. 98/VGL/25
Government of India Central
Vigilance Commission (CTE's Organization)

Satarkta Bhawan, Block-A
INA, New Delhi-110023
Dated: 16th May, 2005

OFFICE MEMORANDUM

Sub: Intensive Examination of works by CTE's Organization- Submission of Quarterly Progress Report

1. Please refer to the Commission's OM No. 98/VGL/25 dated 20.10.98, 98/VGL/25 dated 20.07.01 and OFF-I-CTE-I(Pt) dated 23.12.03 regarding submission of quarterly progress reports(QPR's) to the CTEs Organization in the prescribed format in respect of Civil Works costing more than ₹ 1.00 crores, Electrical/Mechanical and other Allied works costing more than ₹ 30.00 Lacs, Stores/Purchase contracts costing more than ₹ 2.00 crores and Horticulture works costing more than ₹ 2.00 Lacs.
2. It is clarified that the consultancy contracts, all service contracts such as hiring/leasing of cycle stands etc., transportation contracts, catering, equipment & supplies of medicines to hospitals etc are also to be reported in the respective QPR.
3. As per above-mentioned office memorandums, all the works above the prescribed limit have to be reflected in the quarterly progress reports. In case of organizations, which are undertaking such works in the areas mentioned above, where the monetary value of all such works is less than the limits prescribed above, they may report two largest works in progress in each discipline. Instances have come to the notice of the Commission, where all the works in progress, were not reflected In the quarterly progress report submitted by the organization. It is enjoined upon all the Chief Vigilance Officers to certify on the QPR that "All the works/purchases/ Consultancy and other contracts in progress, as per the prescribed monetary limit, have been reported in this QPR."
4. The above instructions are for strict compliance.

(Smt. Padmaja Varma)
Chief Technical Examiner

**Statement showing the quarterly progress of original works for quarter ending
March/June/Sept./Dec.20.....**

Civil Works costing more than ₹ 1 crore & above.

Electrical / mechanical and other allied works costing more than ₹ 30 lakhs and above.

Horticulture works costing more than ₹ 2 Lakhs & above.

Stores / Purchase contracts more than ₹ 2 crore

S. No.	Name of work and location	Est. Cost	Tendered Cost	% above/below SOR applicable	Agreement No.	Agency	Date of Start	Time of Completion	Physical Progress in %	Name of Engineer in charge with address	Remarks
1	2	3	4	5	6	7	8	9	10	11	12

Signature of Centre Director / Registrar

Signature of Engineer

4. Concurrence of Proposal relating to Purchases:

The procedures outlined for procurement are based on the rules framed for government departments as per General Financial Rules (GFRs).

NIFT purchase policy has been given in detail in Chapter -4.

The Institute procures the following types of stores:

1. **Dead stock:** such as plant and machinery, furniture and fixture, equipment, computers, air-conditioners, duplicators, motors cars and other vehicles.
2. **Other stores:** such as consumables-electrical items, stationery articles, cleaning materials.
3. **Library books**

The following points are to be kept in view while giving concurrence on the above proposals.

Whether the proposal relates to capital or revenue expenditure.

In respect of capital items the following points are to be kept in mind:

- i) Whether there exists the proper MPR with clear indication of lead time- whether estimated value has been given in the MPR.
- ii) Whether the proposal comes within the delegated powers of the approving authority.
- iii) Whether administrative approval of the competent authority exists.
- iv) Whether budget provision for the purchase exists.
- v) Whether non-availability certificate of central equipment cell (Nodal Officer at HO & Centre) exists.
- vi) Whether the party had deposited the earnest money.
- vii) Whether the NIT in respect of purchase proposal has been issued with the concurrence of Finance where-ever required.
- viii) Whether the nature of tender is open, limited or single-whether approval of the competent authority has been obtained.
- ix) Whether reasonable time limit has been given in the tender enquires-in case of short tender enquiries whether specific approval has been obtained from the competent authority.
- x) Whether the parties selected in the limited tender enquiry have the approval of the competent authority -whether the credentials of the parties have been examined and found in order.
- xi) Whether comparative statement has been prepared in the prescribed format and vetted.
- xii) Whether the purchase proposal has been processed by a committee with the approval of the competent authority.
- xiii) In respect of capital items it is desirable to have performance guarantee by way of bank guarantee-this is required to be specified in the purchase NIT.
- xiv) Whether any advance has been considered in the proposal. If

so, may have to be safeguarded with proper security. Advance for purchase items should however, generally be discouraged.

- xv) Whether inspection clause has been duly incorporated wherever required.
- xvi) Whether the contract is for ex-factory or for destination.
- xvii) Whether payment terms have been clearly specified. All payments should be made by way of account payee cheques after the goods are received in good condition.
- xviii) Reimbursement of cost of transportation should always be at actuals or as per agreement against documentary evidence.
- xix) Tax implication i.e. sales tax and excise duty etc. are to be carefully examined and indicated. If so provided, all refunds of taxes etc. should be made, against the documentary evidence.

5. Salient features of the tender proposal:

- 1) Work details
- 2) Major volumes of work
- 3) Total value of work
- 4) Time of completion
- 5) Maintenance period
- 6) Methods for execution of works
- 7) Direct cost, indirect cost, overhead and profit to be checked to ensure that appropriate provisions have been made.

6. Direct Cost

Whether it is based on site report/site visit or on budgetary quotation or based on tie up arrangements, if any, if not whether standard norms, limited quotations obtained with approval of the competent authority have been taken into consideration. Whether execution is proposed through contractors or departmentally. In case where costing is based on budgetary quotation/ limited tenders or tie-up arrangements whether approval of competent authority has been obtained. Financial implications of the conditions offered may be examined and considered.

7. Indirect Cost

This cover cost of personnel with all benefits, electricity, water, transport, travel, medical, welfare, sit clearance, accommodation, office/store, furniture, telephone, office running expenses, transfer cost of equipment etc. To examine whether financial implication on the above have been duly considered.

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
Canons Fin. Propriety, Delegation of Powers, Delegation of Powers as per MOA, Sub-delegation Annexure I to VI, Concurrence of proposals relating to works, Concurrence of proposals relating to purchases, Salient features of tender proposal, Direct cost Indirect cost.	1	F&A - I	AO/OSD Actts. DR(F&A)/SA. A/c.	CAO/DIR(F&A) /DR(F&A)/AO/ OSD/SA.A/c.	F&A - I	DR/F&A)/ AO/OSD	Director
	2	F&A - I	AO/OSD Actts. DR(F&A)/ SA.A/c.	CAO/DIR (F&A)/DIR (F&A)/AO/ OSD/SA.A/c.	F&A - I		
	2.a.b		AO/OSD Actts.	CAO/DIR (F&A)	F&A - I		
		F&A - I	DR(F&A)/Ao/ OSD/SA.A/c.	DR(F&A)/Ao/ OSD/SA.A/c. /DIR (F&A)	F&A - I		
	3	F&A - I	DR(F&A)/Ao/ OSD/SA.A/c.	CAO/DIR(F&A)	F&A - I		
	4		DR(F&A)/Ao/ OSD/SA.A/c.	CAO/DIR (F&A) DR (F&A)/Ao/O SD/SA.A/c.	F&A - I		
	5	F&A - V	DR (F&A)	AO/DIR (F&A)	F&A - I		
6							
7	F&A - V	DR (F&A)					

CHAPTER - 4

Purchase Policy

GUIDELINES FOR PURCHASE OF STORES AND SERVICES

These guidelines, to be known as "NIFT Purchase Guidelines" are being framed generally on the lines prescribed by GOI in similar matters and also keeping in view the special circumstances and requirements of NIFT, an institution of excellence and of national importance. These guidelines have been approved by the Competent Authority and will supercede earlier guidelines if any on the subjects and will apply to NIFT Head Office and NIFT Centres.

Object & Reason

The guidelines intend to regulate the purchase and hiring processes of stores, consumables and services and bring in uniformity in these regards in NIFT Head Office and all NIFT Centres. The objectives are:

1. To ensure timely purchase of materials in right quantity and desired quality.
2. To secure the materials at least possible cost.
3. To ensure optimum utilization of all items of purchases and
4. To adhere to budget allocations under respective heads of purchase.

Definitions

The definitions of indent, user department approving authority, Purchase Officer and the likes are given in Annexure-1. These definitions, unless repugnant to the guidelines prescribed, will apply uniformly.

General Procedures

The Chairpersons/Head of Departments/Coordinators should plan out their requirements well in advance in order to enable the Administration / Purchase Department to comply with prescribed procedure indents indicating details of specifications, quantities, approximate value as well as the expected time for receipt of the items so indented should be submitted to the approving authority through proper channel sufficiently in advance. The department can also indicate the leading suppliers/brands of the material to be purchased, if it is considered absolutely necessary and in the interest of NIFT to do so to facilitate purchase. In the case of capital equipment, it is suggested that the departments to give their requirement for each semester in the beginning of odd semester. In case of consumables, the requirements may be indicated once in three months.

Budget Code numbers will be assigned to all the Budget Operating Chairpersons/Coordinators/Head of Departments, who will indicate these budget codes on all indents.

Purchase of goods up to the value of Rs. 15,000/- 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 case of purchase above Rs.15000/- and upto Rs.1,00,000/- on each

occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members as decided by the Head of the Department.

In case of products where the supplier enjoys a monopolistic/proprietary position, then the same may be purchased in exceptional cases and after having recorded the need for the product, the non-availability of alternate products on single tender basis and with the prior approval of DG/F&AC as per delegated power.

The award of work order or supply order should ordinarily be given to the Lowest Tenderer only. However, under unavoidable circumstances, if the Committee appointed for this purpose is of the opinion that the award should be given to the second or third lowest, the same should be done only after giving detailed justification in writing and after taking approval of the appropriate authority in terms of NIFT delegation of powers. In any case such a deviation should be permitted only by way of exception and in rarest of rare occasions. The method should be transparent and responsibility for such a deviation would devolve squarely on the Committee and the approving authority.

It would be mandatory on the part of indenting department that projections of requirements to certify the reasonability of the lowest cost of the stores/services, arrived at by the Purchase Officer, Purchasing Committee which ever applicable, before it is put up for approval/ finalization of Purchase Order to the Competent Authority, under the delegation of financial powers.

The Purchase Officer will keep a track of the materials ordered and take appropriate follow up action to ensure that the materials are obtained in prescribed time. While receiving the materials, records should be kept in gate passes and the concerned Head of Dept. should certify that the material has been received in good condition and as per the specification. And forward the bills duly certified to the purchase officer who in turn will forward the same to the Accounts Section. The materials so received should be entered in the stock register by the designated Stores Officer and a certificate to this effect should be forwarded to the Accounts branch who will take necessary steps for release of payment.

In case of rejection of supplies received, the supplier should be informed promptly about the rejection and it should be pointed out to the supplier that if the rejected supplies are not lifted within a week's time, a specified demurrage charge would be levied per day of delay.

The Director General may waive the requirement of issue of newspaper notice/tendering formalities in exceptional circumstances, where in the public interest it is not considered desirable to issue an advertisement or in extremely emergent situations on receipt of justification in this regard from the Head of Dept. Chairpersons / Coordinators.

Supplies of perishable nature, such as photo films, photo paper, poster colours etc. with dated - usage, should be purchased in limited quantities which can be utilized before the expiry date in order to ensure that such supplies are not allowed to result into "waste".

Being Government education Institute, NIFT is eligible to get concession at sales tax rates (GST- CST) against issuance of prescribed "D" forms. NIFT is also eligible for Central excise duty and Custom duty exemptions. Purchases should be made after keeping this in view and availing full exemption available, as per rules.

Wherever advertisements are released in the newspaper, the information may also be displayed on the website.

All purchases are subject to approved budget provisions.

A Flow Chart of Procedures of purchase is annexed (Annexure-II).

It may be seen there from that, among others, five procedures of purchase depending generally on the value of each purchase have been indicated and these are as under:

Purchase without inviting quotations

Direct Market Purchase

Limited tender Single tender Open tender

The above procedures are described below in details.

1) **Purchase without inviting quotations**

On the approval of the competent authority, purchases will be made for value upto Rs.15,000/- without getting quotation.

2) **Direct Market Purchase**

This is to be followed generally in purchase of stationery stores and other minor consumables, an illustrative list of which is given in Annexure-III. Such purchases without inviting tenders/quotations by a Purchase Committee for small value items costing upto Rs.15,000 to Rs. 100000/-.

3) **Limited Tender**

This system may ordinarily be adopted when estimated value of goods to be procured is between 1 lakh to Rupees Twenty-five lakhs. The limited tender enquiries will be issued to those firms which are borne on the list of approved suppliers. Past performance of successful supplier, should be one of the variables to be considered at the time of short listing firms for limited tender enquiry. As a precaution, the tender enquiries may be hosted on the Website for wider participation. At least three quotations/offers must be received in normal conditions in case offers received is less than three after approval by competent authority and looking at the situation the same may be considered. The institute will normally consider and recommend only the lowest offerer unless he disqualifies. Negotiation if any should only be done with the lowest offerer.

4. **Single Tender**

The single tender system may be adopted in case of purchase of articles which are specifically certified as of proprietary nature by the indenting department or when it is certified by the indenting department that a particular brand item is required to be purchased in the interest of NIFT.

5. **Open Tenders**

The open tender system, that is, invitation to tender by public advertisement should be used as a general rule for procurement of goods of estimated value Rs. 25 Lakhs and above.

Advertisement in such case should be given in the Indian Trade Journal, published by the Director General of Commercial Intelligence and Statistics, Kolkata, and at least in one national daily having wide circulation. Simultaneously the tender enquiries may be posted on the Website and provide a link with NIC website. For purchase of goods of estimated value of Rs.25 Lakhs and above open tenders may be advertised in at least two national dailies and the Indian Trade Journal (which is recognized as the standard medium for public advertisements in India). Alongside, the NIT may be posted on the NIFT Website.

Exception:

Even when the estimated value of purchase is more than Rs.25 Lakhs, limited tender system may be adopted instead of the open tender system in the following circumstances.

When sufficient reasons exist to indicate that it is not in public interest to call for tenders by advertisements. In such cases, the reasons must be recorded by the indenting department and approved by the Competent Authority.

When the indenting department certifies that the required item is a proprietary item or a branded item for which no alternative is available. The Competent Authority must approve the same.

In the open tender system, where technical qualification is absolutely necessary, for maintaining quality, as certified by the indenting department, a two-bid open tender system can be adopted. The technical bids will be evaluated first and those that do not meet the specifications will be disqualified. The financial bids of the successful parties only will be opened and a comparative chart made. The comparative chart will include the duties, taxes, delivery charges, installation charges etc. The committee will make its recommendations based on the comparative chart. Based on the committee's recommendations, the competent authority approves the placement of orders.

Notice Inviting Tenders

The Notice inviting tenders (NIT) should in all cases explicitly state the following:

The place where and the time when the contract documents can be seen, and the blank forms of tender obtained, also the amount any, to be paid for such forms of tender.

The place where, the date on which and the time when tenders are to be submitted and are to be opened (in the case of large contracts, this should be at least one month after the date of first advertisement or notice), the amount of earnest money deposit to accompany the tender, and the nature of security deposit required in the case of the accepted tender.

With whom or on what authority, the acceptance of the tender will rest.

Authority should always be reserved to reject any or all of the tenders so received without the assignment of a reason and this should be expressly stated in the advertisement.

Any attempt at negotiation direct or indirect on the part of a tenderer with the authority to whom he has submitted the tender or the authority who is competent finally to accept it after he has submitted his tender or any endeavour to secure any interest for an actual or prospective

tenderer or to influence by any means the acceptance of a particular tender will render the tender liable to exclusion from consideration.

Late tenders (i.e tenders received after the specified time of opening), delayed tenders (i.e tenders received before the time of opening but after the due date and time of receipt of tenders) and post tender offers should not be considered at all.

A. Specific conditions for Purchase of Consumables and Revenue items:

Where the value of the purchase order exceeds Rs.2,00,000/- prior approval from DG is required.

If the material has been purchased during the financial year using the tendering procedures, repeat orders may be issued. It is suggested that while issuing repeat orders beyond a period of 3 months, discrete enquiries be made to check if there is a fall in prices.

B. Placement of Orders for printing of forms, brochures and Magazines etc.

NIFT Centres require publishing of magazines/journals etc. and the printing as well as presentation of these journals/magazines is of top quality. Accordingly, it is required that printers of printing houses of repute should be pre-qualified after following due process of selection by the standing committee consisting of Director, Senior Faculty member, Registrar, Accounts Officer and any outside expert in the matter. Such a selection process should be based on defined criteria such as existing facilities and equipments, annual turnover and the likes of a printing house. The recommended short listed printing houses should be approved by the Director General of NIFT. The concerned department may float enquiries among the approved short listed or empanelled printing houses (not more than five and not less than three) for placement of orders.

Fundamental Guidelines pertaining to Purchase D.G's Circular no. NIFT/DG/Circular/01/09 dated 01/4/2009

Matter pertaining to purchase, certain fundamental guidelines may specially be borne in mind:

- i) When NIFT requirement are projected by any agency or department, it is imperative that the requirements must keep in mind the existing market scenario. The qualitative requirements of the proposed machinery must adhere to multi vendor systems and should not be unnecessarily restrictive so as to artificially eliminate competition. The Requisitioning authority should give ample justification for each specification, which could on later analysis be deemed to be restricting vendor competition.
- ii) In cases where latest technology or state of the art machinery needs to be purchased and consequently vendors get restricted, this analysis and view needs to be brought out clearly on file and certified by the Technical authorities / Requisitioning authorities.
- iii) As far as possible, it has been instructed repeatedly NIFT must deal directly with OEMs and not with vendors unless the OEMs inform us that they do not deal directly and operate only through "authorised vendors". After 23 years of existence, NIFT and technical departments should be well aware of who are OEMs for a particular piece of machinery.

- iv) Technical Appraisal Committee, after the receipt of tenders has to satisfy themselves about the bidders meeting the technical tender requirements fully. In case even at this stage, the TAC notices that tender QRs were in violation, or appear to raise suspicions about violation of the points mentioned above, there should be no hesitation in putting this on record and recommending that a fresh bid may be called with revised QRs.
- v) points mentioned above, there should be no hesitation in putting this on record and recommending that a fresh bid may be called with revised QRs.
- vi) Where on the basis of experience it appears necessary to root out sub standard suppliers or where for good documented reasons machinery manufactured in certain locations is not to be procured because of quality, service, maintenance or any other specified reasons or where restrictions are sought to be imposed in the tender on the basis of rules of origins, all such decisions or requirements must be fully justifiable by the Requisitioning authority. At no stage can any arbitrary conditions be imposed on the basis of personal feelings, gut feelings, personal opinion etc. by the requisitioning / technical authorities.
- vii) During appraisal by the Technical Committee, if the committee feels that some technical aspect of the quote is not clear or additional information is required from the party concerned, there is absolutely no objection to the Technical Committee interacting with the bidders only with regard to technical matters and officially seeking clarifications. At that stage, standard issues of companies like catalogues or other material can be taken. Clarifications offered by the company representative must invariably be on their letter head and should be restricted only to technical issues. It is not the function of the Technical Committee to either look at the price or even to discuss price with the company representatives. In fact all bids must be called for under the two envelope system with the technical bid and the price bid sealed in separate envelopes. Technical Committee should open the technical bids in the presence of the company representatives after giving them prior information and a detailed panchnama should be made, on which signatures of the company representatives should also be obtained as well as all Committee members. Detailed proceedings should also be drawn up of all deliberations with company representatives and no loose talk or unsubstantiated personal opinions should be allowed to colour proceedings of the technical committee. It is the function of the Technical Committee to give a clear technical opinion and in technical matters no upward delegation is permissible.
- viii) As NIFT is an institution with close relations with industry and sometimes even equipment manufacturers, it is of utmost importance that each concerned person exercises and exhibits the greatest probity when participating in interactions with suppliers / contractors etc.
- ix) Technical persons who have done consultancies or had financial interactions with manufacturers / suppliers in the past must reclude themselves from the TAC involving these suppliers or their competitors. They may bring their earlier association to the notice of Competent Authority who may in their discretion take note of the fact and still decide to use their services but under

no circumstances should such past associations remain undisclosed on record. Violation of these guidelines will attract the gravest adverse notice.

Lastly it has been noticed that for one reason or another, proposals and files are delayed at different levels and are put up only when time lines are either expiring or funds are lapsing or a crises situation has been created at Centres because of non-availability of vital machinery. Such cases shall be treated as a malafide exercise of power and authority by the persons involved and severe action may be initiated against those involved on that basis.

It may kindly be noted that the above do not supersede GFRs / NIFT rules but only clarify the procedural steps necessary to be taken in purchase matters. All existing rules should continue in operation.

Amendments in the purchase policy for print & non-print materials of NRC and RCs of NIFT

The 10th Finance Committee vide its letter no. NIFT/HO/ 10th FC/ 2010 dated 14/01/2010 vide agenda item no. 1017 have approved the following amendments to the existing purchase policy. The amendments have been made in view of new developments in the trade of print and non-print materials due to emergence of electronic academic resources and to ensure standardization of purchase procedures across all NIFT Centres. Following amendments approved by the Finance Committee to the existing purchase policy of print & non-print materials may be implemented with immediately effect.

Amendment 1: Fixed discount rates for various categories of books as per annexure-I. (Copy enclosed)

Amendment 2: Consortium discount for periodicals to be invited in cases where subscription for more than one Centre is sought.

Amendment 3: Conversion rates for foreign currency to be followed for purchases of all RC and NRC materials will be as per 'bank exchange rates' applicable on the date of the invoice.

RC professional to comply with the amendments of the RC purchase policy.

ANNEX-I

Sl. No.	Category	Percentage rate of discount on the price of the books		
		Single Copy		Multiple (more than 10 copies)
1.	Foreign English medium books	15%	20%	25%
2.	Indian books	20%	25%	30%
3.	Following special categories of bare excluded:-			
	(i) All Govt. Publications	10%	10%	10%
	(ii) No/short discount titles	10% handling charges	10% handling charges	10% handling charges
	(iii) Economy flow priced editions	15%	20%	20%
	(iv) English medium books more than five years ago	20%	25%	30%
	(v) Remaindered books	50%	50%	50%
	(vi) Titles procured from aboard specific orders irrespective of publication	15%	20%	25%

- Disclaimer: This does not cover books directly ordered to publishers / foreign distributors - agents / open market purchase etc. and e-books ordered from any source subject to discounts offered / negotiated.

Purchase policy for National Resource Centre / Resource Centre Materials

I. Purchase policy for published items including books and periodicals :

1. The Resource Centre Committee (RCC) or which the Director (F&A)/Purchase Officer & Accounts Officer are also members will recommend acquisition of print materials received on approval/recommended by faculty or members of RCC.
2. The list of recommended titles with rentative prices will be set to LASC/Competent Authority for approval.
3. After approva of received the Head Librarian/Dy. Director (NRC) will place order for purchase of print to booksellers and other suppliers.

4. Since books, periodicals, etc. are not store items, it is not feasible / possible to obtain quotations as the rates are pre-determined by the publishers (ref. GOI circular at flag D).
5. The purchase procedure to be followed by the Head Librarian/ Dy. Director (NRC) will be generally as per the Good Offices Committee's (GOC) guidelines (copy of Flag E) unless exceptions are recommended by the RCC for conversion the buying rates as published in Economic times & applicable on the date of invoice will be taken into consideration for calculating rupee component. Supplementary bills raised by the agents for periodicals in case of any revision of prices, fluctuations in conversion rates, etc. have to be paid as and when received.
6. The prices of published materials, if not printed, will be confirmed from bibliographic and on line tools. If no price proof is available then the prices fixed by RCC will be accepted as final. Experts from other organisation / institutions can be invited for evaluation of any print item on recommendation of the Committee.
7. The bills will be sent to Accounts Dept. through competent authority for release of payment after entering the print material in the NRC / RC's Accession Register. Payment has to be released in advance for all bills for journals and some books or monographs as per publishers or suppliers terms and conditions.

II. Purchase policy for non-print items including audio-visual materials such as CDs, DVDs, Slides, Videocassettes, Textiles, Costumes, Accessories, etc.

1. The RCC of which the Director (F&A) / Purchase Officer & Account Officer are also members, will recommend acquisition of non-print materials received on approval / recommended by faculty or members of RCC.
2. The list of recommended items with tentative prices will be sent to LASC / Competent Authority for approval.
3. After approval is received the Head Librarian / Dy. Director (NRC) will place order for purchase of non-print materials to the suppliers.
4. As regard the purchase of non-print materials the conversion rates will be as per the buying rates published in The Economic Times.
5. It is not feasible to obtain quotations for non-print as prices of audio-visual materials are generally predetermined. While the pieces of textiles & costumes purchased as samples are generally unique.
6. The prices of audio-visual materials, if not printed, will be confirmed from bibliographic and online toolss, while that fr textiles, costumes, accessories etc. the prices fixed by RCC will be accepted as final.
7. The bills will be sent to Account Dept. through competent authority for release of payment after entering the non-print material in the NRC/RC's Accession Register. Payment has to be released in advance in some cases as per producers/ publishers or suppliers terms and conditions.

Procurement of Vehicles at DGS&D Rate Contract, for all NIFT Centres (Approved in FC meeting held on 1/6/2009 vide agenda item no. 0809 and also ratified by BOG held on 8/6/09 vide agenda item no.0621)

For procurement of vehicles for all NIFT centres the following guidelines may be followed. Keeping in view the funds involved in vehicles, should be purchase in restricted manner. As regards purchase, it should be made strictly keeping in view the sanction strength of the drivers as well as only to replace existing vehicles that have been condemned or are fit for replacement.

The vehicles should be purchased through DGS&D rate contract.

C. Purchase of Machinery/other Capital items

The Purchase procedures outlined above will apply to the purchase of machinery and other capital items. The value of any single item of purchase should not exceed the delegated powers of the approving authority. Where the value of purchase order exceeds Rs.2,00,000/- (Rupees Two Lakhs) prior administrative approval of DG should be taken before initiating purchase procedures and effecting purchases.

D. Annual Maintenance Contract

Under the comprehensive annual maintenance contract the following items to be covered:

EPBAX Telephone system, Fax machines, Photocopiers, Air-conditioners, Coolers, Computers, Printers, UPS, CVT, Office Equipments etc.

The following procedure is to be followed while drawing Comprehensive annual maintenance contract:

At least two month prior to the expiry of warranty period, the concerned user department will inform the administration department of the need to renew or enter into AMC. The purchase department depending on the estimated value of the AMC, should follow the procedure for awarding the contract.

As far as possible, the Institute will give preference to the manufacturer of the product, if the quoted charges are not higher than 15% compared to others. The Local Purchase Committee will give its recommendations in this regard.

If the value of the AMC is below Rs.10,000/- per year the same may be decided by inviting quotations.

This estimate may be made based on previous experience or 5% to 10% of the value of the item being treated as the value of AMC.

If the value of the AMC is expected to be above Rs.2,00,000/- prior approval of DG is required.

Before finalization, party's performance, clients list, performance certificates, company's profile etc. should also be evaluated. On the basis of performance report and company's profile and lowest rates, the comprehensive annual maintenance contract should be awarded for one year. The concerned departmental head will certify and given specific comments on performance of the contractors during AMC period for the extensions - renewal of the contract with the same Contractors.

No AMC will be automatically renewed at the expiry of the contract period. However, if the value of the annual contract for the previous

year is below Rs.25,000/-, subject to satisfactory performance as certified by the user department, the same may be renewed for one more year on the basis of the recommendations of the purchase committee without inviting competitive bids.

If the value of the annual contract for the previous year is above Rs.25,000/- an extension of a maximum three months may be given before following the sugam procedures for award of fresh contracts.

For further period of renewals in case of exigencies approval of the head office is to be obtained.

E. Contracts for availing of services such as Cleaning, Canteen, Horticulture, Security, Travel Agency, Car Hiring Agency, and issue of Work Orders for various works of Annual Recurring Nature, etc.

At least two month prior to the expiry of contract period, the concerned user department will inform the administration department who will float inquiry among local and reputed service contractors. The Local Purchase Committee will give its recommendations in this regard.

The contracts may be awarded following the procedures recommended depending on the value of the contract. If the services for which the contract is entered into has not been outsourced earlier and the monthly value of the contract exceeds Rs.25,000/- then prior approval by DG is required.

If the value of the Contract is expected to be above Rs.2,00,000/- (Rupees Two lakhs) prior approval by DG is required.

Before finalization, party's performance, clients' list, performance certificates, company's profile etc., should also be evaluated. On the basis of performance report and company's profile and lowest rates, the contract will be issued for one year. The concerned departmental head will certify and give specific comments on performance of the contractors for the extensions - renewal of the contract with the same Contractors. No contract will be automatically renewed at the expiry of the contract period. No advance to any Contractor without valid Bank Guarantee (ref Chapter 5, para 8).

If the value of the annual contract for the previous year is below Rs.25,000/- subject to satisfactory performance as certified by the user department, the same may be renewed for one more year on the basis of the recommendations of the Purchase Committee without inviting competitive bids.

If the value of the annual contract for the previous year is above Rs.25,000/- an extension of a maximum three months may be given before following the sugam procedures for award of fresh contracts.

For further period of renewals if any, the approval of the Head Office is to be obtained.

The Administration Department would ensure that the Contractor to whom the work is awarded is complying with the statutory requirements as prescribed under Labour and other laws such as ESIC Act, PF Act, etc.

In any of the contract is of short duration, and the value of the contract exceeds Rs.25,000/-, then prior approval of DG is required before approving the contract.

F. Purchase procedures for special activities like spectrum, fashion shows, inauguration of programmes, setting up stalls in exhibitions, printing etc:

In such cases, subject to budget provisions and prior approval by DG for the specific event, the purchase of materials and services etc. may be made by following the purchase procedures outlined above.

In case of exigencies and depending on the nature of activities, if any of the purchase procedures is to be relaxed, prior approval of DG is required.

For the selection and engagement of Choreographers and/or Event Managers, the following procedure will be adopted:

A list of Choreographers and/or Event Managers/Event Management Companies will be prepared at the beginning of the year taking into account the requirements of NIFT and the capacity as well as capability of the Choreographers/Event Managers.

The short list of empanelled Choreographer/Event Managers will be prepared by the Standing Committee with the approval of the DG.

Tender enquiries will be made from amongst these empanelled (pre-qualified) Choreographer/Event Managers and the final selection will be made with the approval, the Competent Authority as per delegation of powers.

The above procedure is for purchase of items or awarding contract for Services to be provided by parties for the event. If the payment of fees is for exhibition stalls space, hall hire charges, hotel charges etc., where it may not be possible to get competitive bids (due to the monopolistic nature of the product/service), the committee constituted for this purpose may decide to negotiate and finalize the same. The Director may approve incidental expenses like conveyance, food, coolie and miscellaneous expenses.

G. Purchase Under Projects

If the purchase is made wholly from the funds provided by the sponsorer, and the sponsorer does not specify and procedure, then NIFT procedures will apply with the following modifications.

"Prior approval from DG will be required if the value of any single item in the purchase order exceeds Rs.2,00,000/-" The budget heads of the Project should be clearly given.

If the capital items/consumables are specified in the project proposal, the purchases should be made by following the NIFT procedure outlined above.

Special Provision

In case of exigencies and where it is considered it to be in the interest of the timely execution of the project, then the purchase procedures may be relaxed to the extent of adopting a procedure one step lower (for example using the limited tendering process in place of open tendering process etc.). In such cases, the reason may be recorded in writing and approval from a committee with a representative from the sponsoring agency or approval from DG may be obtained.

If the sponsorer indicates specific procedures to be followed, and if these are generally in conformity with NIFT procedures, the same will be followed.

H. Inspection of material

To the extent possible, the user department should inspect the goods and certify to the quality and acceptability of the goods received. In special cases, external experts/agents may be hired to carry out the inspection.

When purchases are made centrally from HO, the centres or their representatives may also carry out the inspection. If the product purchased is center specific, then concurrence of the center user department may be obtained regarding brand and specifications before placing the orders.

I. Rejection of Material

If the supply is found defective or not suitable for use or not as ordered, then the same should be rejected. A rejection note should be made. The supplier should be informed of the rejection and asked to clear the material within one week failing which storage cost may be recovered from the supplier. If the supplier fails to clear the material within the specified time, a second notice should be sent informing him of the same and also referring to our first notice and highlighting our proposal to auction the material within a week. The notice of rejection and reminder should be in the form of a registered letter. The supplier should also be telephonically contacted and informed of the rejection. If the supplier continues to ignore our notice, the material may be auctioned subject to prior approval from HO.

J. Resolution of Disputes

In case of any dispute between the supplier and NIFT the decision of Director or the Head Office shall be final and binding on the supplier. In house arbitrator may be appointed with the approval of the head office in case of inevitable and unavoidable circumstances.

K. Penalty Clauses

Suitable penalty clauses should invariably find a place in supply orders.

L. Final Disposals and write-offs

All final disposals, considering and write-offs shall be with the approval of the head office only and as per laid down policy.

M. Constitution of Committees and their Roles

The Purchase Procedure prescribes constitution of a standing committee and/or purchase committees as and when necessary for recommending purchases. The necessary Committees shall be constituted from time to time to work as per the terms of reference indicated against each Committee as per executive orders.

The details of the position of the standing committee on purchase, the role of approving authority, Accounts Officer, Purchase Officer and Stores Incharge are set out in Annexure-IV.

N. Residuary Matters

Any aspect which is not covered above will be governed by the prevailing rules, regulations and guidelines of the GOI and/or as modified or amended from time to time by NIFT Head Office.

Special Provisions

Transparency, competition, fairness and elimination of arbitrariness in the procurement process.

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

- i. the text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia;
 - a. the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc;
 - b. eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc., which may be required to be met by the successful bidder;
 - c. the procedure as well as date, time and place for sending the bids;
 - d. date, time and place of opening of the bid;
 - e. terms of delivery
 - f. special terms affecting performance, if any.
- ii. Suitable provision should be kept in the bidding documents to enable a bidder to question the bidding conditions, bidding process and/or rejection of its bid.
- iii. Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- iv. The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- v. The bidders should be given reasonable time to send their bids.
- vi. The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- vii. The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids.

In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible. Efforts should also be made to use standard specifications which are widely known to the industry.
- viii. Pre-bid conference: In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated any costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date.
- ix. Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a

common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.

- x Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- xi Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- xii Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.
- xiii In the rate contract system, where a number of firms are brought on rate contract for the same item, negotiation as well as counter offering of rates are permitted with the bidders in view and for this purpose special permission has been given to the Directorate General of Supplies and Disposals (DGS&D)
- xiv Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.
- xv The name of the successful bidder awarded the contract should be mentioned in the Ministries or Departments notice board or bulletin or website.

Buy-Back Offer

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the

bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

Approval of Drawing & Specification of Machinery and Equipment relating to Academics vide order no. 1551 (80)/NIFT /Vol I/DR (F&A)/Cap bud/09-10, dated-21.12.2009 of DR (F&A) NIFT Head Office, New Delhi.

In super session of order no. NIFT/HO/B.Sec./pro. Mac./08, dated 24.02.2009 and 1509 (1)/Accounts HO/Cir- Order/05 dated 02.07.08 regarding procurement of Academic infrastructure for NIFT.

In this connection, it has been directed that henceforth specification alongwith the list of manufacture and the quantity of the Machinery & Equipment relating to Academic, etc. required by a center has to be vetted by the respective Chairpersons.

Centre may further note that the purchase procedure as per GFR / Accounts Manual of NIFT should be strictly followed.

CERTIFICATE OF REGISTRATION

Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research, New Delhi vide their Letter No TU/V/ RG-CDE/ (593)/ 2010 dated 30th August 2010 (copy attached Annexure-1) has issued a Certificate of Registration for availing custom duty exemption as follows:

"THIS IS TO CERTIFY THAT NATIONAL INSTITUTE OF FASHION TECHNOLOGY, NEW DELHI IS REGISTERED WITH THE DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH (DSIR) FOR PURPOSES OF AVAILING CUSTOMS DUTY EXEMPTION IN TERMS OF GOVERNMENT NOTIFICATION NO 51/96-CUSTOMS DATED 23 JULY, 1996 AND CENTRAL EXCISE DUTY EXEMPTION IN TERMS OF GOVERNMENT NOTIFICATION NO. 10/97- CENTRAL EXCISE DATED 1 MARCH 1997 AS AMENDED FROM TIME TO TIME. THE REGISTRATION IS SUBJECT TO TERMS AND CONDITIONS."

This registration is valid from 1-09-2010 to 31-08-2015.

TELEGRAM : SCINDRECH
दूरभाष/ TEL : 26962819, 26567373
: 26565694, 26562133
: 26565687, 26562144
: 26562134, 26562122 (EPBAX)
फैक्स/FAX : 26960629, 26529745
: 26516078
Website : <http://www.dsir.gov.in>



भारत सरकार
विज्ञान और औद्योगिक मंत्रालय
वैज्ञानिक और औद्योगिक अनुसंधान विभाग
टेक्नोलॉजी भवन
नया महरौली मार्ग, नई दिल्ली - 110016
GOVERNMENT OF INDIA
MINISTRY OF SCIENCE AND TECHNOLOGY
Department of Scientific and Industrial Research
Technology Bhavan
New Mehrauli Road, New Delhi-110 016

Fax : 011-26851198

No. TU/VRG-CDE(593)/2010

Dated: 30th August, 2010

To

The Director General

National Institute of Fashion Technology
NIFT Campus, Hauz Khas
New Delhi-110016

Subject: Renewal of Registration of Public Funded Research Institutions or a University or an Indian Institute of Technology or Indian Institute of Science, Bangalore or a Regional Engg. College, other than a Hospital, for the purposes of availing Customs/Central Excise duty exemption in terms of Govt. notification No.51/96-Customs dated 23.7.1996 and Central Excise Duty Exemption in terms of Govt. notification No.10/97-Central Excise dated 01.03.1997 as amended from time to time.

With Reference: your application dated 2nd July, 2010 on the above subject, this is the certificate of registration.

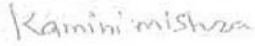
CERTIFICATE OF REGISTRATION

This is to certify that National Institute of Fashion Technology, New Delhi is registered with the Department of Scientific & Industrial Research (DSIR) for purposes of availing customs duty exemption in terms of Government Notification No. 51/96-Customs dated 23 July, 1996 and Central Excise duty exemption in terms of Government Notification No. 10/97-Central Excise dated 1 March, 1997 as amended from time to time. The registration is subject to terms and conditions mentioned overleaf.

This registration is valid from 01.09.2010 to 31.08.2015.

Please acknowledge the receipt.

Yours faithfully,


(Kamini Mishra)
Scientist - F

**Various Guidelines issued by CVC and communicated by Vigilance
Department of NIFT (HO) on purchases .
vide Order Memorandum No.:- 01/30/2009-Vig./569 Dated 16th March, 2011
Tendering Process - Negotiation with L1...regarding.
Enclosed please find a copy of CVC Circular No. 4/3/07 dated 03.03.2007 regarding guidelines on the aforesaid subject.
CVC vide their circular No. 01/01/10 dated 20.01.2010 had further clarified the guidelines.
The same may be scrupulously followed in tendering process.**

**NO.005/CRD/012
Government of India
Central Vigilance Commission**

Satarkta Bhawan Block A
GPO Complex INA New Delhi- 110 023
Dated the 3rd March, 2007

Circular No. 4/3/07

Sub:- Tendering process - negotiations with L-1.

1. Reference is invited to the Commission's circulars of even number dated: 25.10.2005 and 3.10.2006, on the above cited subject. In supersession of the instructions contained therein, the following consolidated instructions are issued with immediate effect-
 - (i) As post tender negotiations could often be a source of corruption it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
 - (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety negotiations would be permitted with L-1 bidder (s) for the supply of a bare minimum quantity. The balance quantity should however, be procured expeditiously through a re-tender following the normal tendering process,
 - (iii) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalized within their validity period.
 - (iv) As regards the splitting of quantities, some organizations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in case where the organizations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
 - (v) Counter-offers to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However any counteroffer thereafter to L-2, L-3 etc. (at the rates accepted by L-1) in case of splitting of quantities as pre-disclosed in the tender, shall not be deemed to be a negotiation.
2. It is reiterated that in case L-1 backs-out, there should be a re-tender.
3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

No. 005/CRD/19 dated 9th May 2006 of CVC

Transparency in Work/Purchase/Consultancy Contracts awarded on nomination basis.

In accordance to CVC's circular no. 005/CRD/19 dated 9th May 2006 on back to back tie up by PSUs desired that the practice of award of works to PSUs on nomination basis by Govt. on India/PSUs needed to be reviewed forthwith. It is observed that in a number of cases, Works/Purchase/Consultancy contracts are awarded on nomination basis. There is a need to bring greater transparency and accountability in award of such contract. While open tendering is the most preferred mode of tendering, even in the case of limited tendering, the Commission has been insisting upon transparency in the preparation of panel.

2. In the circumstances, if sometimes award of contract on nomination basis by the PSUs become inevitable, the Commission strongly feels that the following points should be strictly observed.
 - i) All work awarded on nomination basis should be brought to the notice of the Board of the respective PSUs for scrutiny and vetting post fact.
 - ii) The report relating to such awards will be submitted to the Board every quarter.
 - iii) The audit committee may be required to check at least 10% of such cases.
3. This may be noted for strict compliance.

Office Memorandum No. 01/68/2010-Vig/586 dated 25th March 2011 of CVO

**CVC Circular No. 31/11/08
Dated 6th Nov. , 2008**

Time bound Processing of Procurement

The Commission has observed that at times the processing of tenders is inordinately delayed which may result in time and cost overruns and also invite criticism from the Trade Sector. It is, therefore, essential that tenders are finalized and contracts are awarded in a time bound manner within original validity of the tender. Without seeking further extension of validity. While a short validity period calls for prompt finalization by observing specific time line for processing a longer validity period has the disadvantage of vendors loading their offers in anticipation of likely increase in cost during the period. Hence, it is important to fix the period of validity with utmost care.

2. The commission would, therefore, advise the organizations concerned to fix a reasonable time for the bids to remain valid while issuing tender enquiries. Keeping in view the complexity of the tender, time required for processing the tender and seeking the approval of the Competent Authority, etc., and to ensure the finalization of tender within the stipulated original validity. Any delay, which is not due to unforeseen circumstances, should be viewed seriously and prompt action should be initiated against those found responsible for non-performance.
3. Cases requiring extension of validity should be rare. An in the exceptional situations where the validity period is sought to be extended, it should be imperative to bring on record in real time. Valid and logical grounds, justifying extension of the said validity.

Office Memorandum no. 01/30/2009-Vig/094 dated 9th October 2009 of CVO

Posting of details on award tender/contracts on Websites

In accordance the CVC 's Circular No. 17/7/09, dated 14.07.2009 regarding posting of details on award of tenders/contracts on websites. As per the approval of the Competent Authority, the threshold value fixed for different kinds of contracts is given below.

Item Value

- i) All kind of contract/purchases 1 lakh and above
- ii) Civil work/Building Contracts 25 lakhs and above
2. The guidelines to be followed during execution of this system are:
 - i Regular up-dation on website to be carried out on a continuous basis.
 - ii. Information Published should be in the prescribed format laid down by the Commission (Copy Enclosed at "Annexure-I").
 - iii. Access to the information should not be restricted through setting up passwords or to registered vendors/suppliers etc.
3. All the officers concerned are required to identify the Contract/Purchases made above the threshold value and get them posted on the website of NIFT on monthly basis in the prescribed proforma (enclosed), covering at least 60% of the value of the transaction, to being with. A hard copy of the monthly report of the same may be furnished to Vigilance Division for onward submission of details to Central vigilance Commission.

No.,009/VGL/002
Government of India
Central Vigilance Commission

Satarkta Bhawan, Block-A,
GPO complex, INA,
New Delhi-110023,
Dated : 13/01/09

CIRCULAR NO. 01/01/09

Subject :- Implementation of e-tendering solutions

References are being received by the Commission regarding the methodology for selection of sole application service provider for the implementation of e-tendering solutions in various organizations the Commission has examined the matter and is of the view that all organisation should invariably follow a fair, transparent and open tendering procedure to select the application service provider for implementing their e-tendering solutions. The standard guidelines on tendering procedure should hold good for the procurement of these services as well.

(Shalini Darbari)
Director

All Chief Vigilance Officers

ANNEXURE-I

Details of contractors concluded during the month

Item/nature of work	Mode of Publication of NIFT	Date of Publication of NIFT	Type of bidding (Single/ Two Bid System)	Last date of receipt of tender	Nos. of tenders recd	Nos. and name of parties qualified after technical evaluation	Nos. and names of parties not qualified after technical evaluation	Whether contract awarded to lowest tenderer/ evaluated L-1	Contract No.& Date	Name of Contract	Value of contract	Scheduled date of completion of supplies

ANNEXURE-I

DEFINITIONS

Indent: A form, which is filled in by the user department by the person requesting the purchase. The form will give details of the material required, the quantity etc.

User Department: The department, which requires the material.

Approving Authority: The person who has been delegated the authority to approve the purchase of material/equipment. The authority is by designation and depends on the value of purchase.

A.O. Accounts Officer of the Centre

C.A.O. Chief Accounts Officer at Head Office

Standing Committee: A Committee constituted for recommending purchase of regular nature.

Approved Suppliers: Suppliers who have been formally evaluated by some method and considered as able to deliver the required quality of material.

Purchase Officer: An employee nominated by the Director of the Centre or the Director General at H.O who will carry out the activities of purchase items other than consumables.

Store in Charge: A person nominated by the Director of the Centre or the Director General at H.O who will carry out the duties of a stores keeper.

Except for the Direct Market Purchase, a comparative chart of the financial bids is made (for bids which have been found technically acceptable).

- i) In the case of Purchase of inviting quotations, the comparative chart of the quotes are made and the lowest is accepted by the approving Authority.
- ii) In the case of the tendering process, the comparative statements of the quotes are made and the Standing Committee/Purchase Committee makes its recommendations.

Based on the Purchase Committee's/Standing Committee's recommendations, approval is given by the Approving Authority for releasing order to the selected party.

The Purchase Officer releases the Purchase Order for Capital Items, Resource Centre (H.O) for books & RC material, Work Order (Bldg. Dept. through EE/PE).

Receipt of materials, Inspection of the goods received (certification of the same by the indenting department) and preparation of Goods Receipt Note.

Necessary entries are made in the Fixed Assets/Consumables Register

The invoice is processed by Accounts on the basis of certificate recorded on the invoice by the concerned official responsible for initiating the order and by Project Cell for purchase for projects.

ANNEXURE-III

ANNEXURE-II

Flow Chart of Procedure:

Indent is raised for materials/equipments/service by the user department. The indent is forwarded through proper channel to the approving authority.

The approving authority will forward the indent to the A.O for verifying availability of funds under the Department Development Fund or other specific budget provisions.

On receipt of information on availability of funds under the specific head, approval to initiate purchase process will be given by the approving authority.

The Purchase Officer finalizes the technical specification in consultation with the indenting department if necessary and place purchase orders directly wherever direct purchase method is involved or put up the approved indents for purchase through tendering process to the specific committee constituted for this purpose.

Depending on the value of the purchase, the purchase is made adopting one of the following methods:

Direct Market Purchase Purchase by inviting quotations Limited Tender

Single Tender

Open Tender

Stationery Stores (Illustrative List)

Paper of all kinds, whether in sheets, rolls, reels or pads.

- Cardboards, millboards, pulpboards, pasteboards, strawboards and ticketboards. Carbon and sentized paper
- Envelopes of all kinds
- Parchment and Vellum (imitation or real). Bookbinding materials.
- Books (blank, rules or loose leaf including equipment) Writing and drawing materials including -
- Pens, pencils, crayons, chalk (writing and drawing) and pen-nibs of all kinds; Inks, ink-powders, ruling paste, inkstands and inkpots;
- Water colours and boxes, saucers and brushes for such colours and slants) Rulers, tracing cloth and ferro-gallic linen;
- Erasers (rubber), slates, slate pencils and sponges, pads (writing,blotting ad signature). Desk appliances including-
- Knives, scissors, punching and stapling tools, bells;
- Envelope cases and trays;
- Pins, pincushions, paper clips, paper weights, gum bottles and brushes and sealing wax)
- Rubber stamps, metal seals, etc., rollers (rubber, thump-impression and cyclostyle), thumb-impression slab, and pocket cases, pads (rubber) for stamping.

- Glue, gum, tags, thread and twine, if required for office purpose
- Packing cases and other packing materials for Stationery offices and Printing Presses only.
- Ribbons for typewriters.
- Academic consumables like muslin, leather, hand tools and kits. Display items.
- Art items.

7. Prepare the payment voucher and process payment.
8. Entries are made in the register.

Store- in-charge : The stores in charge will be responsible for the following

Receive the incoming material and check the physical quantity against the invoice or D.C.

Arrange for the safe storage of the material and make entries in the goods inward register.

Information the indenting department of the receipt of goods and arrange for inspection. On completion of inspection and acceptance make necessary entries in the stock register or asset register.

Indicate on the invoice the page numbers where the entries have been made in the stock register or asset register.

Forward the invoice to the purchase department who will in turn forward it to the accounts.

Issue the material to the indenting department and maintain records of issue in Issue Registers.

Purchase Officer

The Purchase Officer will be also responsible for the following

1. He will on receipt of the approval of the appropriate authority to initiate the purchase process, finalize the specifications and send out enquiries or tender the requirement depending on the value.
2. He will follow up with the suppliers and ensure the necessary quotes or bids are received.

He will put convene the standing committee on purchase and place before the Committee the bids received.

Prepare the comparative charts and arrange for incorporating the committees recommendations for submission to the approving authority.

Submit the recommendations and get the approval of the approving authority. Release the Purchase Order.

Follow up with the supplier to ensure timely delivery.

Follow up with stores on receipt of material and submit the invoice to the accounts for payment.

Note

If the items have not been checked at the suppliers premises before despatch, the Purchase Officer should open the consignment on the receipt of the same and the check the content received as per supply order in the presence of the Insurance Agent and representative of suppliers.

When the items received as per supply order have been accepted by the Centre, the material cum inspection note shall be certified by the Stores Officer and the SI.No. of the entry in the Asset Register shall also be recorded.

The security at the Centre and Head Office should stamp the delivery challan after recording the details of the items in the Materials Movement Register to be maintained at the Gate.

ANNEXURE-IV

CONSTITUTION OF STANDING COMMITTEE ON PURCHASE, ROLE AND RESPONSIBILITIES OF CONCERNED OFFICIALS IN MATTERS OF PURCHASE

The Director of the centre or the Director General at H.O will constitute the Standing Committee. For the Centres, the constitution of the Committee may be as follows:

Director

Registrar

Accounts Officer

Purchase Officer---Convenor

One C.C nominated by the Director

One C.C / HOD from the indenting department

Outside expert if required

Roles of various Officers

Approving Authority: The approving authority may be the Registrar, Director etc., who has been delegated the power to authorize the purchase. He/She should ensure that the approvals are given only within the limits of delegated powers. He/She will also apply his mind and check if the purchase of item is absolutely essential or if the same can be hired or temporarily shifted from another department.

Purchase Officer: will be responsible and to see:-

1. NOC from Nodal Officer of the HO/ Centre is taken.
2. To inform the Appropriate Authority if funds under the specific head of account is available for purchase.
3. On receipt of the invoice, check if necessary entries for acceptance of the quality of the material has been made by the indenting department.
4. Check if necessary entries have been made for entry of the items in the stock book or asset register.
5. Check if the ordered item and received item and received item and received item are the same as per the purchase order and the invoice.
6. Check if the invoice value if as per the purchase order and if all taxes and duties are correctly indicated.

Standing Committee on Purchase: This Committee will scrutinize the bids received and decide in consultation with technical experts which of the technical bids are acceptable.

Take up the comparison of financial bids and recommend which bid is to be accepted. P.O. will also periodically verify the stock register and the asset register to see if necessary entries are made;

Oversee the annual stock taking of the assets and consumables; Evaluate applications for approved supplier status and recommend.

Placing Order on suppliers for items covered under Rate Contract with the procedure prescribed by DGS&D

With regard to items covered under DGS&D rate contract, orders may be placed with the concerned suppliers operating rate contract as per the terms and conditions governing the rate contract subject to the quantity requisitioned by the Indenting Authority. **(In all such cases final concurrence is required).**

However, for administrative requests if there is possibility of procuring the material from the suppliers on rate contract rates but out side the scope of rate contract, terms and conditions, purchase order shall be placed accordingly subject to the quantities of MPR's being circulated by the Indenting Authority.

For some of the items like batteries, auto spares, spares for equipment,

annual rate contract may be entered in to after concurrence by Finance with the procedure and Purchase Orders can be placed at such rates subject to the approval of the Competent Authority.

Procedure for scrutiny of tender proposal

Receipt of Tenders

All tenders should be received in sealed/closed covers through the tender box, earmarked for the purpose, either by post or otherwise. In exceptional cases offers may be collected by end as approved by the Competent Authority.

The tender box should be opened only by the authorised persons on the due date, time and place. The sealed/closed tenders received shall be sorted out according to the tender reference number and date of opening. All tenders received by Registered Post through tender box and/or otherwise shall be maintained with the name of the parties to whom the tenders/enquiries were issued and from whom offers received. If the date of opening is a holiday, tender should be open on the following working day without further approval as a rule.

Approval of samples

Where prior approval of samples by indenter is one of the conditions stipulated in the Purchase Order or where the industry materials' demands prior approval/testing specific instructions should be incorporated in the tender/enquiry calling upon the tenders to spare the sufficient quantity of the representative samples along with the offers. Further consideration of concerned offer shall depend upon the approval of samples by the indenter / client.

Summary of Unit wise Responsibilities

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
All Activities related to purchase	all	F&A - V	PO	CAO/DIR(F&A) DR(F&A)/AO/ OSD/SA, A/c	F&A - I	PO/AO/OSD/ DR (F&A)	Director

CHAPTER - 5

Fund and Cash Management

1. Cash Management

The key to successful Cash Management lies in realistic forecast of future cash receipts and payments, prompt collection of moneys from the debtors and speedy disbursement to discharge accepted liabilities to cater the needs of the organization. This calls for optimal utilization of cash resources. Shortage of cash or keeping cash idle retards healthy growth of business. It is, therefore, of utmost importance that a close watch is kept to strike out a balance between the in-flows and out-flows of cash.

The Cash Management Section shall be responsible for the receipt and disbursement of cash, cheques/ drafts / money orders etc. transfer of funds, pay roll disbursement including that of unpaid salaries and wages; safe custody of cash, securities, investments, preparation of Bank Reconciliation statements and ways and means forecasting.

This section shall serve as a counter for receipts and payments at Head Office / Units.

2. Organization

Cash Management Section shall be under the control of an Accounts Officer who shall be assisted by Cashier and other supporting staff.

- (i) **Accounts Officer:** for signing cheques, Accounts Officer shall include an Accounts Executive / Accounts Officer or any other officer of the Accounts or other Department authorized to work as Accounts Officer - in - charge of the Cash Management Section.
- (ii) **Cashier:** Shall mean and include Head Cashier / Sr. Cashier or any Assistant of the Accounts Department authorized to handle cash and so nominated by the competent authority.

3. Functions:

Head of the Office is to function as Drawing & Disbursing Officer.

The main functions of Cash Management Section (DDO) shall be:

- (i) Receiving of Cash / Cheques/ Drafts/ Money Orders etc. on the authority of the various accounting sections:
- (ii) Issue of Receipts to parties in acknowledgement of amount received.;
- (iii) Prompt deposit of all collections to the credit of the Bank Account of Institute on the same date or next working day;
- (iv) Disbursement of cash to staff members and outsiders on the authority of Cash Payment Vouchers prepared by various Accounting Sections and duly passed for payment by the competent authority;

- (v) Preparation of cheques on the basis of payment vouchers sent by the Accounts Sections and its dispatch/ issue to parties:
- (vi) Arranging transfer of funds from the Centre's Bank Accounts to other Centre / Head Office Bank Accounts and vice-versa on the basis of the approval of the competent authority (as per delegation of powers);
- (vii) Pay Roll Disbursement (including that of unpaid salaries and wages) to Regular Staff, contract staff or other working staff employed in office;
- (viii) Proper recording of all transactions on daily basis in respect of receipt and payment;
- (ix) Safe custody of cash, securities and investments;
- (x) Preparation of Bank Reconciliation Statements for each Bank Account;
- (xi) Preparation of ways and means forecasting;
- (xii) Proper filing and maintenance of Cash / Bank Receipt and Payment Vouchers in numerical order; and
- (xiii) To serve as a counter for all receipts and payments at Head Office / units.

4. Procedure for Transfer of funds to Centres:-

1. Funds would be transferred to the Centres to meet their approved Capital Purchase Expenditure.
2. All revenue Expenditure which is directly attributable to the HO activity will be debited to HO.
3. After completion of admission procedure, HQ would transfer funds within a month to the extent of the full first semester fees received on behalf of the Centres, during the first week of July after retaining 20% of HO Share.

Annual Return in respect of Capital Expenditure Annexure

Sr. No	Description	Amount
1	Funds for Capital purchase received till the end of the previous year	
2	In the current year funds received till date	
3	Funds received till previous year	
Total		

Expenditure incurred on Capital item and details submitted to HO (enclose the copies of letter) Expenditure incurred and accepted by the HO (enclose copies of approved letter)

Signature of Director

5. Authorization of opening bank account and cheque signing authority:

Preparation of cheque:

On the basis of the cheque payment voucher duly passed for payment by the competent authority the Assistant of Cash Management Section shall prepare cheques (by means of cheques typewriter) duly crossed "Account Payee". The assistant preparing/ typing cheques shall initials the counter- foils of the cheques in token of verifying that the contents of the cheques and counter-foil are the same. If a cheque is cancelled, being not properly prepared, both the foils shall be cancelled by the officer signing the cheque. The original cancelled foils shall be attached with the counter-foil in the cheque book. The number of the cancelled shall also be noted and entered in the Bank Book in order to maintain the continuity of the cheque numbers in the serial order.

6. Individual Cheque signing authority:

The following officers shall be authorized to sign the cheque on behalf of the Institute to the extent indicated against their individual categories:

Sl. No.	Cheque Signing Authority At H.O	Under Individual Signatures
	Designation of official	Amount for which cheques can be signed.
1	Accounts Officer	Upto Rs. 5,000
2.	DR (F&A)	Upto Rs. 10,000
3	CAO and DIR (F&A)	Upto Rs. 50,000

Sl. No.	Cheque Signing Authority At Centres	Under Individual Signatures
	Designation of official	Amount for which cheques can be signed.
1.	Accounts Officer	Upto Rs. 5,000
2.	DR (F&A)	Upto Rs. 10,000
3	Director /Registrar	Upto Rs. 50,000

Joint signing process

Sl. No.	Cheque Signing Authority At H.O.	Under Individual Signatures
	Designation of official	Amount for which cheques can be signed.
1.	Accounts Officer & CAO	Upto Rs. 5,00,000
2.	CAO & DIR (F&A)	Above Rs. 50,000
3.	DR & CAO.	Above Rs. 50,000 and above

Centres

Sl.No.	Cheque Signing Authority	Under Individual Signatures
	Designation of official	Amount for which cheques can be signed.
1.	Accounts Officer & Registrar or Director	Above Rs. 50,000 upto Rs. 5 Lakhs
2.	AO or DR (F&A) and Registrar or Director	Above Rs. 50,000 upto Rs. 5 Lakhs

Authority for cheque signing is issued /authorized from H.O. with name and designation.

Separate Bank account for Projects undertaken:-

Different types of Projects undertaken by HO as well as the Centres for execution and Utilization Certificate is required to be issued from time to time for submission to the authorities. Accordingly vide **Circular No 1509(1)/ Acct.HO/ Cir-Order/ 05 dated 03-08-2006, with the approval of Director General**, it is been decided that at the Centres as well as at HO., separate bank account will be opened for projects having value more than Rs. 50 Lakhs and one another general project account should be kept so that projects of value less than Rs. 50 Lakhs may be deposited in that account. All Project payment cheques should be issued from different Bank account assigned for the same as enumerated above. Auditing of the project account as well as issue of Utilisation Certificate and certification of Income and Expenditure by CA will be easier.

7. Procedure for sanction of Imprest:-

Imprest/ Permanent Advance

Government officers may make such payments as are authorized to be paid out of permanent advances or imposts which are permitted to hold under orders of competent authority issued in terms of Rule 291 of the General Financial Rules, Swamy's 21st edition, subject to

recoupment on presentation of bills. Permanent advance is normally granted to officers who have to make payment before they can place themselves in funds by drawing money.

Permanent advance or Imprest for meeting day -to- day contingent and emergent expenditure may be granted to a government servant by the Head of Department in consultant with Internal Finance Wing, keeping the amount of advance to the minimum required for smooth functioning.

The advance sanctioned for purchase goods or services needed for the management of the office should be subject to:-

- (i) The amount of expenditure should not be higher than the Permanent advance.
- (ii) The purchase or other purpose cannot be managed under the normal procedures.
- (iii) The amount of advance should not be more than the power delegated for the purpose.
- (iv) The Head of Office shall be responsible for timely recovery or adjustment of the advance.

The adjustment bill, along with balance if any, shall be submitted by the Government servant within fifteen days of the drawal of advance, failing with the advance or balance shall be recovered from next salary/ies.

Rule 293 of GFRs above stipulates that Department may sanction an advance to the Government Pleader upto a maximum of Rupees five thousand at a time. The amount advanced should be adjusted at the time of settlement of Counsel's fee bills.

A note of each item of permanent advance given to various authorities shall be kept in the Register of Permanent Advance. If the amount of advance is increased or reduced during the course of a year, the amount in the column for the current year should be altered in red ink as soon as payment of the increased amount is made or credit representing difference due to reduction is received from the officer concerned. The amount of advance outstanding as on 31st of March each year entered in money column for the subsequent year.

Sanctions for permanent advance accorded by Head of Department are to be scrutinized to see:

That the officer sanctioning the advance is a recognised head of department

That the advance is intended not for the own office but for his subordinate office.

That the advance has been sanctioned keeping in view the provisions of GFR

Acknowledgements from the officers holding permanent advances shall be obtained as on 31st March in the month of April and the aggregate of the outstanding should be worked out from the Register of Permanent Advances and tallied with the ledger balance. Imprest shall not be used/utilized for any payment to labour on account of TA, DA, LTC advance etc.

Imprest shall not be utilized for any expenditure on printing and stationary.

The imprest holder will maintain the cash in an iron chest to be kept safely in the office premises duly insured.

A register of Permanent Advance (Form - 61 as provided in Civil Account Manual) should be maintained.

8. Custody and review of Bank Guarantee and FDR:

As per terms of contracts for Works and Purchase Orders, the contractors/ suppliers are required to furnish bank guarantees for performance/ advances/ free issue of materials etc. (Proforma of Bank Guarantees are attached as per Annexures enclosed). In certain cases, bank guarantees are also furnished by the sub contractors for realization/ in lieu of security deposit by Tenderers for earnest money as per terms of NIT.

8.1 OBJECTIVES:

- i. Safe custody;
- ii. Contents of Bank guarantee in conformity with terms and conditions of the sub-contract/purchase order/ NIT;
- iii. Meeting the purpose for which the instrument has been received;
- iv. Timely action / the guarantees;
- v. Control for protection of NIFT's interest;
- vi. Timely action for any breach of terms and conditions of contract committed by the contractor;
- vii. Timely action for establishing losses/ damages caused by the contractor for any reason;
- viii. Proper invocation of Bank guarantees.

8.2 Operation of Bank Guarantees

In the course of dealings with contractors, suppliers and others, there are certain foreseeable risks which are considered at the time of formation of the contract. To cover the loss, damages that may be caused as a result of such risk, Bank guarantees are taken from the Nationalised and Scheduled Banks. Bank guarantees which taken at the instance of outside agencies covering losses/damages that may be caused to or suffered against the payment to the agencies or otherwise are of the following kinds:

- i) Relieving the tenders from payment of earnest money;
- ii) Exempting the contractor/ supplier from deduction of security deposit or for refund of security deposit deducted;
- iii) Payment of mobilization advances;
- iv) Performance Bank guarantee for - (a) guaranteeing successful operation of equipment delivered by the supplier upon erection, (b) guaranteeing successful operation of plant & machineries erected based on engineering design delivered by Consultants/ Designers;

- v) Making stage payments;
- vi) free issue of materials;
- vii) Free issue of structural steels for fabrication;

Proforma Bank guarantee should be drafted incorporating normal conditions and considering provisions of contract/ purchase orders.

Bank guarantee is to be given by the Bank at the instance of contract/ supplier and should bear relevance to conditions stipulated in the contract relating to Bank guarantee and as such it requires that Bank guarantee should be suitably worded incorporating such provisions. For proforma of other Bank guarantees and also for Bank guarantees relating to specific conditions of contract Head Office may be referred to.

The bank guarantees in lieu of earnest money are accepted from the conferee along with the tenders submitted by them. Upon finalization of the tender, works are awarded to tenderer/ tenderers and fresh bank guarantee (s) shall be taken from those tenderer/ tenderers on the value of work awarded to them in the form of security deposit or otherwise. Upon receipt of such bank guarantees from such tenderers, the bank guarantees submitted by them earlier in lieu of earnest money shall be released to them. In this context, bank guarantees given by the unsuccessful tenderers shall be returned upon finalization of the tender.

Accounts in-charge of the unit shall maintain a register recording the details each Bank guarantee and also the date of expiry and keep a watch on the expiry of Bank guarantees. In case extension of the bank guarantees is desired, a letter shall be written to the contractor/ supplier under registered post or by personal dispatch one month before the expiry requesting him to extend the bank guarantee within a period of 2 weeks. If no reply is received within the specified time a letter shall be written to the issuing Bank under registered post or by personal delivery requesting extension of bank guarantee where such condition is stipulated in the bank guarantee. If no extension is communicated by the Bank, a claim for encashment of bank guarantee is to be lodged with the bank before expiry of the date of making claim as specified in the bank guarantee. Sometimes, a condition is stipulated in the bank guarantee to file a suit within the expiry date of bank guarantee in which case a suit shall be filed in a court of competent jurisdiction. It shall be seen that bank guarantee should be properly invoked and be signed by authorized officer before sending to Bank.

While drafting a letter of claim/invocation, it is necessary to indicate that loss or damage has been suffered exceeding the amount guaranteed by the Bank. Although the conditions stipulated in the different bank guarantees may be similar, the stipulations under which the loss / damages are caused to/ suffered by the company may be varied, for example:

- (a) the contractor abandoned the site and the work under the contract required to be executed at the risk and cost of the contractor,
- (b) negligence of the contract and delay in execution of work adhering to the programme;
- (c) negligence of contractor in exercising strict control over the materials issued to him and thereby causing shortage of materials;

- (d) contractor does not comply with the provision of various statutes as per conditions of contract and avoid payment to their employees and so on.

It is necessary to establish loss and / or damages due to above reasons or other reasons causing breach of terms and conditions of contract by writing letters to the contractor. It is necessary to briefly mention such reasons for loss and / or damages due to break of terms and conditions of contract by the contractor in the claim letter which will indicate that the conditions in the bank guarantees has been fulfilled prior to lodging of claim for encashment with the Bank. For encashment of Bank guarantee it is necessary that the invocation has been made in satisfaction of any of the conditions contained in the particular bank guarantee. If, felt necessary, reference may be made to H.O. for drafting a letter of invocation.

The letter of invocation to the bank shall be signed by the Resident Engineer or DR (Finance) and above. Upon dispatch of the letter of invocation, personal approach shall be made to the bank demanding bankers' cheque/ demand draft against encashment of the bank guarantee, as may be arranged by the head of the units. In case the payment has been received from the bank, the same shall be deposited to our bank account forthwith.

In case no payment is received or there is delay in making payment by the Bank, the matter may be reported to HO with a proposal for action. On the basis of such proposal from the unit, appropriate action under approval of competent authority shall be taken.

8.3 Responsibilities

Responsibilities and action points of the following groups have been detailed in the above mentioned circular, which should be strictly adhered to:

1. Department receiving BG (i.e. Executives operating sub-contract)
2. Cash Section
3. Accounting Group
4. Internal Audit Group

ANNEXURE- I

PROFORMA FOR DIFFERENT TYPES OF BANK GUARANTEES

- 1 In consideration of National Institute of Fashion Technology having its Head Office at NIFT Campus, Near Gulmohar Park, Hauz Khas, New Delhi-110 016 (hereinafter called NIFT which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having agreed to exempt M/s. _____ (hereinafter called the 'Contractor' which expression shall executors and assigns) from payment or deduction towards security money under the terms and conditions of the Letter of Intent No. _____ Dated _____ (hereinafter referred to as the 'Contract;') and the same having been unequivocally accepted by the contractor resulting in a contract valued at Rs. _____ (Rupees _____ only) for upon the contractor furnishing a Bank Guarantee from a Nationalised Bank/Scheduled Bank for an amount equivalent to Rs. _____ (Rupees _____ only), we, _____ Bank, having its Head Office at _____ (hereinafter referred to as the Bank which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay NIFT on demand any or all money payable by the contractor to the extent of Rs. _____ (Rupees _____ only) as aforesaid at any time upto _____ without any, demur, reservation, contest, recourse or protest and/or without reference to the contractor against any loss or damage, cost, charges and externs and conditions contained in the contract. Any such demand made by NIFT on the Bank shall be conclusive and binding notwithstanding any difference between NIFT and contractor or any dispute pending before any Court, Tribunal or any other authority.
- 2 We, the said Bank, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said contract and till all the dues of NIFT under the said contract or by virtue of any of the terms and conditions governed by the said contract having been fully paid its claim satisfied or discharged or till NIFT certifies that the terms and conditions of the said contract have been fully and properly carried out by the contractor. The Bank undertakes not to revoke this guarantee during its currency without previous consent of NIFT in writing and further agree that the guarantee herein contained shall continue to be enforceable until _____.
- 3 NIFT shall have the fullest without affecting in any way the liability of the Bank under this guarantee from time to time to vary any of the terms and conditions of the said contract or to the extent the time of performance by the said Contractor or to postpone from time to time any of the power exercisable by it against the said contractor and either to enforce or forbear any covenants, contained or implied in the contract between NIFT and the Contractor or any other course of remedy or security available to NIFT and the said bank shall not be released of its obligation under this guarantee by any exercise by NIFT of its liberty with reference to the matters aforesaid or any of them or by reason of any other acts of omission or commission on the part of NIFT or any other indulgence shown by NIFT or by any other matters or whatsoever which under law would, but for this provision, have the effect of releasing the Bank.
- 4 The Bank also agrees that NIFT at its option shall be entitled to enforce this guarantee against the bank as a principal debtor under this guarantee in the first instance without proceeding against the contractor and notwithstanding any security or other guarantee that NIFT may have in relation to contractor's liabilities.
- 5 It shall not be necessary for NIFT to proceed against the Contractor before proceeding against the bank and the Guarantee herein contained shall be enforceable against the Bank notwithstanding any security which NIFT might have obtained or obtain from Contractor shall at the time when proceeds are taken against the bank hereunder be outstanding or unrealized.
- 6 This guarantee shall not be affected by any changes in the constitution of the contractor nor shall it be affected by any changes in the constitution of NIFT or by any amalgamation or absorption thereby or therewith but will ensure for and be available to and enforceable by absorbed or amalgamated company or concern.
- 7 Notwithstanding anything contained hereinabove, our liability under this guarantee is restricted to Rs. _____ (Rupees _____ only) subject to the clause as stated immediately hereafter. This guarantee shall remain in force till.
- 8 This guarantee shall continue and hold until is released by NIFT on the application of the contractor after the expiry of the relative period of the said contract and after the contractor has discharged all their obligations under the said contract and produce a certificate from NIFT's representative certifying the due on completion of the work under the said contract provided always unless extended this guarantee shall remain in full force till _____. Should it be necessary to extend this guarantee beyond the said date on account of extension being granted by NIFT to the contractor in respect of completion of works under the said contract or otherwise, we, the said Bank undertake to extent forthwith the period of the guarantee on NIFT request till such time as may be required by NIFT.
- 9 We, _____ the said Bank, shall be discharged of all our liabilities under this guarantee unless a claim is made by NIFT within 3(three) months from the date of expiry of this bank guarantee.

ANNEXURE-II

PROFORMA BANK GUARANTEE FOR MOBILISATION ADVANCE

1. In consideration of National Institute of Fashion Technology, its Head Office at NIFT Campus, Near Gulmohar Park, Hauz Khas, New Delhi-110 016 (hereinafter called 'NIFT' which expression shall unless repugnant to the contract or meaning thereof include its successors, administrators and assigns) having agreed under the terms and conditions of Contract/Letter of Intent No. _____ dated _____ (hereinafter referred to as the 'Contract') entered into with/placed on M/s. _____ (hereinafter referred to as the 'Contractor') and NIFT in connection with _____ to make at the request of the Contractor an advance of Rs. _____ (Rupees _____ only) (being _____ percent of the value of contract) for utilizing it for the purpose of the abstract upon the contractor furnishing a bank guarantee from a Nationalized Bank/Scheduled Bank, we _____ Bank, (hereinafter referred to as the said 'Bank') hereby guarantee the due recovery by NIFT of the said advance with interest thereon according to the terms and conditions of the contract. If the said Contractor fails to utilize the said advance for the purpose of the contract of the said advance together with interest thereon as aforesaid is not fully recovered by NIFT in accordance with the stipulations under the said contract, we, the said Bank hereby unconditionally and irrevocably undertake to pay to NIFT on demand and without demand to the extent of the said sum of Rs. _____ (Rupees _____ only) with interest as aforesaid.
2. We, the said Bank, further agree that NIFT shall be the sole judge of and as to whether the said contractor has not utilized the said advance or any part thereof for the purpose of contract and the extent of loss or damage caused to or suffered by NIFT on account of the said advance together with interest not being recovered in full and the decision of NIFT that the said Contractor has not utilized the said advance or any part thereof for the purposes of the contract and to the amount or amounts, loss or damage caused by NIFT shall be final and binding on us.
3. We, the said Bank, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said contract and till the said advance with interest has been fully recovered and its claims satisfied or discharged and till NIFT certifies that the said advance with interest has been fully recovered from the said contractor and accordingly discharges this guarantee subject to, however, that NIFT shall have no claim under the guarantee after _____ years from the date of completion of the said contract unless a notice of claim under this guarantee has been served on the said Bank before expiry of the said period of _____ years in which case the same shall be enforceable against the said bank notwithstanding the fact that same is enforced after the expiry of the said period after _____ years.
4. NIFT shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee or indemnity from time to time vary with the terms and conditions of the said contract or the advance or to extend time of performance by the said contractor or to postpone for any time and from time to time any of the powers exercisable by it against the said contractor and either to enforce or forbear from enforcing any of the terms and conditions governing the said contract or the advance or securities available to NIFT and the said bank shall not be released from its liability under this presents by any exercise by NIFT of the liberty with reference to the matter as aforesaid or by reason of time being given to the said contractor or any other forbearance, as or omission on the part of NIFT or any indulgence by NIFT to the said contractor or of any other matter or thing whatsoever which under the law relating the surety would be but for this provision have the effect of so releasing the Bank from its such liability.
5. It shall not be necessary for NIFT to proceed against the contractor before proceeding against the said Bank and the guarantee herein contained shall be enforceable against the said Bank notwithstanding any security which NIFT may be have obtain or obtained from the contractor shall at the time when proceedings are undertaken against the said Bank hereunder the outstanding or unrealized.
6. We, the said Bank, lastly undertake not to revoke the guarantee during the currency except with the previous consent of NIFT in writing and agree that any change in the constitution of the said contractor or the said Bank or NIFT shall not discharge our liability hereunder.
7. The bank also agrees that NIFT at its potion shall be entitled to enforce this guarantee against the Bank as a principal debtor under this guarantee in the first instance without proceeding against the contractor and notwithstanding any security or other guarantee that NIFT may have in relation to Contractor's liabilities.
8. Notwithstanding anything contained hereinabove, our liability under this guarantee is restricted to Rs. _____ (Rupees _____ only) subject to the clause as stated immediately hereafter. This guarantee shall remain in force till _____.
9. The guarantee shall continue and hold good until it is released by NIFT on the application of the contractor after the expiry of the relative period of the said contract and after the contractor has discharged all their obligation under the said contract and produce a certificate from NIFT's representative certifying the due completion of the work under

the said contract provided always that unless extended this guarantee shall remain in full force till _____. Should it be necessary to extend this guarantee beyond the said date on account of extension being granted by NIFT to the contractor in respect of completion of works under the said contract or otherwise, we, the said Bank undertake to extend forthwith the period of the guarantee on request of NIFT till such time as may be required by NIFT.

- 10 We, the said Bank, shall be discharged of all our liability under this guarantee unless a claim is made by NIFT within 3 (three) months from the date of expiry of this Bank Guarantee.



ANNEXURE-III

PROFORMA FOR PERFORMANCE BANK GUARANTEE

1. In consideration of National Institute of Fashion Technology, having its Head Office at NIFT Campus, Near Gulmohar Park, Hauz Khas, New Delhi-110 016 (hereinafter referred to as NIFT which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to _____ with its Registered/Head Office at _____ (hereinafter referred to as the 'Contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a contract by issue of NIFT's Letter of Intent No. _____ dated _____ and the same having been unequivocally accepted by the Contractor resulting in a 'Contract' bearing No. _____ dated _____ valid at Rs. _____ (Rupees _____ only) for _____ and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to Rs. _____ (Rupees value of the Contract to NIFT, we _____ having its Head Office at _____ shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay NIFT, on demand any and all money payable by the Contractor to the extent of Rs. _____ (Rupees _____ only) as aforesaid at any time upto without any demur, reservation contest, recourse for protest Bank shall be conclusive and binding notwithstanding any difference between NIFT and Contractor or any dispute pending before any Court, Tribunal or any other authority.
2. We, the _____ Bank undertake not to revoke with guarantee during its currency without previous consent of NIFT and further agree that the guarantee herein contained shall continue to be enforceable till NIFT discharges this guarantee or _____ which is earlier.
3. NIFT shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee from time to time to extend the time for performance of the Contract by the Contractor. NIFT shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner and either to enforce or two forbear to enforce any covenants, contained or implied, in the Contract between NIFT and the Contractor or any other course or remedy or security available to NIFT. The Bank shall not be released of its obligations under this guarantee by any exercise by NIFT of its liberty with reference to the matters aforesaid or any of them or by reason of any other acts of omission or commission on the part of NIFT or any other indulgence shown by NIFT or by any other matters or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.
4. The Bank also agrees that NIFT and its option shall be entitled to enforce this guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that NIFT may have in relation to the Contractor's liabilities.
5. This guarantee shall not be affected by any changes in the constitution of Contractor nor shall it be affected by any charges in the constitution of NIFT or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and enforceable by absorbing or amalgamated company or concern.
6. Notwithstanding anything contained hereinabove, our liability under this guarantee is restricted to Rs. _____ (Rupees _____ only) subject to the clause as stated immediately hereafter. This guarantee shall remain in force till _____.
7. This guarantee shall continue and hold good until it is released by NIFT on the application of the Contractor after expiry of the relative guarantee period of the said Contract and after the Contractor has discharged all their obligations under the said Contract and produced a certificate from NIFT's representative certifying the due completion of the works under the said contract and submitted 'No-demand certificate' provided always that unless extended this guarantee shall remain in force till _____. Should it be necessary to extend this guarantee beyond the said date on account of extension being granted by NIFT to the Contractor in respect of completion of works under the said contract or otherwise, we undertake to extend forthwith the period of the guarantee on NIFT's request till such time as may be required by NIFT.
8. We, _____ Bank shall be discharged of our liability under this guarantee unless a claim is made by NIFT within 3(three) months from the date of expiry of this Bank guarantee.

ANNEXURE-IV

PRFORMA BANK GUARANTEE FOR STAGE PAYMENT

- 1 In consideration of National Institute of Fashion Technology having its Head Office at, NIFT Campus, Near Gulmohar, Hauz Khas, New Delhi-110 0016(hereinafter called 'NIFT' which expression shall unless repugnant to the context or meaning thereof included its successors, administrators and assigns) having agreed under the terms and conditions of Letter of Intent Agreement No. _____ (hereinafter referred to the said 'Contract' placed on M/s. _____ having its Head Office at NIFT Campus, Near Gulmohar Park, Hauz Khas, New Delhi-110 016(hereinafter referred to as the 'Contractor' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) in connection with _____ to pay at the request of the Contractor on advice Rs. _____ (Rupees only) (being _____ percent of value of the contract) for utilizing it for the purposes of the contract upon the contractor furnishing a Bank guarantee from a Nationalised/Scheduled Bank, we, _____ Bank, (hereinafter referred to as the said 'Bank' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, and assigns) hereby guarantee due recovery by way of adjustment or otherwise by NIFT according to the terms and conditions of the contract. If the said contractors fails to utilize the said advance for the purpose of the contract. If the said Contractor fails to utilize the said advance for the purposes of the contract or the said advance as aforesaid is not fully recovered as aforesaid by NIFT in accordance with the terms and conditions of the said contract, we, the said Bank hereby unconditionally and irrevocably undertake to pay NIFT on demand and without demur to the extent of the said sum of Rs. _____ (Rupees _____ only).
- 2 We, the said Bank, further agree that NIFT shall be the sole judge of and as to whether the said Contractor has not utilized the said advance or any part thereof for the purpose of contract and the extent of loss or damage caused to or suffered by NIFT on account of the said advance not being recovered in full and the decision of NIFT that the said Contractor has not utilized the said advance or any part thereof for the purpose of the contract and as to the amount or amounts remaining unrecovered, any loss or damage caused to or suffered by NIFT shall be final and binding on us.
- 3 We, the said Bank, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said contract and till the said advance has been fully recovered by way of adjustment or otherwise by NIFT.
- 4 NIFT shall have fullest liberty without affecting in any way the liability of the Bank under the guarantee or indemnity from time to time vary any of the terms and conditions of the said contract or the advance or to extend the time of delivery by the said contractor or to postpone for any time and from time to time any of the power exercisable by it against the said Contractor and either to enforce or forbear from enforcing any of the terms and conditions governing the said contract or the advance or securities available to NIFT and the said Bank shall not be released from its liability under this guarantee by any exercise by NIFT of the liberty with reference to the matter as aforesaid or by reason of time being given to the said contractor or any other forbearance, act or omission on the part of NIFT or any indulgence by NIFT to the said Contractor or any other matter or thing whatsoever which under the law relating to the surety would be but for this provision have the effect of so realizing the bank from its such liability.
- 5 It shall not be necessary for NIFT to proceed against the Contractor before proceeding against the said Bank as a principal debtor and the guarantee herein contained shall be enforceable against the said Bank notwithstanding which NIFT may have obtain or obtained from the Contractor at the time when proceedings are undertaken against the said Bank here from the Contractor at the time when proceedings are undertaken against the said bank hereunder outstanding or unrealized.
- 6 We, the said Bank, further undertake not to revoke the guarantee during its currency except with the previous consent of NIFT in writing and agree that any change in the constitution of the said contractor or the said Bank or NIFT shall not discharge the liability hereunder.
- 7 Notwithstanding anything contained hereinabove our liability under the Bank Guarantee is restricted to Rs. _____ (Rupees _____ only) subject to the clause as stated immediately hereinafter.
- 8 This guarantee shall continue and hold good until it is released by NIFT on the application by the Contractor after expiry of the relative guarantee period of the said contract and after Contractor has discharged all their obligations under the said contract, produce a certificate from NIFT's representative certifying the due completion of work under the said contract provided always that unless extended this guarantee shall remain in force till _____. Should it be necessary to extend this guarantee beyond the said date on account of any extension of time being granted by NIFT to the Contractor in respect of completion of delivery under the said contract or otherwise, we undertake to extend forthwith the period of the guarantee on NIFT's request till such time as may be required by NIFT.
- 9 We, _____ Bank shall be discharged of our liability under this guarantee unless a claim is made by NIFT within 3 (Three) months from the date of expiry of the Bank guarantee.

ANNEXURE- V

To

(Name and Address of contractor/supplier)

Dear Sir(s)

Sub: Bank Guarantee No. _____

Date: _____ **for Rs.** _____

Issued by _____ **Bank** _____

The above Bank Guarantee will expire on _____.

Kindly extend the above bank guarantee for a period of _____ years and send the extension from the Bank to us by _____.

Unless the extension is received from the Bank by us within _____, we shall take such action as may be advised without any further reference to you.

To

(Name and Address of the Bank)

Dear Sir(s),

Sub : Bank Guarantee No. _____

Date _____ **for Rs.** _____

issued by yourselves

In terms of Clause _____ of the Bank Guarantee referred to above, we hereby call upon you to extend the above bank guarantee upto _____.

If we do not receive above extension from you by _____, we shall take such action as may be advised.

Yours faithfully.

For, National Institute of Fashion Technology

Yours faithfully,

For National Institute of Fashion Technology

8.4 Check List of Bank Guarantees

- (a) Whether terms, conditions, amount, purpose etc., of BG are in accordance with the requirements of the sub-contract/purchase order;
- (b) Whether the BG is as per the prescribed Form appropriate to the purpose. What are the conditions for invoking the BG?
- (c) Whether BG is on Stamp paper of adequate cost; & whether stamp paper is purchased in the name of Issuing Bank;
- (d) Whether legal status of the person at whose instance the BG is furnished is the same as that of the sub-contractor / supplier.
- (e) What is the period of BG? Review of validity period regularly by the department operating the sub-contract as also Unit Finance Department.
- (f) Regular follow up and taking scroll of BG expiring after one month;
- (g) Whether extension of BG necessary, and if BC, from what date. When letter asking for extension should be sent?
- (h) Similarly whether BG to be invoked and, if so, by what date invocation letter should be dispatched.
- (i) Whether letter of invocation is in the correct Form all language.
- (j) Mode of dispatch (for invocation/ discharge letters) for keeping record of having sent invocation letter / discharge letter. Safe custody of Postal Receipt;
- (k) Having issued letter of invocation, scrutiny of various contractual obligations of NIFT to the party, to obtain competent approval for any financial implication, on any account.
- (l) Whether extension received in time, if not, follow up action.
- (m) If extension of BG is not being received even beyond expiry date point out facts to the appropriate authorities and to decide on executive/ legal action within time stipulated in the BG.
- (n) Generally no payment to be made to the party unless extension of BG is furnished.
- (o) If extension received, check the identity of the Bank & Branch issuing the original BG and its extension as also other matters like BG No., amount, required period of validity etc.
- (p) Procedural aspects of documentation being followed by respective authorities.
- (q) Whether letters are issued to the contractors/ suppliers for any breach of terms and conditions of the contract committed by them.
- (r) In the event of abandonment of site by the contractors whether notices are issued as per conditions of contract.
- (s) Whether letters are sent to the contractors for losses / damages caused by them for any reason whatsoever.

9. Initial steps of cash transaction

9.1 General Instructions for handling cash:

The following instructions shall be observed by all officers who are required to receive dues and handle cash or perform the functions of Drawing and disbursing Officers:-

- 1 Every such officer should maintain a Cash-book in form G.A.R. 3 (Receipts and Payments Rules)
- 2 All monetary transactions should be entered in the Cash-book as soon as they occur and attested by the Head of Office.

An 'Account Payee' crossed cheque or bank draft drawn In the personal name of a recipient, need not be entered in the Cash-book. The delivery of such a cheque or draft to the concerned party may be recorded in and watched through a separate 'crossed cheques and bank drafts transit register.'
- 3 Only those cheques which are encashable in his own capacity as Disbursing Officer for arranging payments in cash, need be entered In the Cash-book.
- 4 The Cash-book should be closed regularly and completely checked. Total lying should be verified and initialed it as correct.
- 5 At the end of month, Head of office should verify the cash balance in the Cash-book and record a signed and dated certificate to that effect.
- 6 Entries made in Cash-book regarding remittance of receipts to the bank should be attested with reference to the bank's receipt recorded in the pay-in-slips or challans. When the credit appears in the receipt scroll from the bank, the actual date of realization of the cheque or draft should be indicated against the original entry in the Cash-book so as to keep track of outstanding items.
- 7 An erasure or over-writing of an entry once made in the Cash-book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing pen through the incorrect entry and inserting the correct one in red ink between the lines. The head of Office should initial every such correction and invariably date his initials.
- 8 The employment of Peons to fetch or carry money should be discouraged. When it is absolutely necessary to employ one for this purpose, a man of some length of service and proved trustworthiness should only be selected and in case where the amount to be handled is large, one or more guards should accompany the messenger.

The Cash-books should be bound in convenient volume and page numbered. Before bringing a Cash-book in use, the Head of office or the officer nominated should count the number of pages and record a certificate of count on the first page of the Cash-book. Cash and other valuables held in safe custody, should be kept in an adequately strong cash chest or almirah.

The cash chest/almirah should be secured by two locks of different patterns so that the key of one do not fit into the other.

The keys of such locks should be kept in different persons' custody where practicable and in any case should be kept apart from that of the other lock so that the chest will not be accessible to unauthorized persons. Duplicate keys thereof should be placed in separate sealed covers and lodged with different officers of higher rank than the custodians of the chest.

Nothing contained in this rule shall affect the validity of any order, instruction or direction contained in any authorized departmental regulation except in so far as such order, instruction or direction is inconsistent with or repugnant to any distinct provision contained in these rules.

10. Maintenance of Valuable Register

It was come to notice that valuable register is not properly maintained by NIFT. CAG Auditors also pointed out this point. Due to non availability of register it is observed that cheques/DD received by NIFT is not immediately deposited in the Bank, resulting into interest loss. Henceforth, it is decided that all the Centres as well as HO will maintain the register in the format given below:

S. No.	Date	Name of Client/ Party	Cheque/ DD No.	Date of receipt	Date of deposit in Bank	Date of Credit in Bank	Sign.of the Officer

Above format may immediately be implemented and confirmation of the same may be informed.

This issues with the instructions of Director General.

11. Foreign Currency Transactions

Accounting of conversion of foreign currency into Indian rupees:-

The need for conversion of foreign currency into Indian rupee arises in the course of incorporation of the accounts of foreign branch in the consolidated accounts at the year- end as also in the accounting of transactions affecting the foreign branch and HO.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions.

The revenue items, excepting depreciations, in the Contract Account of a foreign branch shall be converted into Indian rupee on the basis of the average of opening and closing foreign exchange rates of the accounting year. For the purpose of opening foreign exchange rate, the closing exchange rate of the previous accounting year shall be adopted except in the first year of incorporating the accounts in which case the opening foreign exchange of current accounting year shall be adopted.

Current Assets and Short Term Liabilities shall be converted at the rate prevailing at the close of the accounting year.

If exchange risk has been covered by a forward contract, the conversion shall be carried out at the rates mentioned in such contract.

While the closing inventory shall be converted into Indian rupee at the rate as explained above, the opening inventory shall be converted at the exchange rate prevailing at the close of the previous accounting year.

Assets acquired against foreign currency payments are capitalised at the amount actually paid on their import.

Depreciation:-

Exchange rates to be applied for depreciation shall be the same as those used for conversion of values of the corresponding Fixed Assets on which depreciation is calculated

All long terms liabilities shall be converted at the exchange rate prevailing on the date on which the liability is actually accrued or incurred. The differences arising out of conversions shall be adjusted in the Profit & Loss Account.

Remittances to and from foreign branch shall be converted on the basis of actual receipt or payment of Indian rupee. HO shall intimate the concerned foreign branch the actual rate of exchange of all such transactions.

12. Investment of Surplus Funds

The surplus fund of NIFT may be invested in time deposit schemes of scheduled banks and UTI Bond, RBI Bond etc. For investment of surplus fund, quotation from different scheduled banks may be taken and wherever we get best rate of interest the fund should be invested after due approval of the Competent Authority. The period of investment may be decided as per availability of fund requirement in future. At present NIFT follows net balancing system in which amount available in the current account automatically transferred to fixed deposit account and as & when cheque issued, FD's are encashed on LIFO method.

However, for investment of fund other option may also be taken into consideration as per the situation, fund position of NIFT. But total transparency should be kept and proper files and record should be maintained. FD Register should be maintained and as & when Fixed Deposit is maturing the same may be renewed in time.

13. Banking Transactions

Guidelines for banking transactions is issued from time to time, however, time barred cheque should immediately be reversed and proper entry required to be made in the concerned accounting books. Guidelines regarding accounting and procedure for issue of fresh cheque is as below:

As confirmed from the Axis Bank, the validity of a Cheque is for six months from the date of its issue. On such Time Barred Cheques a reverse entry on a Bank Receipt voucher should be prepared and the reasons for not presenting the Cheque in the valid period should also be enquired from the party. In such case the Bank should also be informed Not to Pay such a Time Barred Cheque and should make a note of such Instructions in their systems. If such a Time Barred Cheque is again brought for revalidation even after taking the above course of action, a fresh Cheque should only be prepared in lieu of the old outstanding Cheque as is being done in Government of India subject to the condition that any dues of NIFT are not outstanding



against the party at the time of re-issuance of a fresh cheque. As per rule 47(2) of Central Government Account Receipt & Payment Rules:

"where it is issued and withdrawn, after similar note on its counterfoil, it should be defaced and forwarded to the cash section and Accounts Office where the drawer is a cheque-drawing DDO; entries in the accounts should be suitably reversed;" Unquote

It shall not be required to get a fresh sanction for the above expenditure for which the Cheque was already drawn but a formal request from the concerned party or the Individual should be obtained and placed on record before issuing a fresh Cheque in lieu of the Time Barred cancelled cheque subject to the condition that any dues of NIFT are not outstanding against the party at the time of re-issuance of a fresh cheque.

Lost Cheque:

When a Cheque is reported to be lost by the party or the Individual to whom the Cheque was issued, the Accounts Officer/ Deputy Registrar (F&A) shall take the following steps for issues of a fresh Cheque in lieu of a lost Cheque.

1. The Accounts Officer/ Deputy Registrar (F&A) on receiving a formal request for issue of a fresh Cheque in lieu of a Cheque lost shall send an instruction to the Bank by Registered Post or through messenger and take an acknowledgement to stop payment order.
2. The Bank on which the Cheque was drawn on receipt of such instructions shall note such instruction in their system and shall issue a certificate to the Cheque issuing Officer in the following format.

"We acknowledge receipt of your letter No dated and confirm having noted to stop payment of Cheque No. Dated for Rs..... (Rupees) favouring In this connection, it is certified that Cheque No. dated for Rs reported by the drawing officer to have been drawn by him on this bank in favour of will not be paid, if presented thereafter"
3. The above procedure shall be applicable only for those Cheques the currency of which has not expired. In case, the currency of the lost Cheque has already expired, the Cheque issuing Authority shall issue a letter informing about the lost Cheque and request the bank not to pay such a time barred cheque on presentation and to should keep a note of it in their system although the Cheque issuing Authority may not insist for its acknowledgement from the Bank.
4. The Accounts Officer or the Cheque issuing Authority should satisfy himself with reference to the record maintained in his office with the bank statement and the Cheque issue Register including Bank Reconciliation Statement that the payment of the Cheque in question has not been made.
5. The party requesting for the issue of a fresh Cheque in lieu of the lost one should execute an Indemnity Bond in the form enclosed.

6. On completion of the requirements as per 1 to 5 above the Account Officer or the Cheque issuing Authority may issue a fresh Cheque in lieu of the lost one subject to the condition that any dues of NIFT are not outstanding against the party at the time of issue of a fresh cheque and shall keep a note in the original Bank Voucher as well as the counter foil of the same and Bank Reconciliation Statement.
7. He shall keep a copy of the request for issue of new Cheque with the original Bank Voucher as well as with new Bank Voucher with relevant details for cross referencing.

Banking Arrangement:

1. Each Branch of the Bank with which the NIFT Centre or Head Office (Axis, New Delhi) is having an account shall send a weekly Bank Statement Centre- wise in respect of the Bank Account, date wise indicating all the Cheques and cash alongwith necessary details as are given usually viz Cheque number, date & amount on every Monday for the last week i.e. the week ending on last Friday. BRS should be done on monthly basis.
 2. Each Centre & Head Office shall Reconcile each Cheque with the Bankbook and prepare a list of outstanding Cheque.
 3. Each Centre & Head Office shall prepare a classified analysis of the Cheques outstanding i.e. the details of outstanding Cheque age wise with amount.
 4. Each Centre & Head Office shall take appropriate action as detailed below on the Time Barred Cheques on immediate basis.
 - a. Validity of a Cheque is six month from the date of issue. Once a Cheque become Time Barred but the party/ Individual does not come forward with a request for revalidation for issue of a fresh Cheque in lieu of the same, a reverse entry as detailed below is required to be done in account after 8 months from the date of its issue.
- (i) For Cancellation of Cheques (Receipt Vr.)**
- Bank A/c. Dr.**
- To Provision for Exp. (to the extern Exp. Detailed) (Being Cancellation of Cheque No. _____ date _____)
- (ii) For release of payment (Payment Vr.) on issue of a fresh Cheque**
- Provision for Exp. A/c. Dr.**
- To Bank A/c.
- At the time of this reverse entry as at (i) above, an intimation to the bank shall also be made requesting them not to make the payment of the said Time Barred Cheque, if presented.
- b. A letter to the concerned Party/ Individual should also be issued enquiring about the reason for non-presenting Cheque within the validity of Cheque with a copy to HO. If the Party/ Individual requests for the issue of a fresh Cheque in lieu of the above Time Barred Cheque or stating that the above Cheque was lost,

the procedure for issue of the fresh Cheque in lieu of such a Cheque is same as the procedure for issue of a Cheque in case of the lost Cheque. Classification as detailed below shall be made at the time of issue of a fresh cheque

Party/ Expenses A/c. Dr. To Bank Cr.

Fresh Cheque shall be issued subject to the condition that any dues of NIFT are not outstanding against the party at the time of re-issuance of a fresh cheque without again getting a Financial Sanction. But approval of the Centre Director for the Cheques issued by the Centre and the Director (F&A) for the Cheque issue by the HO is required. Details of the previous Cheques, reverse entry may also be done for cross-referencing. Copy of the previous financial sanction etc. must also be attached before getting a fresh Cheque issued. Letters may be issued to the Bank Managers for issue of a Bank statement regularly by the 2nd of the succeeding month and another letter requesting them for computerized password for getting the Internet Banking Statement of all Centres on line.

14. ACCOUNTING POLICY OF POOL ACCOUNT (HO Circular 1513(21)/Accts./HO/BRS/ Corres/08 dated 20.04.09)

It has been decided that any amount deposited/withdrawn by centre from HO Main Collection (New Alc no. 552010200002066 old a/c no. 5821)/ Main Payment Account (A/c 552010200000055 old a/c no. 5838) should be reflected in Inter Centre Reconciliation and accordingly voucher should be passed in the books of accounts at HO & at centres so that when HO Inter Centre ledger is compared with centre's ledger the same should be nil. It is, therefore, requested that your Centre should follow this practice from the financial year 2008-09 and send in future the information regarding deposit and withdrawal from HO Main collection/Main payment a/c to HO on monthly basis so that the same may be accounted in the books of accounts of HO. HO will credit/debit the respective NIFT Centre for deposit/withdrawal of amount from above HO Main pool Bank accounts and respective NIFT Centre will debit/credit the NIFT HO for the same.

Illustration

1. At the time of transfer of funds from HO to Centre- Centre A/c Dr.
To Bank A/c
And the centre should respond by passing the following voucher
Bank A/c Dr. To HO A.c
2. At the time of transfer of funds from Centre to HO, the centre will pass following entry
HO A/c Dr. To Bank A/c
And HO will respond the entry by passing following voucher
Bank A/c Dr. To Centre A/c

Accordingly, in respect of entries standing in books of HO in respect of funds sweep from/to main pool account related to NIFT Centres for the

period 1.4.02 to 31.3.08 is reversed (details enclosed) and shown in Inter- Centre Reconciliation by HO and further in respect of entries of Main Pool A/c during 2008-09 (details enclosed) relating to any amount deposited/withdrawn by your centre is taken in Inter Centre Reconciliation.

15. Block Grant Scheme

Ref: 1503(1) /Acctt/Block Grant/05-volume-II 5th June, 2008 of Dy. Registrar (F&A) NIFT-HO

The Block Grant Scheme has been implemented in NIFT Ministry of Textiles order No. 1/1/2004-Exports-II dt. 28th January, 2008. Broadly the salient feature of the scheme, operation & utilization are as under :

Salient features of the Block Grant Scheme of NIFT

- i) The base year for determining annual grant in aid under Non- Plan in respect of NIFT from financial year 2007-08 shall be 2005-06.
- ii) The institute shall be allowed to retain the Internal Revenue / Income generated by them and their entitlement for annual grant in aid during the block Grant period shall not be adjusted against any increase in income.
- iii) Special grants shall be provided as "force majeure" in the event of revision of scales of pay and other unforeseen events. The force majeure clause will, however, not be invoked for any increase in rate of Dearness Allowance / Dearness Relief payable to employees / pensioners of the Institutes.
- iv) The Government would provide matching grant equivalent to the annual savings from the regular non-plan grant and other receipts including internal revenue and earnings from consultancy, entrance examination and other continuing education programmes but, excluding receipts earmarked for designated purpose in accordance with the terms and conditions of such receipts with due approval of the Finance Committee and Board of Governors. The matching grant would be available till the Endowment Fund has reached the level of Rs. 100 Crores and then may be reviewed further. Matching grant equivalent to the total savings transferred to the Endowment Fund in a Financial Year shall be sanctioned to the Institute in the following financial year.
- v) Institute having funds in excess of the ceiling as prescribed above may utilize the same for infrastructural development.
- vi) The proceeds from the Endowment Fund by way of interests earned annually would be available to the Institute for supplementing the plan.
- vii) Grant being given by the Government which is nil for existing Centre and if required, for meeting essential operational expenses.
- viii) The Institute shall be required to reflect the income and expenditure from different Funds presently being operated by them appropriately in their Annual Audited Statement of Accounts as well as Annual Report being presented to the

Parliament. Similarly, the utilization of proceeds from Endowment Fund should also be appropriately reflected in the Annual Budget (Plan and Non-Plan) of the institute.

UTILISATION

The Endowment Fund will be kept separate from the normal plan grant received from the Central Government and other organization. The savings and undesignated funds will be treated as a corpus and interest accruing and other income from the assets will be used normally for developmental purpose. Interest from Corpus Fund will be utilized for developmental and if necessary, for operational expenditure of the Institute. The status of the Endowment fund, including deposits and interest and assets, will be appropriately reflected in the Annual Budget (plan and Non-plan) of the institute. Proposals for the utilization of the interest accruals on Endowment Fund and Income from assets will form a separate part of Annual budget of the institute.

Guidelines for Creation, Operation and Utilization of Endowment Fund created under Block Grant Scheme

A. CREATION

The Institute will create an Endowment fund except designated funds and gifts in the form of Assets through Contributions / Donations / Grants by individuals, Institutions and Organizations in India and abroad such as:

1. Industry, Industry Associates, Foundations / Trusts;
2. Alumni, Faculty, Staff, Students and Well wishers of the institute;
3. Govt. of India and State Govts., as outright, or matching grants;
4. Savings in the Annual non-plan Grants and Receipts of the Institutes;
5. Unclaimed securities, royalties, gifts etc.
6. Foreign Organizations and others.

The Institute may also receive funds for designated purpose such as Scholarships, Chairs, Construction of Buildings and other Infrastructure and Donations / Contributions in terms of Property, Equipment and Shares etc., which may augment the asset of the Institute.

B. OPERATION

NIFT will open a separate bank account in the name of "ENDOWMENT FUND" in any scheduled bank which will be operated at the Headquarters, New Delhi only by the authorized signatories as approved by the Competent Authority. If any remittance is received from abroad, a separate foreign currency bank account will be open with prior approval of the competent authority of NIFT as per the RBI guidelines. All the contribution to the Endowment Fund will be deposited in these accounts. The funds will be invested as per guideline of Govt. of India, from time to time. The funds and assets, so created may be classified

appropriately and managed by the managing committee by the Board of Governors.

C. UTILISATION

The Endowment Fund will be kept separate from the normal plan grant received from the Central Government and State Government. The savings and undesignated funds will be treated as corpus created one time for the main objectives of Society and interest accruing and other income from the assets will be used normally for developmental purpose. Interest from Corpus Fund will be utilized for developmental and if necessary, for operational expenditure of the Institute. The status of the Endowment fund, including deposits and interest and assets, will be included in a Separate Section of Annual Budget of the Institute. Every year a budget for use of above will be prepared separately. Proposal for utilization of the interest accruals on Endowment Fund and Income from assets will form a separate part of Annual budget of the Institute.

In view of the above we have to decide the items on which the Rs. 10 Crores received by way of Block Grant is to be spent. The Rs. 10 Crores has already been released by the Ministry in December, DG May approve-either

- a) Putting the whole amount to Endowment Fund.
- b) Use some amount for Non-Plan expenditure purpose and transfer the balances to Endowment Account.

The uses to which Endowment fund has to be decided by NIFT. The various uses to which it can be put is as given below:

1. Construction of Research facilities as this would be common to all the Centres.
2. Capital purchases of machinery etc. only for new programmes to be started in different Centres.
3. Capital expenditure on interiors to be done in the various Units being constructed across the Centres.
4. Ex- gratia payments to students and employees.
5. Annual Prizes and awards to students.
6. Scholarships for twinning students and payment to visiting faculties of international institute.
7. Funding towards membership of faculty to International / national Bodies of Organizations which are of academic relevance so that the benefits may be reaped by the institute.
8. Payment to faculty for publishing articles in international journal of repute (journals may be earmarked in the beginning to avoid confusion later as is being done in the IIM's).
9. Internationals Seminars of Workshops being conducted at HO for benefit of all the centers.

10. Payment for industry chairs being constituted for which some particular Bodies have given funds.
11. Funding of some specific research work with high potential value to the Industry.

An endowment fund account has been opened at Head Office and Rs 10Crores (Rupees Ten Crores Only) has been deposited in the said account after implementation of the Block Grant Scheme as per Ministry Of Textiles order No.1/1/2004-Exports-II dt.28th January, 2008.The utilization of the funds shall be as per the Government of India 's Block Grant Scheme.

Summary of Unit wise Responsibilities:-

Activity	Para No	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Cash Management, Organisation, Functions, Procedures for Transfer of Funds to Centres, Opening of Bank Accounts	1 2 3 4 5				F&A-I F&A-I F&A-I F&A-I F&A-I		
Cheque Signing Authority, Imprest Account, Custody & Review of BG, Initial Steps of Cash Transaction/ Handling, Maintenance Valuable Reg., Foreign Currency Transactions, Investment of Surplus Fund	6 7 8 to 8.4 9 9.1 10 11 12	F&A-I	AO/OSD Actts.	CAO /DIR (F&A)	F&A-I F&A-I F&A-I	AO	Director

CHAPTER - 6

Advances & Control

As a general rule, all the claims submitted for payment whether personal claims of employees or the claims preferred by private parties for supplies made or services rendered to the Departments of the Government should be preferred in the prescribed forms. While preferring the bills it has to be ensured that the same are in the proper printed forms and the claim preferred therein are covered under the rules framed by the Government from time to time. The scales wherever applicable and the arithmetic calculations etc. are complete and are correct in all respect.

The amount claimed in the bills should be written in figures and words. Erasures and overwriting etc. should be avoided as far as possible.

1. T.A./ D.A. RULES

(Decision of BOG in its 5th Meeting held on 16th October, 2008

Circulated vide No. NIFT/HO/E.II/Stand. Comm. of Board

(ATR)/2008 dated 27th October, 2008)

In pursuance of approval of the Standing Committee of the Board on Establishment Matters in its 4th Meeting held on 16th October, 2008 and ratification by BOG in its 5th Meeting, the following are the approved guidelines relating to Hotel Rates, Daily Allowance Rates, Local Transportation Rates for Official Tours in NIFT :

1. Short Title

These rules may be called National Institute of Fashion Technology travelling and Daily Allowance rule.

2. Applicability

These rules will be applicable to all regular employees of the Institute including

- i) Lien Holder
- ii) Deputationists on foreign service terms unless their terms and deputation provide otherwise.

These rules shall not be applicable to

- I Apprentices engaged under the Apprentice Act 1961.
- II Muster roll, Daily roll, Casual, Badli or substitute employees save and except to the extent specifically mentioned in these rules.
- III Contract employees except to the extent specifically provided in the Terms and conditions of the contract

2.1 These rules shall also be applicable to

Any other person or class of person to whom these rules co-extended by specific Order(s) of the Director General of NIFT

3. Scope

These rules are applicable for official tours beyond place of posting of the Officer/employee.

4. Definitions

In these Rules unless otherwise required

- 4.1 "Institute" means National Institute of Fashion Technology and its Centres located in different part of India.
- 4.2 "Controlling Officer" means, Officer empowered to approve and or countersign the traveling allowance claims (including advances) in respect of employees working under him, in accordance with the powers delegated from time to time for specific purpose under these rules.
- 4.3 "Day" means a calendar day beginning and ending at mid night, this is for general reckoning only.
- 4.4. "Head Quarters" means the normal place of duty of an employee,
- 4.5 Head of Organisations means Director General of NIFT.
- 4.6 "Management" means The Board of Directors and it sub Committees and if authorised by the Board, Director General of the Institute for the purposes of these rules.
- 4.7 "Official tour" absence on duty of an employee from Head Quarters.
- 4.8 "Pay means" As defined in FRSR in Govt. of India, Order issued from time to time and applicable in respect of TA/ DA rules.
- 4.9 "A1 cities" means Kolkata, Delhi, Mumbai, Chennai, Hyderabad, Bangalore and other cities categorized as A and other cities as per Govt. of India notification from time to time.
- 4.10 "Shortest Route" means the route which is the shortest in terms of destination
- 4.10.1 The route by which the destination can be reached most speedily by rail/air as per entitlement, even if longer, will be deemed to be shortest route for the purpose of these rules. Irrespective of road journey, it means the route, which is the shortest in point of time by entitled mode of travel.
- 4.10.2 Keeping in view the locations of various destinations, availability of various means of transport and other relevant factors. The Director General may declare from time to time specific route which is not shortest, will be deemed to be shortest route for the purpose of all or any of the journey mentioned in these rules.

5.1 Entitlement of traveling allowance on official tours within India

An employee on official tour will be entitled for traveling allowance which is intended to cover expenditure incurred in connection with journeys performed for the Institute work, as provided hereinafter.

5.2 Reimbursement on Journey Fare

5.2.1 Reimbursement on fares for journey performed between the Head Quarter Station and tour station by the employee of various levels/pay ranges by different means of transport shall be as per following entitled subject to actuals.

S.No	Level	Entitled Mode and Class		
		Rail	Air	Road
(1)	(2)	(3)	(4)	(5)
1.	DG/Members of the Board	AC-1st Class	Business	Actual AC Taxi
2.	Director/Senior Professor/Prof.	AC-1st Class	Economy	Actual AC Taxi
3.	Registrar/Equivalent	AC-1st Class	Economy	Actual Non AC Taxi OR Actual fare by any type of Public Bus including AC Bus
4.	AO/Dy. Reg/AD/Equivalent	AC-2nd Class	Economy	Actual Non AC Taxi OR Actual fare by any type of Public Bus including Ac Bus
5.	Asstt. Reg./Sr. Asstt./Equivalent	AC-2nd Class	Not entitled	Actual Non AC Taxi OR Actual fare by any type of Public Bus including AC Bus.
6.	Other employes	AC-3rd Class	Not entitled	

5.2.3 For places which are not connected by rail but which are connected with railway system by steamer, if steamer is not owned by the railways or for journeys otherwise by sea, the reimbursement of fares for such type of journey is undertaken by steamer or otherwise by sea, in respect of employees of various level, pay ranges shall be as per the following levels scales.

Sr. No.	Level	Entitlement
1.	DG/Member of the Board	Highest Class
2.	Director/Senior Professor/Prof.	Highest Class
3.	Registrar/Equivalent	Highest Class
4.	AO/Dy. Reg/AD/Equivalent	Highest Class
5.	Asstt.Reg/Sr.Asstt/ Equivalent	Lower Class if there are two classes in the vessel, middle or second class if there are three classes
6.	Other employees	Lowest Class

5.2.4 Where the journeys are performed by road between the places connected by rail, the reimbursement as per sub rule 5.2.2 will be restricted to rail or as per entitlement subject to actual.

5.2.5 For journeys performed by road between places which are not connected by rail where road travel is customary, the reimbursement will be allowed in full as admissible under column-5 under sub rule 5.2.2.

Notwithstanding the provision contained in the sub rule 5.1.4 keeping in view the locations of various destinations, availability of the various means of transport and other relevant factors, Director General may notify places/stations connected

5.2.6 By rail in respect of which reimbursement of actual fare may be permitted. As for road journey under sub column-5 of sub rule 5.2.2 in full for all or specified categories of employees.

5.2.7 When journey is performed by an employee in his own car, he will be allowed @ Rs.4.30 per Km for traveling by Car even if entitled for full taxi otherwise Rs.1.60 per Km for travel by Scooter/Motorcycle subject to restrictions as contained in sub rule 5.1.4 unless there is any contrary notifications under sub rule 5.2.6

5.2.8 The reimbursement of fare will normally be admissible by the shortest route through ticket basis. In exceptional cases the concerned Head of the Deptt. may relax, this provision in really deserving cases purely on merits but not as a general rule 5.2.7 charges for sleeper accommodation, super fast train surcharge, reservation, internet booking charges will be allowed as per approval of the Head of Deptt. Charges for cancellation of tickets for journeys not undertaken due to official reasons will also be reimbursable. In addition, agency charges paid to travel agents for booking of tickets subject to monitory limit as prescribed will be allowed and reimbursed on production of vouchers. Service charges towards purchase of ticket under Tatkal service will also be reimbursed on production of proof of payment.

5.2.9 In exceptional cancellation charges may be reimbursed, at the discretion of the Controlling Officer where journey is not undertaken by an employee due to natural calamities or any mishap in his family and any other perceptible reasons.

5.2.10 On availability of the reservation by train is not an acceptable reason for not performing the journey connected with the official work. Also in case of non availability of accommodation in the entitled class and or modes, an employee should travel in lower/by lower mode.

5.3.1 An employee on official tour will be entitled for but daily allowance intended to the expenses for food and incidental in the course of traveling and for boarding and lodging at places other than Head Quarter as provided hereinafter.

5.3.2 Hotel rates, daily allowance and transportation will be admissible at the following rates :

HOTEL RATES (**)

Sr. No.	Salary Range	A-1 Class City	A & Other Cities
(1)	(2)	(3)	(4)
1.	Grade pay of Rs.8700/- & above	AC Room in ITDC or equivalent hotels charging the same or lower tariff in any city subject to a ceiling of Rs.5500/- per day + taxes	80% of A-1 Cities
2.	Grade pay of Rs.5400/- and above	AC room in ITDC or equivalent hotel charges up to Rs.3800/- per day + taxes	80% of A-1 Cities
3.	Grade pay of Rs.4200/- and above but less than Rs.5400/-	Non AC room in ITDC or equivalent hotel charges upto Rs.1000/- per day as lodging + taxes	80% of A-1 Cities
4.	Grade pay less than Rs.4200/-	Lodging charges upto Rs. 600/- per day + taxes	80% of A-1 Cities

5.3.3 DAILY ALLOWANCE & LOCAL TRANSPORT(**)

S.No	Salary Range	Dearness Allowance		Local Transport	Composite DA in case of own arrangement	
		A1 Class City	A & other city		A1 Class City	A & other city
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Grade pay of Rs.8700/- & above	Rs.600/- per day	Rs.500/-	Rs.500/- without bill or on actual as per bill with a maximum limit of Rs.1000/-	Rs.1500/-	Rs.1250/-
2.	Grade pay of Rs.5400/- and above	Rs.500/- per day	Rs.400/-	Rs.400/- without bill or on actual as per bill with a maximum limit of Rs.800/-	Rs.1200/-	Rs.800/-
3.	Grade pay of Rs.4200/- & above but less than Rs.5400/-	Rs.400/- per day	Rs.300/-	Rs.200/- per day without bill	Rs.600/-	Rs.450/-
4.	Grade pay below Rs.4200/-	Rs.200/- per day	Rs.150/-	Rs.100/- per day without bill	Rs.300/-	Rs.200/-

(**) DG/Members of the Board shall be entitled to actuals or allowances at Sr.No.1 of 5.3.3. as per choice

- 5.4.1 Actual accommodation charges limited to the amounts as mentioned in column-(3) Above, in case of A1 Cities and in column- (4) in case of A & other cities as in sub column 5.2.2 for stay in hotel, the limit as per accommodation charges may be relaxed on exceptional cases on merits with the approval of Director General.
- 5.4.2 The ceiling rates of the accommodation charges indicated in sub column 5.2.2 are exclusive of service and other similar charges/taxes related to accommodation charges. Sub charges were levied or paid to the extent of an amount which have been payable as the case may be subject to actuals.
- 5.4.3 For food DA will be applicable as mentioned in table 5.2.2
- 5.4.4 An employee who does not produce bill for the accommodation charges will be paid composite DA rates indicated at Table-5.3.3. An employee who stays in any NIFT Guest House or any other Guest House shall be entitled for DA rate as mentioned at table 5.3.3. column-3 in case of A1 Cities & Column-4 in case of A & other cities and cost charged by Guest House for such stay.
- However, it would be obligatory on the part of an employee concerned to submit the hotel bill(s) clearly indicating the names of the persons who have shared the accommodation with him.
- 5.4.5 An employee who is having proceeded on official tour and returns to his HQ within a period of 24 hours from the time of his departure from his place of work/residence will be entitled to daily allowance at the rate applicable to the place of visit, on the following scales.

Sr. No.	Hours	Admissible Allowance
1.	Less than 12 Hours	Half
2.	12 to 24 Hours	Full

Provided that where the accommodation booking is for a full day, accommodation charges in full will be admissible as per actual bills.

Notwithstanding the above, in case of absence from HQ involves overnight halt, full daily allowance shall be admissible at the rate applicable to the place of visit.

- 5.4.6 In case of an employee proceeds on official tour and the period of absence from HQ is more than 24 hours from the time of his departure from his place of work/residence, he shall be entitled to daily allowance for his day of departure from HQ, day of arrival at the HQ and for each day in between as detailed here under:

5.4.7 DA for Day Departure

Full DA if time of departure is 12 Noon or before - half DA, if time of departure is after 12 Noon at the rate

applicable to the place where the employee spent the first night (24.00 mid night hours).

5.4.8 DA for Intervening period

Full DA if time of arrival is 12 Noon or thereafter-half DA, if time of arrival is before 12 Noon, at the rate applicable to the place where the employee spent the proceeding night (24.00 mid night hours)

5.4.9 DA for Intervening period

One full DA for each night (24.00 midnight) spent on tour beginning from 2nd night till the last night of tour period, the rate of DA for each such night being the rate applicable to the place (Principal City or arrival place) where the night (24.00 mid night hours was spent). This procedure is to be adopted for the limited purposes for calculation of DA payable.

The accommodation charges for stay in Guest House, Hotel etc. during the period of tour shall be reimbursable in full subject to limits as laid down from time to time. The accommodation charges in full will be admissible even for part of a day where accommodation booking for a full day.

For above purpose, any night (24 00 mid night hours) spent for journey shall be deemed to be spent at arrival place.

- 5.4.10 The allowances will be admissible for the period of absence from HQ starting from time of departure from place of work or residence as the case may be and ending at the time of arrival of residence/work place.

- 5.4.11 Or prolonged halts full DA may be drawn for a period of 30 days and for a period of 60 days, half daily allowance will be admissible. This limit is related to stay at any one station only. The concerned Head of Department may relax this in some stations for an additional period upto 90 days with half daily allowance as per column 5.2(ii) as the case may be irrespective of the period of stay.

Notwithstanding the above provision, actual accommodation charges as per the sub column 5.2(iii) will be reimbursed, when composite daily allowance is not claimed.

- 5.4.12 If an employee is provided with Boarding and Lodging free of cost he will be entitled to draw 1/4th of the admissible DA rates. If only lodging is provided free of cost he will be paid 1/4th of the amount as indicated in column-3 of sub rule 5.3.3 in case of A1 cities of colum-4 under sub rule 5.3.3 in case of A Cities, in addition to charges for accommodation in column-3 under sub rule-5.3.2 or as the case may be subject to actual.

- 5.4.13 The daily allowance shall be admissible for journey purpose, halt on tour and holidays across during the period of tour, but the same will not be admissible for a period of leave any kind availed while on tour. If an employee breaks journey in route due to personal reasons he shall not be paid DA for a period during the stay.

5.5 Miscellaneous charges incidental to official tour

5.5.1 The following tour incidental expenses, if actually incurred, will also be reimbursed on production of receipts.

- (i) The excess baggage charges for carrying official records
- (ii) Expenses on account official telephone calls (local-STD) and fax charges if specifically sanctioned by the Controlling Officer.
- (iii) Any other expenses not covered herein before, incidental and incurred during the course of tour at the discretion of the concerned Head of the Department.

5.5.2 In exceptional cases, on merits, the DG may permit to travel by a class may be higher than their entitlement. The rate of reimbursement by road journey as indicated in column-5 of sub rule-5.3.3 and daily allowance rates as indicating in Column 5.2.2 may be reviewed wherever necessary by DG, who shall have powers to increase/decrease rates.

CLARIFICATIONS ON T.A./D.A. RULES

1. Payment of Local Transport/Conveyance on Tour. (NIFT/HO/E.II/Stand. Comm. Of Board (ATR)/2008 Dated 12.01.2009)

Clarification on Payment of Local Transport/Conveyance on Tour as follows:-

1. The details of local journey should be mentioned in the TA Bill and the amount is to be paid subject to the limits prescribed in 5.3.3.
2. The rates of taxi/auto are to be restricted as per the rates prescribed by State transport Authority, notified by State Govt.
3. If the details of local journey performed is not indicated in the bill, the local transport/conveyance should not be paid.

2. Admissibility for reimbursement for Travel within the city during tours; clarification. (NIFT/HO/E.II/Stand. Comm. Of Board (ATR)/2008 Dated 29.01.2009)

Reimbursement of Local Transportation Rates of Official tours in NIFT as follows:-

- (i) In Para 5.3.3 daily Allowances & Local Transport Allowance is for visiting city/outstation which includes journey performed from Railway Station/Airport to place of stay/visit and back.
- (ii) The composite DA mentioned under column 6 & 7 of Para 5.3.3 is in lieu of entitlement under column 3, 4 and 5 of Para 5.3.3

It is further clarified that reimbursement of Taxi/Auto charges from residence to Railway Station/Airport and back to Head Quarter station will be reimbursed on tour as per the State Transport Authority prescribed rates.

3. Clarification on D.A. during tour (NIFT/HO/E.II/Stand. Comm. Of Board (ATR)/2008 Dated 12.01.2009)

In terms of clause 5.4.12 of this office order of even no. dated 27th October 2008 regarding admissibility of DA on Official Tour in NIFT, it is clarified that if an employee is provided with Boarding

and Lodging free of cost, he will be entitled to draw 1/4th of the admissible DA Rates. If only free boarding is provided, the employee will draw 1/2 DA and if only free lodging is provided, he draw 3/4 of DA.

TA/DA entitlement of BOG members of NIFT

(Ref: NIFT/HO/BOG/TA-DA/2005, dated 25th May, 05 of Registrar NIFT-HO)

The issue relating TA/DA entitlements of BOG members of NIFT was considered by the Board in its 61st meeting held on 30th March'05 and the Board approved the following entitlements in respect of all Board members (Non-Official and Official) whenever they are required to travel in connection with Board meeting or the meeting of its sub-Committees or in connection with the affairs of the Institute and ratified the earlier expenditure incurred on:

- a. Stay of all BOG members in reputed Five-star hotels in single occupancy suite.
- b. Local conveyance (A/C car) and hospitality expenses incurred in the hotel of their stay by NIFT (except Alcoholic drinks and STD calls).
- c. Air travel by Economy- class.

The concluding para of Section 16 of NIFT General Service Rule (GSRs) may also be treated as modified to this extent.

2 TA on Transfer

Transfer TA Entitlement - Transfer T A comprises of the following elements:

- (i) a composite transfer grant equal to one month's Basic Pay plus Dearness Pay; (Not admissible if not change of residence is involved even where the distance between the two stations is more than 20 Kms. transportation of conveyance possessed by the employee.

While the grade of the Government servant is determined with reference to the facts on the date of his transfer, the number of fares admissible is to be determined with reference to the facts on the date of journey. No traveling allowance is admissible for any member added to the family after the date of transfer.

In addition to the above, the employee will be entitled for an additional fare by the entitled class for self for both onward and return journeys, if he has accommodation at the new place of posting.

By road between places connected by rail - Road mileage limited to rail mileage by the entitled class.

Option to family - The family may travel

- (i) from the old headquarters to the new headquarters; or
- (ii) from any other station to the new headquarters; or
- (iii) from the old headquarters to any other station

But the claim will be restricted to that admissible from the old to the new headquarters.

Time Limit - The members of the family should perform the journey not earlier than one month prior to the date of relief at the old station or within six months of his taking over charge at the new station. This time-limit can be extended in deserving cases by Head Department.

Entitlement at a glance

Basic Pay + NPA + stagnation Increment	Composite Transfer Grant	Personal effects		
		By Train/ Steamer	Rate per Km for transport by road	
		Maximum	A-1, A and B-1 cities	Other Places
Rs.16,400 and above	Equal to one month's basic pay+NPA+ SI+DP	Full four-wheeler wagon, or 6000 kg by goods train, or one double Container	Rs.30-00	Rs.18-00
Rs.8000 to 16,399	-do-	Full four wheeler wagon, or 6,000 Kg by goods train, or one single container	Rs.30-00	Rs.18-00
Rs.6,500 to 7,999	-do-	3,000 Kg	Rs.15-00	Rs.9.00
Rs.4,100 to 6,499	-do-	1,500 Kg	Rs.7-60	Rs.4-60
Rs.3,350 to 4,099	-do-	1,500 Kg	Rs.7-60	Rs.4060
Below Rs.3,350	-do-	1,000 Kg	Rs.6-00	Rs.4-00

Personal effect should be transported by goods train between places connected by rail. If transported by road, the actual expenditure or 11/4 times of the amount admissible for transport by goods train for the maximum quantity, whichever is less, will be admissible.

The higher rate of road mileage is admissible for transport of personal effects between one place and another within the limits of A-1, A or B-1 Class cities.

The lower rate of road mileage is admissible for transport of personal effects between stations not connected by rail.

Transport of Conveyance - The possession of the conveyance (either at the old or at the new station) need not be in public interest.

Transport of Conveyance - The possession of the conveyance (either at the new station) need not be in public interest.

Basic Pay + NPA + SI	Authorised Scale
Rs.6,500 and above	One motor car or one motor cycle/ scooter Or one horse
Below Rs.6,500	One Motor Cycle/Scooter/Moped or one bicycle

Transport by rail:

- By passenger:** Actual freight charged by the Railway
- By Goods:** Cost of packing, cost of transporting the packed car, motor cycle to and from the goods-shed, cost of crating the car, loading and unloading charges, cost of ropes etc., are all reimbursable. Claim to be limited to the amount under (a) above.
 - One Second Class fare by the shortest route between the stations from and to which the car is actually transported by rail can be drawn for a Chauffeur or cleaner.

Transport by Road

(a) Car/Scooter or Motor Cycle/Moped

Mode of transportation	Between places connected by rail	Between places not connected by rail
When the conveyance is sent loaded on a truck	Actual expenses/ amount at the prescribed rate*/ cost of transportation by passenger train, whichever is the least	Actual expenses limited to the amount at the prescribed rate*
When the conveyance is sent under its own propulsion	Amount at the prescribed rate* limited to cost of transportation by passenger Train	Amount at the prescribed rate*

*Prescribed rate - The rate prescribed for journey by taxi/ autorickshaw, as the case may be, by the Director of Transport at the starting point.

- Bicycle:** Between the places connected by rail, actual cost of transportation limited to the freight charges by passenger train; between places not connected by rail, mileage at the rate of 60 P. Per km.

Mileage allowance for Road Journey

Where no specific rates have been prescribed by the directorate of Transport of the concerned State, Mileage Allowance for road journey shall be as under:

For journeys performed in own car / taxi	Rs. 8 per kilometer
For journey performed by auto rickshaw / scooter	Rs 4 per kilometer

A second advance cannot be made to be a Government servant until an account has been given of the first.

A government servant who has taken an advance for any particular journey may not take payment on traveling allowance or other bills drawn in respect of the same journey while the advance or any portion of it still remains unadjusted. In case a government servant has to proceed on journey at short notice and under emergent circumstances, a second advance be sanctioned by the competent authority subject to the conditions:

- The second journey is required to be undertaken soon after the first one, i.e. within a week after completion of the first tour.
- The bill for the advance drawn should be submitted latest within a week after completion of the second journey.
- In any case not more than two advances should be allowed to remain outstanding at a time.

T.A./ D.A. RULES

3. FOREIGN TOUR/TRAINING OF NIFT OFFICIALS

(No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 20th October, 2008)

In pursuance of approval of the Standing Committee of the Board on Establishment Matters in its 4th Meeting held on 16th October, 2008 and ratification by BOG in its 5th Meeting, the following are the approved guidelines relating to Daily Allowances during Foreign Tour/Training of NIFT Officials :

- Release of foreign exchange on tour abroad shall be regulated as under:

Sr. No.	Level of Officer	Rest of the world except Nepal & Bhutan	For Europe in Euro
(I)	(II)	(III)	(IV)
1.	Director General & Members of the Board	500	500
2.	Director, Sr. Professors and Professors	350	350
3.	Others	300	300

The amount indicated in Column (III) & (IV) of above table is a consolidated amount to cover room rent and DA for food. Taxi charges/Local Conveyance, entertainment (if any), Official telephone calls and other contingency expenditure are chargeable extra on actual basis.

- The period of deputation for release of DA will be restricted to actual duration of approved visit (excluding journey time but including intervening holidays), however, stop hours/travel etc. in case of visits to more than one country during the foreign deputation shall be duly considered based on information available/furnished while obtaining approval of Competent Authority.

2.0 Exchange for Deputation for International Conferences / Seminars/ Workshops

- The release of DA for obtaining International Conferences / Seminars /Workshops I be regulated on the same rates as indicated at para No.1.1.

3.0 Foreign Exchange for Specialised Training/Study Tours

- The per diem ceiling for attending specialized training/study tour for all the employees including Director will be as under:

Sr.No.	Period	Rest of the world except Nepal & Bhutan	For Europe in Euro
(I)	(II)	(III)	(IV)
1.	First 14 Days	300	300
2.	For next 14 days	250	250
3.	For balance period of duration subject to RBI approval	200	200

The amount indicated in Column (III) & (IV) of above table is an consolidated amount to cover room rent/DA for food, Taxi Charges, Local conveyance, entertainment (if any), Official telephone calls and other contingency expenditure.

4.0 Foreign Exchange during Tours/Training where Boarding/Lodging as fully borne by the Sponsor Agency abroad

- Incidental @ US \$ 50 per day for a maximum period of 45 days incase of Tours/Conferences/Seminars for a maximum period of 30 days in case of specialized training/study tours.

5.0 Foreign Exchange either Boarding/Lodging is borne by the Sponsor/Agency abroad

- 5.1 DA rates for visits where Lodging is borne by the Foreign Sponsor Employee will be entitled for Daily Allowance(for food) as stipulated at Para 8.2 plus incidental @ US \$ 100 per day.
- 5.2 DA rates for visits when boarding is borne by Foreign sponsor
Per diem rate as indicated at Para 1.1 shall be reduced by 50%.

6.0 The permitted period for various deputation shall be governed as per ceiling described by RBI guidelines issued from time to time.

7.0 Foreign Exchange for visit to Nepal

- 7.1 The DA rates for visit to Nepal and Bhutan on assignment other than consultancy assignment shall be as follows:

Sr. No.	Level of Officer	DA for Food	Transport	Hotel as per entitlement
1.	Director General and Members of the Board	US \$ 90	Actual	As per entitlement
2.	Directors	US \$ 80	Actual	As per entitlement
3.	Others	US \$ 70	Actual	As per entitlement

- 7.2 All payments shall be released in Indian Rupees, no foreign exchange will be exchanged or released.

8.0 For rendering of account on return Procedure from visit abroad

- 8.1 The employees will get per diem in terms of Para 1.1 and Para 3.1.
- 8.2 Per diem rate mentioned at 1.1 is an consolidated amount to cover room rent and DA for food. This per diem rate mentioned at 1.1 does not include the cost of transport for official journey, entertainment, official calls and other contingency expenditure. These are chargeable extra on actual basis.
- 8.3 For training programmes or workshops or visit involving continuous stay with a single institution or single destination. Per diem rate as stipulated at para 8.2 shall be applicable upto 14 days, 75% of full Daily Allowance for next 14 days and 60% of full Daily Allowance thereafter in case of long tours/temporary duties. However, for long term visits/programmes the DA rate shall be decided on a case to case basis.

- 8.4 The expenses on hotel accommodation incurred by employee abroad will have to be supported by bill/receipt in case sanction of an amount greater than the permissible limit is sought.
- 8.5 The accounts for other expenses local conveyance, communication and other contingent expenditure will be rendered on the basis of expenditure incurred supported by bill/receipt by the employee or self certification which will require approval of Competent Authority
- 8.6 On return, the employee concerned would submit a consolidated account on various expenses as admissible under para 8.2 to 8.5. Any surplus after the calculation of expenditure incurred would be refunded to NIFT.
- 9.0 Government of India has introduced new ceiling for releasing of foreign exchange up to US \$ 25,000 for a business trip which includes visits in connection with attending International Conferences/Seminars, Specialised Training, Study Tours exceeding US \$ 25,000 for travel abroad (Other than Nepal and Bhutan) for tours/business trip, irrespective of period of stay requires prior permission from Reserve Bank of India. Accordingly, consolidated foreign exchange in respect of Para 1, 2, 3, 4, 5, 6, 7, 8 shall not exceed US \$ 25,000.

10.0 Air fare entitlement will be as per entitlement.

- 11.0 The release of Foreign Exchange shall be made by NIFT HO in case of all deputation after approval of the Competent Authority.
- 12.0 The guidelines shall be subject to change without any prior notice.

National Institute of Fashion Technology

(Ministry of Textiles, Govt. of India)

TRAVELLING ALLOWANCE BILL FOR FOREIGN TOUR

(NOTE - This bill should be prepared in duplicate/one for payment and the other as office copy)

PART-A (To be filled up by the Individual)

1. Name :
2. Designation :
3. Pay :
4. Headquarters :
5. Details and purpose of journey (A) performed. :

DEPARTURE		ARRIVAL		Mode of Travel and class of accommodation	FARE PAID (Rs.)	Distance Kms. for road mileage	Duration of Halt		Purpose of journey
Date & Time	From	Date & Time	To				Days	Hrs.	
1	2	3	4	5	6	7	8	9	10

6. Mode of Journey:
 - (a) Air ticket arranged by NIFT:.....Yes /No
 - (b) if arranged by self, enclosed bill :.....
7. Date of absence from place of halt on account of:
 - (a) R.H. and C.L.
 - (b) Not being actually in camp on Sunday and holidays

8. Dates on which free board and / or lodging provided by any organization

- (a) Board only
- (b) Lodging
- (c) Board & lodging

9. Particulars to be furnished along-with hotel receipt etc.

Period of Stay		Name of the Hotel	Daily rate of loading charged	Whether hotel charges include breakfast	Total Amt Paid (Rs.) charges
From	To				
1	2	3	4	5	6

NOTE : Where the hotel charges include breakfast charges the Daily Allowance shall be reduced by 10 per cent.

10. Particulars of journey (s) for which higher class of accommodation than the one to which the officer is entitled was used.

Name of Places			Mode of Conveyance used	Class to which entitled	Class to which travelled	Face of the entitled class (Rs.)
Date	From	To				
1	2	3	4	5	6	7

If the journey(s) by higher class accommodation has been performed with the approval of the competent authority, No. and date of the sanction may be quoted.

11. Amount of T.A. Advance if any drawn. :.....

Certified that the information as given above, is true to the best of my knowledge and belief.

Date:

Signature of the Claimant

PART - B (To be filled in the Bill Section)

1. The net entitlement on account of travelling allowance works out to Rs. as detailed below:
- (a) Railway/ Air/ Bus/ Steamer fare Rs.
 - (b) Road Mileage for kms. @ Rs.per/ Km.
 - (c) Daily Allowance :
 - (i) No. of days @ Rs..... per day
 - (ii) No. of days @ Rs..... per day
 - (iii) No. of days @ Rs..... per day - (d) Actual expenses :
 - (e) Gross Amount :
 - (f) Less amount of T.A. advance If any, drawn vide voucher No.
datedRs.....Net Amount Rs.....

1. The expenditure is debitable to

Initials of Bill Clerk

Signature of Drawing and Disbursing Officer

Countersigned

Signature of the Controlling Officer

4.0 LONG TERM ADVANCES

4.1 Rules governing advances

A competent authority may grant advances from public funds in accordance with the provisions contained in the compendium of Rules on Advances.

Interest:

The competent authority shall charge simple interest at such rates as may be specified by the Ministry of Finance from time to time for this purpose.

Note (1) Rate of interest in cases under Interest bearing advances - (conveyances, warm clothing & table fan) In such cases sanctions to be issued by the competent authority / agreement to be executed by the Government servant at the time of drawing advance sanctioned to him should provide for recovery of interest at 2 ½% above the prescribed rate with the stipulation that if conditions attached to the sanction, including those relating to the recovery of amount, are fulfilled completely to the satisfaction of the competent authority, rebate of interest to the extent of 2 ½% will be allowed.

Note (2) In cases for Non-interest bearing sanction to be issued by the competent authority / agreements to be executed at the time of drawing advance should stipulate that no interest shall be chargeable if the conditions attached to the sanction, including those relating to recovery of amount, are complied with fully to the satisfaction of the competent authority. However, in case of default, interest @ 2 % over the interest rate which is allowed by the Government on the Provident Fund balances of its employees shall be charged in the following cases:

- (a) in cases where the advance is not utilized fully but the adjustment bill is submitted in time, interest may be charged as stated above on the unutilized portion of advance from the date of draw of advance to the date of refund.
- (b) in cases where the adjustment bill is not submitted within the prescribed time, the entire amount of advance may be recovered one lump sum immediately on expiry of such time. In such cases also, the interest may be charged as mentioned above on the entire amount of advance from the date of draw to the date of recovery of amount. The claim of the Government servant for reimbursement would, however, not be forfeited merely on account of recovery of the advance.

Waiver of interest:

Head of Department may, however, waive such recovery on charging of interest thereon, in cases where non-submission of adjustment bill can be attributed to genuine difficulties.

4.2 Availability of funds:

No sanction for the payment of an advance shall be issued unless the authority competent to sanction the advance has satisfied himself / herself that funds are available in the year in which the amount of advance is to be paid and every such sanction must clearly indicate that funds are so available.

Maintenance of detailed Accounts of individual Advances:

- (a) Heads of offices will effect recovery of the advances granted in accordance with the provisions of the rules and of interest, if any, recoverable, and see that the conditions attached to each advance are fulfilled.
- (b) Subject to such general or specific directions as may be given on the advice of the Comptroller and Auditor General in this behalf, detailed accounts of individual advances in respect of long term advances will be maintained by the Accounts / Departments / Officers
- (c) Heads of offices will maintain detailed accounts of all short term advances granted to the employees.

Note:- For long term advances a detailed broad sheet will be maintained by the Accounts Department in order to watch the recovery of advance and transfer of balance in case of transfer of official from one department / Centre to another.

4.3 Irrecoverable advances:

An officer who is responsible for the detailed, control, accounting and supervision of advance shall, as soon as any advance is found irrecoverable, take necessary steps to get the advances written off the accounts under the sanction of the appropriate authority and the advise of the Accounts Officer accordingly in order that he may make the necessary adjustment in the accounts and shall maintain a record of advances so written off in order that any possible recovery may be eventually effected.

4.4 Conditions of Eligibility:

An employee may be granted an advance for the purchase of motor car / motor cycle / scooter / moped provided that-

- the authority competent to sanction the advance is satisfied that the employee has capacity to repay the advance;
- the advance for the purchase of a motor car shall be granted to those employees whose basic pay and dearness pay taken together is Rs.15,750/ (Rupees fifteen thousand seven hundred fifty) per month or more. The Secretary of an Administrative Ministry / Department is competent to relax this condition in deserving cases;
- the advance for the purchase of motor cycle / scooter / moped shall be granted to those employees whose basic pay and dearness pay taken together is Rs. 6,900/ (Rupees six thousand nine hundred fifty) per month or more. The authority competent to sanction this advance may, however relax this condition in deserving cases;

5. Advance for conveyance already purchased:

An advance for the purchase of a conveyance shall not be granted to a person who has already purchased the conveyance and paid for it, unless the conveyance has been purchased within a period of three months commencing from the date the advance was applied for and has been paid for by raising a temporary loan.

5.1 Prior permission for raising temporary loans

The employee who having applied for the advance for the purchase of a conveyance as admissible under the rules could not be sanctioned such an advance due to non-availability of funds or in whose case due to anticipated delay in sanctioning the advance there is obvious need for raising temporary loans to purchase the conveyance, should obtain prior permission from the prescribed authority for raising a temporary loan to meet the expenditure on purchase of conveyance.

6. Second Advance:

An advance for the purchase of a conveyance shall not, except with the concurrence of the Finance Ministry, be sanctioned unless the outstanding balance in respect of an advance previously granted for the same purpose, together with interest thereon, has been fully repaid.

7. Interest:

Simple interest at such rates as may be fixed by Government from time to time shall be charged on advances granted for the purchase of conveyances. Such interest shall be calculated on balance outstanding on the last day of each month.

8. A gist of Long term advances and its regulations:

Advance	* Eligibility	Amount	Installments	Sanctioning Authority	Remarks
Motor Cycle/ Scooter/ Moped	Pay Rs. 6,900/- pm or more	Rs. 30,000/- or 4 months pay or anti-cipated price whichever is less. Second advance Rs. 24,000/ or 3 months pay or anticipated price whichever is less	Maximum 70. Recovery to start first pay after the advance is drawn	DG/ DIR	Surety from temporary staff
Motor Car	Pay Rs. 15,750/- or more. This may be re-laxed by the Secretary	Ist advance Rs.1,80,000/- & Second advance Rs.1,60,000/ or 8 months basic pay or anticipated cost whichever is less. Balance of first advance should be paid in full before second advance sanctioned.	Maximum 200 Recovery to start first pay after the advance is drawn	DG	a) Agreement in the prescribed form to be executed b) Vehicle should be purchased within one month of advance. c) Vehicle should be hypothecated to Govt.
Personal computer	Same as Motor car	First advance Rs.80,000/- Second advance 75,000/- or anticipated price whichever is less. Second advance only after 3 years of first advance.	Maximum 150 monthly installments. Recovery to start first pay after the advance is drawn	DG	Mortgage Computer to Government

Pay means :- Basic pay + DP + NPA + Stagnation increment

* The scales of eligibility has not been changed as no order regarding these have been issued by the Establishment Deptt. HO. In this regard. However, the scales may be hecked as per their equivalence as on date while being used.

9. HOUSE BUILDING ADVANCE

9.1. Eligibility:

HBA is eligible to the following officials

- a) All permanent officials
- b) All other officials having at least 10 years of continuous service provided that they do not hold a permanent appointment under a State Government and the
- c) Sanctioning authority is satisfied about their likely retention in service till the house is build and mortgaged.
- d) Members of All India Services
- e) Employees in foreign service or deputation to other Central Govt. Department

Note 1: When both Husband and wife are govt. servants- Advance is admissible to only one of them.

Note 2: Officials under suspension: Eligible subject to the conditions that collateral security in the shape of mortgage bond from two permanent govt. servants is obtained.

9.2 Purpose of advance:

- a) To acquire a plot and construct a house thereon
- b) Construction to new house on the plot already owned by the official or jointly with his spouse
- c) Enlarging living (own or joined) accommodation
- d) Conversion of hire-purchase into outright purchase of house / flat from State Housing Board or similar govt. controlled bodies
- e) Purchase of house / flat under "Self financing Scheme" and "Co-operative Group Housing Society"
- f) Repayment of loan taken from Govt. / Private source or from HUDCO for construction but only if the official has applied for HBA before availing such loan For purchase of house / flat from privates parties (Registered Builders, architects, house building societies etc. but not from private individuals)

9.3 Conditions to be fulfilled:

- the employee or his wife or minor child should not already own a house in the town / agglomeration, where the house is proposed to be constructed or acquired.
- If the employee is member of HUF, which owns a house at the same place, he may be granted advance restricted to 60% of the normal entitlement.
- The title to the land should be clear in the name of the employee or spouse or jointly.
- Advance for ready build-flat / house is admissible for outright purchase only.

- Employee should not have availed of any loan or advance for the acquisition of a house from any other Government source, State Housing Board, other semi- Govt. or Local Bodies, Development Authorities etc. Where such a loan is taken HBA can be granted if the employee undertakes to re-pay the outstanding loan, advance etc. forthwith in one lump sum.
- In the case of purchase of ready built flat / house from private parties, the house/flat should be new one and unlied in.
- i) Advance will be sanctioned only one house / flat in entire service.
- ii) House/flat purchased should be used only for residential purpose only.
- iii) The sanctioning authority should be satisfied that the employee is likely to be in service till the house is built or mortgaged.

9.4 Cost Ceiling

The cost ceiling limit excluding cost of land should not exceed 134 times of basic pay + SI+NPA+DP subject to minimum 7.5 lakhs and maximum 18 lakhs. This may be relaxed up to 25% in individual case on merit by the Administrative Ministry. If both husband and wife are employed in Central/ State Government/, public undertaking, semi-Govt. institutions or local bodies, the pay of both of them will be taken into account.

9.5. Repaying Capacity

The repaying capacity of the official for the purpose of determining the loan amount will be calculated as under:

SNo.	Length of Service	Repaying capacity
1.	Employee retiring after 20 years	40% of basic pay (Basic pay includes SI+DP+NPA)
2.	Employees retiring after 10 years but not later than 20 years	As above plus 65% of the DCRG may also be adjusted
3.	Employees retiring within 10 years	50% of basic pay as above plus 75% of DCRG

Note : DCRG should be calculated on the basis of notional basic DP+SI+NPA that the official will draw in the existing scale of pay and the number of years of qualifying service that he will render at the time of retirement.

9.6 Interest

The advance carries simple interest from the date of payment of the first installment. The rate of interest will be as per the rate fixed by the Govt. from time to time and calculated on the balance outstanding on the last day of each month.

If the balance principle amount is cleared on 1st or during the middle of a particular month, the interest for the month will be Nil as the interest bearing balance will be nil.

9.7 Rebate of Interest under family planning Scheme

The rate of interest on HBA will be ½% less than the normal rate to such employees who themselves or their spouses undergo voluntary sterilization subject to certain conditions.

9.8 Time limit for utilization of advance

1. Purchase of land: Purchase should be completed and sale deed produced within 2 months from the disbursement of loan.
2. Purchase of House: Acquisition and mortgage to Government should be completed within 3 months. Extension of time can be granted by the Head of Department.
3. Purchase/ construction of new Flat: One month unless extension is granted.

9.9 Surety

In addition to execution of mortgage, the surety of a permanent official is necessary before releasing HBA to:

- a) the temporary official
- b) the official due to retire from service within 18 months following the date of application for advance.
- c) Permanent officials requiring purchase of ready-built house.

9.10 Collateral Security

HBA for the purchase of ready built flat the employees should furnish additional collateral security in cases where the land on which the flats stand is not mortgaged by the owner of the land is favour of the President of India.

9.11 Amount of Advance

- A) 34 times of basic pay + DP+SI+NPA of the official or 7.5 lakh or the cost of house or the repaying capacity which ever is least for the purpose of:
 - I. Construction of new house on an existing plot
 - II. Purchasing a plot and constructing a house thereon
 - III. Ready-built flat
- B) For enlarging the existing accommodation, the advance is limited to the least of 80% of cost of 34 times of basic pay + DP+SI+NPA or 7.5 lakh whichever is least. In rural area the cost should be 80% of 34 times of basic PAY +DP+SI+NPA or 1,80,000/- which ever is less.

9.12 Repayment of advance & commencement of recovery

Not more than 180 installments for principal and 60 installments for interest. In the case of construction or enlarging living accommodation, recovery will commence from the pay for the month following the completion of the house or from the pay for the 18th month after the date of payment of the first installment, which ever is less.

In the case of purchase of land and construction, the recovery will commence from the pay of the month following the completion of the house or the pay for the 24th month after the date on which the installment for purchase of land was drawn whichever is less.

Purchase of ready built flat / house recovery will commence from the pay of the month following that in which the advance is drawn.

Insurance

On completion of the purchase/ construction of house/flat it should be insured with any of the nationalized insurance companies at his own cost against the damage by fire, flood and lightening for a sum not less than the amount of advance and keep it so insured till the advance together with interest is fully repaid to Government. The insurance policy should be deposited with the Govt. and the premium receipts produced for inspection. However, in case of requisition of house through Co-operative Societies, where the Society has insured the entire Housing complex, the employee need not insure the house.

9.13 Conveyance

The property mortgaged and registered should be re-conveyed and registered at the cost of employee once the recovery of principal and interest is recovered fully.

Prior permission

Prior permission should be obtained from the Competent Authority/ DG for purchase of immovable property.

10. DCRG Adjustment

In the case of employees retiring within 20 years, a portion of the advance / interest can be adjusted from the amount payable towards DCRG.

11. Maintenance of Broad Sheet

A Broad Sheet (CAM-30) should be maintained to watch the recovery of all long term advances.

Advances drawn must be checked in full. It should be seen:-

- i) That every advance has been sanctioned by competent authority in accordance with the rules governing it;
- ii) That the amount drawn does not exceed the amount sanctioned and permissible under the rules;
- iii) That it is properly recorded;
- iv) That repayments are regularly made as required by rules and are duly accounted for in the books of the accounts office;
- v) That the balance outstanding at the close of each financial year is communicated to and accepted by the Government servant. For this purpose, a statement of outstanding balances should be furnished to the D.D.O. concerned with the observation that non-receipt of any comments within two months would be treated as acceptance of balance by the D.D.O./ Govt. servant concerned;

- vi) That in case the repayment of the advance is neglected and / or irregular the matter is reported to the sanctioning authority; and
- vii) That the certificates regarding availability of funds have been issued by the competent authority before issue of sanction and incorporated in the sanction.

The recovery of the advances should commence with the first issue of pay, leave salary or subsistence allowance as the case may be after the advance is drawn.

It should be ensured that a certificate signed by the sanctioning authority to the effect that agreement in Form G.F.R. 22 or G.F.R. 23, as the case may be has been signed by the Government servant drawing the advance and that it has been examined and found to be in order, is attached to the bill for drawl of Motor Car Advance.

The grant of House Building Advance shall be governed by the H.B.A.

Rules

For watching the recoveries of these advances a Register and Broadsheet of Advances for HB/ MC/ and Interest thereon, should be maintained. Separate pages will be allotted to record advances sanctioned to Government servants in various offices. All the recoveries affected from establishment bills should be noted based on the schedule of recoveries in the respective pages of the broadsheet which should be totaled every month and agreed with the ledger figures in the Compilation Section. Any discrepancy between the two sets of figures should be noted and analyzed on separate pages set apart at the end of the register, to watch that they are eventually resolved and reconciled. This monthly verification indicating progressive differences and their reconciliation shall be submitted to the Accounting Authority every month by 20th of the second succeeding month.

12. Revised procedure for settlement of Staff advances:

Procedure for settlement of adjustment bills of staff advances as follows:

- a. An acknowledgment of adjustment bills mentioning there in the receipt of the enclosed original schedules / cash memos / vouchers etc. must be given by the accounts Branch with dated signatures of a responsible person.
- b. Date of receipt of adjustment bill may immediately be noted down in the Register of Staff Advances.
- c. Advances may be categorised under various heads and processed for settlement as per Rules.
- d. A second advance should not be given to any official normally without settling the first advance under the same head. Accounts branch should process and adjust the advance in a time bound procedure. The Centre Director shall also ensure that their advances are settled in a phased manner. They may watch it through a weekly statement to be prepared by their Account Branch to monitor the

timely settlement of staff advances adjustment. In any case, it should not take more than 3 weeks to get the advances adjusted from the date of its submission in Account branch.

- e. Adjustment bills should not be returned or refused on flimsy grounds. If there is something missing or some more details are required personal efforts should be made by the Accounts Branch officials to obtain it and get it settled. If the details cannot be obtained or there is some specific problem, then the adjustment bills should be returned with reasons thereof to the concerned officer through Centre Director only.
- f. The adjustment vouchers should be kept with other paid vouchers and should be retained in a systematic manner for which the AO/Account Branch shall be responsible.

Summary of Unit wise Responsibilities:-

		HO			Centre		
Activity	Para No.	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
TA/DA Rates, TA on Tour, & Entitlements, Long Term Advances, Interest, Table - Advances HBA DCRG Adjust. Maintenance of Broad Sheet Revised procedure for settlement of staff advances	1 2 2.1, 2.2, 2.3, 3 to 3.4 4,5 6 7 8 to 8.15 9 10 11	F&A-I	DR(F&A) AO/OSD Actts./SA/AC	CAO/DIR (F&A)	F&A-I	AO/OSD/DR (F&A)	Director

CHAPTER - 7

Terminal Benefits to Employees

1. Contributory Provident Fund

Contributory Provident Fund Rules were introduced in respect of those employees who were or deployed to Non-Pensionable Posts in the Government Departments. Under the CPF Rules 1962, every Govt. employee is required to subscribe compulsorily 12% of his / her emoluments. Besides the subscriber's minimum contribution, Govt. is also contributing 12% of employee's emoluments as its share.

The rules for GPF and CPF are the same, except for the following differences:-

1.1 Admission to the Fund

Every non-pensionable Govt. servant is to compulsorily subscribe to the Fund..

1.2 Amount of subscription

Any sum (in whole rupees) as fixed by the subscriber subject to a minimum of 12 per cent of emoluments and not more than his emoluments.

1.3 Contribution by Government

Government's contribution at the percentage prescribed (12 per cent) to the subscriber's account on the 31st March of each year. For any period the subscriber does not elected to subscribe (during leave period or under suspension), there will be no contribution from the Govt. also. Government's contribution will be rounded off to the nearest whole rupee (fifty paise counting as the next higher rupee).

1.4 Advances and Withdrawals

3 months pay or half the amount of subscription and interest thereon at credit whichever is less, in the case of normal advance /withdrawal. No such limit, in the case of special advance/ withdrawal. Recovery is not more than 24 equal monthly installments if within 3 months' pay and 36 installments, if it excess 3 months' pay. The advances and withdrawals from the Contributory.

Provident Funds shall be restricted within the balances available out of individual subscriber's own contributions and interest thereon lying at the credit of CP Fund Account.

1.5 All other matters

No difference by and large to GPF Rules (as regards to nomination, purposes of advances or withdrawals) except that the corresponding CPF Rules have to be referred to.

In cases where the subscriber towards CPF opts to switch over to the scheme of GPF as a sequel of Government Policy or otherwise, the govt.'s share together with interest thereon is forfeited and the balance comprising subscriber's own contribution together with interest thereon is to be transferred to his / her new GPF Account.

2. Final payment of accumulations in PF

The amount standing at credit shall become payable when the subscriber-

- i. quits service;
- ii. is dismissed / removed from service;
- iii. proceeds on leave preparatory to retirement;
- iv. retires from service / permitted to retire or declared by a Competent Medical

Authority to be unfit for further service;

When a dismissed subscriber is reinstated in service, he should repay the amount received by him, if so require by Govt., along with interest at the rate prescribed, either in cash or securities or partly in case and partly in securities, by installments or otherwise by recovery from his emoluments or as directed by the Competent Authority.

The same procedure applies also for a subscriber who returns to duty after proceeding on leave preparatory to retirement.

When a Govt. servant is transferred without any break in service to a new post under State Govt. or in another Dept. under Central Govt. covered by GPF Rules, his subscription together with interest thereon will, and in the case of those governed by CPF Rules, the Govt. contribution as well, be transferred to his account under the Central / State Govt., as the case may be.

Transfer to State / Central Govt. Dept. includes cases of resignation from service in order to take up a new appointment under Body Corporate owned or controlled by Govt. or an autonomous Organization, with proper permission of the Central Govt.

3. Interest

If the payment cannot be made within one month after retirement or after the date of receipt of application in the prescribed form, which ever is later, due to administrative reasons, interest is payable on the balance up to six months for the period beyond one month. Interest can be allowed up to one year by the Head of Accounts Office and beyond that period by the immediate superior to the Head of Accounts Office.

4. Government due not recoverable

Amount due to the Govt. or amount misappropriated by the Govt. servant is not recoverable from the PF final payment to the subscriber.

In case of payment of nominees, if the nominees are liable to the Govt. by incurring any debt after the death of the subscriber, the amounts payable to the nominees are liable to attachment and if the debts are due to the Govt., they may be made good by adjusting from the PF dues to the nominees.

5. When a subscriber dies while in service

The amount standing to his credit is payable to the nominee(s)/ members of family in the following manner:--

1. Leaves a family:--

If nomination subsists - to the nominee(s) in the proportion specified

If no nomination subsists or same relates to part of the amount---payable to members of family in equal shares leaving out any part covered by the nomination. Sons who have attained majority, sons of a deceased son who have attained majority, married daughters, whose husbands are alive, and married daughters of a deceased son, whose husbands are alive, will not be eligible, if there is any member of the family other than those four categories.

2. Leaves no family: -- If nomination subsists - to the nominee(s) in the proportion specified.

6. Payment on behalf of minor. --

Payment of Provident Fund money up to Rs.10,000/- can be made to the natural guardian or where there is no natural guardian to the person considered fit by the Head of Office to received payment on behalf of the minor(s) without requiring any guardianship certificate.

7. Final payment of balance in cases of employees missing / disappearing -

When a subscriber is suddenly missing or disappearing and whose whereabouts are not known, the balance at credit of PF account can be paid to the family having regard to the nomination made by the employee subject to the following conditions:-

- i. The family must lodge a report with the Police Station concerned and obtain a report that the employee has not been traced after all efforts had been made by the Police.
- ii. An Indemnity Bond should be taken from the nominee/ dependents of the employee that the payment will be adjusted against the payments due to the employee in, case he appears on the scene and makes any claim.

Interest will be allowed on the balance at credit up to six months from the date of report has been obtained by the family from the Police Department that the employee has not been traced after all efforts have been made by the Police.

8. Deposit- linked Insurance Scheme

Government of India, under the revised Deposit Linked Insurance Scheme effective from 1st January, 1989 has provided extra benefit to the family of deceased government employee dying in harness, to receive an additional amount equal to the average balance in the Provident Fund Account during the period of 36 months preceding the month of his/ her death.

The following are the conditions that govern the extra benefits payable to the family of a deceased govt. employee dying in harness:-

- a) Employees must have put in at least five years service at the time of death.
- b) The balance at credit had not fallen below the limits at any time during the three years preceding the month of death.
- c) The balance and average balance would confine to the subscriber's own contribution and interest thereon. In other words Govt.'s contribution towards subscriber's Contributory Provident Fund Account as also interest thereon has to be ignored for the purpose of calculating balance and average balance.
- d) **The scheme is not applicable to the persons deployed on contract basis.**
 1. When a GPF/CPF subscriber dies after having put in five years' service, the person receiving the Fund balance will be paid an additional amount if the balance at credit had not fallen below the under- mentioned limits at any time during the 3 years preceding the month of death.
 2. The additional amount will be equal to the average balance in the account during the period of 36 months preceding the month of death, subject to a maximum of Rs.60,000/- in the case of GPF subscribers and Rs.30,000/- for CPF. The maximum limit is to be applied after arriving at the average of 36 months and not at every stage.
 3. The balance for March every year and for the last month of the three-year period will be inclusive of interest.
 4. In the case of CPF, 'balance' and 'average balance' would mean only employee's subscription and interest thereon.
 5. Payments will be made by Accounts Officer (Head of Office in the case of Group 'D') without formal sanction and in whole rupees, fraction being rounded to the nearest rupee.
 6. In the case of persons appointed on tenure basis/re-employed of pensioners, service rendered from the date of appointment/re-re-employment, as the case may be, only will count.
 7. This scheme does not apply to persons appointed on contract basis.
 8. Admissible on death after the working hours of the last working day but before 12 midnight as this will be treated as "death while in service".
 9. In the case of missing employees, payment can be made to the nominee/ legal heirs after expiry of a period of seven years following the month of disappearance of the subscriber on production of a proper proof of death or a Decree of the Court that the employee shall be presumed to be dead as laid down in Section 108 of the Indian Evidence Act. 35-B (CPF), GID (1) and Notes there- under.

GPF		CPF (pre-revised scale)	
If the subscriber was holding a post in the scale of pay, the maximum of which is	Minimum monthly balance during the period	If the subscriber has held for the greater part of the aforesaid three years a post the maximum of the pay scale of which is	Minimum monthly balance during the period
Rs.12,000/- or more	Rs.25,000/-	Rs.4,000/- or more	Rs.12,000/-
Rs.9,000/- to Rs.11,999/-	Rs.15,000/-	Rs.2,900/- to Rs.3,999/-	Rs.7,500/-
Rs.3,500/- to Rs.8,999/-	Rs.10,000/-	Rs.1,151/- to Rs.2,899/-	Rs.4,500/-
Bellow Rs.3,500/-	Rs.6,000/-	Below Rs.1,151/-	Rs.3,000/-

@ Revised rates based on Fifth Pay Commission pay scales has not been received in respect of CPF.

9. Gratuity

9.1 Service Gratuity

No pension is admissible to a permanent employee who retires before completion of 10 years' qualifying service. Instead, a lump sum payment known as Service Gratuity at the rate of half-month's emoluments for every completed six-monthly period of qualifying service is admitted. 'Emoluments' means basic pay, stagnation increment, dearness pay, non-practicing allowance, if any and includes dearness allowance admissible on the date of retirement.

This gratuity is in addition to retirement gratuity admissible to those who have completed 5 years' qualifying service.

9.2 Retirement Gratuity

is admissible to all employees who retire after completion of 5 years of qualifying service at the rate of 'one-fourth' of emoluments for each completed six-monthly period of qualifying service subject to maximum of 16½ times 'the emoluments' or Rs.10.00 Lakhs whichever is less. Emoluments include DA on the date of cessation of service.

A government servant quitting service on resignation will not be entitled to any pension, gratuity or terminal benefits. He will however be paid suo moto, cash equivalent to the extent of half of earned leave at his credit on the date of cessation of service. Removal / dismissal from service are the major penalties. A government servant removed or dismissed from service shall forfeit his past service and shall not be entitled to pension gratuity. However, government may consider Compassionate Allowance to such a government, not exceeding two third of pension or gratuity or both which would have been admissible to him if he had retired on compensation pension.

9.3 Rounding off

The amount of gratuity should be rounded off to the next higher rupee

9.4 Death Gratuity

is admissible in the case of death in service of an employee at the following rates:-

	Length of Service	Death Gratuity payable to family
i.	Less than one year	2 times of 'emoluments'
ii.	One year or more, but less than 5 years	6 times of 'emoluments'
iii.	5 years or more, but less than 20 years	12 times of emoluments'.
iv.	20 years or more	Half of emoluments for every completed six-monthly period of qualifying service subject to a maximum of 33 times 'emoluments' or Rs.3.50 lakhs, whichever is less.

Emoluments include DA on the date of death.

9.5 Residuary Gratuity -

When an employee dies within five year the retirement, and the total amount actually received by him on account of pension (or service gratuity), dearness relief on pension, retirement gratuity, commutation amount, is less than 12 times the 'emoluments' drawn at the time of retirement, the deficiency is granted to his nominee/ family. This is 'Residuary Gratuity'.

9.6 Death Gratuity is payable

to the nominee(s) eligible member(s) of the family of the deceased employee.

Minor's whole share of gratuity is to be paid to the natural guardian of the minor, and in the absence of a natural guardian, to the person who furnishes a guardianship certificate.

Minor's share of gratuity upto Rs.10,000/- or first Rs.10,000/- (if it exceeds Rs.10,000/-) may be paid to the guardian, other than natural guardian, without production of guardianship certificate. The claimant should however, produce an Indemnity Bond with Sureties.

10. Nomination

Every employee should make a nomination in the prescribed form conferring on one or more person the right to receive the Death/ Retirement Gratuity amount in the event of his death in service/after retirement before receiving retirement gratuity. Nomination has to be made in the following manner:-

- (A) If the official has a family. - Only in favour of member(s) of the family.
- (B) If the official has no family. - Can be in favour of any person(s) or a body of individuals, whether incorporated or not. Such a nomination will, however, become automatically invalid when the employee acquires a family, and then he has to make a fresh nomination in favour of any person(s) as in (A) above.

In both cases (A) and (B), if the nomination is in favour of more than one person, the share of gratuity payable to each has to be specified.

The employee may specify the person(s) to whom the right conferred on nominee(s) shall pass in the event of death of the nominee(s).

The employee may provide in the nomination the contingency on the happening of which the nomination will become invalid.

In such a case, the employee should furnish fresh nomination without delay after the occurrence of the specified contingency.

11. Persons retiring with CPF benefits:-

In case of persons retiring with CPF benefits, the amount of employer's contribution plus the interest thereon, and the amount of gratuity received may be treated as pensionary benefits. For this purpose, pension and PEG shall be calculated on the following formula:

$$\text{Pension} = \frac{\text{Total amount of employer's contribution to CPF plus interest till the date of retirement}}{\text{Commutation factor as per age on next birthday} * 12}$$

$$\text{PEG} = \frac{\text{Gratuity}}{\text{Commutation factor} * 12}$$

12. Encashment of Leave

Encashment of Earned Leave - The authority competent to sanction leave should automatically grant lump sum cash equivalent of leave salary admissible for the number of days of earned leave at the credit to the employee on the last day of his service, subject to a maximum of 300 days including the number

of days, for which encashment was availed along with Leave Travel Concession -

1. On retirement after attaining the age of superannuation;
2. When the service is extended in public interest beyond superannuation, after extension;
3. When an employee retires on superannuation while under suspension while disciplinary or criminal proceedings are pending against him, the whole or part of cash equivalent of leave salary may be withheld to meet recoveries from him possibly arising on conclusion of the proceedings. On conclusion of the proceedings, payment may be released after adjustment of Government dues, if any;
4. On termination of service by notice/payment of pay and allowances in lieu of notice or otherwise in accordance with the terms and conditions of his appointment;
5. On termination of service of officials re-employed after retirement. In this case, the maximum will include the period for which encashment of leave was allowed at the time of previous retirement and also encashment availed with LTC.
6. When an employee is invalided from service on medical grounds;
7. When an employee resigns or quits service on his own accord, the lump sum cash payment will be only to the extent of half of the earned leave at his credit subject to a maximum of 150 days including the number of days for which encashment was availed along with LTC, on the date of cessation from service;
8. On premature retirement under FR 56(j) or (l) or Rule 48 of CCS (Pension) Rules;
9. On voluntary retirement under FR 56 (k) or (m) or Rule 48 or 48-A, of CCS (Pension) Rules;
10. On compulsory retirement as a measure of penalty.

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Contributory Provident Fund, Final Payment- CPF, Interest & dues, Subscriber dies on duty, Payment to Minor, Missing employee, Deposit linked Insurance, Gratuity, Nomination, Retirement, Leave, Encashment	1 to 1.5 2 3 4 5 6 7 8 9 10 11 12	F&A-I	DR(F&A) AO/OSD Actts./Sr. Asst.	CAO/DIR (F&A)	F&A-I	AO/DR (F&A)	Director

CHAPTER 8

Accountable of Grants-in-aid received from Govt. of India

1. Brief about Grant-in-aid:

Grants to institutions etc. can be divided into two categories, namely,

- (i) Grants for general purposes; and
- (ii) Grants for specific purposes.

Autonomous Organisation with a budgetary support of more than Rupees Five crores per annum, should be required to enter into a Memorandum of Understanding with the Administrative Ministry (MOT) or Department, spelling out clearly the output targets in terms of details of programme of work and qualitative improvement in output, along with commensurate input requirements. The output targets, given in measurable units of performance, should form the basis of budgetary support extended to the organization.

Seeking grants-in-aid from Government will require to submit an application which will include all relevant information such as Articles of Association, bye-laws, audited statement of Accounts, sources and pattern of income and expenditure, etc, enabling the sanctioning authority to assess the suitability of the Institution seeking grant. Award of grant is considered on the basis of viable and specific scheme drawn up in sufficient detail by the Institution. The budget for such schemes should disclose, inter alia, the specific quantitative and qualitative targets likely to be attained against the outlay.

Accounting of Government Grants: (As per Accounting Standard)

Presentation of Grants Related to Specific Fixed Assets:

Grants related to specific fixed assets are government grants whose primary condition is that an enterprise qualifying for them should purchase, construct or otherwise acquire such assets. Other conditions may also be attached restricting the type or location of the assets or the periods during which they are to be required or held.

Two methods of presentation in financial statements of grants (or the appropriate portions of grants) related to specific fixed assets are regarded as acceptable alternatives:

1. Under one method, the grant is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognized in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge. Where the grant equals to the whole, or virtually the whole, of the cost of asset, the asset is shown in the balance sheet at a nominal value.
2. Under the other method, grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset. Such

allocation of income is usually made over the periods and in the proportion in which depreciation on related assets is charged. Grants related to non-depreciable assets are credited to capital reserve under such method, as there is usually no charge to income in respect of such assets. However, if a grant related to a non-depreciable asset requires the fulfillment of certain obligations, the grant is credited to income over the same period over which the cost of meeting such obligations is charged to income. The deferred income is suitably disclosed in the balance sheet pending its apportionment to profit and loss account. For example, in the case of a company, it is shown after 'Reserves and Surplus' but before Secured Loans' with a suitable description, e.g., 'Deferred government grants'.

Presentation of Grants Related to Revenue:-

Grants related to revenue are sometimes presented as a credit in the profit and loss statement, either separately or under a general heading such as 'Other Income'. Alternatively, they are deducted in reporting the related expense.

The following disclosures are appropriate:

- (i) The accounting policy adopted for government grants, including the methods of presentation in the financial statements;
- (ii) The nature and extent of government grants recognized in the financial statements, including grants of non-monetary assets given at a concessional rate or free of cost.

GFR 210 provides that Institutions or Organisations receiving grants should, irrespective of the amount involved, be required to maintain subsidiary accounts of the Government grant and furnish a set of audited statement of account. These audited statements of account should be required to be furnished after utilization of the grants- in-aid or whenever called for. The accounts of the Institution are open to inspection by the sanctioning authority and audit and also shall be audited by the Comptroller and Auditor-General of India. Comptroller and Auditor-General of India is competent to scrutinize the procedures by which the sanctioning authority satisfies itself as to the fulfillment of the conditions subject to which such grants were given and shall, for this purpose, have right to access to the books and accounts of the Institute.

NIFT has a status of a Registered body under the Societies Registration Act, grants given to the Institution is to encourage to maximise generation of internal resources and eventually attain self sufficiency, therefore wherever possible, the Department considers creating a Corpus Fund, the returns on investment of which, along with the internally generated resources, enables NIFT to meet its revenue expenditure. To maximize internal resources generation in the Institute, the dependence upon Government budgetary

support will be minimized. This will help in achieving greater autonomy and increased flexibility in matters of recruitment and financial rules thereby enabling it to devise and adopt staff structures, procedures and rules suited to improving productivity.

Following terms and conditions may be kept in mind while utilizing Plan Grant

- Grants-in-aid shall be utilized for the Plan activities as per the norms approved by the Govt. of India and subject to the provisions contained in the General Financial Rules.
- The Grantee shall execute a bond with two sureties to the President of India for acceptance of terms & Conditions of the payments of Grants-in-aid before release of payment. NIFT being a Quasi-Government Institution is not required to submit the Bond.
- The grantee shall maintain subsidiary accounts of the grants-in-aid received from the Government.
- The grantee shall maintain a register of assets in the prescribed form GFR-19. The assets acquired wholly or substantial out of Government grants except those declared as obsolete and unserviceable or condemned as per the procedure laid down in the General Financial Rules shall not be disposed of without the prior approval of the Ministry of Textiles.
- The grantee shall submit performance-cum-achievement reports on or before 31st March, every year.
- The amount so paid to the grantee shall be open to inspection by the Ministry of Textiles/Internal Audit Party of the Chief Controller of Accounts, Ministry of Commerce & Textiles, New Delhi, whenever the grantee is called upon to do so.
- The account shall be audited by the Internal Auditors of the grantee and finally by the Comptroller and Auditor General of India under Section-14 of the CAG of India (Duties, Powers, and conditions of Service) Act,1971.
- The grantee shall not divert the grants and entrust execution of the scheme or work concerned to another Institutions or Organisations and shall abide by the terms & Conditions of the grant. If the grantee fails to utilize the grant for the purpose for which the same has been sanctioned, the grantee will be required to refund the amount of the grant with interest thereon @ 6% per annum.
- The grantee shall submit the utilization Certificate in the prescribed form GFR-19A received for the purpose duly signed by the Head of the grantee Institution latest by 30th April, every year.
- The utilization certificate in respect of grants-in-aid already paid, where due has already been submitted duly countersigned by the sanctioning authority.
- The grantee agrees to make reservations for scheduled castes and scheduled tribes in posts/services under its control on the lines indicated by the Government of India.

- There is no reason to believe that the grantee is involved in corrupt practices.
- It is certified that the unspent balance of the previous grant has been taken into account while sanctioning the present grant.

2. Utilisation Certificate:-

Normally, grants are required to be utilized within one year after the date of issue of the sanction. Hence utilization certificate about the proper utilization of the grant should be arranged to be furnished by the administrative authority. The certificate should be based on debtors' statement of accounts and the report regarding performance or achievements of the grantee institution.

Since the release of grants for subsequent year is subject to Utilization Certificate (Form GFR 19- A) in respect of grant of preceding financial year is submitted to the satisfaction of the Ministry concerned, the reports submitted by the Audit and the performance reports if any should be looked into.

The annual reports and audited statements of accounts of Autonomous Organisations are required to be laid on the table of the Parliament in such cases the performance-achievement reports are not necessary. However, C&AG Audit may demand copies of such performance-cum-achievement reports

Since the Institutions or Organisations receiving grants should, irrespective of the amount involved, are required to maintain subsidiary accounts of the Government grant and furnish a set of audited statement of accounts, these audited statements of accounts be furnished after utilization of the grants-in-aid or whenever called for. The utilization Certificate should be submitted within twelve months of the closure of the financial year. 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 respect of Central Autonomous Organisations, the Utilization Certificate shall disclose separately the actual expenditure incurred and the Loans and Advances given to suppliers of stores and assets, to constructions 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 amount carried forward shall be taken into account.

Utilisation 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.

In respect of Central autonomous Organisation, the utilization certificate shall disclose separately the actual expenditure incurred and the loans and advances given to suppliers of stores 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.

3. Form of Utilisation Certificate

S.No	Letter No & Date	Amount

Certified that out of Rs. Of grants-in-aid sanctioned during the year..... In favour of

Under this Ministry/ Department Letter No. given in the margin and Rs. on account of unspent balance of the previous year, a sum of Rs..... remaining unutilized at the end of the year has been surrendered to government (vide No., dated)/ will be adjusted towards the grant-in-aid payable during the next year.

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

Signature

Designation

Date

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
Brief:- Grant-in-aid, Utilisation Certificate, Form of UC	1 2 3	F&A-I	DR (F&A)/ AR (FA&A)/ AO/OSD Actts./SA	CAO/ DIR (FIN)	F&A-II	DR (F&A) /AO/OSD	Director

CHAPTER - 9

Work allocation of different accounts personnel as per Unit formation at H.O & Centre

I Role of Purchase Officer:

Purchase Officer will be responsible for the following work:-

1. On receipt of the approval of the appropriate authority to initiate the purchase process, finalise the specifications and send out enquiries or tender the requirement depending on value.
2. Follow up with the suppliers and ensure the necessary quotes or bids are received.
3. Convene the Standing Committee on purchase and place before the Committee the bids received.
4. Prepare the comparative charts and arrange for incorporating the Committee recommendations for submission to the approving authority.
5. Submit the recommendations and get the approval of the approving authority.
6. Release the purchase Order.
7. Follow up with the supplier to ensure timely delivery.
8. Follow up with stores on receipt of material and submit the invoice to the accounts for payment.

Notes

- a) If the items have not been checked at the supplier premises before dispatch the Purchase Officer should open the consignment on the receipt of the same and check the content received as per supply order in the presence of the Insurance Agent and representative of suppliers.
- b) When the items received as per supply order have been accepted by the Centre, the material cum inspection note shall be certified by the Store Officer and S. No of the entry in the Asset Register shall also be recorded.
- c) The security at the Centre and Head Office should stamp the delivery challan after recording the details of the items in the Materials Movement Register to be maintained at the gate.

II Role of Finance & Accounts Unitwise at NIFT Centres

Organization Structure-Finance & Accounts

Finance and Account Wing at HO is headed by Director (F&A). Under him is the Chief Accounts Officer. Finance and Accounts Wing at Centres are now headed by Director (F&A) who have been taken on deputation from Government of India and on promotion internally. The role of DRs in the Centres and HO is akin to the work of Financial Adviser in a Ministry who is responsible both to the administrative Ministry as well as Ministry

of Finance. The Financial Advisor assists the administrative Ministry in the exercise of enhanced powers delegated to them and outside the scope of the delegation, Financial Adviser functions under the guidelines of the Finance Ministry. Thus Financial Adviser helps the Administrative Ministry in the implementation of the approved programmes with due financial prudence and improving the quality of expenditure and requisite systemic improving the quality of expenditure and requisite systemic improvements. However they represent Ministry of Finance in regard to all financial matters. It has been clearly stated that Financial Adviser would in no case be assigned any routine administrative functions of the Ministry. Thus the Financial Advisor have a joint reporting one to the Secretary of the Administrative Ministry and other to the Secretary Expenditure (Ministry of Finance).

This model is being used for our Dy. Registrars (F&A) in Centre who will apart from providing advice to the Director of the Centres in NIFT in all matters which has financial implications. They would also be a link of the NIFT, HO in implementation of various policies and Outcome Budget whereby its ascertained whether there has been proper utilization of resources and so on for which they would be reporting to Director (Finance) at HO. They would be the link of HO at Centre for successful planning implementation and monitoring of various policies and projects.

Dy. Registrars (F&A) like the Financial Advisers would be made responsible for expenditure Management and cash management of Centres. However Dy. Registrar (F&A) would be responsible for examining and forwarding all proposals which need to be sent to HO with any financial implications.

Financial Advisers of Administrative Ministry under the "integrated Financial Advisor" are also required to review the progress of internal Audit and action taken so as to make it an important tool for financial management. Actions taken on audit paras have also to be monitored on regular basis. Hence Dy. Registrars (F&A) will be a tool of HO in the internal Audit of Centres and would also be responsible for audit of its Centres.

Financial Advisers under the IFA system are required to set up strong internal systems to ensure due diligence and strict observance of Ministry of Finance guidelines. Same way the Dy. Registrars (F&A) would be responsible to Director (Finance). HO so that all expenditures incurred are as per the guidelines and policies already existing in NIFT and will ensure due diligence and strict observance of the same Dy. Registrars (F&A) would thus periodically review the financial management of the various programmes/projects of the centre and would be responsible for proper budgeting of the same.

INTERACTION:

The system of interaction between the Director (Finance), HO and DR (F&A) Centres would be institutionalized to facilitate two way

communication and development of shared perspectives on financial issues. Thus there should be quarterly interaction between the Dy. Registrars and Director (Finance) and would inter-alia cover the following areas-

- Implementation /compliance of decisions taken in DGs quarterly meeting as is being done in quarterly meeting of FAs with Finance Ministry.
- Initiatives to be taken for policy formation/review and system improvement in the concerned Centre as is being done in Ministries.
- Major proposal of the Centres which needs to be approved by Headquarter.
- Reviewing progress on Head Office specific priorities and also those outlined in the Budget.

Thus there would be a system of joint reporting of Dy. Registrar (F&A) to Director, NIFT Centre and Director(F&A), HO.

**1. Unit Name: F&A-I Unit Head: Director
Unit Incharge: DR(F&A)**

- Pre-audit/financial concurrence for all the proposals which goes to Director/Registrar for approval with reference to Budget, DOP, purchase procedure.
 - Approval of all payment vouchers.
 - Supervise proper approval and supporting documents attached with the payment voucher.
 - Supervision of timely statutory remittances.
 - Monitoring of advance adjustment.
 - Supervision of Calendar of Returns prepared by A.O.
 - Reply to Internal Audit and C&AG observations.
 - Finalization of Accounts-Pre audit.
 - Pre-audit of all project payments.
 - Representative of all Purchase Committee.
 - Reply of all MOT and HO references relating to Finance and accounts.
 - Supervision of Budget preparation.
 - Interaction with Internal Auditors and C&AG Auditors on a regular basis.
 - Supervision of Final Accounts and ensure that all the Internal Audit and C&AG audit observations are included.
 - Supervision Physical Verification report.
 - Ensure all the schedules are prepared and enclosed with the Final Accounts.
- 2. Unit Name: F&A-II Unit Head: Director
Unit Incharge: DR(F&A)**
- Day to day Accounts matter, including payments and signing of cheques etc.

- Drawing and disbursing officer.
- Maintenance of Imprest Accounts.
- Counter sign of Fixed Asset Register before releasing the payment, which is being maintained by purchase officer.
- Responsible for ensuring compliance with all authorities i.e. Income Tax Department, Sales Tax Department.
- Supervision of Bank reconciliation to be done daily.
- Ensure receipt of daily bank report.
- Fee reconciliation and other Revenue Receipts reconciliation including hostel fees.
- Signing of Cash Book and closing of cash book.
- Reconciliation of TDS and its Return and submissions.
- Ensure TDS remittance by 7th of every month.
- Remittance of CPF by 7th of every month.
- Issue of Form 16.
- Maintaining of Expenditure Control Register.
- Timely adjustment of advances.
- Assistance in preparing budget and preparing monthly/ quarterly / half-yearly annual accounts.
- Submission of Calendar of Returns.
- Ensure Inter-Centre Reconciliation.
- Issue of Debits notes and Credit notes.
- Ensure all payments vouchers should enclose with proper supporting documents i.e. approval of competent Authority and proper bills.
- Representation Physical verification Committee and all cash Purchases committee.
- Preparation of Income Expenditure of Project wise. Preparation of Cash Flow and Fund Flow Statements.

3. PROJECT

**Unit Name: F&A-IV
Unit Head: DR(F&A) Unit Incharge: DR(F&A)**

- Circulation of project proposals and inviting offers from the faculty members with requisite competency to handle the Project.
- Constitution of a project team headed by Project coordinator with approval of the competent authority.
- Obtaining administrative/ financial approval from Competent authority for project related expenditure and purchase proposals.
- Maintenance of financial aspects of project.
- Compilation of returns and forwarding it to corresponding unit at H.O.

4. PURCHASE

Unit Head: DR(F&A) Unit Incharge: Purchase Officer

- To initiate the purchase procedure after the approval of the competent authority.
- To follow up with suppliers and ensure the necessary quotations or bids are received.
- Convene Purchase committee meeting and place before the committee the bids received.
- Submit the recommendations and get the approval of the competent authority.
- Release of Purchase orders.
- Follow up with Suppliers to ensure timely delivery.
- To ensure that the items purchased is informed to the administration for insurance of the same.
- Follow up stores on receipt of material and submit the invoice to the accounts for payments.
- Maintenance of Fixed Asset Register.

III Role of Finance & Accounts Unitwise at Head Office

**Unit Name: F&A I (Bill Section & Grant in Aid)
Unit Head: CAO Unit Incharge: OSD(Accounts)**

- Processing Income Tax calculations, filing of annual returns and quarterly returns, correspondences with statutory audit.
- Bill Passing (filing of TDS returns quarterly and annual) issue of Form 18
- Reconciliation of all payable account.
- Fund Management & Handling of Cash.
- Preparation of Cash Book, Deposit of Cheques, Maintenance of Register and proper record of handing over the vouchers, transfer of funds, issue of letters to Axis Bank, ensuring monthly bank statements, ensuring realization of cheques.
- MOT reply General.

**Unit Name: F&A-II (Account Section)
Unit Head : CAO Unit Incharge: OSD(Accounts)**

- Punching of vouchers.
- Preparation of Final Accounts of HO.
- Compilation of all Centre Accounts.
- Preparation of quarterly accounts.
- Preparation of F&AC and BOG / Agenda
- Fee Reconciliation for current year.
- Bank Reconciliation.
- Final account CAG Audit and other items.

**Unit Name-F&A-III (Record Management)
Unit Head -CAO Unit Incharge: OSD(A/C)**

- Keeping of Records.

- Maintaining of Register.
- Binding of Records.
- Unit Name: F&A-IV Budget & Returns Section
Unit Head : CAO Unit In-charge: Dy. Reg. (F&A)**
- Preparation of Revenue and Capital Budget
- Monitoring of Revenue and Capital Budget.
- MOT reply related to RE & BE and physical progress of the Capital Budget.
- Monitoring of Returns.
- Fixed Assets reconciliation since inception.
- Issue of Debit Notes/ Credit Notes.
- Issue of Centre Reconciliation Certificate
- Unit Name: F&A-V Purchase
Unit Head: CAO Unit Incharge: Purchase Officer**
- Scrutiny of purchase proposals and all other related purchase.
- Maintenance of Fixed Asses Register.
- Representing different Committees of Delhi Centre.
- The maintenance of fixed assests register including the earlier fixed assets register reconstruction.
- Unit Name: F&A-VI Purchase Section
Unit Head: CAO Unit Incharge: Asstt. Director**
- Scrutiny of all project proposals and all related matters i.e. Policy, Budget and Utilisation.
- Scrutiny of all Projects related proposals and bills alongwith expenditure control register of projects.
- Maintaining Income and Expenditure Project wise and monthly closing of the ledger accounts of different projects.
- Centralised maintenance of all files in Project Section.
- Issue of Utilisation Certificate for projects.
- Maintenance of project related Fixed Asset Register.
- Bank reconciliation of the project related bank accounts.
- Implementation of Project Policy and issue of guidelines thereof.
- Preparation of Projects MIS report time to time as and when required.
- Keeping records of all project related documents and circulars.
- Keeping TDS Certificate received from clients for tax deducted from the bills of NIFT.
- Interaction with C&AG and Internal Auditors for all project related matters.
- Keeping reports and final completion certificate of the project received from the clients.
- Keeping minutes of Standing Committee for project related matters.
- Any other work related to Project which are coming from time to time.

Summary of Unit wise Responsibilities:-

		HO			Centre		
Activity	Para No.	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Role of Purchase Officer, Record Management, Budget & Returns, Project related work, F&A _II day to day accounts matters, Project, Purchase,	1 O/o dated 4.7.2006 2 3 4 O/o dated 11.7.2006 5 6 7 8 9	F&A V F&A III F&A IV F&A VI F&A II F&A VI F&A V F&A II	 AO/OSD Actts. DR (F&A)/Ao /OSD/SA.A/c	 CAO /DIR (F&A) DR(F&A)/Ao /OSD/SA.A/c	 F&A-II	 AO DR (F&A)/Ao /OSD/SA.A/c	 Director
Inspection & Audit, Role of Finance & Accounts - Unit-wise							

CHAPTER 10

Issue, acceptance and accountal inter unit Debit/Credit Notes

1. Procedure for issue of Debit /Credit Notes

Inter Unit debit notes are required to be issued on a regular basis alongwith supporting details, schedules and other relevant documents. Delay and omission not only create problems at the time of finalisation of unit accounts and delay the overall schedule of finalisation, keeping un-reconciled amounts in suspense but also attracts severe audit comments. In order to overcome these difficulties, the following points need to be adhered to:-

- a) As and when the voucher is prepared for any transaction affecting HO- Centre control account, Debit note has to be prepared and sent to the concerned units as per procedure. Before issuing the Debit Notes on any item the unit as also the concerned section in Accounts at H.O. shall ensure that the debit is raised on the correct Unit for correct amount and with full details.
- b) Each Debit note shall contain full particulars of debit for the purpose of its acceptance. Where-ever necessary, information should be enclosed in a schedule. In case of expenditure incurred, copies of documents/passing vouchers should also be attached with the Debit notes.
- c) No responding Debit/Credit notes need to be sent except intimation of acceptance thereof. All Debit/Credit Notes shall be sent together once in every calendar month and by the due date.
- d) No debit/Credit note should be accepted in part. In case the debit/Credit note has been wrongly received, the same shall be returned back to the originating unit and intimation to this effect shall be sent to HO. for record.
- e) The transferee unit shall take immediate action to verify the debit/ credit notes received from other units/HO and create necessary adjustments in accounts in the following month.
- f) Every month a report of the unsettled debits/ credits shall be sent by the originating unit to HO giving details of progress made in respect of the disputed Debit/ Credit Notes.

As per the standard financial practice Accounts Department issues the Debit Note duly approved by the Accounts Officer. The debit notes will be serially numbered in the prescribed format of debit notes and will be enclosed with the following documents:

- i. Date of Purchase
- ii. Item of Purchase
- iii. Details of Purchase order
- iv. Date of Payment
- v. Quantity of item

- vi. Date of dispatch of material (date and number of gate pass to be indicated and a copy should be enclosed with the debit note)
- vii. Acknowledgement of the centre should be kept in the file as confirmation.
- viii. Delivery of recovery in case
- ix. In case of imported item, one copy of LC with the imported item.

For proper control of issue of debit notes the procedure should be as follows:-

- a) Debit note register will be maintained
- b) Value of debit note issued will be entered
- c) Three copies of debit note shall be prepared, one will be sent to concerned centre, one will be enclosed with the Journal voucher and one will be kept in the purchase file.

Debit note shall be signed by all -prepared by, checked by and approved by the authority.

The person checking the debit note will check the following points before putting up the debit note to the approving authority

- a) Check the approval of the competent authority for transfer of assets.
- b) Value of assets transferred (Valuation of assets should be done as per standard procedures taking into account original cost, depreciation, if any, for the relevant aspect
- c) Centre to whom assets are to be transferred
- d) Original purchase order
- e) Serial of Debit note
- f) Serial number of entry of Debit note issued in the Register

2. Inter centre Reconciliation

Periodically (in Six months) Inter Centre Reconciliation should be done and the Annual Accounts Debits / Credits Notes must be reconciled. The Debit / Credit Notes format is enclosed for At Annexure -A & B.

Circular issued in this regard is also enclosed see Annexure- C.



NATIONAL INSTITUTE OF FASHION TECHNOLOGY
NIFT Campus, Hauz Khas, New Delhi-110 016

DEBIT NOTE

Note No.	
Date	
Voucher Ref.	

To

Sl.No.	Particulars	Amount (in Rs.)
		Debit

Rupees (in words)

Narration :

List of Enclosures:

- 1.
- 2.
- 3.
- 4.

Prepared by

Checked by

Approved by



NATIONAL INSTITUTE OF FASHION TECHNOLOGY											
NIFT Campus, Hauz Khas, New Delhi-110 016											
CREDIT NOTE											
To		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Note No.</td> <td></td> </tr> <tr> <td>Date</td> <td></td> </tr> <tr> <td>Voucher Ref.</td> <td></td> </tr> </table>	Note No.		Date		Voucher Ref.				
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SLNo.	Particulars	Amount (in Rs.)									
		Credit									
Rupees (in words)											
Narration :											
List of Enclosures											
1.											
2.											
3.											
4.											
Prepared by											
Checked by											
Approved by											

Vide Circular No NIFT/ 1509/ (1)/ Accts./ Cir- Order/ 05 dated 10-01-05, it is instructed to issue Debit Note/Credit Note in the above enclosed format only. The format may be got printed in each centre:-

- 1st Copy (white colour) is to be sent to issuing Centre to whom Debit Note is issued alongwith copy of bills and all related documents.
- 2nd Copy (Yellow colour) to be enclosed in the file against which Debit Note is issued.
- 3rd Copy (Pink colour) is to be enclosed with Journal Voucher.
- 4th Copy (Light Green colour) to be kept in the Debit Note file of Accounts Deptt.

It should be ensured that no Debit Note should be accepted unless Debit Note comes in the prescribed format and proper accounting should be done against all Debit Note received by the Centre. Any expenditure made by any Centre in respect of other Centres should be immediately debited to that Centre on behalf of expenditure is

made and proper Journal Voucher is passed while accepting the Debit Note/Credit Note and H.O. should be informed accordingly, about the acceptance of the Debit Note. Accordingly, Centres can also issue Debit Notes against Head Office for expenditure incurred on behalf of Head Office/approved by H.O for reimbursement.

Every quarter Inter-Centre reconciliation figure should be intimated to the Head Office so that Inter-Centre transaction should be regularised and figures appearing in the Centre accounts against H.O. name should tally with figures appearing in H.O books of accounts against that Centre name. No Debit Note should be accepted unless all the information required in the format is duly filled in.

All supporting documents indicated in the Debit Note should be enclosed. If any irregular Debit Note coming to any Centre, it may be immediately informed to H.O. Debit Note should be issued by Accounts Department only as stated earlier. A separate Debit Note Register/Acceptance Register should be maintained.

This issues with the approval of Director General.

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Procedure for issue of Debit/ Credit Notes, Inter Centre Reconciliation	1	F&A I & II	AO/OSD Actts.	CAO /DIR (F&A)	F&A - II	AO DR (F&A)/ OSD/SA. A/c	Director
	2		DR (F&A)/Ao /OSD/SA. A/c	DR/F&A)/Ao /OSD/SA.A/c			

CHAPTER 11

Records Retention Schedule

1. Retention of Records of Finance & Accounts Department:

Records constitute an integral and essential element for efficient administrative management, acting as memory house of an organization. The day to day decisions are facilitated to a great extent upon systematic preservation and retrieval of useful information as also timely disposal of redundant records. Records of Finance and Accounts wing of an organization are generally voluminous and are required to be retained for a long period. For this purpose finance and accounts records have to be preserved systematically so that essential records are quickly retrieved as and when required as also redundant records are disposed off in appropriate time. Keeping this end in view a procedure for retention of records of the Finance and Accounts Department as detailed hereunder.

2. Principles for generation of records:

Records shall be generated to the minimum as far as possible keeping in view the usefulness, effectiveness and cost of keeping the same.

- 2.1 Records generated shall be as much integrated as possible. In this respect information requirements of various agencies should be available as far as possible from minimum number of forms.
- 2.2 Filing system and designing of forms shall conform to the basic principles of effectiveness in information processing, retention and retrieval.
- 2.3 Nomenclature of the records shall be chosen in such a way that it indicate in minimum possible words, the exact nature and contents of the information.
- 2.4 New files, registers and forms shall be opened with the knowledge and guidance of the Officer-in-Charge of the respective units / sections.
- 2.5 A record Master Register shall be maintained in the Finance and Accounts Office in H.O. and Units containing the following information:-
 - a) Sl. No.
 - b) Files/Registers/ Ledger No.
 - c) Nomenclature of the above.
 - d) Category of the record,
 - e) Retention period and disposal date,
 - f) Date of Opening
 - g) Date of Closing

3. Parameters for retention of records:

Requirements for retention of records in broadly classified into two categories:

3.1 Protective requirements :

3.1.1 Companies Act :

As per requirement of Sec. 209 (4) of the Companies Act, 1956, books and records are required to be retained for 8 years.

3.1.2 Income Tax:

The Accounts records are also required to be retained until income tax assessments are over and even after the assessments the records may be required to be retained in case the Organisation prefers appeal under the Appellate Authority.

3.1.3 Inspection Report / Draft Paras of Commercial Audit:

Records/ information in respect of queries under audit memos/ inspection report /draft paras are required to be retained until such cases are closed.

Records necessary to be retained for defending claims and for enforcing claims of the Organisation:

- i) All documents relating to contracts should be retained for a period of three years after such contracts are finalized, accounts settled and accepted by the parties concerned.
- ii) Wherever NIFT has claim against a contract or NIFT is to recover any amount under a final bill, all papers relating to such contracts are to be retained till final adjudication of such case is cancelled.
- iii) If however, after finalization of the contract, even if no money is recoverable by NIFT as per the final bill of the contractor a notice to the contractor in writing be sent for signing the final bill as prepared by NIFT and subsequent to the notice, all records relating to such contract should be maintained for a period of 3 years.
- iv) In cases, however, where after the service of the above notice or otherwise arbitration proceedings or court cases are initiated, all connected papers relating to court cases or arbitration cases have to be kept pending till final adjudication of the disputes by the arbitrators or by court.

3.1.4 Contract Period and outstanding issues:

Certain records are also required to be retained until contracts with the clients are closed and outstanding issues settled.

3.1.5 Information to Parliament:

Sometimes information is required to be furnished to Parliament through Board/Ministry on various subjects generally ranging over 3 years.

3.1.6 Sales Tax Laws:

Records in respect of sale of goods are required to be retained until sales tax assessments / appeals are completed under relevant sales tax laws.

3.1.7 Employees State Insurance Act:

Registers and records required under regulations ESI Act have to be preserved for a period of 5 years from the date of last entry made therein.

3.1.8 Minimum Wages Act and Payments of Wages Act:

Records and registers required to be maintained under the relevant sections of the said acts have to be preserved for a period of 3 years from the date of last entry made therein, on which the unpaid/unclaimed amounts are finally settled.

3.2 User requirements:

Records are also required to be maintained for uses by management for various internal purposes.

4. Storage:

Separate storage area shall be earmarked as under:-

- (a) Current Records enclosure for records of Current Year.
- (b) Old records enclosure for 'B' category (important records) records of previous years.
- (c) Permanent records enclosure for 'A' category (permanent records) records of previous years.
- (d) In the Storage space, necessary arrangement for bins/receptacles shall be made with identification tags suitably fixed for proper accommodation and identification of records.

5. Screening:

Periodical screening shall be done by a Record Keeper (wherever posted) and one or more Assistants who are conversant with the Records Retention procedure in presence of the Officer-in-Charges of the Sections.

6. Mode of Disposal:

The inactive records which are found disposable after screening of category records after retention period, as per schedule shall be disposed off.

Disposal action may be taken by sale/ destruction by fire depending on the nature of record. Confidential documents / papers shall be disposed of by fire.

Depending on the nature and volume of records, disposal action shall be taken on approval of the competent authority for this

purpose, if required a committee shall be constituted by Director General or her/his nominees to supervise the disposal action. This Committee will record the nature of the period and thereof and the category in which such record falls and sign a witness certificate in a register titled "Register for destruction of records" with dated signatures. Separate folios shall be maintained for each category of records.

7. Central Record Room:

The storage space provided at HO and various Centres shall constitute central Record Room of the Institute for preservation of Old Records.

8. Movement of Records from the Central Records Room:

The Officer-in-Charge of records shall ensure maintenance of a Register to maintain track on the movement of records. At least the following information shall be maintained in the Register:

- (a) Name of Record indenting authority
- (b) Specific Record withdrawn
- (c) Storage Bin Reference
- (d) Date when withdrawn
- (e) Initial of the nominated person of the indenting authority
- (f) Date of receiving back the specific record
- (g) Initial of the Record Keeper.
- (h) Officer-in-charge of the respective sections and Accounts-in-Charge of the units shall ensure that records retention procedure as above is informally followed with immediate effect. The procedure regarding retention programme, disposal, storage arrangement, administrative set up etc. shall be review periodically and amended, if required, based on experience gained.

9. Records maintained by NIFT (HO) & Centres

NIFT is a premier Institute in Fashion Business under Ministry of Textiles and has been following Govt. of India rules. With the passage of time NIFT has accumulated huge records but in the absence of any clear policy on the retention period of different Office records, no records have ever been destroyed. Due to paucity of space it has become all the more important to have clear cut policy on the period of preservation of records relating to Finance & Accounts and other records.

9.1 Procedure

NIFT has been following Govt. of India rules such as FRSSR, GFR and other rules issued from time to time by the Govt. of India. It has been noticed that Govt. of India has spelt out the period for preservation of records managed by the Department of Pay & Accounts Office in the Civil Accounts manual and for Office records etc under Rule 289-Appendix-13 of GFR. The NIFT Policy has been framed in line with the period as specified by Govt. of India in the Civil Accounts Manual (Para 16.16) and Rule 289 (Appendix -13) of the GFR.

9.2 Destruction of Office Records connected with Accounts

Subject to any general or special rules or orders applicable to particular departments, no Government record connected with accounts shall be destroyed except in accordance with the provisions of Rules as per GFR 289.

Records retention schedule - NIFT

(Effective from 1st April, 2006)

The destruction of records (including correspondence) connected with accounts shall be governed by the following Rules and such other subsidiary rules consistent therewith as may be prescribed by Government in this behalf with the concurrence of the Comptroller and Auditor General.

The following shall on no account be destroyed:-

- (i) Records connected with expenditure which is within the period of limitation fixed by law.
- (ii) Records connected with expenditure on projects, schemes or works not completed, although beyond the period of limitation.
- (iii) Records connected with claims to service and personal matters affecting persons in the service except as indicated in the Annexure to this Appendix.
- (iv) Records in respect of which an audit objection is outstanding.

ANNEXURE-1

Sl. No.	Nature of Record	Retention period (years)
(a)	(b)	(c)
1	Contingent Bills	3
2	Provident Fund vouchers other than final payment	3
3	Refund vouchers	3
4	Suspense vouchers	3
5	Pay Bills	3
6	TA/LTC Bills	1
7	(a) Provident Fund papers for final payments in respect of employees of NIFT	30
8	Provident Fund vouchers	10
9.	Vouchers pertaining to non-refundable withdrawals from Provident Fund	6 years from the date of sanction of withdrawal
10	House Building Advance vouchers	6
11	Medical Bills	3
12	Deposits payment vouchers other than personal deposits	7
13	Vouchers relating to Insurance schemes	10
14	D.C.R.G vouchers	10
15	Gratuity vouchers	10
II -	OTHER RECORDS	
1.	Bill Diary	2

SI. No.	Nature of Record	Retention period (years)
(a)	(b)	(c)
2.	register of files/vouchers/registers	
	(a) transferred to Departmental Recording Wing (i.e. Old record room of the Department office)	Permanent
3	File Index Register	10
4	Register of valuables	5
5	Expenditure Control Register (now Bill passing cum E.C.R)	3 years
6	C&AG Audit paras files	10
7	Annual Reports	10
8	Internal Audit Report files	5
9	Bank Payment Vouchers	5
10	Bank Receipt Vouchers	5
11	Register of Debit/ Credit Notes issued	Permanent
12	Debits/Credit Notes.	Permanent
13	J. V. Register	10
14	Audit para Register	7
15	Office copies of J.Vs	7
16	Ledger and Trial Balance	5
17	(i) Bank Scrolls/ Bank Statements	5
	(ii) Grant payment scrolls received from various public sector banks	2
18	Counterfoils of cheque books	5
19	Scheduled of Deposits (including any subsidiary accounts) for the month of March in which any item(s) has (have) credited to Government as lapsed deposits	30
20	Misc. correspondence regarding inter-Deptt and Bank adjustments	3
21	Bank reconciliation statement	3
22.	Office copies of Monthly Accounts prepared by Centres & sent to HO	One year or till the annual accounts Have been prepared,
23.	Monthly account rendered by Centres (Maintained in Soft Copy)	whichever is later
24	Vouchers for payment on account of acquisition of land	Permanent Record
25	Register of Govt. servants lent on Foreign service	10 years subject to condition that necessary information regarding recovery of contributions is recorded in Service Book

Sl. No.	Nature of Record	Retention period (years)
(a)	(b)	(c)
26	Stock Register of Cheuque Books	3
27	Account of Cheque forms	3
28	Office copies of information to bank regarding the Cheque (forms) brought to use	3
29	Register of requisition of Bank Drafts	1
30	Office copies of letter forwarding cheque/Bank Draft	1
31	Register of Cheques drawn	15
32	Register of Cheque delivered	15
33	Establishment check register	3
34	Fly Leaf of Payment Register	3
35	Register of Special Charges	3 years subject to the condition that all sanctions still current are noted in new register with progressive exp. Under proper attestation.
36	Bank Reconciliation Statements	3
37	Bank Statements & Bank Certificates (Balance Cost & Interest Cost.)	5
38	Annual Report	10
39	Audit Report	10
40	Register of Project Payment & Receipts	15
41	Register of Periodical Charges	3 years subject to the condition that all sanctions still current are noted in new register with progressive exp. Under proper attestation.
42	Register of Grant-in-aid & Scholarships	3 years after all the utilization certificates have been received
43	Office copy of letter forwarding Schedules of receipts/disbursements for adjustment in books of another	1 accounting units.
44	Office copy of letter sending cheque/Bank Drafts in settlement of accounts (inward)	1
45	Register of Advances for HB/MC/and Interest thereon	2 years after recoveries have been fully effected and reconciliation with ledger figures effected.
46	Register of Advance to Contractors and other parties.	2 years after recoveries have been fully effected and reconciliation with ledger figures effected.

Sl. No.	Nature of Record	Retention period (years)
(a)	(b)	(c)
47	Register of Sanctions to Contracts	3
48	Assignment/letter for transfer of funds in favour of Centres correspondence relating thereof	2
49	Monthly branch bank statements and correspondence thereon	5
50	Index Register of Provident Fund	35
51	Provident Fund Ledgers & Registers	35
52.	Capital Budget files	5
53.	Revenue Budget Files	5
54.	BPFC Agenda Files	Permanent
55.	BOG Agenda Files	Permanent
56.	Records of the Administrative wing	As mentioned in the Manual of Office Procedure

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
Record, record generation, and retention, Inspection draft paras, Contract period and outstanding issues	1, to 1.5 2 3 to 3. 5.5	F&A I, II, III					
Storage, Screening, Mode of disposal, Central Record room	4 5 6 7 8	F&A III	AO/OSD Actts. DR(F&A)/Ao /OSD/SA.A/c	CAO /DIR(F&A) DR(F&A)/Ao /OSD/SA.A/c	F&A - II	AO DR(F&A) /OSD/SA.A/c	Director
Movement of records, Records in NIFT,	9 to 9.3	F&A III					

CHAPTER 12

Accounting & Control

ACCOUNTING POLICIES OF NIFT

A. Accounting Policies

1. Grants from Central/State Government

- i) Grants from Central Government are accounted for on "receipt" basis and from State Government on "accrual" basis.
- ii) Grants are "Capitalised" to the extent fixed assets have been created after adjustment of fixed assets sold during the year.

Based on the observation of C&AG and our consultation with Internal Auditors certain changes in the accounting policies are proposed particularly in respect to corpus and earmarked fund.

1.1 Corpus Fund:

Corpus is any fund created one time for the main objectives of Society. Interest from Corpus Fund can be utilized for developmental purposes like Visiting fellows, Adjunct faculty, training and development, common academic expenditure at HO on curriculum Development and review, common evaluation and examination, placements etc. Prizes and awards for students and for employees under the incentive scheme for units, scholarship for twinning to students, ex-gratia payments to students and employees, contribution to bodies which are promoting cause of fashion industry. Corpus should be used primarily for capital expenditure. Operational expenditure can only be incurred with specific approval of the Board. A separate bank account should be maintained for this purpose. The fund may be invested in bonds and Bank Fixed Deposits.

1.2. Earmarked / specific purpose:

Earmarked fund will consist of fund which is for a particular / specific purpose like earmarked fund for student development (Spectrum and student activity clubs etc), departmental development fund, Earmarked fund for chairs / scholarship. Any utilization of these funds will be booked in this fund and the surplus should be carried over.

2. Fees from Students

Since the Academic Year of the Institute is not co-terminus with its Financial Year, the fees received from students are accounted for in the Financial Year in which the same are received.

3. Investment

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management. (This is in accordance with the Accounting Standard issue by the Institute of Chartered Accountants of India).

4. Interest on Deposits

Interest on Deposits is accounted for on "accrual" basis.

5. Expenditure

Expenditure booked on accrual basis.

6. Fixed Assets/Depreciation

6.1 Depreciation and Companies Act:

Section 205 of the Companies Act stipulates that no dividend shall be declared or paid by a company for any financial year expect out of the profit of the company for that year arrived at after providing for depreciation on the following basis or out of the profits of the company for any previous financial year:-

- a) On the 'written down value' basis as stated in Section 350 of the Companies Act; or
- b) On the 'straight line basis' - the amount of depreciation in respect of each depreciable asset is arrived at by dividing 95% of the original cost thereof to the company by a specified period in respect of such asset; or
- c) On any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95% of the original cost to the company of each such depreciable asset on the expiry of the specified period.

In office Memorandum No.F.3(5)/Pc/62, dated 11th April, 1963, the public sector undertakings were advised to follow straight line method for determining the amount of depreciation which corresponds to sub-section 2(b) of section 205 of Companies Act.

While calculating depreciation on the straight line method the specified period in respect of any depreciable assets shall be the number of years at the end of which at least 95% of the original cost of that asset to the company will have been provided for by way of depreciation, if depreciation was to be calculated in accordance with the provisions of section 350 of the Companies Act. In other words, the specified periods would be reckoned as the number of years at the end of which 95% of the original cost of the assets would have been provided for by way of depreciation under the "written down value" basis.

The main advantage of straight line method is that it event out the burden of depreciation and thereby enables to bear it more easily than what the reducing balance method would ordinarily permit. If, however, any undertaking has adopted the 'written down value' basis for calculating depreciation it should ensure that the provisions of section 350 of the Companies Act are followed. The Company Law Department has however clarified that for the purposes of determining the amount of depreciation the rates specified in the Income Tax Rules for calculating depreciation on various assets referred to therein would be relevant.

In this connection, it may be recalled that the Companies Act prescribes the minimum amount of depreciation chargeable each year. Should the undertakings feel that the depreciation amount chargeable at income tax rates is inadequate in relation to higher replacement costs it is open to them to provide for higher amounts of depreciation?

With regard to the question whether depreciation should also be calculated on those assets which remain idle during the whole or a part of the financial year when following the straight line method of Company Law Board has clarified that it has been held by accounting authorities that the depreciation may arise even during the period when an asset remains idle by the influx of time and hence it would be necessary to provide depreciation in respect of those assets.

In calculating depreciation for a particular year the additions and sale or transfer of assets during that year are also to be taken into account and adjustments for depreciation are made on a pro rata basis with reference to the actual date of such addition or disposal. Under the law there is no restriction in adopting different methods of calculating depreciation for different types of assets.

Where the assets are used for more than one shift, extra depreciation by way of shift allowance has also to be provided for the purpose of section 205 of the Companies Act.

Since depreciation is a charge on the revenue of an undertaking it should be as far as possible be not allowed to fall in arrears and should be set out in the Profit & Loss Account and Balance Sheet in accordance with the provisions of schedule VI of the Companies Act.

- i) Fixed Assets are shown at "landed cost" including erection, commissioning and other incidental expenses.
- ii) The continuing expenditure during the financial year incurred on construction of buildings, interiors, etc. is booked under the head "work in progress"
- iii) Depreciation is charged on an asset, if it is acquired on or before 30th September at full rate and if acquired after 30th Sept, then depreciation will be charged at half rate and depreciation will be charged on straight line method as per the following rates:

Name of the Asset Category	Rate of Depreciation Charged
- Building	1.63%
- Furniture and Fittings	6.33%
- Motor Car (Light Vehicles)	9.5 %
- Bus (Heavy Vehicle)	11.31%
- Gas Cylinder including Valves	16.21%
- Computers (including Software/Hardware)	16.21%
- Plant and Machinery Class room equipments/	15%
- Office equipments	15%

- Books
 - a) Books being annual publication (Magazine & Publications) 100%
 - b) Books other than those covered in (a) 20%
- Electricity Machinery (*) 15%

Machinery includes:-

- Accounting Machines
- Air Conditioning machinery including Room A/C
- Building Contractor Machinery
- Calculating machines
- Electrical Machinery
- Switch gear & Instruments, Transformers, Stationery Plant, Wiring, Fittings of Electric Light and Fans installations, Franking Machines, Office machinery Overhead cable & wires, Refrigeration, Plant containers
- Typewriters
- Weighing Machine
- Hydraulic Pumps, Pipelines and Sluices
- Electrical Equipment and Motors
- Wireless apparatus
- Electric Equipment

7. Employees' Retirement and other benefits

- i) Gratuity, Leave Encashment are accounted for on basis rules stipulated in FRs and SRs.
- ii) Interest recoverable from employees on advances such as House Building advance. Car advance, Scooter advance etc. is accounted for in the year of recovery.

8. Insurance Claims

Insurance claims are accounted for "as and when settled"

9. Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Assets acquired against foreign currency payments are capitalised at the amount actually paid on their import.

10. Accounts

Accounts are a tool in the hand of management. It represents a true and fair view of the achievements for planning in future. It is system for decision making economic activities. It deals with identification of economic phenomena and analysis, selection, measurement evaluation, verification and communication of data in the form of costs and benefits. While serving as a basis for external reporting, accounting system takes into account the requirements of various statutes, instructions of BOG, policies of the organizations. It serves the planning and control activities and resources in the economic process.

Accounting communicates and interprets the resulting information to all who are using the accounts. One of the reasons for preparing the classified statements (e.g. dividing assets, liabilities, income, expenditure etc.) is to facilitate the meaningful analysis of the statements.

The NIFT is an Autonomous Body under Ministry of Textile, Government of India. It has emerged as a premier Institute of Design, Management and Technology developing professionals in Fashion Business education through a network of Fifteen Centres at:-

New Delhi, Bangalore, Mumbai, Gandhi Nagar, Chennai, Hyderabad, Kolkata, Rae Bareilly, Patna, Shillong, Kannur, Kangra, Jodhpur, Bhopal and Bhuvneshwar

Being a non-profit making organization the following yearly financial statements are prepared to ascertain its financial status.

- 1 Trial Balance
- 2 Receipts and payments accounts
- 3 Income and expenditure accounts
- 4 Balance sheet regarding assets and liabilities of the organization
- 5 Accounts notes with various schedules prepared with each account.

10.1. Fixed Assets:-

All items of fixed assets under Head Office and units such as Buildings (residential and non-residential), Plant & machinery, Furniture and fittings, Office Equipments, class Room Equipments, Vehicles, Electrical substation and overhead lines, Capital works in progress, Equipment in transit, Equipment in Stores and Advances against purchase of Capital Equipment are included under this head.

10.2. Liabilities:-

For the purpose of assessment of liability at the end of the year, separate liability statements based on the bills in hand in the Purchase Department as also in the Finance & Accounts Department are prepared and liability for the goods received during the year is created by debit to 'Stock of Stores' in the year's account. This liability provision is reversed at the beginning of the subsequent year reversing the position and bringing the payments and account to stock on the basis of payments released during the subsequent year.

11. Capital and Revenue Accounts

11.1 Capital expenditure:-

Expenditure incurred with the object of acquiring concrete assets of a permanent nature/character (for use in the department and not for the sale in the ordinary course of business) or enhancing the utility of existing assets, or of reducing recurring liabilities, shall broadly be defined as Capital expenditure.

It is not essential that the concrete assets should be productive or that they should even be revenue producing. A productive asset may be considered as one which produces sufficient revenue to afford a surplus over all charges relevant to its functioning.

It is inherent in the definition of capital expenditure that the assets produced should belong to the authority incurring the expenditure. Expenditure by Government on grants-in-aid to institutions for the purpose of constructing assets which will belong to local bodies or institutions cannot legitimately be considered as capital expenditure.

Expenditure on a temporary asset cannot ordinarily be considered as expenditure of capital nature.

When it has been decided that the expenditure on a scheme for creation of a new or additional asset shall be classed as 'Capital' the following principles are applicable to the treatment of expenditure in the accounts:-

- (a) Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of work while yet open for service and bears all charges for such further additions and improvements as may be sanctioned under the rules.
- (b) In the case of works of renewal and improvements which partake both of capital and revenue nature, it is impracticable to draw a hard and fast line between what is properly debitable to capital or revenue. Allocation in such cases is made by detailed rules and formulae devised by the executive authorities, which are applied in estimates and accounts to determine the allocation of expenditure between capital & revenue. These rules must necessarily be based upon some general principle of sound finance aimed at an equitable distribution of burdens between present and future generations.
- (c) The charges of interest on money borrowed to finance the construction of a new project before the project becomes revenue earning, to capital is justified only when there would be undue disturbance in the budgetary position by taking interest to revenue.

Revenue Accounts:- Subsequent charges on maintenance, repair, upkeep and working expenses which are required to maintain the assets in a running order as also all other expenses, shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately. Expenditure on a temporary asset cannot ordinarily be considered as a capital expenditure and shall not be debited to a Capital Head. Capital expenditure is generally met from receipt of capital nature, as distinguished from ordinary revenue from taxes, duties fees and fines unless there are sufficient revenue resources to cover this liability and expressly authorized by general or special orders to be classed as Capital expenditure.

Principles governing the allocation of expenditure between Capital and Revenue are elaborated in GFRs.

The Head of Account to which such moneys shall be credited and withdrawn therefrom shall be governed by the relevant provisions Rules or such other general or special orders as may be issued in this behalf.

Rule 9 of General Financial Rules stipulates that the Department concerned shall ensure that the receipts and dues are correctly and promptly assessed, collected and duly credited.

Rule 210 GFR provides that Institutions or Organisations receiving grants should, irrespective of the amount involved, be required to maintain subsidiary accounts of the Government grant and furnish a set of audited statement of accounts. These audited statements of accounts should be required to be furnished after utilization of the grants-in-aid or whenever called for. The utilization Certificate should be submitted within twelve months of the closure of the financial year. 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 respect of Central Autonomous Organisations, the Utilization Certificate shall disclose separately the actual expenditure incurred and the Loans and Advances given to suppliers of stores and assets, to constructions 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 amount carried forward shall be taken into account

The Controlling Officer shall arrange to obtain from his subordinate officers monthly accounts and returns in suitable form claiming credit for the amount paid into the bank or otherwise accounted for, and compare them with the statements of credits furnished to see that the amount reported as collected have been duly credited. Departmental regulation, should provide for the maintenance of a proper account of the receipt and issue of receipt books, the number of receipt books (NIFT has a system of Computerized Receipt Books) to be issued at a time to each officer and a check with the officer's accounts of the used books when returned. The receipt books as well as counterfoil must be kept under lock and key in the personal custody of the officer authorized to sign the receipt.

The main sources of income to the Institute is from tuition fees collected from the students, Continuing Education Programmes and projects undertaken by the NIFT to serve the society, grants received from the Government of India and respective State Government.

Amount due shall not be left outstanding, where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for adjustment.

The capital grants are received from the Central Government to create the necessary academic infrastructure and building. The utilization certificate for which is sent to the Ministry after the end of each financial year.

Each transaction either Receipt or Payment has to be recorded in the set of books of accounts to arrive at how far the objectives of the organization have been achieved and how the financial status is represented.

12. Records relating to Receipts:

1. Application-form fee
2. Receipts from students- Tuition fee
3. Receipts from Projects, CE Programme
4. Library fee
5. Sale of Tender forms
6. Hostel students' fee

7. Activity fee
8. Misc. Receipts- from library fines, scrap sales etc. (if borrowed books are not returned on time, fines will be charged as Rs. 5/- per day for the first three days and Rs.10/- per day thereafter).
9. Re-exam fee (a fee of Rs. 1000/- per subject will be applicable for re-examination.
10. Interest income from investments
11. License fee from leased accommodations
12. Guest house charges.

13. Accounting of Tuition fee

The students who join in the regular courses of NIFT have to pay their tuition fees along with other fees. The admission of students for 1st semester is done centrally by NIFT Head Office and the tuition fee is payable to NIFT Head Office. The fee will be credited in the bank by head office to the respective Centres after allotting the students to that Centre and after deducting administrative fees of Head Office. Each center is to maintain the students' tuition fee register. The subsequent semester fee is collected at the respective center. Tuition fee collected has to be reconciled with reference to the number of students on rolls for each semester. The students who have been admitted to their courses may be permitted to withdraw their candidature after forfeiting their tuition fees as prescribed in the Student Rule Book.

For NRI students the valid exchange rate for paying in Indian rupees would be the rate of US\$ as on 1st June of the year in which the fees is paid. This policy should be strictly followed by admission department as well as Centres collecting fees from NRI candidates.

Fee received at the time admission in CE Programme should be taken as per guideline stipulated in the prospectus. In no case fee should be taken in installments either in regular programme or in CE Programme.

In case any student delays remitting fee the semester late fee should be charged and in no case late fees should be waived.

In case of any student on temporary transfer from one centre to another centre fee for the same should be paid in the original centre only. In no case fee of a student on temporary transferred should be received by the centre in which he is on transfer.

13.1 FEE RECONCILIATION AT HEAD OFFICE

First time fee receipt at HO at the time of admission of new students, the fee is transferred to different Centres after deducting fee refunded to candidates who had withdrawn their candidature and retaining HO share of 20%. **As per prospectus fee refund schedule is as below. (Tuition fee received from Indian students & NRI students)**

- 1 50% of tuition fee + security deposit (refundable) will be refunded to the candidates, who withdraw their candidature on or before 30th June, 2007.
- 2 Only security deposit will be refunded to the candidates who withdraw their candidature after 30th June,2007.

After refund of the fee, balance fee is to be transferred to fee forfeited account to have a clear picture of fee received and remitted to different

Centres. Following journal entries will be passed by NIFT HO while refunding the fee to student

Tuition fee account Dr _____

Security deposit account Dr _____

To forfeit account Cr _____

To Bank account Cr _____

Narration

(Being refund of fee as per approval and balance fee transferred to fee forfeit account) Fee forfeit account is an income which comes under the main head miscellaneous receipt.

All the Centres will treat this HO share as expenditure under the Head Academic expenditure and HO will treat this as income because this is to be accounted for by the Centre on gross not on net basis. The following entries will be passed by at HO.

Tuition fee account Dr _____

Security fee account Dr _____

To HO share account _____

Bank account Cr at Centres _____

Tuition Fee to be accounted for at Centres as per following entry.

Bank Account _____

HO share (Academic expenditure) _____

To Tuition Fee _____

To Security deposit _____

Centre has to reconcile the fee from HO immediately after receipt of the fee from HO on the basis of statement enclosed that the fee remitted. Any discrepancy arises may be communicated to HO immediately to avoid complications.

13.2 Receipts from Project

The NIFT Centres are undertaking various projects as their project policies. At present, NIFT centers charges 15% of the total cost as their administrative fees for implementation of the project. If the project is undertaken directly from the Government, the administrative fee charged is 7.5% of the total cost of project. The income from each project is credited to their respective projects. The direct expenses relating to the project are charged directly against project income. The balance income is distributed according to project policy.

Hostel students' fee

NIFT is providing hostel to the students for girls only. The students staying have to pay their hostel fee in advance which comprises of:-

- Hostel fee;
- Refundable Security
- Electricity charges;
- Mess charges and
- Service charges.

The mess charges are collected per semester from the students and unutilized portion of the mess charges are refundable to them or carried forward to the next semester.

Refund of Hostel Fees:

The hostel and bus fee once paid will not be refunded except for the amount paid as refundable security. In special circumstances whether students has to leave because disciplinary action special approval of the Competent Authority may be taken to refund the fees. A formal application may be made to the hostel warden alongwith a NO Dues Form duly signed by the respective authority. The depositor's copy of the original challan has to be produced for the refund.

13.4 Other income

Fines - late fee, short attendance, for library books, etc are collected from the students and credited to this head. Before the end of the semester the course coordinators have to forward the list of students who defaulted in their attendance to collect the fines. They also recommend the amount of fine to be charged from the students. Receipts are issued from the Accounts Department accordingly.

Other income and collections are assessment fee; re-evaluation fee; students' development fee. For re-evaluation a fee of Rs. 100/- per subject shall be charged, and for the procedure of Re-assessment a fee of Rs. 1000/- per subject shall be charged.

Misc Charges relating to Academic Affairs Department:-

S.No	Service profile	Charges (Rs.)
1	Duplicate Diploma Certificate/Award Certificate on loss with production of affidavit	1000
2	Duplicate Mark Sheets with detailed subjects and marks (Transcripts) per copy	250
3	Re-examination/ Re-assessment fee (per subject)	1000
4	Re-evaluation (per subject)	100
5	Re-admission/ Re-registration fee (for each absenting semester)	5000
6	Late fee fine (per day)	100
7	Issue of duplicate Identity Card	250

13.5 Resource Centre fee

The Resource Centre is the nodal centre for information at NIFT. It also provides information services to design community, industry and entrepreneurs on payment of fees. The most significant collection of any Resource Centre of NIFT is the print collection of books covering the educational programmes and related areas of

studies. The Resource Centre subscribe to leading international and national fashion journals and fashion forecast services. The Resource Centres fees comprise of Annual fee, Fashion forecast fee, fines, miscellaneous receipts from book lists, damages collected for the books mutilated/ damaged.

Students are required to pay security deposit and RC fee along with tuition fee for membership of the Resource Centre.

One book can be borrowed at a time for one week only. Books which are out on loan can be reserved with the circulation desk.

If a borrowed book is not returned on time, overdue fines will be charged as follows:

Rs. 5.00 per day for the first 3 days.

Rs. 10.00 per day thereafter.

A consolidated receipt is prepared by Account Department periodically for the money collected from Resource Centre under these heads at the time of money handed over to cashier.

13.6 Sale of Application

The applications are sold at Centres and a Bank of NIFT.

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

Amount of turnover (in Rs.)	Rounded 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

14. Accounting treatment of Security Deposit received from students and other parties

Security deposits received from the students and other parties.

Security deposits received from the students are under the following Heads:

- From the students at the time of admission
- Library Security
- Hostel Security

Generally, Security deposits received should be kept as liability in the accounts and should be refunded to the students/parties after getting no dues certificate from all concerned. But recently it has been observed that certain Centres have taken security deposit as income without approval of the Competent Authority.

In view of above, it has been decided that henceforth deposit should be shown as liability by the Institute and name wise list of all students/ parties from whom security deposit received should be attached with the final account for amount balance as on 31st March. If any claim from students/parties comes within a period of six months in case of students from date of permanent relieve from the Institute or quitting the Institute & in others after three years the security amount may be released from liability after ensuring No Dues from all concerned. After expiry of the above period, the security deposit appearing as liability in the books of accounts may be reversed in the books of accounts and should be treated as income and put under the head income from unclaimed security deposit. No Centre is authorized to treat this security deposit as their income before the due date.

Above Policy is effective from the financial year 2004-05.

A provision to this effect should henceforth also be made in all the relevant documents dealing with the subject.

In case of NRI/ Foreign National category students, the security deposit which is refundable in case of withdrawal / completion of course will be US\$ 500 or equivalent Indian Rupees.

15. Fee Subsidy adjustment for NIFT Students.

Ref: Minutes of the BOG Meeting held in April 2008; and

letter No. 1122(2)/NIFT/HO/F&A/Scholarship/08 dt.17/10/08 & 29/10/08

issued vide letter no1122(2)/NIFT IHO/F &A/Scholarship/08 dated 23rd January, 2009

In continuation of Circulars under reference, following policy as approved by the Director General, NIFT may be adopted for strict implementation of the fee subsidy system:

- i) The fee subsidy form should be reviewed every year on the basis of fresh application and all the requisite documents as required under the designated form.
- ii) The fee subsidy approved by the Centre Director on the recommendation of the duly designated Committee is valid only for one year consisting of two semesters.
- iii) The amount to be refunded to the students approved for fee subsidy may not be refunded in cash. The same should be adjusted in the next semester.
- iv) In case even after the adjustment of the refund amount in the next semester, any amount is still to be refunded, it should be refunded during the last semester of the year before the closure of the financial year i.e. 31st March, and in no case should be carried over to the next financial year/ academic year.
- v) Students who have already been selected by the Centre Director for disbursement of subsidy in a particular year may not automatically qualify for the subsidy in the next year starting in July. All such students will have to apply afresh alongwith the income statement of their parents and other supporting documents as required under the form which will be examined by the designated Committee of the Centre and finally approved by the Centre Director.

- vi) In case of any dispute/discrepancy arising after the decision has been taken by the Centre Director, students may appeal for reconsideration of their cases to DG NIFT. However, all such cases should be routed through Centre Director alongwith their recommendations. The decision of the DG NIFT will be final and binding.
- vii) Proper accounting entry should be ensured so that accounting of fee and fee subsidy are reflected in the accounts separately.

REVISION OF FEES FOR REGULAR STUDENTS OF NIFT. And subsidy to the poor student APPROVED VIDE AGENDA ITEM NO.0406 OF BOG MEETING HELD ON 24.04.2008

Taking note of the fact that the fee charged by the NIFT is low as compared to Srishti School of Art & Design, Bangalore and Pearl Academy etc, the Board approved the revision in fees from the current Rs.27,500/-per semester to Rs.40,000/- per semester for all the students and cross subsidise all poor students as follows:

S.No.	Parental Income	Subsidy
1.	Upto 1 lakh	75%
2.	Between 1 lakh to 2 lakh	50%
3	Upto 3 lakh	25%

- ii) Approved by FC meeting held on 20.2.2009 vide agenda item 0616 and ratified by BOG held on 8/6/09 agenda item no. 0621

Sub: Subsidy to the students

The Finance Committee carefully considered the recommendations of the Executive Council Meeting and approved the total subsidy available to the student shall be restricted to the duration of the course and no student shall be eligible for subsidy for a period more than the duration of course i.e. 2 years and 4 years for Post Graduation and under Graduation.

- iii) BOG Decision regarding further increase in tuition fee charged from students: Applicable from batch-2011-12 vide agenda item no.1207 in BOG meeting held on 26.11.2010.

The BOG has approved the revision in fees from the Academic year 2011-12 from Rs.80,000/-per annum to Rs.1,00,000/- per annum for the General students and from Rs.3,30,000/- per annum to Rs.3,80,000/- per annum for the NRI students.

16. ACCOUNTING FORMATS:-

Parliamentary Committee in its sixtieth report laid in the Rajya Sabha, had recommended that an Expert Committee be set up to provide a uniform Accounting formats for the Autonomous Bodies. Accordingly the committee recommended that all the autonomous organization should follow one common format for its accounting and presentation of accounting information.

The Committee recommended that Financial Statements for the Central autonomous Organisation be prepared and presented in the formats and in the manner as given below : (applicable from 1-04-2001)

- i) Trail Balance
- ii) Balance Sheet
- iii) Income and Expenditure Account
- iv) Schedules to the above Financial Statements
- v) Statement of Receipts and Payments

Standard Format of Trial Balance

Particulars	Particulars	Amount Current Year	Amount Previous Year
CAPITAL ACCOUNT	NIFT DEVELOPMENT FUND ACTIVITY FEE FUND DEPTT DEVELOPMENT FUND 5% DONATION IN KIND GRANT CAPITALISED GRANT IN AID-PLAN		
LOAN (LIABILITY)	LOAN FROM ICICI		
CURRENT LIABILITIES	PYABLE ACCOUNT PROJ & WORKSHOP-WIP SECURITY RECEIVED Security Received from student - Hostel - Academic - Resource Centre - Other Security Received from Suppliers - EMD - Performance Security - Retention Money - Other Security Received from others - EMD - Performance Security - Retention Money - Other Provisions PROVISION FOR PROJECT PROVISION FOR BUILDING WIP PROVISION FOR CAPITAL EXP PROVISION FOR EXPENSES PROVISION FOR EXP- STAFF PROVISION FOR GRATUITY PROVISION FOR LEAVE SALARY CONT. PROVISION FOR PENSION CONT. PROVISION FOR STATUTORY FEE		
SUNDRY CREDITORS	C P FUND A/C NIFT EARNEST MONEY EDUCATIONAL LOAN-SBI (A SHASTRI) G P FUND A/C NIFT PENSION FUND RETENTION MONEY STALE CHEQUES		
FIXED ASSETS	BUILDING WIP CAPITAL EXPENDITURE AC, AV WATER COOLER BOOKS		

Particulars	Particulars	Amount Current Year	Amount Previous Year
	BUILDING RESIDENTIAL		
	CLASS ROOM EQUIPMENT		
	COMPUTER FOR CENTRES		
	COMPUTER HARDWARE & ACCESSORIES		
	COMPUTER PROJ -OTHER ASSET		
	COMPUTER-SOFTWARE		
	D G SET		
	FURNITURE & FIXTURES-COMPUTERS		
	FURNITURE FIXTURES & FITTING		
	HOSTEL EQUIPMENTS		
	INTERIOR WORK		
	LAND		
	OFFICE EQUIPMENT		
	OTHER ASSETS		
	OTHER EQUIPMENT		
	PHASE I		
	PHASE II		
	RESOURCE CENTRE COLLECTION		
	VEHICLES		
INVESTMENTS			
	U T I 1964		
	UTI CTR 1981		
	UTI UNIT GROWTH		
CURRENT ASSETS			
	AMOUNT RECOVERABLE		
	FIXED DEPOSITS		
	NEW NIFT		
	ADVANCE TO CONTRACTORS-NEW NIFT		
	NIFT BENGALUR U		
	NIFT BHOPAL		
	NIFT BHUBANESHWAR		
	NIFT CHENNAI		
	NIFT GANDHINAGAR		
	NIFT HYDERABAD		
	NIFT JODHPUR		
	NIFT KANGRA		
	NIFT KANNUR		
	NIFT KOLKATA		
	NIFT MUMBAI		
	NIFT NEW DELHI		
	NIFT PATNA		
	NIFT RAEBARELI		
	NIFT SHILLONG		
	OTHER CURRENT ASSETS		
	INTEREST ACCRUED FD SWEEP A./C		
	INTEREST ACCRUED NDF A/C		
	INTEREST ACCRUED NIFT SHOP A/C		
	MARGIN MONEY		
	NIFT SHOP (CLOSING BAL)		
	NIFT SHOP PROJ 210 (210)		
	SECURITY PAID		
	Security paid for Hall booking		
	Security paid for supply of petrol		
	Others Security paid		

Particulars	Particulars	Amount Current Year	Amount Previous Year
	Loans & Advances (Asset)		
	ADVANCE TO CONTRACTORS- NIFT		
	IMPEREST		
	OTHER ADVANCE		
	ADVANCE RENT		
	COMPUTER ADVANCE		
	FESTIVAL ADVANCE		
	HOUSE BUILDING ADVANCE		
	MOTOR CAR ADVANCE		
	SCOOTER ADVANCE		
	CPF ADVANCE		
	GPF ADVANCE		
	PROJECT ADVANCES		
	STAFF ADVANCE NEW NIFT		
	STAFF ADVANCE BENGALURU		
	STAFF ADVANCE BHOPAL		
	STAFF ADVANCE BHUBANESHWAR		
	STAFF ADVANCE CHENNAI		
	STAFF ADVANCE GANDHINAGAR		
	STAFF ADVANCE HYDERABAD		
	STAFF ADVANCE JODHPUR		
	STAFF ADVANCE KANGRA		
	STAFF ADVANCE KANNUR		
	STAFF ADVANCE KOLKATA		
	STAFF ADVANCE MUMBAI		
	STAFF ADVANCE NEW DELHI		
	STAFF ADVANCE PATNA		
	STAFF ADVANCE RAEBARELI		
	STAFF ADVANCE SHILLONG		
	STAFF ADVANCES		
	STUDENT ADVANCE		
	CPWD-DEPOSIT WORK		
	Cash-in-hand Bank		
	Accounts PREPAID		
	EXPENSES		
SUSPENSE A/C			
	EMBEZZLEMENT		
INDIRECT INCOMES			
MISC. RECEIPTS			
	Misc. Receipts		
	Income from Guest House		
	Advt. - Fashion & Beyond		
	Subscription received		
	Maintenance charges (Against use of NIFT Premises)		
	Royalty		
	Insurance Claim received		
	Sales of Scrap		
	Profit from sale of Assets		
	Sale of Tender Forms		
	Charges from students - Color photocopier, Computer, Printout, etc.		

Particulars	Particulars	Amount Current Year	Amount Previous Year
	Liquidated Damages		
	License Fee - Leased Accommodation		
	Recovery of use of Office car		
	Recovery for Cell Phones		
	Other receipts		
	Prior period income		
INTEREST			
	Advances - HBA, Motor Vehicles, Computer, Loan to Staff		
	Bank		
	Other Investments		
GRANT			
	Non-Plan		
	EMD-BG Fund State		
	Govt. Grant Endowment		
	Fund-NDF Donations & Others		
REGULAR PROGRAMME			
	TUITION FEE		
	FEE FORFIETURE ACCOUNT		
	RE-EXAM FEE		
	STUDENT DEVELOPMENT FEE		
	INSURANCE FEE		
	RE-EVALUATION FEE		
	LATE FEE		
	RE-ADMISSION		
	REGISTRATION		
	FINES MISC.		
ADMISSION RELATED			
	APPLICATION FORM FEE		
	EXAM. FEE		
	SALE OF PROSPECTUS		
RESOURCE CENTRE			
	ANNUAL FEE		
	FASHION FOR ECAST FEE, FINES, MISC. RECEIPTS, (BOOK LIST, SALE OF COLOR CHIPS, DAMAGES COLLECTED)		
HOSTEL INCOME			
	HOSTEL FEE		
	SECURITY - NON REFUNDABLE		
	MESS FEE		
	TRANSPORTATION FEES		
	FINE		
	ELECTRICITY		
	TELEPHONE		
	MISC. FEE		
	SERVICE CHARGES		
	INTERNET		
CE PROGRAMME RECEIPT			
	TUITION FEE		
	LATE FEE		
	FINES		
	MISC.		

Particulars	Particulars	Amount Current Year	Amount Previous Year
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PROJ & WSHOP (R)

PROJECT ADMN CHARGES 10%
 PROJECT ADMN. CHARGES 7.5%
 PROJECT SHARE 35%
 PROJECT SHARE 65%
 DDF INCOME
PRIOR PERIOD INCOME

**Indirect Expenses
 ACADEMIC EXPENSES**

a) Departmental Expenditures

Class Room Expenses
 TA/DA other Centre faculty
 Jury Expenses
 Final Diploma / Graduation Show/Presentation limited to 2 lacs
 Deptt. Meets (Industry, Advisory, Curricular Dev.
 Meeting, Review Meeting)
 Field Study

Display and Exhibition
 Guest Faculty
 Craft Documentation

b) COMMON EXPENSES

Printing & Publication
 Student Welfare - (Zero Hour & others)
 Students Insurance
 R & M - Equipment including Computers
 Convocation
 Orientation Programme
 Faculty Conclave
 Alumni Meet, alumni co-ordinator
 Scholarships
 TA/DA of faculty
 Examination & Evaluation Exp. Through EAC
 Sub Committee Exp. (LASC CASC etc.)
 Postage & Telegram
 Membership fee
 Placement/ Internship expenses - RIC
 Foreign visit expenses
 Training & development
 Expenses on Certificate, Awards & Trophies - Head
 Office
 Expenditures on Foreign Faculties - TA. DSA, etc.
 Promotional Exp. (Centre Events/seminars / Workshops)
 Internet Fee
 Misc.

c) ADMISSION EXPENSES

Advertisement
 Exam Centre Booking Expenses
 Payment to Agency
 Jury Expenses
 Postage & Telegram

Particulars	Particulars	Amount Current Year	Amount Previous Year
	Printing & Stationery		
	Travel Expenditures		
	Invigilation Fees		
	Misc. expenses		
	Promotion - Careers, Fairs, etc.		
	d) RESOURCE CENTRE Expenses		
	Audio-visual Materials		
	Periodicals & Magazines		
	TA/DA		
	Misc. Expenses- Binding, Printing & Stationery,		
	Brochures, slides, IT Consumables, etc.		
	Training/ Seminar		
	e) HOSTEL DEPT. Expenses		
	Hostel - Rent		
	Hiring charges of Furnitures / Fixtures		
	Electricity		
	Water		
	Bus		
	Salary - Hostel Staff		
	Telephone		
	Cable Connection		
	Newspaper/ Periodicals		
	Mess Charges		
	Notional rent (where ever permanent campus exist and accommodated in our Building)		
	Housekeeping, Security exp. Insurance, property tax (to be apportioned)		
	R & M of Hostel equipment / furniture		
	Misc. expenses		
	f) CE PROGRAMMES FOR EACH CE PROGRAMME		
	Advt. / Promotion		
	Printing & Publication		
	Guest Faculty - Internal		
	Guest Faculty - External		
	Curriculum / course Dev. Expenses		
	Co-Ordination charges		
	Documentation Charges		
	TA/DA		
	Industrial Visit charges		
	Class Room Expenses (Muslin, Pattern Making Paper, etc.)		
	Examination related expenses		
	Inaugural / Valedictory expenses		
	Hiring charges - Hall, Equipment, etc.		
	Course support Materials		
	CE Programmes - Common expenses		
	Support Staff expenses		
	Misc. & contingent expenses		
PROJECTS EXPENSES	15% NIFT Administrative Charges		
	Consumables		
	TA/DA expenses		
	Guest Faculty, Experts fee, Designer, etc.		
	Guest Faculty - NIFT		

Particulars	Particulars	Amount Current Year	Amount Previous Year
	Display, Seminar, Exhibition etc.		
	Other Direct expenses		
	Inauguration / Valedictory expenses		
	Hospitality		
	Printing, Documentation & Publication		
	Consultancy for faculty & Staff		
	NIFT Share		

ADMINISTRATIVE EXPENSES

ADVERTISEMENT

- Audit Expenses - Internal & Statutory & CAG
- Internal / Statutory & CAG FEE
- Bank Charges
- Interest on Loan
- BOG, Sub- Committee & Standing Committee exp.
- Hospitality
- Hindi expenses
- Legal & Professional charges
- Local Conveyance
- Postage & Telegram
- Printing & Stationery
- R & M - other than Class Room Equipments/ Furniture
- Running & Maintenance of Vehicles
- Vehicle Insurance
- Telephone charges office
- Travel - India
- Travel Abroad Hiring of Vehicle House
- Keeping exp. Horticulture exp. Liveries
- Prior Period Expenses
- Pre-paid expenses
- Loss from sale of Asset

Guest House expenses

- Repair & Maintenance
- Electricity & Water
- Security

Depreciation

- Building
- Plant & Machinery
- Office Equipment
- Class Room & Lab Equipment
- Computers
- DG Set
- ETC..

Insurance

- Cash & Fidelity
- Equipment
- Vehicle
- Stores
- Furniture & Fittings

Misc.

BUILDING SECTION

- Electricity charges
- Water charges

Particulars	Particulars	Amount Current Year	Amount Previous Year
-------------	-------------	---------------------------	----------------------------

Property tax
 Local Authority Payments
 Building - Insurance
 R & M - Canteen expenses
 R & M - Building
 R & M - Furniture
 R & M - DG Set
 R & M - Equipment A/c., Cooler, fan, fire alarm,
 solar hot water system, Lifts, PA systems
 P.O.L. Exp. (Fuel)
 Misc. Expenses

ESTABLISHMENT EXPENSES

Basic Pay / Grade Pay
 Dearness Pay
 Dearness Allowance HRA
 TA/DA
 Transfer Traveling Allowances (CTG, Transfer, TA, etc.,
 Consolidated Salary
 CPF - Administrative charges
 EDLI Premium
 Bonus
 Gratuity
 Honorarium/ Incentives
 Leave Salary & Pension contribution
 LTC
 Medical expenses / Medical Insurance
 Employer's contribution (CPF + Family Pension)
 OTA
 Reimbursement of Newspaper & Magazine expenses
 House incentive
 Reimbursement of Children Tuition Fee (Limited to 2)
 Staff Welfare
 Reimbursement of Telephone - Residence
 Transport Allowance
 Cash handling allowance
 Washing allowances
 Special Pay
 Hardship Allowance
 Hill Area Allowance

**FORM OF
FINANCIAL STATEMENTS
FOR THE
CENTRAL AUTONOMOUS BODIES
(NON-PROFIT ORGANISATION AND SIMILAR INSTITUTIONS)**

BALANCE SHEET
FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATION)

Name of Entity _____

BALANCE SHEET AS AT _____

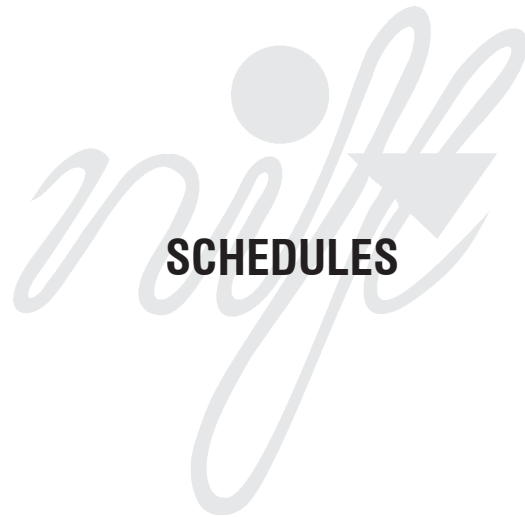
CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND	1	.....	.....
RESERVES AND SURPLUS	2	.....	.....
EARMARKED/ENDOWMENT FUNDS	3	.....	.....
SECURED LOANS AND BORROWINGS	4	.....	.....
UNSECURED LOANS AND BORROWINGS	5	.....	.....
DEFERRED CREDIT LIABILITIES	6	.....	.....
CURRENT LIABILITIES AND PROVISIONS	7	.....	.....
Total			
ASSETS			
FIXED ASSETS	8	.....	.....
INVESTMETNS-FROM EARMARKED/ENDOWMENT FUNDS	9	.....	.....
INVESTMETNS-OTHERS	10	.....	.....
CURRENT ASSETS, LOANS, ADVANCES ETC. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	11	.....	.....
Total			
SIGNIFICANT ACCOUNTING POLICIES	24	.....	.....
CONTIGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

INCOME & EXPENDITURE ACCOUNT
FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/YEAR ENDED

INCOME	Schedule	Current Year	Previous Year
Income from Sales/services	12	.....	.....
Grants/subsidies	13	.....	.....
Fees/subscriptions	14	.....	.....
Income from Investments(Income on Invest earmarked/endow. Funds transferred to Funds)	15	.....	.....
Income from Royalty, Publication etc.	16	.....	.....
Interest Earned	17	.....	.....
Other Income	18	.....	.....
Increase/(decrease) in stock of finished and works-in-progress	19		
Total (A)			
EXPENDITURE			
Establishment Expenses	20	.....	.....
Other Administrative Expenses etc.	21	.....	.....
Expenditure on Grants, Subsidies etc.	22	.....	.....
Interest	23	.....	.....
Depreciation (Net total at the year-end - corresponding to schedule 8)			
Total (B)		.....	.....
Balance being excess of Income over Expenditure (A_B)			
Transfer to Special Reserve (specify each) DDF etc.		.....	.....
Add: Prior Period Income		.....	.....
Less: Prior Period Expenditure			
Transfer to/from General Reserve			
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND		.....	.....
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		



SCHEDULES

SCHEDULES

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE 1-CORPUS/CAPITAL FUND:	Current Year		Previous Year	
Balance as at the beginning of the year				
Add: Contributions towards Corpus/Capital Fund				
Less: Utilised during the year				
Add/(Deduct): Balance of net income / (expenditure) transferred from the Income and Expenditure Account				
BALANCE AS AT THE YEAR-END				

SCHEDULE 2-RESERVES AND SURPLUS:	Current Year		Previous Year	
1. Capital Reserve:	
As per last Account
Addition during the year	(.....)		(.....)	
Less: Deduction during the year				
2. Revaluation Reserve:	
As per last Account
Addition during the year	(.....)		(.....)	
Less: Deduction during the year				
3. Special Reserves:	
As per last account
Addition during the year	(.....)		(.....)	
Less: Deduction during the year				
4. General Reserve:	
As per last Account
Addition during the year	(.....)		(.....)	
Less: Deduction during the year				
5. Grants:	
As per last Account
Addition during the year	(.....)		(.....)	
Less: Deduction (Capitalised) during the year				
TOTAL	

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS	FUND-WISE BREAK UP				TOTALS	
	Fund AFF	Fund AFF	Fund DDF	Fund ETC.	Current Year	Previous Year
a) Opening balance of the funds
b) Additions to the Funds:						
i) Donations/grants
ii) Income from investments made on account of funds
iii) Other additions (specify nature)
TOTAL (a+b)
c) Utilisation/Expenditure towards objectives of funds						
i. Capital Expenditure
- Fixed Assets
- Others
Total
ii. Revenue Expenditure
- Salaries, Wages and allowances etc.
- Rent
- Other administrative expenses
Total
TOTAL (C)
NET BALANCE AS AT THE YEAR-END (a+b-c)

Notes :-

- 1) Disclosures shall be made under relevant heads based on conditions attaching to the grants
- 2) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE 4-SECURED LOANS AND BORROWINGS	Current Year		Previous Year	
1. Central Government	
2. State Government (Specify)	
3. Financial Institutions	
a) Term Loans	
b) Interest accrued and due	
4. Banks:	
a) Term Loans	
- Interest accrued and due	
b) Other Loans (specify)	
- Interest accrued and due	
5. Other Institutions and Agencies	
6. Debentures and Bonds	
7. Others (Specify)				
TOTAL	

Note:

Amounts due within one year

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

	Current Year	Previous Year
SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS		
1. Central Government
2. State Government (Specify)
3. Financial Institutions
4. Banks:
a) Term Loans
b) Other Loans (specify)
5. Other Institutions and Agencies
6. Debentures and Bonds
7. Fixed Deposits
8. Others (specify)
TOTAL

Note:

Amounts due within one year

	Current Year	Previous Year
SCHEDULE 6 - DEFERRED CREDIT LIABILITIES:		
a) Acceptances secured by hypothecation of capital equipment and other assets		
b) Others		
TOTAL		

Note :

Amounts due within one year

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE 7-CURRENT LIABILITIES & PROVISIONS	Current Year		Previous Year	
A. CURRENT LIABILITIES	
1. Acceptances
2. Sundry Creditors	
a) For Goods				
b) Others	
3. Advances Received	
4. Interest accrued but not due on:				
a) Secured Loans/borrowings				
b) Unsecured Loans/borrowings	
	
5. Statutory Liabilities:				
a) Overdue		
b) Others		
6. Other current Liabilities		
		
TOTAL		
B. PROVISIONS				
1. For taxation		
2. Gratuity		
3. Superannuation/Pension		
4. accumulated Leave Encashment		
5. Trade Warranties/claims		
6. Others (specify)		
TOTAL (B)		
TOTAL (A+B)				

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
 SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____ (Amount - Rs.)

SCHEDULE 8-FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at beginning of the year	Additions during the year	Deductions during the year	Cost/ valuation at the year-end	As at the beginning of the year	On additions during the year	On Deduction during the year	Total up to the Year-end	As at the Current year-end	As at the Previous year-end
A. FIXED ASSETS										
1. LAND										
a) Freehold	(.....)
b) Leasehold	(.....)
2. BUILDINGS:										
a) On freehold land	(.....)
b) On leasehold land	(.....)
c) Ownership flats/premises	(.....)
d) Superstructures on Land not belonging to the entity	(.....)
3. PLANT MACHINERY & EQUIPMENT	(.....)
4. VEHICLES	(.....)
5. FURNITURE, FIXTURE	(.....)
6. OFFICE EQUIPMENT	(.....)
7. COMPUTER/ PERIPHERALS	(.....)
8. ELECTRIC INSTALLATIONS	(.....)
9. LIBRARY BOOKS	(.....)
10. TUBEWELLS & W. SUPPLY	(.....)
11. OTHER FIXED ASSETS	(.....)
TOTAL OF CURRENT YEAR	(.....)
PREVIOUS YEAR	(.....)
B. CAPITAL WORK-IN-PROGRESS										
TOTAL										

Note : To be given as to cost of assets on hire purchase basis included above

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

	Current Year	Previous Year
SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ ENDOWMENT FUNDS		
1. In Government Securities
2. Other Approved Securities
3. Share
4. Debentures and Bonds
5. Subsidiaries and Joint Ventures
6. Others (to be specified)
TOTAL
SCHEDULE 10- INVESTMENT - OTHERS:		
1. In Government Securities
2. Other Approved Securities
3. Share
4. Debentures and Bonds
5. Subsidiaries and Joint Ventures
6. Others (to be specified)
TOTAL		

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE 11-CURRENT ASSETS, LOANS, ADVANCES ETC.	Current Year		Previous Year	
A. CURRENT ASSETS				
1. Inventories				
a) Stores and Spares	
b) Loose Tools
c) Stock-in-trade				
Finished Goods
Work-in-progress	
Raw Materials	
2. Sundry Debtors:				
a) Debts Outstanding for a period exceeding six months
b) Others	
3. Cash balances in hand (including cheques/drafts and imprest)	
4. Bank Balances:				
a) With Scheduled Banks:				
- On Current Accounts	
- On Deposit Accounts (includes margin money)
- On Savings Accounts	
b) With non-Scheduled Banks:				
- On Current Accounts	
- On Deposit Accounts	
- On Savings Accounts	
5. Post Office-Savings Account	
TOTAL (A)	
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans:				
a) Staff				
b) Other entities engaged in activities/objectives similar to that of the Entity	
c) Other (specify)
2. Advances and other amounts recoverable in cash or in kind or for value to be received:				
a. On Capital Account
b. Prepayments	
c. Others
3. Income Accrued:				
a. On Investments from Earmarked/endowment Funds	
b. On Investment - Others	
c. On Loans and Advances	
d. Others (includes income due unrealised - Rs.....)
4. Claims Receivable (Recoverable)
5. Inter Branch / Head Office A/c's
TOTAL (B)	
TOTAL (A+B)	

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

SCHEDULE 12 - INCOME FROM SALES/SERVICES (Projects)	Current Year	Previous Year
	
1) Income from Sales		
a) Sale of Finished Goods
b) Sale of Raw Material
c) Sale of Scraps
2) Income from Service		
a) Labour and Processing Charges
b) Professional/Consultancy Services (Projects)
c) Agency Commission and Brokerage
d) Maintenance Services (Equipment/Property)
e) Others (Specify)
TOTAL

SCHEDULE 13- GRANTS/SUBSIDIES: (Irrevocable Grants & Subsidies Received)	Current Year	Previous Year
	
1. Central Government
2. State Government (S)
3. Government Agencies
4. Institutions/welfare Bodies
5. International Organizations
6. Others (Specify)
TOTAL

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF BALANCE SHEET AS AT _____

(Amount - Rs.)

SCHEDULE 14 - FEES/SUBSCRIPTION	Current Year	Previous Year
	1) Entrance Fees
2) Annual Fees/Subscriptions
3) Seminar/Program Fees
4) Consultancy Fees
5) Others (Specify)
TOTAL

SCHEDULE 15 - INCOME FROM INVESTMENT (Income on Investment from Earmarked/endowment Funds transferred to Funds)	Investment from Earmarked Fund		Investment - Others	
	Current Year	Previous Year	Current Year	Previous Year
1) Interest:
a) On Govt. Securities
b) Other Bonds/Debentures
2) Dividends:
a) On shares
b) On Mutual Fund Securities
3) Rents
4) Others (Specify)
TOTAL
TRANSFERRED TO EARMARKED/ENDOWMENT FUNDS				

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATION ETC.	Current Year	Previous Year
	1. Income from Royalty 2. Income from Publications 3. Others (specify)	
TOTAL	.....	.....

SCHEDULE 17 - INTEREST EARNED	Current Year	Previous Year
	1) On Term Deposits: a) With Scheduled Banks b) With Non-Scheduled Banks c) With Institutions d) Others (Specify)
2) On Savings Accounts: a) With Scheduled Banks b) With Non-Scheduled Banks c) Post Office Savings Accounts d) Others (specify)	..... ..... ..... .....	..... ..... ..... .....
3) On Loans: a) Employees/Staff b) Others	..........	..........
4) Interest on Debtors and Other Receivables		
TOTAL		

Note -

Tax deducted at source to be indicated

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

SCHEDULE 18 - OTHER INCOME	Current Year	Previous Year
	1) Profit on Sale/disposal of Assets:
a) Owned assets
b) Assets acquired out of grants, or received free of cost
2) Export Incentives realized
3) Fees for Miscellaneous Services
4) Miscellaneous Income
TOTAL

SCHEDULE 19 - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS	Current Year	Previous Year
	a) Closing
- Finished Goods	.....	.....
- Work-in-progress	.....	.....
b) Less: Opening Stock	(.....)	(.....)
- Finished Goods	(.....)	(.....)
- Work-in-Progress	(.....)	(.....)
NET INCREASE/(DECREASE) [A-B]	.....	.....

SCHEDULE 20 - ESTABLISHMENT EXPENSES	Current Year	Previous Year
	a) Salaries and Wages
b) Allowances and Bonus
c) Contribution to Provident Fund
d) Contribution to Other Fund (specify)
e) Staff Welfare Expenses
f) Expenses on Employees' Retirement and Terminal Benefits
g) Others (specify)
TOTAL

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC.	Current Year	Previous Year
	
a) Purchase
b) Labor and processing expenses
c) Cartage and Carriage Inwards
d) Electricity and power
e) Water Charges
f) Insurance
g) Repairs and Maintenance
h) Excise Duty
i) Rent, Rates and Taxes
j) Vehicles Running and Maintenance
k) Postage, Telephone and Communication Charges
l) Printing and Stationary
m) Traveling and Conveyance Expenses
n) Expenses on Seminar/workshop
o) Subscription Expenses
p) Expenses on Fees
q) Auditors Remuneration
r) Hospitality Expenses
s) Professional Charges
t) Provision for Bad and Doubtful Debts/Advances
u) Irrecoverable Balances Written-off
v) Packing Charges
w) Freight and Forwarding Expenses
x) Distribution Expenses
y) Advertisement and Publicity
z) Others (specify) (Academic Expenditure Sub Schedule Enclosed)
TOTAL

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

	Current Year	Previous Year
SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIARIES ETC.
a) Grants given to Institutions/Organisation
b) Subsidies given to Institutions / Organisations		
TOTAL

Note : Name of the Entities and their activities alongwith the amount of grants/subsidy are to be disclosed.

	Current Year	Previous Year
SCHEDULE 23 - INTEREST / BANK CHARGES & COMMISSION		
a) Fixed Loans
b) Other Loans (including Bank Charges) \
c) Other (specify)
TOTAL		

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES (Illustrative)

ACCOUNTING CONVENTION

The financial statement are prepared on the basis of historical cost convention, unless otherwise stated and on the accrual method of accounting.

INVENTORY VALUATION

- 2.1 Stores and spares (including machinery spares) are valued at cost.
- 2.2 Raw materials, semi-finished goods and finished goods are valued at lower of cost and net realized value. The costs are based on weighted average cost. Cost of finished goods and semi-finished goods is determined by considering material, labor and related overheads.

INVESTMENTS

Investments classified as "long term investment" are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investments.

Investments classified as 'Current' are carried at lower of cost and fair value. Provision for shortfall on the value of such investments is made for each investment considered individually and not on a global basis.

Cost includes acquisition expenses like brokerage, transfer stamps.

EXCISE DUTY

Liability for excise duty in respect of goods produced by the entity, other than for exports, is accounted upon completion of manufacture and provision is made for excisable manufactured goods as at the year- end.

FIXED ASSETS

- 5.1 Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion), form part of the value of the assets capitalized.
- 5.2 Fixed Assets received by way on non-monetary grants, (other than towards the Corpus Fund), are capitalized at values stated, by corresponding credit to Capital Reserve.

DEPRECIATION

- 6.1 Depreciation is provided on straight-line method as per rates specified in the Income Tax Act 1961 except depreciation on cost adjustments arising on account of conversion of foreign currency liabilities for acquisition of fixed assets, which is amortized over the residual life of the respective assets.
- 6.2 In respect of additions to/deductions from fixed assets during the year, depreciation is considered on pro-rata basis.
- 6.3 Assets costing Rs. 5,000/- or less each are fully provided.

7. MISCELLANEOUS EXPENDITURE

Deferred revenue expenditure is written off over a period of 5 years from the year it is incurred.

8. ACCOUNTING FOR SALES

Sales include excise duty and are net of sales returns, rebate and trade discount.

9. GOVERNMENT GRANTS/SUBSIDIES

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

SCHEDULE 25- CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS (Illustrative)

CONTINGENT LIABILITIES

- 1.1 Claims against the Entity not acknowledged as debts - Rs. _____ (Previous year Rs. _____)
- 1.2 In respect of:
- Bank guarantees given by/on behalf of the Entity Rs. _____ (Previous year Rs. _____).
 - Letters of Credit opened by Bank on behalf of the Entity Rs. _____ (Previous year Rs. _____)
 - Bills discounted with banks Rs. _____ (Previous year Rs. _____).
- 1.3 Disputed demands in respect of:
- Income-tax Rs. _____ (Previous year Rs. _____).
 - Sales-tax Rs. _____ (Previous year Rs. _____).
 - Municipal Tax Rs. _____ (Previous year Rs. _____).
- 1.4 In respect of claims from parties for non-execution of orders, but contested by the Entity Rs. _____ (Previous year Rs. _____).

CAPITAL COMMITMENTS

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. _____ (Previous year Rs. _____)

LEASE OBLIGATIONS

Future obligations for rentals under finance lease arrangements for plant and machinery amount to Rs. (Previous year Rs. _____).

CURRENT ASSETS, LOANS AND ADVANCES

In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to aggregate amount shown in the Balance Sheet.

TAXATION

In view of there being no taxable income under Income-tax Act 1961, no provision for Income tax has been considered necessary.

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____
SCHEDULES FORMING PART OF INCOME & EXPENDITURE FOR THE PERIOD/YEAR ENDED _____

(Amount - Rs.)

SCHEDULE 25 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS		Current Year	Previous Year
6 FOREIGN CURRENCY TRANSACTION			
6.1	Value of Imports Calculated on CIF. Basis — Purchase of finished Goods — Raw Materials & components (Including in transit) — Capital Goods — Stores, spares and Consumables.		
6.2	Expenditure in foreign currency. a) Travel b) Remittances and Interest payment to Financial Institutions/banks in Foreign Currency c) Other expenditure — Commission on Sales — Legal and Professional Expenses — Miscellaneous Expenses		
6.3	Earnings Value of Exports on FOB basis		
6.4	Remuneration to auditors: As Auditors — Taxation matters — For management Services — For certification — Others		
7	Corresponding figures for the previous year have Been Regrouped/rearranged, wherever necessary		
8	Schedules I to 25 are annexed to and form an integral part of the Balance Sheet as at and the Income and Expenditure		

INSTRUCTIONS AND ACCOUNTING PRINCIPLES

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

INSTRUCTION AND ACCOUNTING PRINCIPLES

1. The financial statements on 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. 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 Schedules to be annexed to and forming part of the Balance sheet or the Income and Expenditure Account. This is recommended where item are numerous.
2. A statement of al significant accounting policies adopted in the preparation of the Balance Sheet and the Income and Expenditure Account shall be included in the financial statements, and 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. 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 therefore and the financial effect thereof, except such effect is not ascertainable.
3. 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 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 but 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
4. 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.
5. 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.
6. 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. renewal or diminution in value to 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 it
 - 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 t the Income and Expenditure account, unless the possibility of the loss is remote.
7. Where any amount written on 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
8. 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.
9. 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 menses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.
 - (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. 50,000/- whichever is higher. This shall be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure account.
- (d) Any item under the head "Miscellaneous Expenses" which exceeds 1 per cent of 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.

10. The Schedules referred to in the form, the accounting policies and explanatory notes shall form an integral part of the financial statements.
11. Notes to the Balance Sheet and the Income and Expenditure Account shall contain the explanatory material pertaining to the items in the Balance Sheet and the Income and Expenditure Account.
12. 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	Lakh
One hundred or more but less than one thousand	Crete

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



NOTES AND INSTRUCTION FOR THE SCHEDULES

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

CORPUS/CAPITAL FUND AND LIABILITIES

SCHEDULE 1 - CORPUS/CAPITAL FUND

- (a) Corpus/Capital Fund is akin to Capital. Share Capital or Owners Funds. It comprises amounts received by way of contributions specifically to the Corpus, as increased/decreased by the net operating results shown in the Income and Expenditure Account (other than surplus, if any, transferred to any Reserves or Earmarked Funds).
- (b) The Opening Balance. Additions to, Deductions and the Closing Balance of the Corpus/Capital Fund shall be shown under this head.
- (c) Additions to the Corpus Fund shall be net of transfers, if any, to any Reserve or Earmarked Fund required under statute or as per applicable regulations.

SCHEDULE 2 - RESERVES AND SURPLUS

1.	CAPITAL RESERVE: — Opening balance — Additions during the year — Deductions during the year	The expression 'capital reserves' shall not include any amount as free for distribution through the Income and Expenditure Account. Surplus on revaluation should be treated as Capital Reserves and shown separately. Surplus on translation of financial statements of foreign branches, if any, is not a revaluation reserve.
2.	REVALUATION RESERVE: — Opening balance — Additions during the year — Deductions during the year	To reflect of changing prices, fixed assets otherwise stated at historical cost, are revalued and the historical cost substituted by a revaluation, normally done by competent values. Such substitution resulting in an upward revaluation is required to be shown as a "Revaluation Reserve". This reserve is an unrealized gain and should not be credited as income in the Income and Expenditure Account.
3.	SPECIAL RESERVE(S): — Opening balance — Additions during the year — Deductions during the year	These would comprise Special reserves required to be created pursuant to any statutory or regulatory requirement applicable to the Entity; and so, should be clarified in the Notes on Accounts in schedule-27
4.	GENERAL RESERVE: — Opening balance — Additions during the year — Deductions during the year	The expression 'General Reserve' shall mean any reserve other than capital reserve and revaluation reserve. This item will include all reserves, other than those separately classified.

Notes- General

- (a) movements in various categories of reserves should be shown as indicated in the schedule
- (b) The expression 'reserve' shall not include 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.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 3- EARMARKED/ENDOWMENT FUNDS

Amounts received as grants or assistance or retained by the entity to be utilized for specific or ear-marked purposes and remaining to be expended/ utilized for the specific purpose for which these are intended are required to be disclosed under this head. Such funds may be received in cash or kind from Government, agencies, Institutions and other agencies etc. under subjects to complaints by the entity of certain stipulated terms and conditions. For this reason, the balances available and their utilization should be disclosed in the manner suggested in the Schedule. The Plan Funds received from the Central and/or State Governments are to be shown as distinct category or fund.

Other plan funds earmarked/endowment for any chair, house building, Trust etc. are to be shown as distinct category of Fund.

The following shall not be reckoned as part of Earmarked Funds:

- a) Grants/funds which have the characteristics of promoters' contribution which are of the nature of addition/accretion to the Corpus Fund;
- b) Funds/grants received any entity as compensation for expenditure/losses incurred in the earlier years, as these would be reckoned only in the income and Expenditure Account for the year
- c) Non-monetary grants by way of capital assets or other resources, corresponding credit of which is of the nature of capital reserve, unless such grants are specified as irrevocable contribution to the Corpus.

Notes-General

- a) It is appropriate to ensure that the accretions to and utilization of earmarked funds is in accordance with the terms and conditions attaching to the same.
- b) Earmarked funds, considering their nature, are represented by specifically earmarked investments or other assets.
- c) Plan funds received from the Central/State Governments are to be shown separate Funds and not the mixed up with any other Funds.
- d) Records relating to fixed assets acquired/constructed should be maintained for each earmarked fund. However, for the purpose of the annual financial statements disclosure maybe made for the aggregate accumulated cost up to each yew and of such fixed assets in respect of each fund, unless the assets are taken over and are incorporated in Schedule 8.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 4 - SECURED LOANS AND BORROWINGS

1.	Central Government	Indicate the nature of security and terms of repayment. Indicate the name of State Govt. and nature of security and terms of repayment.
2.	State Government	
3.	Financial Institutions	Includes borrowings/ refinance obtained from Industrial Development Bank of India / Export - Import Bank of India. National Bank for Agriculture and Rural Development (including liability against participation certificates, if any). Normally these maybe in the form of Term Loans.
4.	Banks a) Term Loans b) Other Loans	Includes borrowings/refinance obtained from commercial banks (including cooperative banks). Term Loans need to be segregated from other facilities.
5.	Other institutions & agencies	Includes institutions/agencies other than those mentioned above.
6.	Debentures and Bonds	The terms of redemption of debentures and bonds should be stated with the earliest date of their redemption.

Notes-General

- (a) Information shall be given in each case as regards the nature of security given.
- (b) Secured Loans and borrowings shall be such as are against hypothecation/pledge/charge on the assets of the entity.
- (c) The aggregate amount of loans under each head, as are guaranteed by the Central/State Govt. may also be mentioned along with the fact that these are so guaranteed.
- (d) Loans and borrowings include refinance from Institutions and agencies and liability against participation certificates.
- (e) Amounts received by way of discount of debtors or receivables or rediscount of bills, shall not be shown as borrowings.
- (f) Interest accrued and due shall be included under each subhead Interest accrued but not due shall not be included under this head, but shall be shown as part of Current Liabilities'.
- (g) Unrecognized inter-branch outstanding entries at credit should not be shown as borrowings.
- (h) Amounts due within a period of less than 12 months as at the Balance Sheet need to be disclosed.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

1.	Central Government	Indicate the terms of repayment
2.	State Government (s)	Indicate name of the State Government and the terms of repayment.
3.	Financial Institutions	Includes borrowings obtained from Industrial Development Bank of India. Export-Import Bank of India. National Bank for Agriculture and Rural Development. Normally these may be in the form Term Loans. Pending creation of a charge on assets, bridge loans may be given as 'unsecured' Loans.
4.	Banks	Includes borrowings obtained from Commercial Banks (including Co-operative Banks). Indicate the nature of facilities. Overdrawn balances as per books do not constitute loans and generally arise due to cheques issued in excess of book balances. Such balances can be shown as loans only where the Entity enjoys or is granted overdraft facility
5.	Other institutions & agencies	Includes Loans from Institutions/Agencies other than those mentioned above.
6.	Debentures and Bonds	The terms of redemption of Debentures and Bonds should be stated with the earliest date of their redemption.
7.	Fixed Deposits	These comprises deposits received from Public or otherwise for fixed periods against no security

Notes-General

- (a) Unsecured loans and borrowings comprise amounts in respect of which no assets of the entity is charged as security or encumbered.
- (b) Interest accrued and due shall be included under each subhead. Interest accrued but not due shall not be included under this head, but shall be shown as part of Current Liabilities.
- (c) Amount due within a period of less than 12 months as at the Balance sheet date need to be disclosed.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

- 1) Acceptances and other similar long-term obligations contracted in respect of acquisition of assets, the liability for payment of which falls in periods longer than 12 months as at the date of Balance Sheet should be included here.
- 2) If the assets are charged as security or encumbered corresponding to the liability, this fact should be stated.
- 3) If the acceptances are also guaranteed for repayment by the Government, any Govt. Agency, Bank, Institution or other body/ entity, this fact should also be stated.
- 4) Amounts due within one year of the date of the Balance Sheet need to be separately disclosed.

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

1.	Acceptances	Included under this sub-head would be the drawers assent on bills of exchange to the order of the drawer
2.	Sundry Creditors a) for Goods b) Others	The amounts to be shown against this sub-head shall comprise amounts owed by the entity in favour of others on account of goods purchased or services rendered or in respect of contractual obligations. These need to be segregated for goods and shown separately.
3.	Advances Received	The liability against this sub-head shall comprise amounts received in respect of which goods or services have yet to be supplied/rendered or for which value has yet to be given, and includes advance subscriptions.
4.	Interest accrued but not due a) Secured Loans/Borrowings b) Unsecured	Includes interest accrued up the year-end but not due on secured/unsecured loans and borrowings.
5.	Statutory Liabilities a) Overdue b) Others	These comprise liabilities in terms of the Central/State laws governing the Entity; and includes unpaid liability for tax deducted at source under the Income Tax Act, 1961, statutory bonus, provident fund, pension, gratuity, ESI, interest to SSI units on their overdue, sales tax, excise, customs duty, and other statutory levies. Over due liabilities are undisputed amounts which are due and remain unpaid beyond the normal due date/stipulated period i.e. those are in default.
6.	Other Current Liabilities	These would include amounts not covered by the other sub-heads. Any material amount included under this sub-head may be separately shown indicating the nature thereof. Overdrawn bank balances as per books, where the entity does not have any sanctioned limits/overdraft facilities, shall also be included under this sub-head, or separately disclosed as 'Overdrawn bank balances in excess of book balances'.

Notes- General

A Current Liability is one which falls due for payment within a relatively short period, normally not more than 12 months.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

B. PROVISIONS

1.	For Taxation	Provision needs to be made on retained based on the status of Tax matters as at the year-end.
2.	Gratuity	Provision for liability towards gratuity payable on death/retirement of employees needs to be accrued on actuarial basis, and provided upto the year-end.
3.	Superannuation/Pen sion	Provision for liability payable towards superannuation of employees needs to be accrued on actuarial basis, and provided upto the year-end.
4.	Accumulated Leave	Provision for liability towards accumulated leave encashment of employees needs to be accrued on actuarial basis, and provided upto the year-end
5.	Trade Warranties/Claims	Where the entity is manufacturing/processing goods for sale, it may be liable, to trade warranty risks, which need to be provided for on a reasonable/rational basis.
6.	Others	These need to specified, and shall not include provision for doubtful debts/advances, which shall be reduced from the relevant Assets Heads.

Notes-General

Provision is an amount written off or retained by way of providing for depreciation or diminution in the value of assets, or retained by way of providing for a known liability, the amount of which cannot be determined with substantial accuracy.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 8 - FIXED ASSETS

1.	LAND a) Freehold b) Leasehold	Where immovable properties are purchase/acquired by paying a composite cost, a reasonable/reliable estimate should be made of the land cost and show separately. Leasehold land should be amortized over the period of lease unless the lease is in perpetuity.
2.	BUILDINGS a) On freehold land b) On leasehold land	As far as practicable, distinction may be made between factory and office buildings for purposes of provision for depreciation at different rates Buildings/premises shall be those which are intended to be wholly/partly used for the purposes of the activities of the Entity and would not include "Investment Properties".
	c) Ownership Flats/Premises	Superstructures on leasehold lands should be depreciated to be co-terminus with the amortization of land, unless the superstructures have a shorter life.
	d) Superstructures on Land not belonging	Buildings shall include roads, bridges. and culverts.
3.	PLANT, MACHINERY & EQUIPMENT	Included under this Sub-head. would items like :- <ul style="list-style-type: none"> ● Earth moving machinery ● Boilers ● Furnaces ● Generators ● Dyes/Mould ● Machinery used for specific industry/Services like Building contractors, in hospitals/clinics, processing units, hydraulic works (including pipelines), tool rooms. ● Other items used for manufacture/processing etc. <p>Separate account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above subhead is encouraged</p>
4.	VEHICLES	Included under this sub-head would be items like <ul style="list-style-type: none"> ● Tractors/Trailers ● Trucks, Jeeps and Vans ● Motor Cars . ● Motor Cycles, Scooters, Three wheelers and Mopeds ● Rickshaws <p>Separate account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged.</p>

5.	FURNITURE. FIXTURES	<p>Included under the above sub-head would be items like:</p> <ul style="list-style-type: none"> ● Cabinets/Almirahs/Filing Racks ● Air-conditioners/Air conditioning plant ● Air Coolers ● Water coolers ● Tables/Chairs/Sofas/Carpets ● Wooden partitions/temporary structures ● Voltage Stabilizers. UPS systems ● Other Items <p>Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub- heads is encouraged, for material amounts.</p>
6.	OFFICE EQUIPMENT	<p>Included under the above sub-head would be items like:</p> <ol style="list-style-type: none"> a) typewriters b) Photocopies/duplicators c) Fax machines <p>Separate Account head should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under of the above subheads is encouraged for material amounts.</p>
7.	COMPUTER PERIPHERALS	<p>Computers. Printers and their peripherals like the floppies, CDs, Software etc. would the items under this head.</p> <p>Separate Account head should be maintained in the ledges and kept reconciled with the Fixed assets registers. Disclosure of information under the above subheads is encouraged for material amounts.</p>
8.	ELECTRIC INSTALATIONS	<p>Included under he above sub-head would item like:</p> <ol style="list-style-type: none"> a) Electrical Machinery b) Electric Lights/Fans c) Switch gear instruments d) Transformers e) Electric Wiring and fittings <p>Separate Account head should be maintained in the ledges and kept reconciled with the Fixed assets registers. Disclosure of information under the above subheads is encouraged. for material amounts.</p>
9.	LIBRARY BOOKS	<p>In some cases the number of Library Books could be very large or there may be an established Library. In such cases these books may be disclosed as a separate category of assets. Library books will include books/journals/ Information stored in CD ROMs.</p>
10.	TUBEWELLS & W. SUPPLY SYSTEM	<p>Tube wells and Water Supply Systems maybe shown as a distinct category.</p>
11.	CAPITAL WORK-IN- PROGRESS	<p>Fixed assets in the course of construction should be shown against this head till they are ready for their intended use. Plant, machinery and equipment acquired and pending installation should also be included here.</p>

Notes-General

1. Fixed Assets are those assets
2. Under each sub-head should be shown:
 - a) the cost or The valuation as at the beginning of the year.
 - b) Additions during the year (both acquisitions and byway of grants)
 - c) Deductions (including sales, disposals, write-offs) during the year.
 - d) The total cost / valuation as at the year-end.
 - e) Depreciation upto the previous year-end, that on additions/ deductions during the year and the total accumulated depreciation upto the year-end.
 - f) The net block of the assets as at the year-end.
3. The accounting policy relating to accounting for fixed assets acquired (including byway of grants or at concessional rates), or constructed should be disclosed along with the method adopted for depreciation/amortization.
4. Where sums have been written up for any assets due to their revaluation, the basis thereof should be disclosed; and every balance sheet after the first Balance Sheet subsequent to the revaluation should show the revised figures for a period of five years with the date and amount of revision.
5. Where grants relating to specific fixed assets are received and these are equal to the whole or virtually the whole of the cost of the asset, the Fixed asset should be shown in the Balance sheet at a nominal value.

Alternatively, grants relatable to depreciable fixed assets may be treated as deferred income and recognized in the Income and Expenditure Account on a systematic and rational basis over the useful life of such assets i.e. such grants should be allocated to income over the periods and in the proportions in which depreciation is charged.

Grants relatable to non-depreciable assets should be credited to "Capital Reserve", unless there are pre-conditions requiring fulfillment.

6. Depreciation

Depreciation shall be provided so as to charge the depreciable amount of a depreciable asset over its useful life. Depreciation is a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, effluxion of time or obsolescence through technology and market changes. It includes amortization of assets the useful life of which is determined and depletion of wasting assets.

For this purpose:

- a) Depreciable asset means an asset which-
 - i. is expected to be used during more than one accounting period, and
 - ii. has a limited useful life; and
 - iii. is held by the entity for use in the production or supply of goods and services, for rental to others, or for administrative purpose and not for the purpose of sale in the ordinary course of its business/ operating activities.
- b) Depreciable amount of a depreciable asset means its original cost, or other amount substituted for original cost in the financial statements less the residual value:
- c) Useful life means either-
 - i. the period over which a depreciable assets is expected to be used by the Entity, or
 - ii. the number of production or similar units expected to be obtained from the use of the asset by the Entity.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

ASSETS

SCHEDULE 9 - INVESTMENTS - FROM EARMARKED/ENDOWMENT FUNDS

1.	Government Securities	Includes Central and State Government securities and Government Treasury Bills. These securities should be shown at cost/book value. However, the difference between such value and market value should be given in the notes to the Balance Sheet.
2.	Other approved Securities	Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here.
3.	Share	Investments in shares of companies and corporations not included in item 2 should be included here.
4.	Debentures and Bonds	Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here.
5.	Subsidiaries and/or joint ventures	Investments in subsidiaries/associates entities should be included here. An entity shall be treated as a 'subsidiary' or joint venture. if the entity exercise control over the composition of management/governing body, with or without any financial investment therein. An entity will be considered as subsidiary for the purpose of this classification if more than 25% of the corpus of that entity is held by the entity as at the beginning Of the year.
6.	Others (to be specified)	Includes residual investments, if any, like commercial paper, investments (to be specified) in Mutual Funds and other instruments not being in the nature of shares/ debentures/bonds. Investment in Properties, if any, would also be included here.

Notes - General

1. The Gross value in aggregate, the depreciation in aggregate and net value of Investments are to be separately disclosed. Approved securities [covered by 1 and 2 above] are required to be bifurcated into "permanent- and "current" categories for valuation and determination of shortfall in value.
2. a) Investments can either be "Long Term" or "Permanent" or "Current".
b) "Current Investment" means an investment which is by its very nature, readily realizable and is intended to be held for not more than one year from the date on which it is made.
Such investments should be shown at lower of cost or their fair value, which shall be determined on individual investment basis and the shortfall shall be provided, while appreciation shall be ignored.
c) Long term investments are those investments which are other than current investments, and these are intended to be held for the purposes of capital appreciation and yield.
Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value-reduction being made for each investment.
3. Investments held against earmarked/endowment funds need to be separately disclosed.
4. Investment in properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets.
5. The entity shall disclose the Accounting Policy in relation to investments, their cost depreciation and carrying value - both for long term & current investments.
6. Any premium paid on acquisition of permanent investments shall be amortized on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised.
7. Matured investments, not realized may be separately disclosed.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

ASSETS

SCHEDULE 10 - INVESTMENTS - OTHERS :

1.	Government Securities	Includes Central and State Government securities and Government Treasury Bills. These securities should be shown at cost/book value. However, the difference between such value and market value should be given in the notes to the Balance Sheet.
2.	Other approved Securities	Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here.
3.	Share	Investments in shares of companies and corporations not included in item 2 should be included here.
4.	Debentures and Bonds	Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here.
5.	Subsidiaries and/or joint ventures	Investments in subsidiaries/associates entities should be included here. An entity shall be treated as a 'subsidiary' or joint venture. if the entity exercise control over the composition of management/governing body, with or without any financial investment therein. An entity will be considered as subsidiary for the purpose of this classification if more than 25% of the corpus of that entity is held by the entity as at the beginning Of the year.
6.	Others (to be specified)	Includes residual investments, if any, like commercial paper, investments (to be specified) in Mutual Funds and other instruments not being in the nature of shares/ debentures/bonds. Investment in Properties, if any, would also be included here.

Notes - General

1. The Gross value in aggregate. the depreciation in aggregate and net value of Investments are to be separately disclosed. Approved securities [covered by 1 and 2 above] are required to be bifurcated into "permanent- and "current" categories for valuation and determination of shortfall in value.
2. a) Investments can either be "Long Term" or "Permanent" or "Current".
b) "Current Investment" means an investment which is by its very nature, readily realizable and is intended to be held for not more than one year from the date on which it is made.
Such investments should be shown at lower of cost or their fare value, which shall be determined on individual investment basis and the shortfall shall be provided, while appreciation shall be ignored.
c) Long term investments are those investments which are other than current investments, and these are intended to be held for the purposes of capital appreciation and yield.
Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value-reduction being made for each investment.
3. Investments held against earmarked/endowment funds need to be separately disclosed in Schedule 9.
4. Investment in properties, if held, shall be shown at cost less deprecation in the same manner as in the case of fixed assets.
5. The entity shall disclose the Accounting Policy in relation to investments, their cost depreciation and carrying value - both for long term & current investments.
6. Any premium paid on acquisition of permanent investments shall be amortized on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised.
7. Matured investments, not realized may be separately disclosed.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

ASSETS

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.

A. CURRENT ASSETS

<p>1. Inventories</p> <p>a) Stores and Spares b) Loose Tools c) Stock-in-trade</p> <ul style="list-style-type: none"> - Finished goods - Work-in-progress - Raw materials 	<p>Inventories comprise tangible property held for sale in the ordinary course of business, or in the process of production for such sales, or for consumption in the production of goods or services for sale, including maintenance supplies and consumables other than machinery parts.</p> <p>Basis of valuation at inventories should be disclosed.</p> <p>Finished goods would include goods purchased/produced and lying in hand at all locations of the entity.</p> <p>Raw materials would also include parts or components used for consumed in the process at production of goods for sale</p>
<p>2. Sundry Debtors:</p> <p>a) Debts Outstanding for a period exceeding six months</p> <p>b) Others</p>	<p>Debtors comprise persons from whom amounts are due for goods sold or services rendered or in respect of contractual obligations</p> <p>Debts considered good for recovery and those considered doubtful shall be shown separately. Provision for doubtful debts if made should be shown as a reduction from the amount of debts considered doubtful.</p>
<p>3. Cash balances in hand (including cheques (drafts and imprest)</p>	
<p>4. Bank Balances:</p> <p>a) With Scheduled Banks</p> <ul style="list-style-type: none"> - On Current Accounts - On Deposit Accounts (includes margin money) - On Savings Accounts <p>b) With non-Scheduled Banks</p> <ul style="list-style-type: none"> - On Current Accounts - On Deposit Accounts - On Saving Accounts 	<p>Amounts held as bank balances against earmarked/endowment funds should be separately disclosed</p> <p>Where any deposit accounts are pledged or charged as security or are encumbered, the fact should be disclosed</p> <p>Overdue/Matured Deposits should be separately disclosed</p>
<p>5. Post Office-Savings Account</p>	

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

B. LOANS, ADVANCES AND OTHER ASSETS :

<p>1. Loans:</p> <p>a) Staff</p> <p>b) Other entities engaged in activities/ objectives similar to that of the Entity</p> <p>c) Other (specify)</p>	<p>Loans and advances as are considered good & recoverable should be disclosed Doubtful amounts, if any should be stated under each sub-head, and provision, if made, should be Shown as a reduction there from.</p> <p>Interest accrued on interest bearing staff loans should be accounted notwithstanding that actual recoveries of interest might commence after repayment of principal.</p> <p>Irrevocable grants/subsidies/donation to such entities shall not be included here. If interest-bearing, the amount of interest earned up the year-end should be adjusted.</p>
<p>2. Advances and other amounts recoverable in cash or in kind or for value to be received:</p> <p>a) On Capital Account</p> <p>b) Prepayments</p> <p>c) Others</p>	<p>Advances to suppliers/contractors for capital works should be shown against this sub-head.</p> <p>This includes prepaid expenses.</p> <p>This would comprise receivables other than the debtors.</p>
<p>3. Income Accrued:</p> <p>a) On Investments from Earmarked/ endowment Funds</p> <p>b) On Investment - Others</p> <p>c) On Loans and Advances</p> <p>d) Others</p> <p>(includes income due unrealised - Rs.....)</p>	<p>Both 'income accrued and due' and 'income accrued but not due' up to the year-end should be included separately. Income on Investment from Earmarked from Earmarked/endowment funds and that on Other Investment should be shown separately.</p> <p>In uncertainty attaches to realization or ultimate collection, income should not be recognized, and if recognized. should be provided for.</p> <p>Dividends should be recognized based on the date (s) of their declaration. Separate disclosure should be made in respect of income accrued, due but not realized.</p>
<p>4. Claims Receivable:</p>	<p>Only claims, which are considered good and realizable, should be included</p>

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

INCOME AND EXPENDITURE ACCOUNT - INCOME

SCHEDULE 12 - INCOME FROM SALES / SERVICES.

INCOME FROM SALES :

<p>1. Income from Sales</p> <p>(a) Sales of Finished Goods (b) Sales of Raw Material (c) Sale of Scraps</p>	<p>Sales comprise the aggregate amount for which sales are effected These would be shown net of trade discounts, rebate and returns.</p> <p>Sales are complete when significant risk and rewards of ownership get transferred from the seller to the buyer. Irrespective of the time of payment or delivery of the goods.</p> <p>Disclosure of export sales should be made separately</p>
<p>2 Income from Service</p> <p>(a) Labour and Processing Charges (b) Professional/ Consultancy Services (c) Agency Commission and Brokerage (d) Maintenance Services (Equipment / Property) (e) Others (Specify)</p>	<p>Income may be shown at gross figures and Tax Deducted at source should be indicated separately.</p> <p>Labour and processing charges realizable for processing/fabrication of goods/ materials of other entities should be disclosed against this sub-head.</p> <p>Consultancy charges and free for rendition of professional services by the entity should be included under this sub head.</p> <p>Where the entity acts as a broker or agent for arranging supply of goods/services of others. i.e without acting on a principal to principal basis. the commission and brokerage income earned would be shown against this sub-head</p> <p>Where the Entity undertakes maintenance contracts for equipment or properly etc the income earned up to the year-end from this source should be included under this sub-head.</p>

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 13 - GRANTS/SUBSIDIES (Irrevocable Grants & Subsidies Received)

1.	Central Government	Grants, subsidies or other similar assistance received for the general purposes and objectives of the Entity on an irrevocable basis, or to cover expenditure incurred in prior, shall be included in this Schedule.
2.	Stale Government (s)	
3.	Government Agencies	These grants etc. are without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated to income.
4.	institutions/welfare Bodies	
5.	International Organizations	The gross receipts shall be shown against each sub-head, and grants/subsidies which are given in turn to other institutions/organization on irrevocable basis, as expenditure should be considered in Schedule 22.
6.	Others (specify)	

SCHEDULE 14 - FEES/SUBSCRIPTIONS : (Irrevocable Grants & Subsidies Received)

1.	Entrance Fees	Accounting policies on each item will have to be disclosed.
2.	Annual Fees/Subscriptions	
3.	Seminar/Program Fees	In case the Fees like entrance Fee. Subscriptions etc. are in the nature of capital receipts, such amount should go to the corpus/Capital Fund. Otherwise such fees will be incorporated in this schedule.
4.	Consultancy Fees	In case the major activities of the Entity are to organize seminar/workshop and/Or provide consultancy services, such income should form part of the Schedule 12.
5.	Other (Specify)	The gross receipts should be shown here. Expenditure incurred on seminar/workshops. Consultancy etc. should be shown as 'other administrative expenses in the schedule 21.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 15 - INCOME FROM INVESTMENTS :

1	Interest a) On Govt. Securities b) Other Bonds / Debentures	<ol style="list-style-type: none"> 1. Income from Investments shall be disclosed at gross figures and tax deducted at source is to be stated separately 2. Interest on Govt. Securities shall comprise <ol style="list-style-type: none"> a) Interest earned at coupon rate upto the last applicable date of interest, i.e., Interest, i.e., Interest accrued & due : and b) Interest accrued thereafter upto the year end at the coupon rate 3. Income on bonds and debentures would include discount accrued upto the year - end on bonds issued at a discount accrued upto the year-end on bonds issued at a discount, to redeemed at par or on premium, based on the terms of their issue.
2	Dividend a) On Shares b) On Mutual Fund Securities	<ol style="list-style-type: none"> 4. Dividends shall be accrued, based on the dates of declaration thereof i.e. when the entity has a right to received the same
3	Rents	<ol style="list-style-type: none"> 5. Rents shall be shown as income on investment on properties, if any
4	Other (Specify)	<ol style="list-style-type: none"> 6. Interest claimed on overdue/matured investments shall not be recognized unless pre-conditions for such recognition are satisfied 7. distinction should be made in respect of income on investment: <ol style="list-style-type: none"> a) Owned by the Entity; and b) Those held against earmarked / endowment funds 8. At the year - end total of the income on investment from earmarked / endowment funds should be transferred to the funds through schedule 3.

SCHEDULE 16 - INCOME FROM ROYALTY, PUBLICATIONS ETC. :

1.	Income from Royalty	Accounting policies on each item will have to be disclosed.
2.	Income from Publications	In case the major activities of the Entity are to publish books, journals, documents etc. such income should from part of Inc Schedule 12
3.	Others (Specify)	The gross receipts should be shown here. Expenditure incurred on publications etc. should be shown as "other administrative expenses" in the schedule 21.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 17 - INTEREST EARNED:

<p>1) On Term Deposits:</p> <p>a) With Scheduled Banks b) With Non-Scheduled Banks c) With Institutions d) Others (Specify)</p>	<p>1. Interest income earned should be shown at gross figures and tax deducted at source is to be stated separately.</p>
<p>2) On Savings Accounts:</p> <p>a) With Scheduled Banks b) With Non-Scheduled Banks c) Post Office Savings Accounts d) Others (specify)</p>	<p>2. Distinction should be made in respect income:</p> <p>a) on assets owned by the Entity; and b) those held against earmarked/endowment funds</p>
<p>3) On Loans:</p> <p>a) Employees/Staff b) Others</p>	
<p>4) Interest on Debtors and Other Receivables</p>	

SCHEDULE 18 - OTHER INCOME :

<p>1) Profit on Sale/disposal of Assets</p> <p>a) Owned assets b) Assets acquired out of grants or received free of cost</p>	<p>1. Sale proceeds/realization, net of the book value of the assets shall, if a surplus, be included under this sub-head.</p>
<p>2) Export Incentives realized:</p> <p>a) With Scheduled Banks b) With Non-Scheduled Banks c) Post Office Savings Accounts d) Others (specify)</p>	<p>2. Export incentives claimed and not realized upto the year-end shall not be included in Income.</p>
<p>3) Free for Miscellaneous Services</p> <p>a) Employees/Staff b) Others</p>	<p>3. Items of material amounts included in Miscellaneous Income should be separately disclosed</p>
<p>4) Miscellaneous Income</p>	

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 19 - INCREASE/DECREASE IN STOCK OF FINISHED GOODS & WORK-IN-PROGRESS

<p>A) Closing stock</p> <ul style="list-style-type: none"> - Finished Goods - Work-in-Progress <p>B) Less Opening Stock</p> <ul style="list-style-type: none"> - Finished Goods - Work-in-Progress 	<p>Accounting policies regarding valuation of stock should be declared</p>
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INCOME AND EXPENDITURE ACCOUNT - EXPENDITURE

SCHEDULE 20 - ESTABLISHMENT EXPENSES :

<p>a) Salaries and Wages</p> <p>b) Allowances and Bonus</p> <p>c) Contribution to Provident fund</p> <p>d) Contribution to Other fund (specify)</p> <p>e) Staff Welfare Expenses</p> <p>f) Expenses on Employees Retirement and Terminal Benefits</p> <p>g) Others (specify)</p>	<p>The gross expenditure against each head including in respect of staff on deputation should be disclosed.</p> <p>Statutory obligations of the Entity towards provident fund employee's state insurance, retirement benefits etc. should be disclosed clearly and item-wise.</p> <p>In case of recoveries like fines, penalties etc. the same should not be deducted from the expense heads but included other income in the schedule 18</p>
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Note : General

Prior Period Items

Prior period and extra ordinary items shall be separately disclosed so that effect thereof on the net expenditure for the year is known.

NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC. :

<ul style="list-style-type: none"> a) Purchases b) Labour and processing expenses c) Cartage and carriage inwards d) Electricity and power e) Water charges f) Insurance g) Repairs and maintenance h) Excise duty i) Rent, rates and taxes j) Vehicle running and maintenance k) Postage, telephone and communication charges l) Printing and stationery m) Traveling and conveyance expense n) Expenses on seminar/workshops o) Subscription expenses p) Expenses fees q) Auditors remuneration r) Hospitality expenses s) Professional charges t) Provision for bad and doubtful debts/advances u) irrecoverable balances written off v) Packing charges w) Freight and forwarding expense x) Advertisement and publicity y) Others (specify) 	<p>The gross expenditure against each head should be disclosed</p> <p>Incase of recoveries e.g. rent recoveries. freight charges recovered, lines, penalties, Damages from suppliers etc.. the amount of such recoveries should not be deducted from the expense heads but include under "Schedule 16-Other Income"</p> <p>Prior period and Extraordinary items shall be separately disclosed so that the effect thereof on the net Expenditure for the year is known.</p> <p>The list of heads is not exhaustive but illustrative. As far as possible only these heads of accounts should be used unless there is Compelling reasons to add or delete any at these heads.</p> <p>Purchases should be segregated between Raw Materials and Stores for manufacture and for Finished Goods traded in. In case of manufacturing entities, "Consumption of Raw Materials' and 'stores' may be given instead of 'Purchase'.</p>
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NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 22 - EXPENDITURE, ON GRANTS, SUBSIDIES ETC. :

<p>a) Grants given to Institutions/ Organizations</p>	<p>Grants, Subsidies or other similar assistance given to Institution / Organization for general purposes and objectives of the Entity, on an irrevocable basis, shall be included in this Schedule.</p> <p>Name of the Institutions/Organizations, their activities along with the amounts in each case should be disclosed</p>
<p>b) Subsidies given to Institutions/ Organizations</p>	<p>These grants etc, are with or without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated as expenditure.</p> <p>The gross receipts shown each sub-head in the schedule 13, could be the sources of these grants/subsidies that are given, in turn, to other institutions/organizations on irrevocable basis.</p> <p>The gross expenditure against each head should be disclosed</p>

SCHEDULE 23 - INTEREST :

<p>A) On fixed loans</p> <p>B) On other loans including Bank charges</p> <p>C) Others Specify</p>	<ol style="list-style-type: none"> 1. Interest would include commitment charges 2. Fixed loans are loans which are for fixed period like term loans 3. Expenditure by way of Interest as per Schedule 23 is the minimum Disclosure requirement, The Entity should be encouraged to disclose interest wended based on the sources of loans and borrowings as per the heads in Schedule 4 and 5.
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NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF NON PROFIT ORGANISATIONS AND OTHER SIMILAR INSTITUTIONS

SCHEDULE 24 - CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS :

A. CONTINGENT LIABILITIES	
1. Claims against the entity not acknowledged as debts	_____
2. Liability for partly-paid investments	Liability on partly paid shares, debentures etc. is required to be stated.
3. Liability on account of outstanding forward exchange contracts	Amount of outstanding forward exchange contracts at the exchange rates applicable as at the year-end should be stated.
4. Guarantees and Letters of credit outstanding	Liability towards Guarantees given by the entity or on its behalf and Letter of Credits outstanding as at the year-end are required to be disclosed.
5. Bills discounted	Bills discounted outstanding as at the year-end need to be disclosed
6. Other items for which the entity is contingently liable	Included here would be disputed statutory and other demands/claims. Bills rediscounted. Commitments under under-writing contracts and other items for which the entity is contingently liable.
B. NOTES ON ACCOUNTS	
1. Commitments on capital Account not provided for	This would arise in terms of contracts/ arrangements in terms of which amounts would have to be paid for acquisition/construction of assets. The amount, net of advances is required to be disclosed.
2. Other notes	_____



STATEMENT OF RECEIPTS AND PAYMENTS

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATION)

Name of Entity _____

RECEIPTS AND PAYMENTS OF THE PERIOD/YEAR ENDED

(Amount - Rs.)

RECEIPTS	CURRENT YEAR	PREVIOUS YEAR	PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
I. Opening Balance					
a) Cash in Hand	I. Expenses	.....	.....
b) Bank Balance	a) Establishment expenses	.....	.....
i) In current accounts	(corresponding to Schedule 20)	.....	.....
ii) In deposit accounts	b) Administrative Expenses	.....	.....
iii) Savings Accounts	(corresponding to Schedule 21)	.....	.....
II. Grants Received			II. Payments made against funds for various projects	.....	.....
a) From Government of India	(name of the fund or Project should be shown along with the particulars of payments made for each project)	.....	.....
b) From State Government	III. Investment and deposits made	.....	.....
c) From other sources (details)	a) Out of Earmarked/Endowment funds	.....	.....
Grants for Capital & revenue exp. To be Shown separately)	b) Out of Own funds (Investments- Others)	.....	.....
III. Income on Investments from			IV. Expenditure on fixed Assets & Capital work-in-progress	.....	.....
a) Earmarked/Endow. Funds	a) Purchase of Fixed Assets	.....	.....
b) Own funds (Oth. Investment)	b) Expenditure on Capital work-in-Progress	.....	.....
IV. Interest Received			V. Refund of surplus money/Loans	.....	.....
a) On Bank Deposit	a) To the Government of India	.....	.....
b) Loans, Advance etc.	b) To the state Government	.....	.....
V. Other Income (Specify)			c) To other providers of funds	.....	.....
VI. Amount Borrowed			VI. Finance Charges (Interest)	.....	.....
VII. Any other receipts (give details)			VII. Other Payments (specify)	.....	.....
	VIII. Closing Balances	.....	.....
	a) Cash in hand	.....	.....
	b) Bank Balances	.....	.....
	i) in current accounts	.....	.....
	ii) in deposit accounts	.....	.....
	iii) Savings accounts	.....	.....
Total	Total	.....	.....

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Accounting Policies, Capital and revenue accounts, records rect. Accounting of the tuition fee, fee reconciliation at HO, Rect. From proj., refund of hostel fee, other income, resource centre fee, sale of application, accounting treatment of security deposit recvd. From student and other parties.	A	F&A-II	DR(F&A)/AR/s OSD/ SA,,A/c	CAO /DIR(F&A)	F&A-I & II	DR(F&A)/AR OSD/ SA,,A/c	Director

CHAPTER 13

FIXED ASSETS, PHYSICAL VERIFICATION OF FIXED ASSETS AND DEPRECIATION POLICY

1 FIXED ASSETS & PHYSICAL VERIFICATION OF FIXED ASSET

1.1 Procedure for maintenance of Asset Register and other Stock Registers

Fixed Assets:-

All items of fixed assets under Head Office and unit such as Buildings (residential and no-residential), Plant & machinery, Furniture and fittings, Office Equipments, Class room Equipments, Vehicles, Electrical substation and overhead lines, Capital works in progress, Equipment in transit, Equipment in Stores and Advances against purchase of Capital Equipment are included under this head.

Under each head the original cost and the addition thereto and deductions there from during the year, and the end of the year to be stated.

Where sums have been written off on a reduction of capital or a revaluation of assets, every balance sheet, (after the first balance-sheet), subsequent to the reduction or revaluation shall show the reduced figures, and with the date of the reduction in place of the original cost.

Each balance - sheet for the first five years, subsequent to the date of the reduction, shall show also the amount of the reduction made.

Similarly, where sums have been added by writing up the assets every balance-sheet subsequent to such writing up shall show the increased figures with the date of the increase in place of the original cost. Each balance-sheet for the first five years subsequent to the date of writing up shall also show the amount of increase made. Detailed and classified Asset Registers, inter-alia containing the Purchase order No. and date, Invoice No. and date, suppliers Name, Head of Account, Description Engine No. Chassis No. Original cost, Additions / Modifications, depreciation, salvage value/ value realized etc shall be maintained by the Finance and Accounts Department. The Custodian Departments will also be required to maintain the Asset Registers indicating the following:

- I) Sufficient description of the asset to make the identification possible.
- II) Classification, etc,- Buildings, Plant & Machinery, office Equipments etc.
- III) Location of Assets
- IV) Date and year of Purchase.
- V) Quantities.

VI) Particulars regarding disposal with scrap value.

VII) The procedure for maintenance of Asset Register should be as prescribed in the General Financial Rules : Inventory Management.

On receiving the goods and materials received from a supplier, the officer in- charge of stores should refer to the relevant contract terms and follow the prescribed procedure for receiving the materials. If required the materials should be counted, measured inspected at the time of receipts to ensure correct quantity and quality is according to the required specifications and there is no damage or deficiency in the materials. Details of materials so received should be entered in the appropriate stock register duly certified by the officer-in-charge. For receipts of goods and materials from internal divisions, on receipts of indent from the indenting officer, the officer-in-charge of the store shall see that an appropriate indent in the prescribed form has been projected by the indenting officer. A written acknowledgement of receipt of material issued shall be obtained at the time of issue of materials. In case of materials issued to a contractor the cost of which is recoverable from the contractor, including the rates of recovery and the total value chargeable to the contractor should be got acknowledged from the contractor duly signed and dated.

The office-in-charge of stores having custody of goods and materials, shall take appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature, dust free environment etc.

The Officer-in-charge of store shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances.

2 Store keeping, recording and analysis

Store keeping function starts with the receipt of materials. It then engaged itself in providing the storage and handling facilities during the period material lies in the stores. Materials from the stores move out as and when they are drawn by the users. The functions involved in receipts, storage and issue of materials require documentation at various stages and hence the correct record keeping in respect of materials is also a function of the stores. The store is to take physical inventory of all the materials lying with it at periodic intervals or at the end of a year as the case may be. It is also entrusted with a responsibility to analyse its inventory and send out such returns in connection with the stores transactions so that the materials control could be achieved by related departments from the various analysis and returns so made by the stores.

The objectives of the store keeping are:-

To furnish timely and complete information required for effective materials planning and accounting.

To generate data for analysis of materials stored to ensure that - Non-moving items are disposed off; Point-out at proper time to avoid over/under stocking.

3 Format of Fixed Asset Register

Separate accounts shall be kept for-

- i) Fixed Assets such as plant, machinery, equipment, furniture, fixture etc. in form GFR-40
- ii) Consumables such as office stationery, chemicals, maintenance spare parts etc. in the Form GFR- 41
- iii) Library books in the Form GFR- 35
- iv) Assets of Historical / artistic value in the From GFR- 42

These forms can be supplemented with additional details as required.

Hiring of fixed Assets to local bodies, contractors or others should be as determined under the rules by the competent authority with proper records and the hire and other charges should be recovered regularly. The charges should be based on historical cost.

4 Physical verification of Fixed Asset

NIFT circular No NIFT/Circulars/2004/A/cs dated 26-07-2004 issue directions that physical verification of Fixed Assets should be done by a Committee constituted by the Centre Director consisting of Registrar. AO and One Assistant as members by the end of March in the format circulated therein (copy of format enclosed). The committee should also ensure the maintenance of Fixed Assets Register as per GFRs.

FORMAT

S. No.	Name of Assets including Model No. & Brand	Quantity	Location	Accession No.	Conditions of Assets	Classification on of Assets (*)

(*)

- 1. Furniture & Fixture Office Equipment Machinery IT Hardware IT Software Canteen Equipments Class Room Equipment Electrical Equipments.
- 2. If no accession no. is there, then new accession no. will be given and a separate list should be prepared for new accession no.

Physical verification of fixed Assets shall ordinary be maintained at site and once a year. Verification should be recorded and discrepancies, if any, investigated and brought to account. Similarly verification of consumable goods and materials should be undertaken once in a year and discrepancies, if any, recorded in the stock register for appropriate action by the competent authority.

Procedure for verification of other Library Books, transfer of charge of goods, and materials, should be as laid down in GFRs.

Surplus or obsolete or unserviceable goods of assessed residual value above Rupees 2 lakhs should be disposed of by:-

- a) obtaining bids through advertised tender or
- b) public auction.

And as provided in GFRs 198 and 199 respectively.

The declaration of surplus or obsolete or unserviceable goods and materials should be based keeping in view to avoid accumulation, blockage of space, deterioration in value, possibility of misuse. The disposal should be in an appropriate manner to ensure compliance with rules relating to officials secrets as well as financial prudence.

A report of stores for disposal shall be prepared in Form GFR-17.

A sale account should be prepared for goods disposed of in Form GFR-18 duly signed by the officer who supervised the sale or auction.

All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the competent authority shall be obtained in respect of losses. Losses due to depreciation shall be analysed and recorded under the following heads:-

- i) normal fluctuation of market prices;
- ii) normal wear and tear;
- iii) lack of foresight in regulating purchases; and
- iv) negligence after purchase.

The other losses not due to depreciation shall be grouped:-

- i) losses due to theft;
- ii) losses due to neglect;
- iii) purchase in excess of requirements;
- iv) losses due to damage; and
- v) losses due to fire, flood, extraordinary situations, etc

In case of an item becomes unserviceable due to negligence, fraud or mischief on the part of Government servant, responsibility for the same should be fixed.

A Central Stock Register of all consumable items is required to be maintained by Administration Department as per format (GFR-41). The Administration Department will be held responsible for keeping up to date record of consumable items available in the stock. The Record Keeper of Administration of Department shall maintain the Stock Register and it shall be supervised by the Officer in-charge of Administration.

Different Departments will indent different types of consumable items from the Administration Department and on receipt of consumable item, department concerned will entered in their register. The consumption of consumable items will be recorded in the department register as per the enclosed format. Any requirement of consumable item should indicate available balance of stationery items

with the department. Administration department will verify the requisition then only further consumable item should be issued.

Physical verification of Library books:-

Rule 194 of GFRs says that complete physical verification of books should be done every year in case of libraries having not more than twenty thousand volumes. For libraries having more than twenty thousand volumes and up to fifty thousand volumes, such verification should be done at least once in three years. Sample verification at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes. In case such verification reveals unusual or unreasonable shortages, complete verification shall be done.

Loss of five volumes per one thousand volumes of books issued /consulted in a year may be taken as reasonable, provided such losses are not attributable to dishonesty or negligence. However, loss of a book of a value exceeding Rs. 1000 (Rupees one thousand only) and rare books irrespective of value shall invariably be investigated and appropriate action taken.

5. STOCK REGISTER FORMAT (to be maintained by different Depts.)

NAME OF THE ITEM _____

Sr. No.	Date	Particulars	Opening Balance	Receipt	Issue Date	Balance
				Date/Qty	Date/Qty.	

6. Fixed Asset Register at Head Office

A Central Fixed Asset Register is required to be maintained by Head Office and Centres. It shall be the responsibility of the Purchase Officer to maintain and update the Fixed Asset Register. All the details of items purchased should be entered in the Fixed Asset Register before it is issued to any department. Asset register should be maintained in the GFR-40. Purchase Officer will initial each and every page of Fixed Asset Register.

If any fixed assets (imported items) is purchased in bulk for all Centres, all the items should also be entered in the Fixed Asset Register before it is sent to different Centres. In the Fixed Asset Register, Debit Note reference should be recorded in the Asset register which asset has been transferred to different Centres.

All the above guidelines is to be strictly followed to avoid future complications.

Assets transferred from HO vide Debit Notes is enclosed with proper invoices indicating the cost of the asset and other details. It is the duty of the Centres that the entry should be made in the Fixed

Asset Register under the proper head of the asset i.e. Building, Class room equipment, Furniture/Fixtures, IT equipments, A/V etc. However, it is observed that for Debit Note for assets received from HO by Centres, no proper entry in the Fixed Asset Register. They are classified as "Assets received from HO" which is not correct. Physical verification of the asset should be done at the close of the Financial Year.

All the Dy. Reg(F&A) and Accounts Officer should ensure that proper accounting entry of the Debit Notes received from HO has been done and correct entry is made in the Fixed Asset Register by the PO of the respective Centres.

As per Government Rules Physical Verification of the Assets should be carried out every year at the end of the Financial Year. This should include assets purchased by Centres locally, Assets transferred from HO with proper Debit Note available at Centres. A Committee consisting of the following Officers may conduct physical verification of the assets and list of the assets should be prepared taking into assets existing. A complete list Department wise should be available with the Physical verification Committee and list should be sent to the different Departments indicating the assets and the same should be verified by the Committee in consultation with the Department. Committee consisting of the following should physically verify the assets every year.

- 1 A representative from Admn.Deptt.
- 2 A representative from Finance Deptt.
- 3 A representative of the Purchase Deptt.

The above Committee should prepare physical verification report and keep it ready for inspection by HO. Format of Physical Verification report is given below:-

PROCEDURE FOR MAINTENANCE OF FIXED ASSET REGISTER

1. Separate page for each type of asset should be maintained.
2. Entries relating to Building should be entered in a separate register.
3. All the Assets received from H.O should be entered in the Fixed Asset register in form GFR 40 item wise.
4. Revenue nature items like Stationery, Register, Internet charges, Magazine periodicals etc should not be entered in the Fixed Asset Register
5. Location of assets should also be indicated. Cost of assets, Summary of assets also should be prepared and mentioned in the end of the Fixed Asset Register so that the total amount of the assets available can be matched with the total amount capitalized in the balance sheet and the financial accounts. Another register in the form of GFR 40 is to be maintained which indicates the name of the asset, type of asset and the total amount of each purchases made at one time should be mentioned.
6. Accession number should be mentioned on the Assets purchased by the Centre/HO and these accession numbers should be mentioned in the Fixed Asset Register also.

7. While opening new Fixed Asset Register, the entries / balances of the Gross Block of old Fixed Asset Register should be brought forward in the new Fixed Asset Register.
8. Location of the Assets and all other entries etc., in the Fixed Asset Register should be written by Pen and not in Pencil. The entries in Fixed Asset Register should be signed by the Dealing Assistant/ Purchase Dept Assistant, and then counter signed by the Purchase Officer of the centre.
9. These assets should be physically verified by the Committee and Reconciled with the Fixed Asset Register. Shortfall/ excess if any listed should be listed separately and intimated to the Director immediately by the Purchase Officer.
10. A statement of surplus/Obsolete items / Un repairable assets should be prepared every year and placed before the nominated Committee for declaring these assets as surplus/ obsolete items/un repairable and action should be taken for disposing it off on time as per GFR.
11. Annual physical verification of **all the Assets** including Fixed Assets, Consumables stores should be done as per new GFR. For this purpose, Finance/Accounts dept. should provide a copy of the schedule VI of the Balance sheet with details of the payment vouchers /Journal vouchers with a view to reconcile the total amount as per schedule and the assets physically available at the centre.
12. Renovation and major repairs which increases the value of the assets and building should be entered in the Asset Register at the appropriate page (below the same item as renovated) and linked with the asset itself.
13. Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers for lifting the machines, Customs duty, Sales Tax, VAT, etc., of the assets equipments should be included in the cost of the asset and entered as such in the Fixed Asset Register as per **Accounting Standards - 10**.
14. For the assets purchased by Head Office and supplied/ transferred to centres should also be entered in the same Fixed Asset Register under the respective category/ nomenclature of the assets.
15. Debit Note No. etc., through which the assets were transferred to the centres should also be indicated along with other usual details of Bill Nos. etc., as per GFR.

Physical verification Report

S. No.	Name of the Asset	Model No.	Yr. of Purchase	Qty.	Accession No.	Ref. Page No. (FAR) Fixed Asset Register	Location of Asset	Condition of Asset (Whether working or not)	Value	Remarks
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										

FORMAT FOR EXCESS / SHORTAGE REPORT DURING PHYSICAL VERIFICATION OF FIXED ASSETS

COMMITTEE MEMBERS: (1), (2),(3)

PHYSICAL VERIFICATION DONE BY

PHYSICAL VERIFICATION DATE

LOCATION :

Items	Accession Numbers	FA Register Ref Numbers	Years of Additions	Qty. as per FA	Quantity Available	Condition of Assets	Difference		
							Excess	Shortage	Remarks

- First 5 columns are to be filled in from GFR 40 of Fixed Assets Register and be given to physical verification committee for further action.
- If more than one quantity in the group of items in particular location, accession numberwise list is to be prepared.

Admn Representative

Finance Representative Deptt.

Representative

Purchase Representative

7. Fixed Assets/Depreciation

Fixed Assets are shown at "landed cost" including erection, commissioning and other incidental expenses.

The continuing expenditure during the financial year incurred on construction of buildings, interiors, etc. is booked under the head "work in progress"

Depreciation is charged on an asset, if it is acquired on or before 30th September at full rate and if acquired after 30th Sept, then depreciation will be charged at half rate and depreciation will be charged as per the following rates:

7.1 Actual Cost:

Actual cost means the actual cost of the assets to the assessee reduced by that portion of the cost thereof, if any, as has been met directly or indirectly by any other person or authority. In this connection Explanations 1 to 7 given under Section 43(1) of the Income Tax Act are relevant.

Since the written down value of an asset would diminish year after year the amount of depreciation allowable, being a percentage of the written down value would, also diminish year after year. The actual amount of

depreciation is to be computed on the written down value of the asset at the rates prescribed in the Income Tax Rules. An extra allowance of depreciation for double shift and triple shift working of the plant and machinery is also admissible under the Income Tax Rules.

It will, thus be sent that for taxation purpose under the Income Tax Act depreciation is largely to be claimed on the basis of the written down value, whereas for the purpose of the Companies Act, the undertakings have been requested to provide depreciation on the basis of "straight line method". The Undertaking would thus be required to maintain detailed records of depreciation on both the basis. Besides normal depreciation the Income Tax Act also allows initial depreciation of the actual cost of the assets under certain circumstances.

8. Guidelines for charging Depreciation from the Financial Year 2004-05

Depreciation should be on straight line method to be charged from the Financial

Year 2004-05 should as per **Annexure-I**.

Fixed Asset schedule has to be prepared year-wise in the format enclosed at **Annexure-II**

Rate of Depreciation for different types of Assets:

Annexure-I

S.No.	Name of the Asset Category	Rate of Depreciation Charged
1.	Building	1.63%
2.	Furniture and Fittings	6.33%
3.	Motor Car (Light Vehicle)	9.5 %
4.	Bus (Heavy Vehicle)	11.31%
5.	Gas Cylinder including Valves	16.21%
6.	Computers (including Software/Hardware)	16.21%
7.	Plant and Machinery Class room equipments Office equipments	15% 15%
8.	Books a) Books being annual publication (Magazines & Publications) b) Books other than those covered in (a)	100% 20%
9.	Electrical Machinery (*)	15 %

(*) includes

- 1) Accounting Machines
- 2) Air Conditioning machinery including Room A/C
- 3) Building Contractor Machinery
- 4) Calculating machines
- 5) Electrical Machinery
 - Switchgear & Instruments
 - Transformers
 - Stationery Plant
 - Wiring
 - Fittings of Electric Light and Fans installations

- Franking Machines
- Office Machinery
- Overhead Cable & Wires
- Refrigeration, Plant Containers
- 6) Typewriters
- 7) Weighing machine
- 8) Hydraulic Pumps, pipelines and Sluices
- 9) Electrical Equipment & Motors
- 10) Wireless apparatus
- 11) Electric Equipment

9. Format of Fixed Asset Schedule:

ANNEXURE-II

S.NO	Asset category	Rate of Depreciation	Name of Asset	Date of Purchase	Value	Accession No.	Pg. No. of Register
1	2	3	4	5	6	7	8
Depre. For Half year/full	Depre. For year	Net value of Asset	Location of Asset				
9	10	11	12				

10. Guidelines to be followed while charging Depreciation is as given below:

- When the value of the asset value becomes 5% no further depreciation should be charged.
- Whenever asset is purchased between April 1st to Sept, 30th depreciation should be charged for the full year and if asset is purchased from Oct 1st to 31st March, depreciation should be charged for the half year only.
- If any asset has already been received in Centres but not taken in the Fixed Asset schedule due to non receipt of Debit Note/Vouchers, details etc. the same should be intimated to HO and the necessary details should be taken.
- Fixed Asset schedule should be prepared asset head-wise and enclosed with the Asset Schedule.
- Any fixed asset schedule prepared without assets, and without details of year- wise depreciation charged, will not be accepted.
- Any depreciation rate other than that indicated by HO should not be charged without the prior permission of HO. Any clarification in this regard may be made to HO.
- Asset schedule year-wise from the financial year 1995-96 should be prepared and sent to HO from all the Centres.
- For capital expenditure incurred in rented building like flooring and painting should not be capitalized under the Building Head because the same can be capitalized only if the building is own.
- Depreciation should be charged on straight line method at the rate as stated in **Annexure-I**.
- Asset should be properly booked under the specific head to which it belongs.
- Depreciation of Building is appearing in the HO Fixed Asset schedule which should be reflected in the Centres with Asset Schedule. Necessary action may be taken to book the Building under the Centres Asset Schedule.

- Before preparing the Fixed Asset Schedule please confirm that the Debit Notes related to Capital items has been booked into the Centres Accounts.

All the above points may be considered while charging the Depreciation from the financial year 2004-05 onwards. Final accounts will only be accepted with the above fixed asset schedule and in the above format and following the above guidelines. The fixed Asset schedule complete in all respect should reach HO in time.

11. Guidelines for charging depreciation and residual value of the Asset

All the Centres should prepare Fixed Asset Schedule as format provided earlier, but however, calculation of depreciation should be asset wise and summary should be on gross block wise.

While calculating depreciation (on the straight line method) the amount of depreciation in respect of each depreciable asset is arrived at by dividing 95% of the original cost thereof to the Institute by a specified period in respect of such assets. Rate of depreciation will be applicable as specified in Annexure-1. The moment depreciation reaches 95% value of the asset no further depreciation should be charged against assets.

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
Fixed Assets & Physical verification of fixed asset	1						Director
Store keeping	2						
recording & analysis	3						
Format of Fixed Asset Register	4	F&A-IV	DR(F&A)/AR (F&A) OSD/ SA.A/c	CAO/DIR (F&A)	F&A-II	DR (F&A)/ AR/OSD/SA. A/c	Director
Physical verification of Fixed Asset	5						
Stock Register format	6						
Fixed Asset Register at HO							
Instructions & Guidelines issued by Bureau							
Depreciation & Companies Act							
Fixed Asset/ Depreciation	7	F&A-II	DR(F&A)/AR (F&A) OSD/ SA.A/c	CAO/DIR (F&A)	F&A-IV	DR (F&A)/ AR/OSD/SA. A/c	Director
Depreciation & Income Tax Act	8						
Written down value Actual cost Guidelines for changing Depreciation from the FY 04-05							
Format of Fixed Asset Schedule	9						
Guidelines to be followed while charging depreciation	10						
Residual value of the Asset	11						

CHAPTER - 14

Disposal Policy

Rule 196 of GFR, 2005 quotes that an item may be declared surplus or obsolete or unserviceable if the same is of no use. The reasons for declaring the item as such should be recorded by the authority competent to purchase the item. The competent authority may, at his discretion, constitute a committee at appropriate level to declare item/s surplus or obsolete or unserviceable.

The book value, guiding price and reserved price, which will be required while disposing of the surplus goods, should be worked out. In case where it is not possible to workout the book value, the original purchase price of the goods in question may be utilized. A report of stores for disposal shall be prepared.

In case an item becomes unserviceable due to negligence, fraud or mischief on part of an employee, the responsibility for the same should be fixed.

NIFT Rules for Disposal of Obsolete, Surplus or Unserviceable Assets/ Stores and Write-off due to Fire, Theft, Negligence or Fraud.

Definition:

For the purpose of these Rules, the term Assets/ Stores shall apply generally to all Articles and materials purchased or otherwise acquired for the use of NIFT, including not only expendable and issuable articles in use or accumulated for specific purposes but also articles of dead stock of the nature of plant, machinery, instruments, furniture, equipment, fixtures, etc. but excluding books, publications, periodicals, etc. in NIFT Libraries.

Rule 1: Separate accounts shall be kept of

- (i) "Dead Stock" such as plant, machinery furniture equipment fixtures and
- (ii) Other stores including consumables and issuable items.

Rule 2: Dead Stock

An inventory of Dead stock shall be maintenance in all NIFT Centres including NIFT Headquarters in a form to be prescribed by Director (Finance & Accounts). The instructions given below shall be carefully observed by all concerned -

- (i) The inventory shall be priced whenever the items have to enter into the block account maintained by NIFT or the articles cost more than Rs.1,000/-. As regards other items, a numerical inventory will suffice.

Note - For the purpose of numerical inventory articles of a similar description such as tables, durries, carpets, etc. shall be put into separate categories, each category comprising articles of the same measurement and make and manufacture with same metal or wood or other material.

- i) The inventory shall ordinarily be maintained at the site of the dead stock.
- ii) Articles of dead stock shall be verified at least once a year and the result of verification recorded on the inventory. All discrepancies noticed shall be properly investigated and brought to accounts immediately so that the inventory present the true account.
- iii) When articles of dead stock are lent to contractors and others the hire and other charges as determined by Director (Finance & Accounts) shall be recovered.
- iv) NIFT Libraries and Museums shall maintain up to date stock accounts and inventories of all items of dead stock with which they are concerned apart from catalogues for books/exhibits etc.

Rule 3: Other stores

A reliable list, inventory or account of all stores in the custody of designated authority shall be maintained in a form prescribed by Director (F&A) to enable a ready verification of stores and check of accounts at any time and transactions shall be recorded in it as they occur.

Rule 4 : Records to be maintained by NIFT Libraries for books acquired.

In so far as the books acquired by NIFT Libraries are concerned the necessary should be maintained in Form GFRs 35. This form of Accession Register may be used by all Libraries and wherever required additional information may be kept in the Accession Register.

Rule 5 : Sale and disposal of Assets/ Stores.

- i) The items to be declared obsolete, surplus or unserviceable shall be examined by a Committee at appropriated level to be appointed by the Authority competent to declare an item of Asset/ Store as obsolete, surplus or unserviceable and order their disposal. The Committee should take into account the prescribed or stipulate life period of the Asset/Store. In case such period is not prescribed or stipulated or it is not over, the Committee should examine the conditions of Assets/Stores and records suitable reasons for declaring an Asset/Store items obsolete, surplus or unserviceable. If an item has become obsolete surplus or unserviceable on account of negligence, fraud or mischief on the part of any NIFT employee, the same should be clearly brought out.
- ii) Where the life period has been prescribed or stipulated and 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 examined to see

whether the item could be put to further, use after repair, if required.

- iii) In other cases where the life period is not over or not life period is prescribed or stipulated, the reasons for declaring the item unserviceable may be normal wear and tear, excessive use in public interest, accident etc.
- iv) An item may be declared obsolete or surplus if it is no longer required by the user Department and a certificate to this effect shall be obtained from the user Department.

Note:

- i) The Committee referred to in Rule 5 (i) above, shall consist of not less than three members of whom one will be from Technical side having knowledge of the Asset/ Store and the third will be from Finance.
- ii) Director (Finance & Accounts) may prescribe the life period of an Asset/Store item in consultation the manufacturer.
- iii) The authority competent to purchase or sanction purchase of an Asset/ Store item shall be competent to declare the Asset/ Store item as obsolete, surplus or unserviceable for the purpose of this Rule.

Rule 6: Previous sanction of the Competent Authority shall be obtained in writing before sale/ disposal of Assets/ Stores.

Rule 7: The following instructions must be observed in disposal of Assets

Stores:

- i) The Committee referred to in Rule 5 (i) above shall prepare or cause to prepare a comprehensive list of Assets/ Stores for disposal.
- ii) The said Committee shall fix the reserve prices of item or items of Asset/ Store which have been approved by Competent Authority for disposal.
- iii) The Asset/ Stores to be disposed-off after following procedures mentioned above should be advertised and sealed quotations should be invited through open or limited tender as the case may be.
- iv) The release of articles so sold or disposed-off shall be supervised by a designated official of NIFT.
- v) A sale account in appropriate form to be prescribed by Director (Finance & Accounts) should be prepared recording all sales/ disposal and submitted to Director (Finance & Accounts) for records.

Rule 8:

- (i) A copy of each order declaring Assets/ Stores as obsolete, surplus or unserviceable should be endorsed by Competent Authority to Audit Officer and Accounts branch of NIFT.

- (ii) A copy of the sale accounts mentioned Rule 7(v) above, may also be endorsed to the Audit Officer and Accounts branch of NIFT.

- (iii) A separate sanction for write off of loss will not be necessary when the Assets/Stores which are declared as obsolete surplus or unserviceable and are disposed off by following the procedures outlined in these Rules.

Rule 9: Expeditious disposal of Obsolete, surplus or unserviceable Assets/ Stores.

In order to ensure that the obsolete, surplus or unserviceable Assets/ Stores fetch good returns, it is essential that the time lag between the declaration and actual disposals is minimized.

Rule 10 : Write-off of Assets/ Stores.

- (i) Where the Competent Authority holds, on consideration of the recommendation of the Committee mentioned in Rule 5(i) above, that Assets/Stores have become obsolete, surplus or unserviceable owing to negligence, fraud etc. on the part of any NIFT employee, it will be necessary to fix responsibility for the loss and to device remedial measures to prevent recurrence of such cases.

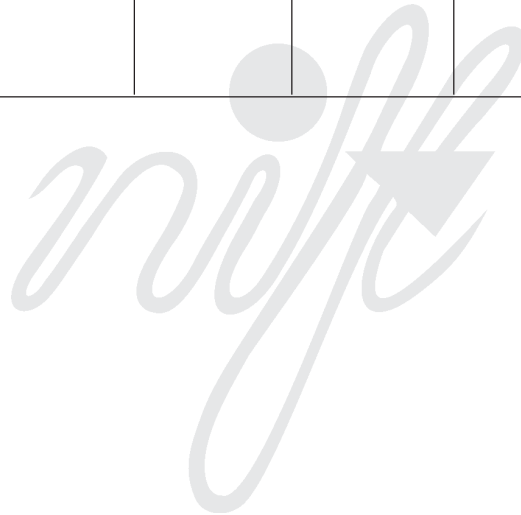
- (ii) The loss shall not be written-off without fixing responsibility and taking primitive and preventive measures.

- (iii) As far as possible, the loss shall be recovered from the employee(s) found to have been responsible for causing the loss.

- (iv) The loss of Assets/ Stores due to fire, theft and natural disasters as certified by the Committee mentioned in Rule 5(i) above may be written off by the Competent Authority and records shall be placed before the BOG with copy endorsed to Audit Officer and Accounts branch of NIFT

Summary of Unit wise Responsibilities:-

		HO			Centre		
Activity	Para No.	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
NIFT Disposal Policy, Separate account shall be kept, Dead Stock, other stores, Library Books, Sale/Disposal, write off	Rules 1						
	2	Standing committee formed for the purpose	DR (Admn.)	Registrar (Admn)	Standing committee formed for the purpose	Registrar	Director
	3						
	4						
	5						
to 10							



CHAPTER - 15

Foreign Service (Terms, Conditions & Entitlements)

Foreign Service-means service in which a government servant receives his /her pay with the sanction of the competent authority from any source other than Consolidated Fund of India.

Foreign Service resolves itself into two main divisions, namely, 'Foreign Service in India' and 'Foreign Service out of India'. The country of employment of the lent officer DOES not alter or determine the character of the Foreign Service.

The following contributions are recoverable in case a Government servant, irrespective of whether he is holding a substantive post permanently, officiating therein or is holding a temporary post, is transferred on foreign service by the competent authority:-

- a) Pension contributions
- b) Leave salary contributions in case the Foreign Service is in India,

The contributions, as above, shall be paid by the Government himself unless his foreign employer consents to pay them. They shall not be payable during leave taken while on Foreign Service.

Contribution for leave salary or pension, due on foreign service, may be paid annually within fifteen days from the end of financial year or at the end of financial year, and if the payment is not made within the said period, interest must be paid to government on the unpaid contribution, unless it is specifically remitted by the President, at the rate of two paise per day per Rs. 100/- from the date of expiry of the period aforesaid upto the date on which contribution is finally paid. The interest shall be paid by the government servant or the foreign employer according as the contributions are paid by the former or the latter.

Pension contributions should be based on the maximum of the pay, as defined in the Rules, of the post held by the government servant in his parent department at the time of his proceeding on Foreign Service or to which he may receive proforma promotion while on foreign service. Whenever the dearness allowance or additional dearness allowance etc. are ordered to be treated as pay for the purpose of calculating average emoluments for pension, the pension contribution payable by the government servant during the active period of his foreign service should be based on the maximum of the pay plus the dearness pay, interim relief etc. appropriate to such maximum (with effect from such date as may be notified by the Government).

The monthly rate of leave salary contribution in respect of all classes of government servants (including group 'D') governed by the Central Civil Service (Leave) Rules is 11% of pay drawn while on foreign service.

Proper Record / Register shall be maintained for watching recoveries of leave salary and pension contributions entering therein ancillary data in respect of Government servants on foreign service and all orders received relating to the period of service with the foreign employer.

Leave Salary contribution

Rate of Contribution:-

1. The monthly rate of leave salary contribution in respect of all classes of Government servant governed by the Central Civil Service (Leave) Rules is 11% of pay + DP drawn in foreign service.
2. If the foreign employer pays contributions, the percentage is applied to the pay actually drawn in Foreign Service.
3. If the contributions are paid by the Government servant himself, the percentage is applied to the net pay + DP drawn during foreign service. Net pay means the Pay + DP that would be left after meeting the pension and leave salary contribution. In such cases, the percentage of leave salary contributions is not applied directly on the actual pay drawn during Foreign Service, but an element of compensation is taken into account for both the contributions before the percentage for leave salary contribution is calculated.
4. Three types of cases may arise and three different formulae can be applied in such cases-

- (a) Where pension contribution alone is paid by the employee

$$L = (F-P) \times \frac{r}{100}$$

- (b) Where leave Salary contribution alone is paid by the employees

$$L = F \times \frac{r}{100+r}$$

- (c) Where both the contributions are paid by the employee

$$L = (F-P) \times \frac{r}{100+r}$$

Where L is the leave Salary contribution,

F is the pay +DP actually drawn in Foreign Service

P is the pension contribution, and

R is the rate of leave Salary contribution-appendix - 2

Pension contribution

Accordingly to G.I., MF, O.M No. F.8(4)/E/III/82, dated 15-2-1984, pension contribution payable during the active period foreign service shall be based on the minimum of the pay as defined in FR 9 (21) Plus Dearness Pay appropriate to such maximum plus interim relief appropriate to such maximum of the post held at the time of proceeding on foreign service or to which he receive pro forma promotion while on foreign service.

Since D.A equal to 50% of basic pay is treated as Dearness Pay from 1-4-2004 and will be taken into account for retirement benefits, pension contribution is to be worked out based on the maximum of the pay plus Dearness Pay appropriate to such maximum.

Year of service	Rates of monthly contribution expressed as per percentage			
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
0-1 years	7%	6%	5%	4%
1-2 years	7%	6%	6%	4%
2-3 years	8%	7%	6%	5%
3-4 years	8%	7%	7%	5%
4-5 years	9%	8%	7%	5%
5-6 years	10%	8%	7%	6%
6-7 years	10%	9%	8%	6%
7-8 years	11%	9%	8%	6%
8-9 years	11%	10%	9%	7%
9-10 years	12%	10%	9%	7%
10-11 years	12%	11%	10%	7%
11-12 years	13%	11%	10%	8%
12-13 years	14%	12%	10%	8%
13-14 years	14%	12%	11%	8%
14-15 years	15%	13%	11%	9%
15-16 years	15%	13%	12%	9%
16-17 years	16%	14%	12%	9%
17-18 years	16%	14%	13%	10%
18-19 years	17%	15%	13%	10%
19-20 years	17%	15%	13%	10%
20-21 years	18%	16%	14%	11%
21-22 years	19%	16%	14%	11%
22-23 years	19%	17%	15%	11%
23-24 years	20%	17%	15%	12%
24-25 years	20%	17%	16%	12%

Year of service	Rates of monthly contribution expressed as per percentage			
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
25-26 years	21%	18%	16%	12%
26-27 years	21%	18%	16%	13%
27-28 years	22%	19%	17%	13%
28-29 years	23%	19%	17%	13%
29-30 years	23%	20%	18%	13%
Over 30 years	23%	20%	18%	14%

NOTE:- Year of service means length of continuous service and includes all leave with and without pay, overstayal of leave/ joining time and suspension.

CHAPTER 16

Internal Audit

1. Purpose of Internal Audit:

Internal Audit has been defined as an independent service within an organization for achieving effectively the objectives. Internal audit should be based on a sound internal control environment which should provide valuable material and support for review of financial compliance by external agencies/audit.

The purpose of internal audit is to:

- 1) provide comfort to management that operations are well managed;
- 2) identify weakness in the management system and recommend improvements;
- 3) suggest opportunities to reduce expenditure, increase revenues and better project government assets;
- 4) analyse the differences between actual and expected performance;
- 5) report gap between actual and expected performance; and
- 6) make recommendations to support management in minimizing risk

Internal audit should sufficiently independent of the activities which it audits, in order to enable the auditors to perform their duties in a manner that facilitates impartial and effective professional judgments and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of Internal audit

2. Role and Scope of Internal Audit

- (i) study of accounting procedures prescribed for the Department with a view to ensure that they are correct, adequate and free from the defects or lacunae;
- (ii) check the prescribed procedures and the orders issued from time to time are implemented properly;
- (iii) scrutiny and check of payments;
- (iv) investigation of important arrears and other connected records;
- (v) periodical review of all accounts records;
- (vi) pursuance/settlement of objections reported in test audit notes issued by Statutory Audit Office by obtaining satisfactory explanation or regularization or adjustment;
- (vii) examine and report on irregularities pointed out by Audit;
- (viii) coordination with other Departments regarding Internal audit procedure;
- (ix) performance evaluation of important schemes and programmes, i.e. to see whether schemes are being executed and their operations conducted economically and schemes are result oriented.

In a rapidly changing environment there is now a greater need to look forward from the traditional 'policing' role, towards a value added 'independent advisor' role that provide effective, timely and accurate decision support service and an aid to management decision making process. Internal audit should modify its charter, to address key issues of interest to the management or decision makers. To be effective and of value, the internal audit programme should be based upon a comprehensive assessment of risks including financial aspects. The Internal audit function should have a formal strategy for fulfilling its mission and objectives which should be communicated to the management and staff. The internal audit should be actively sponsored and supported by the Chief Executive and Senior Management so that its role and functions should be that of facilitator and supportive and not combative. To achieve this, it is imperative to have well-qualified and trained staff for value-added auditing service. Internal audit should be appropriately staffed in terms of numbers, grades, qualification levels and experience in order to fulfill their responsibilities and enhance the audit capability. Within the Internal audit itself there should be adherence to standards/procedures laid down in the Manuals and maintenance of principles of quality assurance. A set of performance measures to judge auditors performance, should be laid down to review the quality of audit work and develop an action plan for weaknesses identified. Appropriate performance indicators to measures cost effectiveness, timeliness and quality of internal audit services is necessary to optimize use of resources and functions. Some one to watch the watchdog.

The audit report is the primary communication mode for internal audit. The time frame for the completion of audit field work to the issue of the Report is therefore regarded as having a critical impact on perceptions of quality and effectiveness of audit.

3. Internal audit - A partner of management

".....the internal auditor has an excellent viewpoint from which to recognize opportunities for strengthening systems and procedures, for improving methods and for achieving greater efficiency, all with the object of increasing the contribution management can make towards achieving the organizations corporate objectives" This inherent strength needs to be build upon, given a focus and direction so that internal audit truly becomes the "management's right hand".

4. Role of the Government Accountant

The role of Government in the modern society has become complex in nature. The government accountant has to be keenly aware of the many dimensions that have an impact on his functions. These dimensions have to do with his role, relationships and evolution of his place in the new scheme of things. Some of the changes that the accountant faces are: on going reforms process; resource constraint but enlarged expectations; debt; deficit and solvency issues; problems arising from structural adjustments.

The accountant is called upon to furnish information that is more quickly responsive to a dynamic market place where both gaps of time and gaps of information can be arbitrated. This means dealing with issues like the time value of money, competitive purchase, management and control of inventory systems, defining and seeking alternate methods of cost control, defining, fixing and controlling cost and profit centers and comparison of cost and services etc. Since revenues have remained more or less constant in real terms, expenditure tends to rise. Thus, information-furnishing role of the accountant becomes even more critical. He becomes a factor in decision making in what and when to choose.

The frequency of internal audit will obviously depend upon the staff strength sanctioned for Internal Audit Wing/Organization as well as number of units falling under its purview. The number of days for inspection, as also the frequency would depend upon the nature of transactions, amount of expenditure incurred, state of arrears and the general health of accounts of each unit. It would, however, be desirable to aim for internal audit of all important offices once a year.

In order to keep a watch over the settlement of audit objections included in the Test Audit Notes issued by the Statutory Audit Offices, the Internal Audit Wing/ Organisation will maintain a register, setting apart separate folios for each unit under audit. The progress made towards the settlement of outstanding objections should be reviewed quarterly and appropriate further action taken to ensure their speedy settlement. The compliance with the objections reported to have been made should be verified during next internal audit of the concerned office. The register will be produced to Statutory Audit Parties, whenever asked for, for verification of settlement of the objections raised.

After completion of the Internal Audit of each quarter, Internal Auditor will take comments of Centre Director after submission of draft report to the Centre Director. In the final report of the Internal Auditor two columns should be added against each observations.

- i) Management reply
 - ii) Recommendation of Internal Auditor
2. Internal Audit observation should be seriously considered by the Directors and corrective actions necessary instruction may be issued to all concerned.
 3. If any observation is not attended within three months then that observation will once again come in the internal Audit report as follow-up action.

5. Scheduling of Internal Audit:

Frequency of Audit depends upon the staff strength as also the number of units to be inspected. Under the normal procedure inspection of all offices within the jurisdiction should be conducted at least once in a year.

The Internal Audit team, formed by the H.O. with the approval of Director General, should conduct audit on quarterly basis or based on the formation / strength of the unit to be audited. For this purpose HO should provide the team with a list of financial transactions duly prepared and certified from the Cash book, along with the bank reconciliation statement. A list purchases and contracts for the period of audit and related documents having financial bearing should also be made available to the Internal Audit.

The audit should scrutinize the list of vouchers (Debit/Credits notes) so received for the HO and select vouchers for detailed scrutiny. The sample size of audit would be 10% of the items above Rs. 5,000/=. Payments above Rs. 2 lakhs would be audited 100 %. Similarly all major contracts including service contracts should be audited. The audit must establish the correctness and usefulness of the contracts. The process and procedure followed in payment should be as per the system of the Institute. The audit party will maintain a record of the documents selected for audit and prepare a list to be attached with the audit report for submission to the HO.

6. Appointment of Internal Auditors at Centres :

(D.G's Letter no. NIFT/F&A/Audit/11/Tour Prog/06 dated 27.8.2008)

The internal auditor of the centres will be appointed by the Centre Director locally on the basis of competitive bids received from reputed Chartered Accountant Firms to audit the accounts of the Centres on quarterly basis. Inspection team visiting from HO will not visit for the purpose of internal audit and inspection for carrying out such audit.

The same is decided to implement professional approach in the area of audit and C.A firm will having accountability also. A sample letter for inviting tender with detailed TOR is enclosed herewith. The tender may be floated at your end CA firm short listed may be informed to HO.

Format of Inviting Tenders for appointment of Internal Auditors.

File No..... Dated.....

To
Sir,

National Institute of Fashion Technology is involved in Fashion Education under the Ministry of Textile .Our Head office is located at New Delhi. We want to appoint Internal Auditor for audit of books of accounts of our Center as address mentioned below. Audit is required to be conducted on quarterly basis and after completion of the audit, the report should be submitted in the format enclosed as Annexure-'A'.Scope of the work which to be covered is attached with this letter as Annexure-'B'.

In view of above, you are requested to kindly send two bids

1. Technical bid (in the enclosed format as Annexure-B and
2. Financial bid- Your financial bid should clearly indicate professional fee on quarterly basis.

You are requested to send the above in two envelopes separately, subscribing Technical Bid and Financial Bid and also send the Curriculum Vitae of the responsible person who will coordinate the audit.

It is requested that your should to our office latest by

Thanking you,

Yours sincerely,

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S.No.	Details	Periodicity	Extent of Audit
1.8	To check the deposits with the Banks and corresponding correctness of interest due and receipt	Quarterly	100%
1.9	To check the budget provisions and actual against it and highlight the variations	Quarterly	100%
1.10	To ascertain the extent of compliance by the various NIFT Centres, with the prescribed procedures laid down from time to time	Quarterly	100%
1.11	To check inter office adjustments	Quarterly	100%
1.12	To review and recommend the soundness, adequacy and application of accounting, internal controls and procedures	Quarterly	100%
1.13	To check deduction of TDS, Service Tax, Works Tax and remittance thereof to the concerned authorities	Quarterly	100%
1.14	To Check the receipt/release of EMD's Security Deposits and related records	Quarterly	100%
2.	Administration		
2.1	To check in all respects the quotations, tenders and their opening, listing, Comparative statement, etc. and issue of purchase orders, as per procedures laid down.	Quarterly	100%
2.2	To check receipt, issue and stock of all stationery including printed stationery items.	Quarterly	100%
2.3	To check the Fixed Assets Registers, with a view to ensuring the accuracy of postings and physical verifications.	Quarterly	100%
2.4	To check records of consumable materials receipt and issue thereof	Quarterly	100%
2.5	To check the Annual Maintenance Contracts entered into in respect of equipment including computer hardware	Quarterly	100%
2.6	To check the vehicle maintenance records, with a view to economic running of the vehicles	Quarterly	100%
2.7	To check in all respects the applications, agreements, security/ surety bonds/ hypothecation of the asset wherever required, etc., submitted by employees and sanction of House Building, vehicle etc., advances	Quarterly	100%
2.8	To check the sanctions issued for creation of posts with reference to the delegated powers, and the strength in position with reference to the sanctioned strength	Quarterly	100%
2.9	To check the sanctioned issued for drawl of allowances/ perquisites, with reference to delegated powers	Quarterly	100%
2.10	To check drawl of increments, fixation of pay, leave records, payment of overtime allowance, conveyance allowance, leave travel concession, reimbursement of medical expenses, leased accommodation Children education allowance, group insurance etc., with reference to sanction and entitlement, S.Book.	Quarterly	100%

S.No.	Details	Periodicity	Extent of Audit
3.	Academic Affairs including CE Programmes		
3.1	To check the collection of fees, credit thereof and reconciliation of the financial and departmental records in regard.	Quarterly	100%
3.2	To check the payment to guest faculty with reference to norms laid down, deduction and remittance to TDS	Quarterly	100%
3.3	To check the collection of hostel fees, bus fees, credit thereof and reconciliation of the financial and departmental records in this regard	Quarterly	100%
3.4	To check the collection of Library fee from the students and other members, credit thereof	Quarterly	100%
3.5	To check stock/Asset Registers or Resource Centre, acquisition of books/material collections, payment thereof	Quarterly	100%
3.6	To check the collection of security deposits and refund thereof in respect of library and hostel	Quarterly	100%
3.7	To check the Stock registers of the academic departments with reference to purchase/issue of materials	Quarterly	100%
4.	Final Accounts		
4.1	To assist in preparation of final accounts and consolidation thereof & signing of A/cs.	Yearly	
4.2	To assist in the discussions with the Statutory Auditors and finalization of Audit Report	Yearly	
4.3	To assist in the reply of Audit Paras if any raised as required by Govt. auditors	Yearly	
4.4	Auditing of projects	As and when required	
5.	Other Assistance	As and when required	
5.1	Assistance in preparation of internal Audit Manual	As and when required	
5.2	Advisory role for Project Management of accounts at Centres including projects	As and when required	
5.3	Updates/Changes in Satutory Laws	As and when required	
5.4	Issue of Utilisation of Certificate against Project	As and when required	

7. Audit Procedure & Objective:-

To study the accounting procedures prescribed with a view to ensure that procedures followed are correct and leave no room for ambiguity/lacunae etc.

To check and scrutinize the payments and accounting thereof to ensure that the payments made are strictly in confirmatory with the sanction issued by the competent authority and do not infringe in any way the financial regularity.

To ensure that the account have been maintained in the forms prescribed by the Authority.

To keep a watch over the implementation of the prescribed procedures and orders issued from time to time

The detail procedures for procurement of stores and services, maintenance of accounts are contained in the relevant chapters of the Manuals, to determine:-

- i. Receipts are properly recorded, classified and reported.
- ii. Due amount are collected / received as per policies and procedures.
- iii. Receipts are deposited timely in the concerned branch of the authorized bank.
- iv. Adequate checks and controls are there as per rules from losses and errors /irregularities.

It may also be seen that:

- a) All vouchers / notes and cheques are entered on daily basis in the Cash book.
- b) Cash balances agreed in the cashbook every month.
- c) Inspection conducted periodically and findings thereon are noted in the Cash book.
- d) Huge balances of cash are not kept without justification for unduly long period. Petty cash balances are reconciled and reviewed.
- e) Advances paid to the officers should be accounted for promptly with the entries recorded. Outstanding advances for unduly long period are brought in the audit report.
- f) Bank reconciliation statements are checked to ensure that all the transactions due are adjusted. Cheques deposited are properly credited and action taken for cheques yet to be credited. If any cheque requires revalidation action to revalidate the cheque in question has been taken. Audit should prepare a statement for inclusion in audit report of such cases.
- g) Accounting records, collections, journal entries, cash shortage etc. should be reviewed and checked with the supporting documents of transactions.

8. Cash / Cheque Payment and Audit:-

The competent authority has sanctioned the expenditure.

The rates are reasonable and competitive with reference to the comparative statement of tenders or price lists.

The expenditure is covered under the rules and funds are there.

The purchase quantity is as per occasion demands, and received in accordance with the provisions of the contract.

Purchase procedures have been followed.

The bill for purchase of stores / services accompanied by a receipts / vouchers from the recipient of the stores / services, stating when, where and how they have been accounted for.

Procurement has been approved by the competent authority.

The stores procured have been properly accounted for in the books of stores. Payments have been made in accordance with the payment schedule of the contract.

Invoices have been submitted in detail for audit review.

In the cases of service contract for maintenance services, the concerned section should maintain a record of visits and jobs performed. Delay in attending calls is noted in the call register. Audit should review the performance with a view for improvement of the contractual agreement in future.

The sections/ departments concerned are maintaining the contract registers to see that the payments are made on date as per contractual agreement. Security deposit and bank guarantee given by the contractor are recorded in the register. The life of bank guarantee corresponds to the period of contract.

9. Projects and Programmes- Audit thereof:-

The projects are financially viable.

The expenditure incurred is as per approved budget and as per set norms under the authorized heads of accounts.

Audit should obtain a list of such programmes during the period of audit. Select a programme/project during the period for detailed study.

Obtain copies of approved sanctions with copies of the actual income and expenditure for the selected project/programme.

Audit should verify the budgets are for authorized items and according to the scale.

Verify whether the fees fixed by the sponsoring organization are reasonable for the programme/project.

10. Payment of Pay bills, advances bills and Related registers

Audit Objectives:-

Monthly salary is drawn as per entitlements with reference to authorized/sanctioned strength, if any, for any department/units.

Loans and advances paid to the office staff are recovered regularly along with the interest wherever recoverable.

Recoveries like Income tax, provident fund, refund of advances, etc are recovered correctly.

Verify that the refunds of advances and interest thereof recovered from the pay bills have been posted in the Registers maintained for

the purpose and the monthly total agree with that recovered from the pay bills.

A month of pay bill be selected for detailed audit.

Register of payment of TA/ DA advances should be verified to see that advances paid have been got adjusted in time and the bill for adjustment have been submitted within 30 days of the completion of tour. Action has been taken for any delayed submission of claim where advance has been taken. A list of such outstanding cases included in the audit report.

Other claims such as LTC, Medical reimbursement, retirement benefits should be subject to scrutiny and to watch that the claims are in accordance with the prescribed provision of rules.

The reports and records required to be submitted to the HO are maintained properly and kept up to date. Calendar of returns submitted to the authorities is regular. Returns submission is on time and in the formats prescribed.

Verify the investment registers to ensure that interest has been received on due dates and renewed on the expiry period of investment.

Audit is to ensure that the Building register, for capital cost of buildings, including repairs and renovations is maintained properly.

The dead stock register is maintained for entering dead stock articles purchased and issued. Verify that the register is up to date in posting all the items and the unserviceable stores are disposed of after proper sanction obtained. Annual stock taking is undertaken and verified. If any shortcoming is noticed it should be included in audit report.

Library books accession register is maintained and verification of books is done once in 5 years and a note to this effect has been made in the Register.

The Institute contribution and interest payable on PF are calculated correctly. Verify that provident fund has been deposited for earning interest as per decision of the Board.

11. Inspection of centres :

Annual Inspection of centres will be carried out by Centre Director and CAO/Director (F&A). The Calendar for the same will be circulated annually by Head Office.

12. Maintenance of accounts at NIFT.

HO circular no. (NIFT/F&A/Audit/30/Circular/08/2492 dated 25th March 2011)

The following guidelines are furnished for necessary compliance in the center. It may be ensured by all concerned in the center that these are strictly followed.

Accounts Section :- following documents may be maintained-

1. **Cash Book** : - Cash book should be maintained on a prescribed format only duly page numbered. It should be closed daily with dated initial of the cash officer.
2. **Bill Register** : - This register is required to be maintained to record the bills received for payment and to know the status of bills at any stage and outstanding bills for payment.

3. **Advance Register** : - All the advances relating to staff and contractors should be maintained on separate registers and may be recorded immediately after releasing the payment in cash or by cheque. Its adjustment is required to be made strictly within one of completion of work.

4. **Payment Register** : - All the payment should be recorded in the Register.

5. **Cheque Issue Register** : - All the cheque issued may be recorded Bank wise with complete details and each entry may be reconciled on receipt of statement from the concerned Bank.

6. **Valuable Register** : - All the cheques received in the centre may be recorded in this Register with complete information regarding date of encashment received from the concerned Bank. In case the cheque is not found encashed within stipulated time at the time of reconciliation of A/c the reason may be enquired from from the Bank

7. **D.D. Issue Register** : - All the DDs issued from the Centre should be recorded with reference to the concerned cheque No issued for the purpose.

8. **Debit Note Register** : - may be maintained to record the entries of Debit note issued from the center and the same should be reconciled by obtaining the acknowledgements.

9. **Expenditure-cum-Budget Register** : - Register should be maintained with Index and Main head and Sub head wise. Budget allocated should be recorded at the time of sanction and all the expenditure may invariably be recorded daily in this register head wise so as to control the expenditure as per budget allocated for the centre and avoid any over expenditure for each head.

10. **DDF Register** : - Register should be maintained to record the DDF amount of the centre department wise so as to know the readily available balance for use at any stage.

11. **Pay Bill Register** : - To record the details of payment as per entitlement of the staff, regular deductions to be made and also no. of installment of recoveries to be made for each month at the time of release of pay of a particular month through the Pay Bill.

12. **TDS Payment Register** : - To record the TDS collected each month for onward payment to the Govt. on due date as prescribed. Instruction for Do's and Don't for tax deduction at source (TDS) have been enclosed for guidance please.

13. **Security Register** : - This register should be maintained to record the security received from a Contractor and date of its payment to him so as to avoid duplicate payment etc.

A separate register should be maintained to record the security deposited by the NIFT with some other Agency so as to timely receive it back after completion of the job.

14. **Reimbursement registers**: - A separate Register should be maintained for the following reimbursements as prescribed in the Manual

- a. Medical Register

- b. News Paper Register
- c. Telephone Register
- d. Conveyance Register
- e. Over Time Register
- f. LTC Register
- g. Local Conveyance register
- h. Hospitality Register

Payments may be released after pre-check and proper scrutiny of the bills and claims required in terms of rule positions contained in the NIFT Manuals and GFR. The voucher should be numbered and language of the narration should be clear and should have approval of the Competent Authority before the payment is finally released by cash or cheque.

In case of advances, the same should be recorded in the registers immediately and settlements may be watched regularly and for personal advances of TA/DA etc. second advance may be released only on receipt of settlement of earlier advance. Reimbursements should not be made in advance and should be strictly as per entitlement only. Advances to the contractor should be strictly in compliance to the GFR and their settlement may be watched for early settlement i.e. immediately after completion of the work.

As regards, payment received in the center the cash/cheque should be received only through the receipts book and may be deposited immediately in the bank. A proper record of the receipt books may be maintained and use of number of receipt books at a time may be avoided.

Purchase Department:

Purchase policy as contained in NIFT Manual and GFR should be strictly followed while making purchases of the Centre and a certificate as prescribed in GFR 145 & 146 may be obtained for records and following documents should be maintained to record the purchases:-

1. **Purchase Order Register** :- Register should be maintained to record all purchase by the P.O. in order to monitor the steps for purchase provided in the manual.
2. **Tender Issue Register**: - All the purchases made through tender should be recorded.
3. **Fixed Assets Register** : - Register should be maintained with Index and each item of asset should be recorded on a separate page as per its specification and location should be recorded in the remarks column in the register (GFR 40). Accessories No. should also be printed on all the Fixed Assets.
4. **Consumable Register** : - All consumable items procured for the centre should be recorded at a different page allotted in the register (GFR 41) and an Index may be prepared to locate the item in the register. All column should invariably be completed to assess the store available for use at any stage.

Establishment Section:

1. **Shadow Files/Service Book** : - Shadow files should be maintained to record the leave etc. for the staff /officers whose Service Book is maintained at HO level as regards staff recruited by the centre the Service Book may be maintained in a prescribed new format as prescribed. All the columns provided there in should be completed. The new format is available on DOPT website-http://persmin.nic.in
2. **Register of Registers** : This should be maintained to record the number of registers opened in the centre with brief details of the subject for which the Register has been opened. A control number should also be allotted to each register for keeping a proper record.
3. **Register of Files** : All the files opened in the centre may be recorded in this register by providing a fixed number of series for each department/Faculty.
4. **Attendance Register** : - Each department should maintain an attendance Register for keeping a record of attendance/absence and submitted to the supervising staff daily as per instruction contained in the attendance Register.
5. **C.L. Register** : - The register should be maintained for each department separately duly page numbered and C.L. availed by the Officer/individual should be recorded therein.
6. **Register of Section Order/Office Order** : - All the Section Order/ Office Order should be recorded for future reference.
7. **Inward Dak Diary Register** : - All the Dak received in a centre may be recorded therein by recoding diary No. on each letter received for different department of the Centre. Separate Register should be maintained for letters received from Head Office. These letters may be shown to Director/Registrar on daily basis for immediate action as these may carry important information therein.
8. **Dispatch Register** : - All the Dak to be sent from centre may be recorded therein and expenditure recorded against each letter. A separate register may be maintained for ordinary, speed post and courier post.
9. **Establishment Register** : - This Register should be maintained to record particulars of each staff member enrolled in the Centre.
10. **Gate Pass** : - A record of gate pass should be maintained with the security of the Centre for each visitor and stores/ goods coming in and moving out of the Centre.
11. **Register for Contract Agreement of services** : - To be maintained to record the period of service agreed to for contract by the competent authority and watch that contract is renewed within contractual time approved by the competent authority.
12. **Delegation Powers**: - to record the delegation powers for each officer with date of effect and amend the same on subsequently revision from the Head office.
13. **Circular File** : - To be maintained to record the Number of circular issued from the Centre for implementation and a

separate file to be maintained for keeping a record of circulars issued by the Head office duly noted by the officers and staff in token of having noted the contents of Head office Circular for necessary compliance.

14. **Absentee statement** : - File to be maintained to record the absentee statement received from different department of the centre.

Resource Centre:

1. Accessing Register for Books/ Periodicals:-Separate Register should be maintained to record the Books and periodicals.
2. Stock Register: Stock register of the historical artistic value should be maintained in GFR 42.

Building Department :-

1. Capital expenditure for the building and any new construction and major repairs of capital nature must be recorded in the Fixed Assets Register.

2. Expenditure should be prior approved and within the grants approved for the purpose.
3. Proper record of the expenditure should be maintained and in case of deposit works a monthly expenditure report should be obtained and final expenditure may be reconciled and in case of excess funds released the same may be obtained from the department concerned.
4. AMC awarded for various services in the center may be recorded in a register on a separate folio and services obtained on each occasion should be recorded so as to ensure the justification for awarding AMC to the concerned party. The record of AMC should be reviewed periodically to ensure that the process for renewal is commenced well in time to award the contract for the required service.

NIFT Manuals:-

- Accounts Manuals (on nift web site - www.nift.ac.in)
- Establishment Manual (on nift web site - www.nift.ac.in)
- Academic manual (on nift web site - www.nift.ac.in)

The above list is only indicative on the basis of Inspection of NIFT Kangra Centre therefore, all the document are required be audited including the above document should be maintained by all centres.

TELEPHONE / MOBILE REIMBURSEMENT REGISTER

Name of Employee: Designation: Section:

Phone No..... Limit:.....

Mobile No..... Limit:.....

Date	Reimbursement Month	Telephone Bill Amount	Amount Pass	Mobile Bill Amount	Amount Pass	Remarks
1	2	3	4	5	6	7

NEWSPAPER BILL REIMBURSEMENT REGISTER

Name of Employee :

Designation :

Section :

Date	Reimbursement Month	Amount Claimed	Amount Pass	Remarks
1	2	3	4	5

VALUABLE REGISTER

SI No.	Date	From whom received	Cheque / DD No. & Date	Bank Name	Amount	Date of deposit in bank statement	Date of Credit in bank	Remarks
1	2	3	4	5	6	7	8	9

Note : if any cheque is dishonored , a note thereof may be made against the relevant entry in, the Remarks column for further action.

REGISTER OF CHEQUE ISSUED:

SI. No.	Date	Cheque No.	Brief Particular	To Whom Issue	Amount	BV. No.	Initial	Date of encashment	Initial
1	2	3	4	5	6	7	8	9	10

ABSENTEE STATEMENT

Name of Absentee	Designation	Nature of Absence To (Fore/ After noon)			Name of Govt. Servant officiating Against the vacancy	Reference to item No. in the establishment
		Kind	Period	From (Fore/ After noon)		

Dated..... Signature and Designation of Drawing Officer

Note:

- In Column 4 should be stated 'Earned/half pay leave', 'Other duty', 'Officiating ' in transit', 'transferred to.....', 'suspended', etc. the date for each being specified as far as possible in Column 6 and 7.

The statement should be divided off into sections corresponding to section in the bill, only those arrangements affecting one section being shown together.

DD ISSUE REGISTER

SI. No.	Cheque No.	Cheque Date	DD in favour of	Place	Amount	DD No.	DD Date	Signature	Remarks
1	2	3	4	5	6	7	8	9	10

PURCHASE ORDER REGISTER

NAME OF THE CENTRE:

Sl. No.	File No.	Department	CST Approval date	Approving Authority	Name & Address of firm approved	Order date	Amount	Date of Receipt	Remarks	Initial
1	2	3	4	5	6	7	8	9	10	11

TENDER ISSUE REGISTER

Name of Item :

Department :

Tender Amount :

Last Date for receipt of Tender :

Tender Opening Date :

Sl. No.	Name of Address of Firm	Contract No.	Cheque / DD No	Cheque / DD Date	Status Accept / Reject	Cheque / DD Refund	Remarks
1	2	3	4	5	6	7	8

MEDICAL REIMBURSEMENT REGISTER

Name of Employee :

Financial year :

Designation :

Group :

Section :

Sl. No.	Date of Receipt	Amount Claimed	BPV No. & Date	Amount Passed	Progressive Amount
1	2	3	4	5	6

STAFF ADVANCE REGISTER

Name of Employee :

Designation :

Section :

Sl. No.	Date	BPV/ CPV No.	Purpose of Advance	Approving Authority	Amount	Initial	Adjustment	Voucher No.	Initial
1	2	3	4	5	6	7	8	9	10

BILL REGISTER

Bill No.	Date	Particular of Bill	Gross Amt.	Deduction	Amt. pass	Voucher No.	Voucher date	Initial	Remarks
1	2	3	4	5	6	7	8	9	10

13. General - Reporting etc.:

In general the Audit Team should submit the following report:-

- a) Assess compliance with applicable laws, rules, regulations, and the policies of the Institute. The report shall document significant instances of non-compliance and illegal acts which could result in criminal prosecution.
- b) The notable positive areas which deserve mention in the audit report.
- c) Any suggestion for improvement in procedures and coordination among the various units.
- d) Any modification in audit programme with reasons thereof.
- e) Document relevant conclusions for various aspects of functioning of the Institute with detailed audit testing.
- f) Draft the audit report while ensuring that it is written and organized, clearly indicating the scope and objectives consistent with the audit program as well as any additional audit objectives.
- g) Index, cross reference and complete all paper work and comments on any documents of a confidential nature.
- h) Cross reference the original draft and final audit report.
- i) Report on the man hours spent on various items of work

Audit Check List:-

PURCHASES:-----

- (A) Total no. of purchase made up to -----No.
- (i) Purchases finally concluded up to No.....
- (ii) Purchases for which final payment has been released up to No.....
- (iii) Direct market purchases up to No.....
- (iv) Purchase by Advertised Tender No.....
- (v) Purchase by Limited Tender No.....
- (vi) Purchase by Single Tender No.....
- (vii) Purchase by Open Tender No.....
- (B) Whether tender procedure has been followed Yes/ No
Whether purchase procedure as approved by
Main Office was followed in all cases Yes/ No
1. Whether purchasing committee formed as per GFR 146 Yes/ No
2. Whether budget provision are certified before purchase Yes/ No
3. Whether quality of product was certified by the department concerned Yes/ No
4. Whether time frame was observed Yes/ No
5. Whether new purchases have been entered in the Fixed Assets Register through Certified received Voucher (CRV) and further

same as issued to the concerned department through Certified Issued Voucher (CIV) Yes/ No

6. Whether payment are released on original bill received and signed with the work order Yes/ No
7. Whether part payment are released after verifying the work completed Yes/ No
8. Steps followed to ensure double payment/ fraud payment

ACCOUNT SECTION

Check List: -

1. Status of Tally:
 - a. Whether Vouchers have been fed daily? Yes/ No
 - b. Whether Budget amount has been entered in Tally? Yes/ No
 - c. Whether Trial Balance is produced for audit? Yes/ No
2. Expenditure Control Register:
 - a. Details of Budget head purchased
If so, whether major head wise report is prepared? Yes/ No
3. Pre-check:
 - a. Bills received in No.....
 - b. Bills pending:
 - i. Pending as on..... No.....
 - ii. The oldest, dated..... amount Rs.....
 - iii. More than one month.... amount involved Rs.....
 - c. Voucher generated in a month No.
 - d. Cheque generated in a month No.
 - e. Whether original bills are 'paid and cancelled' after payment to avoid double payment Yes/ No
4. Compilation:
 - a. Cheque en-cashed (position obtained from Bank Statement) No.....
 - b. Cheque outstanding No. Amount involved Rs.
5. Advances:--
Whether Advances
(a) interest bearing (b) Non interest bearing, are maintained separately. Yes/ No
 - a. Advances during this Financial Year No..... Rs.....
 - b. Recoveries of Advance made regularly every month Yes/ No
 - c. No. of cases in which recovery is not made on regular basis _____ reason behind it
6. No of cash transaction up to ----- No.
7. Whether cash limits have been followed? Yes/No

- 8. For Bank transaction, whether Register is maintained? Yes/No
 - a. If yes, whether entries have been made regularly? Yes/No
- 9. Whether Bank reconciliation statements are prepared monthly? Yes/No
- 10. Whether bank statements are recorded properly? Yes/No
- 11. While passing the bills, whether bills are enclosed in original along with supporting documents. Yes/No

PROJECT:

- * Project sanctioned for the next year No.
- * Project completed up to No.....
- On going projects No.

AUDIT

- * Para raised by C&AG Audit No.
- * Para for which reply was sent No.
- * Para outstanding for C&AG Audit No.
- * Internal Audit Para NO.....
- * Outstanding Internal Audit Para No.
- * Compliance of the above No.....

LEGAL CASES:

- * Legal cases up to ----- No.
- * Legal cases pending No.

12. Income Tax:

- a. Form 16 issued in ----- No.
- b. Employees comes under Income TaxNo.
- c. Whether the Income Tax deducted from the salary of employees every month proportionately Yes/ No

13. Purchase:

Whether any Building/Repair work is being conducted by CPWD during ----- for which amount has been deposited by the center. Yes/ No

14. Fixed Asset Register:

- a) Total items as on ----- No.....
- b) Item added during ----No..... Amount involved Rs.....
Whether goods were disposed off as per policy Yes/ No
- c) Goods disposed up to ----- No.....
- d) Whether prior approval has been obtained Yes/ No
- e) Whether committee was formed Yes/ No
- f) Any item was obsolete or unserviceable due to negligence Yes/No
If yes the responsible person.....

- g) Amount of loss associated Rs.....
- h) Loss waived off by the competent authority Rs.....
- i) Whether balance amount of loss has been recovered Yes/No
- j) While releasing the payments, whether payment endorsements are made on the bills or defaced to avoid any double payments from the same bill again.
- k) Whether all the circulars issued from the NIFT, Head Quarter are circulated to all for strict compliance. Yes/No
- l) Whether Physical verification of fixed assets have been carried out. Yes/No
- m) Whether verification of Store items have been carried out. Yes/ No
- n) Whether consumable item Register is maintained. Yes/No
- o) Purchases made wholly from the funds provided by the sponsor No.....
- p) When sponsor does not specify any procedure No.....
- q) When sponsor indicates specific procedure to be followed in conferment with NIFT procedures No.....

15. Establishment

Sanctioned staff strength of the Center

- a) Gr. 'A'
- b) Gr. 'B'
- c) Gr. 'C' & 'D'
- d) On deputation
- e) Consultants

Leave Accounts

- a) Whether leave accounts is maintained properly? Yes/No
- b) Whether leave is entered in Service Book? Yes/No

Traveling Allowance:

- a) Whether prior tour programme was approved by the competent authority (Dir/DG) Yes/ No
- b) Cases for relaxation for mode of transport No.....
- c) Whether prior approval for relaxation was received Yes/ No
from Dir/DG If no, No. of cases

Summary of Unit wise Responsibilities:-

Activity	Para No.	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary Responsibility	Direct supervisory responsibly	Over all supervisory responsibility
Purpose of Internal Audit, Role & Scope, Partner of Management, Role as Govt. Accountant, NIFT Terms and References, Scheduling of Internal Audit, Audit Procedure & Objective Cash/cheque Payment Audit, Project & programme Audit, Pay bills and Advances General IA-Reporting	1 2 3 4 5 6 7 8 9 10 11	F&A-II	DR (F&A)/	DIR (F&A)/ AR/OSD/SA A/c.	(F&A)-II	DR (F&A)/AO /OSD/SA	Director

CHAPTER 17

Tax Matter

Income under salaries covers all remuneration due / paid to a person in respect of services rendered by him under an express or implied contract of employment. Salary includes all kinds of pay, DA, overtime allowance, bonus, leave salary, advance of pay, compensatory allowance, value of rent-free quarters, fees, honoraria, reimbursement of tuition fees, pension, subsistence allowance, interim relief, house rent allowance to the extent not exempted.

Salary includes wages and also consists of payments received from past employer.

Fees and commission, if paid by the employer under the terms of the contract of employment, will be taxed as salary.

However, salary does not include:-

T.A. granted on tour/transfer

Hill Compensatory Allowance

Any special compensatory allowance in the nature of Border Area Allowance or Remote

Locality allowance or Difficult Area Allowance or Disturbed Area Allowance. Tribal area Allowance Children Educational Allowance not exceeding Rs. 100 p.m. per child upto a maximum of 2 children.

Hostel subsidy not exceeding Rs. 300 p.m. per child upto a maximum of 2 children.

Transport Allowance up to Rs. 1600 p.m. for handicapped employees and Rs. 800 p.m. for others. Salary received from any United Nations Organisation is not taxable.

Incomes which are fully exempt from tax:-

Death / Retirement Gratuity

Commutated value of pension (including commutation on full pension on permanent absorption in PS Undertakings)

Cash equivalent of leave salary paid on quitting service. Leave Travel Concession.

House Rent Allowance:-

If the employee is living in a rented house, exemption is allowed to the extent of the least of the following:-

- a) the actual amount of HRA received;
- b) rent paid in excess of 10% of the salary;
- c) 50% of salary if the residence is at Mumbai, Kolkata, Delhi or Chennai,
- d) 40% of salary if the residence is situated at any other place.

If an employee lives in his own house, or in a house where he does not pay any rent/ pays rent not exceeding 10% of salary, no exemption available, and the entire amount of HRA drawn by him is taxable.

Salary for this purpose is pay, DP, DA, where DA is taken into account for pensionary benefits, CPF etc.

Rent free accommodation- If the employee is living in a rent free accommodation (unfurnished), an amount equal to the amount of licence fee which would have been paid by an official of similar status not entitled to rent-free accommodation should be added to the salary. If the accommodation is furnished, there will be further addition equal to 10% per annum of the original cost of furniture provided or actual hire charges payable, if such furniture is hired from third party.

Who is responsible to deduct tax at source:

Under Section 192 of IT Act any person responsible for paying any income chargeable to tax under the Head 'salary' is required, at the time of payment, to deduct income-tax on the amount payable at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made on the estimated income of the employee under that head for the financial year.

In the case of employees of the Central or a State Government, the appropriate disbursing officer is the person responsible for paying salary;

In the case of employees of a non-corporate enterprise in the private sector, the employer himself is the person responsible for paying salary; and in the case of employees of the private corporate sector, the person responsible for payment is the company itself as also the principal officer thereof.

Any person responsible for paying any income chargeable under the head "salaries" is required to estimate the likely amount to be paid to the employee during the financial year. In estimating the likely amount under the head "salaries", deductions admissible are allowed.

Deductions permissible are:-

- a) Profession tax paid
- b) Entertainment Allowance received by a Government servant limited to one-fifth of salary or Rs. 5000, whichever is less;
- c)
 - i. Life Insurance premia payment, limited to 20% of the sum assured;
 - ii. Contribution to Provident Fund;
 - iii. Subscription to any such security /deposit scheme of the Government;
 - iv. Subscription to any such Saving Certificate as the Government may specify;
 - v. Any installment or part-payment borrowed for construction/purchase of residential property from Government/Bank/LIC/ Co-operative Bank/Housing Board/ Development authority etc
- d) Contribution upto Rs. 1,00,000 per annum to the new pension fund introduced by the LIC.

The aggregate amount of deductions under Sections 80-C, 80-CCC and 80-CCD should not exceed one lakh rupees.

Donations : Donations for charitable purpose fall under two categories,

- those which can be taken into account by the Disbursing Officer and
- those for which assessee can get refund only through their Annual Income Tax Return from the ITO concerned.

In respect of some donations, the entire amount can be claimed as deduction while for others, only 50% of the donated amount will be taken into account.

Deduction in the case of assessee who are partially/ totally blind or physically handicapped resident persons:-

A sum of Rs. 50,000 may be deducted from the total income of the assessee, if he is a person with disability and Rs. 75,000 if he is a person with severe disability.

The resultant figure is the estimated amount of salary liable to deduction of tax at source. It is to be rounded off the nearest multiple of Rs. 10 by ignoring the fraction which is less than five rupees and increasing the fraction which amount to five rupees or more, to ten rupees.

On the total taxable income arrived at, the income tax is worked out on the basis of the tariff for the year and rounded off to the nearest rupee.

New Income tax slab for assessment year 12-13/FY.11-12

New Income Tax Slabs for AY 12-13 for Resident Senior Citizens above 60 years (FY 2011-12)

Income Range

S.No.	Income Range	Tax percentage
1	Up to Rs 2,50,000	No tax / exempt
2	2,50,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30%

New Income Tax Slabs for AY 12-13 for Resident Senior Citizens above 80 years (FY 2011-12)

Income Range

S.No.	Income Range	Tax percentage
1	Up to Rs 5,00,000	No tax / exempt
2	5,00,001 to 8,00,000	20%
3	Above 8,00,000	30 %

Income Tax Slabs for AY 12-13 for Resident Women (below 60 years) (FY 2011-12)

S. No.	Income Range	Tax percentage
1	Up to Rs. 1,90,000	No tax/exempt
2	1,90,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30 %

New Income Tax Slabs for AY 12-13 Others & Men (FY 2011-12)

S.No.	Income Range	Tax percentage
1	Up to Rs. 1,80,000	No tax/exempt
2	1,80,001 to 5,00,000	10%
3	5,00,001 to 8,00,000	20%
4	Above 8,00,000	30%

Note : SC : Nil, EC : 2%, SHEC : 1%

(Above rates subject to change from time to time as per GOI Notification)

Income from house property

Under the Income Tax Act, the employer is required to deduct at source the tax on salary only after allowing the permissible deductions. It is for the employee to include other income, if any, and submit his return to the Income Tax Officer, paying balance of tax. Where the employee has income under any other head i.e. income from house property, dividend, interest, etc., he can furnish the particulars of such income and tax deducted at source thereon to his employer and the employer can compute the total tax liability taking into account such income also and deduct appropriate tax from salary.

In the case of let-out property, if the net income happens to be a loss, it can be set off against income under other heads. In the case of self-occupied property, interest on borrowed capital can be set off against income under any other head, subject to a maximum of Rs. 30,000.

If the house property was acquired/constructed with capital borrowed on or after 1-4-1999 and acquisition/construction completed within three years of the financial year in which the capital was borrowed, interest upto Rs. 1,50,000 can be set off against income under any other head.

- Gross annual value:

Amount for which the property might reasonably be let out or annual municipal valuation or actual rent received, whichever is the highest	A
---	---
- Less: Corporation/Municipal Tax actually paid by the owner in the year. B
- Net annual value (A-B) C
- Deduction u/s 24 30% of C D
- Net chargeable income (C-D) E

Note 1. If 'E' is a minus figure, the loss can be set off against other income of the particular assessment year.

Note 2. In respect of purchase / construction of residential house property, deduction is allowable towards repayment of principal under Section 80-C.

If the salary is received in arrears, the recipient can furnish the prescribed particulars to his employer (Disbursing Officer) who will grant relief. If the arrears relate to more than one year, they should be spread over the relevant years to which they pertain according to the provisions of Section 89 (1) and IT Rule 21-A.

Every person, whose total income exceeds the maximum amount not chargeable to tax, should file annual income tax return irrespective of their tax liability.

It must be noted that tax deducted at source will be deposited in the prescribed challan form to the credit of the Central Government by remitting the same to any branch of (i) Reserve Bank of India; (ii) State Bank of India; (iii) Selected public sector bank where income-tax offices are situated.

It is obligatory for every employer deducting tax from salary to issue certificate in Form No. 16 to the employee within one month from the close of the financial year in which such deduction is made. DDO is liable to be penalized as per the provisions of Income Tax Act to the tune of Rs. 100 and Rs. 200 for every day during which the default continues.

Do's and Don'ts for guidance

DO'S:-

1. Include all the allowances, value of perquisites, and profit in lieu of or in addition to salary.
2. Allow the exemptions u/s 10 of the IT Act wherever applicable.
3. Verify and satisfy about the genuineness of the claim for exemption.
4. Transport allowance paid to meet the expenditure for journey from residence to office is also eligible for exemption up to a maximum of Rs. 800 p.m., provided the residence is more than one kilometer away from the place of work and the employee certifies the same to the satisfaction of the DDO.
5. Any other income (other than salary) reported by the employee should be included in the gross total income.
6. Allow eligible deductions under Section 80CC to Section 80U of the Act only after proper verification.
7. Estimate the total income of the employee in the beginning of the Financial Year. Revise the total income as and when there is change in the salary.
8. Deduct the tax dues in equal installments every month and revise the monthly deduction when ever necessary.
9. Remit the Tax Deducted to the Government Account within 7 days.
10. Issue the TDS Certificate within one month of the close of the financial year. Non-issue of TDS Certificate within the time attracts penal interest.
11. Furnish the total of all the salary allowances, value of all the perquisites and profits in lieu of salary (before allowing any exemption u/s 10) in the column "Gross Salary".

12. The details of monthly deduction of tax in the case of employee, the date of its remittance to the Government A/c, the details of the branch of the bank where the tax is deposited should be furnished in the relevant columns.
13. The TDS Certificate should be signed in ink by the authorized signatory only, duly stamped.
14. Mandatory quoting of PAN and TAN: It is obligatory for all persons responsible for deducting tax at source to obtain and quote the Tax-deduction Account No. (TAN) in the challans. Similarly deduction of tax at source to quote PAN of the persons from whose income tax has been deducted, as per provisions of section 203 of the IT Act.
15. Quarterly Statement of TDS: Quarterly statements of TDS has replaced the requirement of annual return with effect from 1.4.2006 and therefore it is mandatory for all offices to file quarterly returns of TDS. (Form 24Q attached)

DON'TS

1. Do not combine transport allowance with conveyance allowance.
2. Do not allow exemption of conveyance allowance for journey from residence to office.
3. Do not allow deduction u/s 80G for donation for charitable purposes except in the case of specified funds such as National Defence Fund, PM's Drought Relief Fund, Rajiv Gandhi Foundation etc., The deductions in respect of donations to such specified funds are also subject to due verification.
4. Allow the rebate u/s 88 only after verifying the actual payments receipts on housing loans, approved Government investments.
5. Do not issue more than one original TDS Certificate to employee to avoid misuse.

Deduction of tax at source from payments to contractors or sub-contractors:-

Any person responsible for paying any sum to any resident contractor to for carrying out any work in pursuance of a contract between a specified person and the resident contractor is required to deduct tax at source.

The rule is also applicable in case payment is made by a contractor to a resident sub-contractor for carrying out the whole or part of a work undertaken by the contractor, or for supplying, whether wholly or partly, any labour which the contractor has undertaken to supply.

The person liable for deducting tax from payments made to contractors/ sub-contractors, who have not been allotted tax deduction account number, shall apply for the allotment of tax deduction account number in Form 49B.

No deduction shall be made in respect of payment to contractor/sub-contractor, where the consideration does not exceed Rs. 20,000.

Tax deduction at source from the payment made to contractor and sub-contractor shall be paid to the credit of Central Government as per rule 30 of the Income Tax Rules, within the prescribed time.

TDS RATE CHART FINANCIAL YEAR 2011-12
(ASSESSMENT YEAR 12-13) Section Of Act

Sl. No.		Nature of Payment in brief	CUT OFF AMOUNT		Rate % HUF/IND	
			30/6/2010	1/7/2010	OTHERS	
1	192	Salaries	Salary income must be more than exemption limit after deductions.		Average Rate 10	
2	193	Interest on Securities	-	-		10
3	194	Deemed dividend	-	-	10	10
4	194A	Interest other than Int on securities (by Bank)	10000	10000	10	10
4A	194A	Interest other than Int. on securities (By others)	5000	5000	10	10
5	194B	Lottery / Cross Word Puzzle	5000	10000	30	30
6	1948B	Winnings from Horse Race	2500	5000	30	30
7	194C(1)	Contracts	20000	30000	1	2
8	194C(2)	Sub-contracts/Advertisements	20000	30000	1	2
9	194D	Insurance Commission	5000	20000	10	10
10	194EE	Payments out of deposits under NSS	2500	2500	20	-
11	194 F	Repurchase of units by MF/UTI	1000	1000	20	20
12	194G	Commission on sale of lottery tickets	1000	1000	10	10
13	194H	Commission or Brokerage	2500	5000	10	10
14	194 I	Rent (Land & building)	120000	180000	10	10
		Rent (P&M, Equipment, furniture & fittings)	120000	180000	2	2
15	194J	Professional/Technical charges/ Royalty & Non-compete fees	20000	30000	10	10
16	194LA	Compensation on acquisition of immovable property	100000	100000	10	10

TDS rates for the financial year 2010-11 is also same.

(Above rates subject to change from time to time as per Govt. notification.)

If the aggregate amounts of such sums credited or paid or likely to be credited or paid during the financial year exceeds ` . 75, 000/- (upto 30.06.2010, ` . 50,000/-), tax deduction at source is also to be made.

Exemption u/s 10(23) of the Income Tax Act

NIFT is an educational institution formed by the Ministry of Textiles, Government of India. The Institute is solely for the purpose of education, as such the income of the Institute is exempt u/s 10(23C) of the Income Tax Act, since it fulfills all its conditions. All such institutions claiming exemption u/s 10(23C) are required to file their Income Tax Return mandatorily in case the total income exceeds (before claiming exemption u/s 10 (23C)) the maximum amount not chargeable to tax i.e. Rs. 1 lakh.

All Educational and other such Institutes claiming exemption u/s 10(23C) are required to get the accounts audited by a Chartered Accountant in case the annual receipt exceeds Rs. 1 Crore.

Opinion of the Chartered Accountant for exemption u/s 10(23c) of the Income Tax act 1961.

(HO letter no.1504(25)/Accu. HO/A Y07-08/844 Date:26.02.2010)

A income of institute is exempt u/s 10 (23C) (iiib) of the Income Tax Act 1961 and NIFT is not required to make any separate application seeking exemption u/s 10 (23C) of Income Tax Act 1961. This is for your necessary action as desired please.

GREVAL & SINGH
Chartered Accountants

New Delhi
Tel.:011-29842641,29833394,
29839823
Fax : 011-29649331
e-mail : mellegrewalsingh.com p.2

SEPTEMBER-27, 2006
THE DIRECTOR (F & A) NIFT (HO),
(MINISTRY OF TEXTILES, GOVERNMENT OF INDIA) .,
NIFT CAMPUS, HAUZ KHAS.,
NEAR GULMOHAR PARK
NEW DELHI - 110 016

REG.: APPLICATION FOR EXEMPTION U/S 10(23C) OF THE INCOME TAX ACT, 1961

Madam,

With regard to the application to exemption under section 10 (23C) of the Income Tax Act we would like to bring to your notice the following:

Section 10 (23C) (iiiab) of The Income Tax-Act, 1961 states that the income of the following institute shall be exempt from tax.

"Any university or other educational institution existing solely for educational purposes and not for the purpose of profit, and which is wholly or substantially financed by the Government."

From the above section we can understand that:

1. NIFT is an educational institution which is formed by the Ministry of Textiles, Government of India. It means it is an educational institute financed wholly by the Government of India
2. The institute is exists solely for the purpose education.
3. Therefore the income of the Institute is exempt u/s 10(23C) (iiiab) of the Income Tax Act 1961. Since it fulfills all its conditions.

Thus, NIFT is not required to make any separate application seeking exemptions u/s 10(23C) of Income Tax Act. 1961.

Section 10 (23C) has been amended recently w.e.f: July 13, 2006 and accordingly :

- 1 All educational and medical Institutions claiming exemption u/s 10(23C) are required to file their income tax return mandatorily in case the total income exceeds [before claiming exemption u/s 10(23C)] the maximum amount not chargeable to tax i.e. Rs. 1 lakh.
2. All Educational and Medical Institutions claiming exemption u/s 10(23C) are required to get the accounts audited by a Chartered Accountant in case the annual receipt exceeds Rs.1 Crore.

As such in your case. the Institute Is mandatorily required to get the accounts audited by a Chartered Accountant.

Therefore, we request you to mark the above amendments and take steps for audit of accounts by a Chartered Accountant for timely submission of Income Tax Return.

Thanking you.

Yours faithfully

J ASPAL SINGH SAH NI) Partner

MANAGING TDS FROM FEES FOR PROFESSIONAL OR TECHNICAL SERVICES

1. Managing deduction of tax at source from payment of fees for professional or technical services
 - (i) The person responsible for deduction should be other than an individual or a HUF and he should be responsible for paying to a resident any sum by way of fee for professional services or fees for technical services.
 - (ii) In the following cases no tax is required to be deducted:
 - (a) If fee for professional or technical services credited or paid or likely to be credited or paid during the financial year to the account of, or to the payee, does not exceed Rs. 30,000 or
 - (b) If recipient makes an application to the assessing officer for no or lower tax deduction.
 - (iii) Tax is to be deducted at the time of credit to the credit of the payee or at the time of payment in cash or by cheque or by any other mode of payment. For this purpose credit to any suspense account or any other account by whatever name called shall be deemed to be a credit of such income to the account of payee.
 - (iv) Tax to be deducted at the rate of Ten per cent.
 - (v) Tax is required to be deposited to the credit of Central Government, where sum is credited to the account of the payee on the last day of accounting year, within 2 months from the end of the month in which such date falls. In any other case, within one week from the last day of the month in which deduction is made.

Where tax is deducted on behalf of Central or State Government, tax is required to be deposited on the same day.
 - (vi) Payer is required to issue TDS Certificate within one month from the end of the month during which the credit has been given or the sums have been paid.

Where amount is credited to payee's account on the last day of the accounting year, certificate must be issued within a week after the expiry of two months from the month in which the amount is credited.
 - (vii) Where more than on certificate is required to be furnished to a payee during the financial year, a consolidated certificate covering all deductions made during that year can be issued within one month from the close of the financial year, if the payee so desires.
2. Furnishing annual return of tax deducted at source from fees for professional or technical services
 - (i) Annual return of deduction of tax at source is to be filed by 30th June of the financial year following the year to which the return relates.
 - (ii) Annual return is filed to the assessing officer designated for

that purpose by the Commissioner of Income Tax or if there is no such person designated, the assessing officer having jurisdiction over person.

- (iii) Enclose the counterfoil of the challan (for deposit of tax to the credit of the Central Government) to the annual return.

DELHI VALUE ADDED TAX

Delhi VAT have been introduced w.e.f April 1, 2005. The salient features of DVAT are as under:

1. Filing of return and deposit of tax:

Tax Period: In case of new registration the tax period for the first year in which registration is granted would be quarter only.

Tax period for subsequent period will depend upon the turnover of the preceding financial year as under:

S. No.	Turnover (T) in the preceding	Mandatory Tax Period	Optional Tax Period
1	Turnover is equal to or less than Rs. 10 lakhs	Yearly Yearly	6 months or quarterly or one month
2	Turnover exceeds Rs.10 lakhs but not exceeds Rs. 50 lakhs	Six months	Quarterly or one month
3	Turnover exceeds Rs.50 lakhs but does not exceeds Rs.5 crore	Quarter	One Month
4	Turnover exceed Rs. 5 crore	One month	No option

Notes:

- Tax period of a dealer is liable to change depending upon his turnover of the preceding year.
- If the tax periods of a dealer during the current year increase or decrease the limit specified above, he is required to change his tax period from April 1 of the following year and shall file on intimation in DVAT 55 upto April 15 of that year.
- If a dealer wants opt for an optional tax period as above, he is required to file intimation in DVAT 55 up to April 15.
- The option once exercised shall remain valid through out the year and could be changed only from April 1 of the following year.
- It is to be issued in duplicate. Original is to be given to purchaser and duplicate to be retained by dealer.
- The Purchasing Dealer can take credit of Tax paid on purchase.
- The Tax Invoice shall contain the following information:
- The word 'Tax Invoice' on a prominent place.
- Name, Address and Registration No. of the selling dealer.

- Name, Address and registration no. of purchasing dealer.
- Description, quantity, volume and value of goods sold and services provided and the amount of tax charged thereon should be indicated separately.

Returns to be filled by a Registered Dealer

S. No.	Type of Return	Particulars	Due Date
1	Periodic Return	DVAT-16 for DVAT Form 1 for Central Sale Tax	Tax Period (T. P) Monthly-----Within 25 days from end of T.P Quarterly-----Within 28 days from end of T.P Half Yearly----Within 45 days from end of T.P Annually -----Within 75 days from end of T.P
2	Monthly e-return	Dealers whose Tax Period is monthly are required to file e-return	Within 25 days from end of month
3	Revised Return	In form DVAT-16	Within one month of discovery of mistake requiring further payment of tax
4	Quarterly Reconciliation Statement	Dealers Selling/transferring goods on the strength of declaration forms e.g. C D etc. are required to submit quarterly reconciliation statement in form DVAT 51 along with original forms.	Within 3 months from end of each quarter

Due date for payment of taxes

1. Tax period is a quarterly or half yearly or a year 28 days from the end of each quarter
2. Tax period is a month 28 days from end of a month

Accounts and information:

1. Types of invoices : A dealer is required to maintain two types of invoices namely Tax Invoice and Retail Invoice.
1. Tax Invoice : It is to be issued by a registered dealer to another registered dealer on request only for a local sale within Delhi.
 - An individual preprinted serialized number and the date of issue of invoice.
 - Name and Address of the printer and first and last serial no. of tax invoices printed and supplied by him to the dealer. However as per clarification given by the Deptt. a dealer is entitled to use computer printed invoices if
 - he maintains series no. of all invoices.
 - he retains the duplicate copy security.

- Where a purchasing dealer claims to have lost original tax invoice, the selling dealer may upon request made by the purchasing dealer may issue him a copy of Tax of Invoice marked as duplicate.

However the selling dealer shall obtain an under taking cum indemnity in form DVAT 36 and shall furnish a copy of same along with his return of the tax period in which such duplicate invoice is issued.

II. Retail Invoice: A dealer is required to issued Retail Invoice where "Tax Invoices" cannot be issued.

- The retail invoice shall contain the following information.
- The words "Retail Invoices" or each memorandum or bill in a prominent place.
- Name, Address and registration no. of selling dealer.
- If sale is in course interstate sale, the name, registration no. and address of the purchasing dealer and a net type of statutory form, if any against which the sale has been made.
- Description, Quantity, Volume and Value of goods sold and services provided inclusive of amount of tax charged thereon, stated separately.
- Signature of the selling dealer or his servant, manager as agent, duly authorized by him.

Debit and Credit Notes

Debit Notes

Where a tax invoice has been issued in respect of a sale and

- The amount shown as tax in that tax invoice exceeds the tax payable in respect of the sale, the dealer shall provide the purchaser with a credit note, containing such particulars as may be prescribed; or
- The tax payable in respect of the sale exceeds the amount shown as tax on the tax invoice, the dealer shall provide the purchaser with a debit note, containing such particulars as may be prescribed.

Particulars of the Credit/ Debit note

A credit note and a debit note shall be signed by a person authorized to sign the return to be filed under this Act and shall contain the following particulars, namely:-

- Name, Address and registration certification number of selling registration dealer;
- Name and Address of the purchaser and his registration number where the purchaser is a registered dealer;
- Description of the reason for issuing the credit note as debit note, as the case may be;
- Serial number of the relevant tax invoice affected by the credit note as debit note, as the case may be;
- Amount of the variations to the tax amount shown on the tax invoice.

Types of Records and Accounts to be maintained:

All dealers other than dealers electing for composition scheme shall be maintained following records at his principal place o business:

(a) A monthly account specifying :

- Total output tax,
- Total input tax, and
- Net tax payable or the exceeds or the excess tax credit due for carry forward. (b)

(b) Records of inter-state sales transactions :

- Inter-State sale,
- Inter-State transfer of goods,
- Goods sent for job work, and
- Statutory declarations and other evidence as may be relevant.

(c) Details of input tax calculations where the taxable person is making both taxable

and tax free sales.

(d) Purchase records in form DVAT 30, showing details of

- Purchases on which tax has been paid,
- Purchases made without payment of tax,
- Purchases made from and exempted unit, and
- Purchases made from outside Delhi.

Moreover, original tax invoices for purchases on which tax has been paid and invoices for purchases made without payment of tax shall be preserved date-wise an in numerical order.

(e) Sales records in form DVAT-31 showing separately :

- Sales made at different tax rates,
- Zero-rated taxable sales, and
- Tax- free sales.

Moreover, copies of tax invoices related to taxable sales and invoices related to exempt sales shall be retained date wise and in numerical order.

(f) Stock records showing :

- Stock receipts,
- Stock deliveries,
- Manufacturing records, and
- Particulars of goods (separate stock records) stored in cold storage, warehouse, go- down or any other place taken on hire.

(g) Annual accounts including Trading, P & L a/c and Balance Sheet.

- (h) Bank records, including statement, cheque book counter foil and pay-in-slips. (i) Order records and delivery challans wherever applicable.
- (j) Cash book, day book and ledger.

Accounts to be audited in certain cases

A	Who is required	Every dealer whose gross turnover in respect of a particular year exceeds Rs.40 lakhs or such other amount as may be prescribed.
B	Who will audit his accounts	An Accountant defined under section 2(1)(a), i.e., a Chartered Accountant
C	Completion of audit	Within 9 months from the end of that year.
D	Format of audit report	Such particulars as may be prescribed u/s 44AB of the Income Tax Act, 1961, as amended from time to time.
E	Manner of furnishing of audit report	Where the dealer is required to get his accounts audited under section 44AB or the Income Tax Act, 1961, it shall be sufficient compliance if such dealer furnishes to the Commissioner a true copy of the report of such audit in the prescribed form duly signed and verified by such accountant.
F	Time limit for furnishing or audit report	Within 28 days from the end of the tax period ending on 31st December of the following year, i.e., 28th January of the following year.

Tax implication for payment released to the foreign nationals visiting India from different countries.

TAX IMPLICATION ON THE PAYMENT TO BE RELEASED TO FOREIGN NATIONALS

Accounts official while releasing the payment to Foreign Faculty visiting NIFT for delivering lectures or for conducting Seminar & Workshop should ensure that tax implications relevant to the country is strictly adhered to.

The rates of Taxation with various countries

- The Income Tax Act provides that the tax is required to be deducted at lower of the following:
 - at the rates specified under Double Taxation Avoidance Agreement if any with that country or
 - in case there is no such agreement, then at the rate of 30% on payments to Non Resident Individuals.

- The rates of taxation with various countries as mentioned in your letter are as under:

a) UNITED STATES OF AMERICA:

The Government of the Republic of India has entered into an agreement with the Government of the United States of America for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income vide notification No.G.S.R. 990(E), dated December 20.1.90. Article 22 of the said agreement deals with the Payment received by Professors, Teachers and Research Scholar which is reproduced as under:

"An individual who visits a Contracting State for a period not exceeding two years for the purpose of teaching or engaging in research at a university, college or other recognized educational institution in that State and who was immediately before that visit a resident of the other Contracting State, shall be exempted from tax by the first-mentioned Contracting State on any remuneration for such teaching or research for a period not exceeding two years from the date he first visits that State for such purpose."

From the above it can be stated that

- An individual faculty who visits India from USA and who is resident in USA
- He receives honorarium for teaching at a University, college or other recognized educational institution in India.
- His stay in India is for a period not exceeding 2 years
- Then the honorarium received would be exempt from tax in India.

b) UNITED KINGDOM OF GREAT BRITAIN & NORTHERN IRELAND

The Government of the Republic of India has entered into an agreement with the Government of the United Kingdom of Great Britain & Northern Ireland for the avoidance of double taxation and the prevention of fiscal with respect to taxed on income vide notification No.GSR 91(E) dated 11/2/1994. Article 22 of the said agreement deals with payments made to Teachers which is reproduced as under:

"An individual who visits a Contracting State for a period not exceeding two years for the purpose of teaching or engaging in research at a University, college or other recognized educational institution in that State, and who was immediately before that visit a resident of the other contracting State, shall be exempted from tax by the first-mentioned contracting State on any remuneration for such teaching or research for a period not exceeding two years from the date he first visits that State for such purpose"

From the above it can be stated that

- An individual faculty who visits India from UK and who is resident in UK
- He receives honorarium for teaching at a university, college or other recognized educational institution in India
- His stay in India is for a period not exceeding 2 years

- Then the honorarium received would be exempt from tax in India.

c) AUSTRALIA

The Government of Republic of India entered into an agreement with Government of Australia for avoidance of Double Taxation with respect to taxes on income vide Notification No.GSR 60(E) dated 22nd January 1992. Article 20 to the said agreement deals with the provisions relating to Professors and Teachers and states the following:

From the above it can be stated that:

- An individual faculty who visits India from Australia and who is resident in Australia.
- He received honorarium for teaching at a University, College or other recognized educational institution in India.
- His stay in India is for a period not exceeding 2 years
- Then the honorarium received would be exempt from tax is the Income is chargeable to tax in Australia.

d) CANADA

The Government of Republic of India entered into an agreement with Government of Canada for avoidance of Double Taxation with respect to taxes on income vide Notification No.10503 (f.No.505/2/87-FTD). Article 14 (Independent Personal Services) to the said agreement deals with the income derived by Professors and Teachers and states the following:

Income derived by an individual or a firm of individuals (other than a company) who is a resident of a Contracting State in respect of professional services or other independent activities of a similar character shall be taxable only in that State. However, in the following circumstances, such income may be taxed in the other Contracting State, that is to say:

- (b) if he has or had a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities: in that case only so much of the income as is attributable to that fixed base may be taxed in that other Contracting State: or
 - (c) if his stay in the other Contracting State is for a period or periods amounting to or exceeding in the aggregate 183 days in the relevant fiscal year: or
 - (d) if the remuneration for the services in the other Contracting State is either derived from residents of that other Contracting State or is borne by a permanent establishment which a person not resident in that other Contracting State has in that other Contracting State and such remuneration exceeds two thousand five hundred Canadian dollars (\$2,500) or its equivalent in Indian currency in the relevant fiscal year.
- 3 The term professional services includes independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, surgeons, lawyers, engineers, architects, dentists and accountants.

From the above it can be stated that:

- The individual faculty must be a resident of Canada
- He receives honorarium for teaching at a University, College or other recognized educational institution in India.
- Such income shall be taxable in India if
- He has fixed arrangement for receiving remuneration in India.
- His stay in India is for a period equal to or exceeding 183 days during the relevant previous year: or
- The honorarium received does not exceeds Canadian dollars \$2500 or its equivalent in Indian Currency during a fiscal year; or
- The faculty from Canada has a permanent establishment in India.

Since the faculty from Canada have entered in to a contract therefore the honorarium received in India would be liable to tax is required to be deducted @ 5% plus surcharges and education cess.

France

The Government of Republic of India entered into an agreement with Government of French Republic for avoidance of Double Taxation with respect to taxes on income vide Notification No.GSR 681 dated 7th September,1994. Article 22 to the said agreement deals with the income derived by Professors and Teachers and States as under:

"A professor, teacher or a research scholar who is or was a resident of one of the Contracting States immediately before visiting the other Contracting State for the purpose of teaching or engaging in research, or both, at a University, College, School or other approved institution in that other Contracting State shall be taxable only in the first-mentioned Contracting State on any remuneration for such teaching or research for a period not exceeding two years from the date of his arrival in that other Contracting State."

From the above it can be stated that:

- The individual faculty must be a resident of France.
- He receives honorarium for teaching at a University, College or other recognized educational institution in India
- His stay in India is for a period not exceeding 2 years
- Such income shall not be taxable in India.

ITALY

The Government of Republic of India entered into an agreement with Government of the Republic of Italy for avoidance of Double Taxation with respect to taxes on income vide Notification No.10075 (F. No. 505/2/86-FTD). Article 21 to the said agreement deals with the income derived by Professors and Teachers and states the following:

A professor or teacher who makes a temporary visit to a Contracting State for a period not exceeding two years for the purpose of teaching or conducting research at a university, college, school or

other educational institution, owned by the Government or non-profit organizations, and who is, or immediately before such visit was, a resident of the other Contracting State shall be exempt from tax in the first-mentioned Contracting State in respect of remuneration for such teaching or research.

From the above it can be stated that:

- The individual faculty must be a resident of Italy
- He receives honorarium for teaching at a University, College or other recognized educational institution of India.
- His stay in India is for a period not exceeding 2 years
- Such income shall not be taxable in India.

HOLLAND AND NETHERLANDS

The Government of Republic of India entered into an agreement with Kingdom of Netherlands for avoidance of Double Taxation with respect to taxes on income vide Notification No.GSR 382(E) dated 27th March 1989. Article 20 to the said agreement deals with the income derived by Professors and Teachers and states the following:

A professor or teacher who is or was a resident of one of the States immediately before visiting the other State for the purpose of teaching or engaging in research, or both, at a university, college, school or other approved institution in that other State shall be taxable only in the first mentioned State on any remuneration for such teaching or research for a period not exceeding two years from the date of his arrival in that other State. From the above it can be stated that:

- The individual faculty must be a resident of Italy
- He receives honorarium for teaching at a university, college or other recognized educational institution in India
- His stay in India is for a period not exceeding 2 years
- Such income shall not be taxable in India

Thus to sum up we can state that the honorarium received by foreign faculties from USA, UK, Australia, France, Italy, Holland and Netherland is exempt from tax subject to the satisfaction of conditions specified therein. For every remittance outside India the Institute is required to submit an application form and a certificate from a Chartered Accountant enclosed herewith.

ANNEXURE-A

FORM & APPLICATION REMITTANCE UNDER SECTION 195 OF THE INCOME TAX ACT

- 1 Name and Address of the Applicant and principal place of business
- 2 Name and Address of the Assessing Officer having jurisdiction over the remitters
- 3 Applicants PAN Number
- 4 Name and address of the beneficiary of the remittance and the country to which remittance is made
- 5 Amount and nature of remittance
- 6 Rate of deduction of tax at source
- 7 Reference to provision of Act/DTAA under which the rate has been determined
- 8 Certificate
 - (i) I/We propose to make the above remittance as per deduction of tax at source indicated above. We have obtained a certificate from M/s.....who is an accountant as defined in section 288 of the Income-Tax Act, certifying the amount, nature and correctness of deduction of tax at source.
 - (ii) In case the income tax authority at any time finds that tax actually deductible on the amount of remittance has either not been paid or not paid in full, I/We undertake to pay the said amount of tax alongwith interest due.
 - (iii) I/We shall also be subjected to the provisions of penalty for the said default as per the provisions of Income-tax Act.
 - (iv) I/We undertake to submit the requisite documents, etc. for enabling the income tax authorities to determine the nature and amount of income of the beneficiary of above remittance as well as documents required for determining our liabilities under the Income tax Act as a person responsible for deduction of tax at source.
 - (v) The information given above is true to the best of my/our knowledge and belief and no relevant information has been concealed.

.....
(Name & Signature)

(To be signed by a person responsible for signing the return of income (as to provisions of section 139(A) of the Income tax Act of the person making the remittance

ANNEXURE B

CERTIFICATE

I/We have examined the agreements (wherever applicable) M/s.-----
----- And

M/s.-----requiring the remitters beneficiary

Above remittance as well as the relevant documents and books of account required for ascertaining the nature of remittance and for determining the rate of deduction of tax at source as per the provisions of section 195. We hereby certify the following:

- 1 Name and Address of the beneficiary of the remittance and the name of the foreign country to which remittance is being made.
- 2 Amount of remittance is foreign currency indicating the proposed date/month and bank through which remittance is being made
- 3 Details of tax deducted at source, rate at which tax has been deducted and date of deduction.

	Foreign Currency	Indian Currency
Amount to be remitted	-----	-----
Tax deducted at source	-----	-----
Actual amount remitted	-----	-----
Rate at which deducted	-----	-----
Date of Deduction	-----	-----
- 4 In case the remittance as indicated in (2) above is net of taxes, whether tax payable has been grossed up? If so, computation thereof may be indicated
- 5 If the remittance is for royalties, fee for technical services, interest, dividend etc., the clause of the relevant DTAA under which the remittance is covered alongwith reasons and the rate at which

tax is required to be deducted in terms of such clause of the applicable DTAA.

- 6 In case that tax has been deducted at a rate lower than the rate prescribed under the applicable DTAA, the reasons thereof,
- 7 In case remittance is for supply of articles or things (e.g., plant, machinery, equipment etc.) or computer software, please indicate:
 - (i) Whether there is any permanent establishment in India through which the beneficiary of the remittance is directly or indirectly carrying on such activity of supply of articles or things?
 - (ii) Whether such remittance is attributable to or connected with such permanent establishment?
 - (iii) If, so the amount of income comprised in such remittance
 - (iv) If not, the reasons in brief therefore.
- 8 In case remittance is on account of business income please indicate:
 - Whether such income is liable to tax in India?
 - If so, the basis for arriving at the rate of deduction of tax
 - If not, the reasons thereof.
- 9 In case tax is not deducted at source for any other reason, details thereof.
(Attach separate sheet duly authenticated wherever necessary)
Name, Address and Registration Numbers
(To be signed and verified by an Accountant as defined in Section 288 of the Income tax Act).
Circular No. 10/2002, dated 9/10/2002.

Summary of Unit wise Responsibilities:-

		HO			Centre		
Activity	Para No.	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary Res- ponsebility	Direct supervisory responsibly	Over all supervisory responsibility
TDS forms salary & form 16 preparation, and TDS from other bills, corresp. with statutory authorities filling quarterly and annual written of income tax		F&A-I	DR(F&A)/OS D/AR/SA-A/c	CAO/ DIR(F&A)	F&A-I & II	DR(F&A)/OS D/AR/SA-A/c	Director

CHAPTER - 18

Standing Internal Advisory Committees in which Finance Representing

S. No.	Name of Committee	Chairperson	Members	Convenor / Co-convenor	Functions	Frequency of meetings
1	Standing Internal Advisory Committee for International Linkages at H.O.	Dean (A)	<ol style="list-style-type: none"> Dir- to be nominated by DG [Director (DC), was nominated as alternate Chairman] Dir.-HO CP-PGDS Head - IL (included as member) 	Convenor Unit In-charge (IL-1)	<ol style="list-style-type: none"> To advise and recommend on strengthening of International Linkages and proposals for attracting and dealing with International students. To advise on proposals for setting up of NIFT Centres abroad including strategic alliances, tie-ups, infrastructure programmes and legal issues. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
2.	Standing Internal Advisory Committee for Industry Linkages at HO	Dean (A)	<ol style="list-style-type: none"> Director (Chennai) was nominated as alternate Chairman Director (F&A) CP-FMS CC-UG (Tech.) (BFT) - DC Head - Industry (included as member) 	Convenor Unit In-charge Industry Linkages	<ol style="list-style-type: none"> To advise and recommend on various aspects of strengthening Industry Institute of Linkages. Mobilization of funding support from Government/non-Government Industry. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
3.	Standing Internal Advisory Committee for Academic Management NRC and CE Alumni, FOTD, CCC & Cluster Units in the purview of SIAC -AMS at H.O.	Dean (A)	<ol style="list-style-type: none"> Three Senior Most CPs <ol style="list-style-type: none"> CP-FD CP-DFT CP-F&LA Director - DC Director - F&A Director-HO Head - FOTD Head (AA) (Honorary Member) 	Convenor Unit In-charge (AMS) Co-convenor Unit In-charge (NRC) Co-convenor Unit In-charge (CE) Co-convenor Unit In-charge (Alumni) Co-convenor Unit In-charge (FOTD) Co-convenor Unit In-charge (CCC) Co-convenor Unit In-charge (Cluster)	(Academic Management) <ol style="list-style-type: none"> To devise, to monitor and review effective communication of Academic activities. To create effective deliverance of curriculum To maintain a regular flow of Industry trends for enriching academics and curriculum (NRC) <ol style="list-style-type: none"> For the input on the journals and other resources required in Design, Management and Technology. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.

3.					<p>2. To project students requirements from the NRC.</p> <p>3. To add more findings and resources to the NRC.</p> <p>(CE)</p> <p>1. To advise on various aspects of conduct of CE Programme by Centres including identification of new and core areas specialist to teach and develop new strategies for conducting CE Programmes.</p> <p>(Alumni Affairs)</p> <p>1. To advise and recommend on various aspects of strengthening alumni network.</p> <p>(Corporate Communication)</p> <p>1. To advise on creation & promotion of NIFT identity, Fashion & Beyond, Publication & Printing, website Design/ management and any other matter connected with media, graphics etc.</p> <p>(Cluster)</p> <p>1. Consolidation of budget (both Capital and Revenue) and monitoring of Physical and Financial expenditure of Cluster development projects.</p> <p>2. Liaisoning with submission of all the necessary accounts to the Ministry of Rural Development and DC (Handicraft)</p> <p>(FOTD)</p> <p>1. To advise on organizing various training programmes for Faculty under Training Policy.</p>	
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4.	(1) Standing Internal Advisory Committee for Student Affairs and Domestic Linkages at H.O. and Common Examination Board (CEB)	Director- HO	<ol style="list-style-type: none"> 1. Director to be nominated by DG (Director - Hyd. was nominated as Alternate Chairman) 2. Head - AA 3. Unit In-charge AA/ SDAC-HO 4. CP-TD 	<p>Convenor Unit In-charge (AA-1-SA) Co-convenor Unit In-charge (AA-2-SDA&DL)</p>	<p>Student Affairs: Legal Matters, Discipline Matters, Financial assistance, Transfer cases, Students Grievances, Student Rule Book, Internal Guidelines, convocation & Awards, Policy and Guidelines, Budget allocation, Student Development related planning of student activities, conduct of activities (NGOs), Mentorship programmes, Budget allocation of development activities, infrastructure set up.</p> <p>Domestic Linkages Policy & Guidelines on standard norms of linkages, preparation and assessment of proposal based on credentials, review and monitoring exercise, yearly review of report. Common Examination Board (CEB) <ol style="list-style-type: none"> 1. Policy and Guidelines for Examinations and related Affairs. 2. CEB Paper Setting Guidelines 3. Conduct of Examination 4. Evaluation Process 5. Re-Assessment Appeals Budget Allocation </p>	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
5.	Standing Internal Advisory Committee for Research at HO	Head-Research	<ol style="list-style-type: none"> 1. Director -HO [as nominated by DG] 2. Three PhD holding Professors /Senior Professors of NIFT (as nominated by DG) : 3. Dr. Noopur Anand 4. Dr. M. Vasantha 5. Dr. Anitha Mabel Manohar 6. Dr. Anju Khanna (Associate Professor IPR included as a member) 	<p>Convenor Unit In-charge Research</p>	<p>Coordination of the Ph. D Program of NIFT with the following specific activities</p> <ul style="list-style-type: none"> ● The SIAC-R would review, revise and from time to time thereafter proposed the short listing criteria, for the minimum eligibility defined in the admission notice for Ph.D. ● Two representatives of SIAC-R will be a part of the Ph.D short-listing committee formed by Director (Admissions). 	Constituted in May, 2010. Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.

5.					<ul style="list-style-type: none"> ● The SIAC-R will make recommendations for every admitted Ph. D student for assigning of Research Supervisors during the first semester to the Head (Research), taking into consideration the preference of the student and the area of research. ● SIAC-R would examine all cases of applications for appointment for joint supervisor, alternate supervisors and make recommendations. ● The SIAC-R will evaluate the progress report of the student every semester and make recommendation for the student's continued candidature. The progress report will be submitted by each Ph. D student at the end of each semester to his supervisor(s). On receipt of the progress reports of all the Ph. D students, the Head (AA) shall arrange with SIAC-R for a review. <p>Suggest ways for mainstreaming R&D at NIFT.</p> <p>Advise on identification of focus areas for research and development.</p> <p>Suggest linkage with other R&D institutes / universities.</p> <p>Mobilization of research funding.</p> <p>Advice on allocation of funding under "Research" activities including that for holding of/ participation in international seminars, conferences by faculty and Research Scholars.</p>	
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6.	Standing Internal Advisory Committee for Infrastructure Development Capital Purchase and IT equipments and peripheral for IT-items at H.O.	Director (F&A)	<ol style="list-style-type: none"> 1. Director -HO nominated as Alternate Chairman 2. Head - AA 3. Expert member (to be co-opted) 4. CAO 	Convenor Dy. Reg. (F&A) Co-convenor Unit Incharge (AA-6-IC&A) Unit Incharge (AA-5-NISG)	<ol style="list-style-type: none"> 1. To recommend on the proposals for purchase of IT items - software, hardware, services and AMC. 2. LAN update 3. Develop specifications and norms of various IT equipments and peripherals etc. <p>IT equipments and peripheral</p> <ol style="list-style-type: none"> 1. Allocation of IT equipments & Peripherals in HO & DC. 2. Coordination with Internal Service Provider H.O. & DC 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
7.	Standing Internal Advisory Committee for Admissions	Director (F&A)	<ol style="list-style-type: none"> 1. (Director DC nominated as Alternate Chairman) 2. CAO 3. CP-KD 4. CP-FC 	Convenor Registrar (Admission) Co-convenor AR (Admission) 1. To advise on all	matters related to admissions to regular programmes including preparation of prospectus, conduct of Entrance Examination, announcement of results and counseling.	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
8.	Standing Internal Advisory Committee for Accounts & Finance at H.O	Dir (F&A)	<ol style="list-style-type: none"> 1. All Dy. Registrars (F&A), NIFT Centres/ A.O where DR(F&A) not in position 2. All Dy. Registrars (F&A) - H.O. 	Convenor CAO Co-convenor OSD (A/c)-	<ol style="list-style-type: none"> 1. To review all finance and accounts matters including projects etc. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
9.	Constitution of Executive Council at H.O.	Director General	<ol style="list-style-type: none"> 1. All Directors of NIFT Centres 2. All Directors at H.O. 3. Other HODs/ Heads 	Convenor Board Secretary Co-convenor Of Units at H.O (as required)	<ol style="list-style-type: none"> 1. The Executive Council will consider all administrative and finance & accounts matters and any other matter incidental thereto and make recommendations. The recommendations of the Executive Council will be placed before the DG NIFT. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.

10.	Constitution of State Level Advisory Committee	Chief Secretary of the State Govt. where NIFT is located or his nominee	<ol style="list-style-type: none"> 1. Director, NIFT Centre 2. SLAC shall comprise of not exceeding 7 members which shall include the Secretary, Industries and Textiles & Secretary, Expenditure of the respective State Government a members. 3. 3 Members to be nominated representing the Industry / Academic/ Govt. Agencies 	Convenor Registrar of the Centre	<ol style="list-style-type: none"> 1. To advice the Centre on Management and Academic issues and review the functioning of the Centre. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.
11.	Constitution of State Level Building Project Coordinator Committee Chairman of	SLAC or his nominee or Vice Chairman, SLAC 1.	<ol style="list-style-type: none"> 1. Representative of the Architects 2. Representative of Construction Agency. 3. Representative of PMC 4. Representative of State/ Central PWD Engineers 5. Director of NIFT Centre 	Convenor Estate Engineer / Registrar of NIFT Centres	<ol style="list-style-type: none"> 1. To review the Building Projects and advice the Centre with regard to various matter connected with construction activities at the Centre. 	Every quarter or as frequently as may be informed by the convenor and function for 3 years or until further orders.

CHAPTER - 19

NIFT Project Consultancy Policy

1. General

- 1.1. Consulting at NIFT is viewed as a dynamic learning opportunity for the faculty to strengthen teaching and research activities. The Consultancy Projects provide an opportunity for the faculty to interact with and exchange their views with the practitioners of the profession and contributes to solving practical problems while gaining the much needed empirical experience for increasing the efficacy of teaching and research. Keeping this object in view, the faculty members are encouraged to undertake Consultancy Projects for clients from Private and Public Sectors including Government and Semi Govt. and UN and other international organizations, NGOs and Self help Groups to enable them acquire experience and expertise in handling wide range of assignments.
- 1.2. In exercise of this facility, the faculty members and all others associated with the Consultancy Projects are expected to conduct themselves in a manner befitting a faculty member/employee of this Institute.
- 1.3. The Primary obligation of NIFT Employees is the Institute and it is expected that the employees of NIFT will not in any way, financially or otherwise transgress the spirit on which the consulting privilege rests.
- 1.4. While accepting any Consultancy assignment the authorities and the faculty members associated with the same shall ensure that their commitments to the Institute's academic activities are not affected adversely.

2. Definition

- 2.1. Consulting is envisaged as an activity, which entails assistance to an organization in finding solutions to a specific problem/s, or performing a specific task for it in return for pecuniary consideration in whatever form. All payments of any kind received by faculty and other academic staff from any external source would also be covered under this Policy.
- 2.2. Accordingly the Consultancy Projects at NIFT shall fall under the following two categories :
 - A. Faculty Managed Projects including Workshops
 - B. Classroom and Diploma Projects
- 2.3. The following types of projects shall be treated as Head Office projects:-
 - a) Any Project of importance for strategic reasons.
 - b) Projects which involve more than one centre.
- 2.4. As far as possible, the Consultancy Projects should be integrated with the learning at NIFT and the students should be associated with these Projects to provide them an opportunity to learn from real life experiences and gain hands on experience, keeping with the educational philosophy at NIFT.

- 2.5. Only those Consultancy Projects of specialized nature requiring the faculty members expertise in their area of specialization individually or in teams may be handled by them without involvement of students.

Instructions Related to Projects

(File No. - NIFT/I&A/30/CIRCULAR/08/20 dated 19/9/ 2008)

1. All Fixed assets procured for Project may invariably be taken on charge immediately in the Fixed Assets Register maintained for the Project and at the time of closure of the Project the same may be transferred to the NIFT Fixed Asset Register or to the concerned party after obtaining the acknowledgement of receipt.
2. Physical verification of Fixed Assets may be carried out annually as per prescribed rule.
3. Projects may be financially closed within prescribed limit of 6 months after completion of the Project.
4. A separate Bank Account should be opened for projects having financial value more than Rs. 50.00 lakh and one another General Project Account should be kept so that projects of value less than Rs. 50.00 lakh may be deposited in the account.
5. As the NIFT is exempted from Income Tax the Project value should be received without any deduction of Tax and cases where Tax has erroneously been deducted the same may be claimed from the Income Tax Department by submitting Form -16 to Head Office.
6. Also, the Admin charges 15% may be charged from the Total cost of the Project prior to tax deductions.
7. Advances may be released to the authorized persons only within specific limit after obtaining details of expenditure and obtaining guarantee for recovery of the same as per prescribed rules. Also, advances may be adjusted within one month after completion of the task for which advances were released. A Register may be maintained to record the Advances released to Staff and Contractors/ Parties separately and the same may be reviewed periodically for timely adjustment of outstanding advances. Subsequent advance may be released after full adjustment of 1st advance except in specific circumstances approved by the Director.
8. Expenditure for approved items only may be incurred strictly in terms of rate prescribed in the NIFT Rule/Project policy.
9. Centres may ensure that project unit is formed as decided in Executive council meeting held on 13/5/2008 and communicated vide Registrar (Estt.) letter NO. NIFT/HO/Bd.sectt./EC/2006 (Vol. II) dated 22/5/2008.
10. Projects costing value of more than 10 Lakh should have prior approval from Head office.
11. Expenditure should be restricted to the funds received for the Project.

12. It may be ensured that Service Tax No has been obtained for providing services of Projects and the same is timely deposited.
13. It may be ensured that a statement of Return in the prescribed proforma, circulated vide letter No. NIFT/HO/Board-Sectt.-MIS/Units/F&A-7/06 dated 10/11/2006, is being sent to Head office at the end of each quarter.

3. NIFT General Consultancy Projects:

- 3.1 These would include Faculty managed Projects including workshops and Head Office Projects. All Consultancy Projects shall be done in the name of the Institute after obtaining the necessary clearance for undertaking the Project as per the procedure prescribed in these rules. This is so whether the client's initial approach is to an individual or to the Institute.
- 3.2 Where the Client approaches the Institute, the Director General/Director of NIFT Centres, shall nominate a faculty member or a group to undertake the project. This decision shall be based on the interests and capabilities of faculty, their area of specialization and as far as possible equity in distribution of consulting work. While determining the competency for handling of projects the subjects taught by the concerned faculty at NIFT and their experience with the relevant industry should be the main criteria.
- 3.3 If directly approached by clients, individual faculty should not commit themselves orally or in writing until they obtain the explicit approval under these rules. They may however correspond and discuss with the clients with regard to the Client's brief, time frame, budget and other details in consultation with the Director/Centre Coordinator. They shall be responsible to ensure that it is as per the existing policy guidelines.
- 3.4 The faculty members are advised to make their choice of consulting assignments with great care and view it from the perspective of its importance and relevance to the work of the Institute, their area of specialization, the nature of problem, time involved, and its implication for the consultant-client relationship.
- 3.5 The Institute will, subject to its commitments, resources and convenience, provide support to individuals involved in consulting. The services of research and support staff may be availed for consultancy projects outside office hours on payment subject to specific approval of the competent authority out of the project budget.
- 3.6 The Consultancy Project Coordinator shall be responsible for the proper conduct of the faculty members and staff assisting in consultancy work.
- 3.7 To ensure 1.4, the ceiling of 60 man days has been fixed for work relating to projects in a academic year.

4. Budget

- 4.1 The faculty/Official seeking the Consultancy Project will furnish to the client a detailed budget for the project as per the norms explained in the subsequent paras.,

- 4.2 The Project Coordinator shall obtain prior approval of DG / Director of the budget and for association of other staff / faculty members for the Project. The budget shall have the following components:

- a) NIFT's Administrative Fee
- b) Direct Expenses
 - i) Cost of Stationery
 - ii) Tools/equipments i
 - iii) printing & postage
 - iv) prototype development
 - v) material
 - vi) art work
 - vii) documentation
 - viii) travel expenses
 - ix) NIFT's Infrastructure charges
 - x) Lecture fee for workshops.
 - xi) to outside consultants/Designers
 - xii) any other direct expense.
- c) Consultancy Fee (including staff support payments)
 - i) to faculty.
 - ii) to support staff.(as per para 3.5)
- d) Service tax at the prevailing rates.

4.3 NIFT's Administrative Fee

Administrative Fee @ 15% shall be charged on the total Projected Cost which includes NIFT Administrative fee but excludes Service tax.

In respect of projects undertaken from Development Commissioner, Handlooms and Handicrafts, Government of India, the administrative fee shall be 7.5%. DG,NIFT shall have the powers to reduce or waive off administrative fee.

Out of the 15% Administrative Fee, one-third shall be allocated to the Department Development Fund of the Department undertaking the Project. If more than one Department is involved in the Project, the amount shall be proportionately allocated to each Department.

Wherever the administrative fee is 7.5% or wherever it is reduced / waived off with the approval of DG, no funds shall accrue to the Department Development Fund.

4.4 Direct expenses

Direct Expenses shall include all expenses except Design, Coordination and/or Consultancy

So far as payment of travel expenses is concerned, the entitlement of faculty and consultants shall be as per the NIFT Rules. In case of any deviation, approval of DG, NIFT/Director shall be necessary.

For appointment of an outside designer/consultant, prior approval of the competent authority shall be necessary.

Fixed Assets procured or the prototypes developed for project shall be refunded to client wherever such condition is stipulated. In other cases, it should be deposited with NIFT at the time of closure of the project.

4.5 Consultancy fee

The consultancy fee along with other surplus, if any, shall be shared by NIFT and faculty in the ratio of 50:50 in case of Government Projects. In case of Non-Government Projects, it shall be shared between NIFT and Faculty in the ratio of 35:65. Income tax on the income so earned by the faculty shall be deducted as per rules.

No payments shall be made to the Administrative/Accounts Staff except as specified under DDF Policy.

No remuneration will be paid to the Project team in case of any dispute with the client Project Coordinator shall seek the assistance/guidance of concerned Director in such cases and Project shall not be treated as closed till the dispute is resolved.

4.6 The Project Coordinator shall make a "best estimate" of all expenses at the time of making the budget proposal of any project.

As a General policy, variation between the estimated direct expenses inclusive of hiring of outside consultants and the actual direct expenses inclusive of hiring of outside consultants of more than 20% will not be permissible.

Wherever variation between estimated direct expenses (including hiring of outside consultants) and actual direct expenses (including hiring of outside consultants) is more than 20%, the unspent amount will be refunded to the client in keeping with NIFT equity. In all such cases Administrative Fee which is the first charge will remain unchanged.

The above provisions shall not apply to projects of training programmes where NIFT gives/ awards certificates after completion of such programmes as in all such cases NIFT shares its brand equity the amount of which is non quantifiable in the monetary value.

4.7 The standards of financial propriety laid down under Rule 21 of GFR which inter-alia provides as under shall be applicable in each case while distributing honorarium/surplus :-

"No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage."

4.8 Royalty & IPR

In case NIFT receives royalty as a part of project, the fact that the royalty is not refundable should be brought out clearly in the MOU etc. signed between NIFT and the client at the time initiating the project so that there is no claim on NIFT on this account in due course. No payment shall be made to NIFT faculty/official out of the royalty amount.

Intellectual Property Protection:

- i) The budgeting of projects would invariably comprise of. The project costs as per the expected overheads and Expected earning from the delivered products/services resulting from the project.
- ii) Intellectual Property associated with the products/services will have to be assigned in favour of NIFT as per the NIFT IPR Policy. The NIFT IPR Policy will describe the benefit sharing arrangement between NIFT and the project team creating the said Intellectual Property.
- iii) The earning from Intellectual Property could be by way of a one time lump sum payment by the client to NIFT or by way of royalty paid to NIFT from time to time. Earning of the team creating the said Intellectual Property shall not be subjected to overall ceiling under the Project Policy. However the team members shall receive these benefits as described above only till the time they remain a part of NIFT.

5. Accounting and Reporting System

- 5.1 Every Project Proposal shall be submitted by the Project Coordinator to the Director in triplicate along with all supporting documents and details of proposed budget in the prescribed format at Annexure A
- 5.2 A copy of the letter of agreement, if any to be signed between the client and the faculty may also be submitted with the form by the Project Coordinator.
- 5.3 The Accounts officer shall keep an account of all receipts and disbursements of project. The Consulting Project Coordinator shall also keep an account of the Project for his/her records.
- 5.4. All documents relating to the project should clearly state the title of the Project.
- 5.5 The Consulting Project Coordinator with the help of the Accounts Officer should carefully watch the expenditure in relation to the proposed budget.
- 5.6. The Coordinator should submit to the Director, full account of the project budget and expenditure on completion of the project.
- 5.7. The Project Coordinator shall be responsible to follow up the payments to be received from the Client.
- 5.8. The Project Coordinator shall be responsible for settlement of all advances and recoveries in relation to the Project
- 5.9. Wherever possible advances from the client should be requested to cover the current expenses. Expenditures will be incurred only against the money received or committed in writing.
- 5.10. The accounts of consulting project shall be finally closed within three months from the date of completion of the project as planned by the Project Coordinator. If any exception needs to be made in this regard for valid reasons, the Project Coordinator may seek the approval of DG/Director in advance with adequate detail and explanation.

5.11. Before closure of the Project a certificate of satisfactory completion along with the Project report shall be submitted by the Project Coordinator to the concerned Director.

6 Private Consultancy Work

No faculty/Official shall be permitted to undertake private consultancy except

Delivery of guest lectures and /or organizing workshop or seminars by faculty at duly notified Institutions of National/ International importance with the prior approval of DG./Centre Director.

Provided that the list of such Institutes/Organisations of National / International importance is duly notified by DG.

The remuneration received if any would be shared between the faculty and NIFT in the ratio of 80:20.

7. Roles & Responsibilities of Project Coordinator & Accounts Officer

7.1 Project Coordinator

- Project Coordinator shall furnish to the client the proposal indicating deliverables, time frame and budget etc.
- Project Coordinator shall be responsible to follow up the payments to be received from the client.
- Project Coordinator shall be responsible for settlement of all advances and recoveries in relation to the project.
- Project Coordinator with the assistance of Accounts Officer shall also keep an account of the Project for his/her record and shall ensure that the expenditure is incurred as per the budget.
- Project Coordinator (with the assistance of Accounts Officer in regard to nancial Statement) shall be responsible for furnishing the physical and Financial reports/returns to the client.
- Project Coordinator shall be responsible for the proper conduct of the faculty members and staff assisting in consultancy work

7.2 Accounts Officer

Accounts Officer shall assist Project Coordinator in preparing the Budget of the Project.

He shall maintain ledger accounts of all projects showing up to date receipts and payments.

He shall provide audited statement of accounts/utilization certificate to the Project Coordinator on demand.

He shall be personally responsible for the deduction/remittance of tax at source as per rules. He shall ensure timely adjustment/recovery of advances.

8. Project Evaluation Committee

8.1 The Project Evaluation Committee shall comprise of the following, which shall meet periodically to consider all

cases of NIFT Consultancy Projects, Classroom/Diploma Projects and requests for undertaking Private Consultancy Work.

Director of NIFT Centre

Registrar

Project Coordinators

Accounts Officer

Industry Coordinator of the Centre - Convenor

8.2 The proposal forms shall be received in triplicate and each copy of the form shall be signed by all the members of the Committee after the meeting in token of approval of the proposal or otherwise.

8.3 One duly signed copy to be returned to the Project Coordinator or the person concerned, one copy to be retained in the office and one copy sent to HO for records.

9 Standing Internal Advisory Committee on Projects and Consultancy

Standing Internal Advisory Committee on Projects and Consultancy shall meet every quarter to monitor and review the progress of the Consultancy Projects undertaken by Centres.

The Central Standing Committee shall also consider the following:

- (1) Formulate Policies and guidelines and provide directions to make consultancy experience to faculty meaningful in the context of NIFT's overall objective and vision.
- (2) Overall monitoring of Consultancy Projects across all Centres in terms of quality and standards.
- (3) Ensure that the nature of projects do not compromise on brand equity of NIFT
- (4) Issues relating to common interest of NIFT Centres on Consultancy Projects :
 - i) Where more than one Centre is involved in a Common Project
 - ii) Matters relating to jurisdiction/conflicts between Centres
- (5) Review of the returns received from Centres on performance and progress of projects
- (6) Any other policy issue on the subject

10. Half yearly / quarterly Statement of Returns

A statement of return in the prescribed proforma circulated vide letter No. NIFT/HO/Board-Sectt-MIS/Units/F&A-7/06 dated 10th November, 2006 is required to be sent to the HO at the end of each quarter.

11 Power to interpret/relax

In all matters relating to consulting or interpretation of these rules, the decision of Director General shall be final and binding. No provision of these rules shall be relaxed without the explicit approval of DG NIFT.

Illustration showing the amount to be refunded to the client in terms of Para 4.6.

Let the Budget and actual expenditure of the Project is as per following components :-

	Items	Budget	Actual Expenditure
1.	Total Budget	Rs.1000 + 122 (ST)	Rs.600 + 122 (ST)
2.	NIFT Administrative Fee	Rs.150	Rs. 150 (fixed)
3.	Direct Expenses (as per following details)		
	a) Stationery :	Rs.200*	Rs. 100#
	b) Travel :	Rs.150*	Rs. 50#
	c) Equipments :	Rs.100*	Rs. 20 #
	d) Misc. :	Rs. 50*	Rs. 30#
	e) Consultancy fee to Outside designer :	Rs.200*	Rs. 100#
	Total Direct Expenses :	Rs.700	Rs.300
4.	Consultancy fee to Faculty	Rs.150	Rs.150
	Service tax (@12.24%)	Rs. 122	Rs.122 (fixed)
	Budget of Direct Expenses including consultancy fee to outside designer. }	Rs. 700*	
	Actual Direct Expenditure including consultancy fee to outside designer. }	Rs. 300#	

Since the discrepancy between estimated and actual expenditure on Direct Expenses (including consultancy fee to outside designer) is less than the permissible variation of 20%, the amount to be refunded to the client shall be 260 as per following calculations:-

Budget of direct expences :	Rs. 700/-
Permissible variation (20%). :	Rs. 140/-
Balance :	Rs. 560/-
Actual Direct expences :	Rs.300/-
Amount to be refunded :	Rs.260/-Rs.560-300)

(Annexure A)

NIFT Consultancy Project Approval Form

(Refer clause 5 of NIFT Consulting Rules for clarification - To be submitted in Triplicate)

1. Project Title:
2. Project Client:
3. Contact Person for Clients: (Name, designation, address, Phone no, email ID etc)
4. Project Brief:
5. Project Objectives:
6. Project Duration:
 - (a) Date of commencement
 - (b) Date of completion
7. Name of the Project Coordinator (with designation, department etc)
8. Project Deliverables and impact:
9. Project costing (as indicated to the Client With break-up of components-copy of the offer Letter sent to the Client to be enclosed) information to be furnished as annexure, if necessary
10. Project Cost approved by the Client (with break up of Components and any other conditions stipulated by the Client - copy of letter received from the Client and Agreement if any signed/to be signed shall also be enclosed)
11. Role and Responsibility of Consultants and Support Staff:

Name of the consultant/ support staff	Responsibilities task assigned	Quantification of work in terms of man days/ hours	Share of fee in % to be booked under (d) of 12

12. Proposed Project Budget:
 - (a) Project Fee to be received (excl. Serv. Tax) _____
 - (b) NIFT Administrative Charges (15%) out of this 1/3 to DDF _____
 - (c) Direct Expenses (each item of expense to be specified) _____
 - (d) Charges for use of NIFT facilities like conference room etc. _____
 - (e) Consultancy fee including payments to support staff: _____
 - (f) Surplus (a) - (b) - (c) - (d) - (e) _____

Total

Signatures of the Project Coordinator

Name

Place and Date

Note: * Actual statement of accounts in the above format should be submitted within three months of completion of the Project with all supporting documents.

Summary of Unit wise Responsibilities:-

		HO			Centre		
Activity	Para No.	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary Res- ponsebility	Direct supervisory responsibly	Over all supervisory responsibility
All Project related Policy Implemen- tation	all	F&A-VII	AD Project	CAO / DIR (F&A)	F&A-I & II	AO / DR (F&A)	Director

CHAPTER - 20

Creation of Department Development Fund (DDF) in NIFT

The Department Development Fund (DDF) created vide this office order NO. NIFT/New CE Policy/2003(F&A) dated 28th April, 2003 was reviewed in the light of the decision of BPFC dated 09.06.2006 and AAC dated 15.6.2006 and with a view to argument and simplify the administration of the Fund, and the comprehensive DDF policy was circulated vide letter No. NIFT/HO/F&A/DDF Policy/2006 dated 25.8.2006. The policy has further been reviewed in the context of the Board's decision in 68th meeting on 30.10.2006 for creation of Depreciation Reserve Fund for replacement of old equipments and repairs of machinery, building etc. The review has also been necessitated for creation of a separate DDF from the earnings for Resource Centre and Head Office.

Accordingly, the following comprehensive Department Development Fund Policy is circulated for information and implementation.

1. Creation of the Department Development Fund (DDF):

The Competent Authority is pleased to create for each of the Academic Departments including the Resource Centre of all Centres, a Department Development Fund (DDF) and a consolidated DDF for HO for Academic and allied expenses.

The Competent Authority is also pleased to create a separate DDF for any other new programmes including the programmes of P.G. Design in Fashion Space and Enterprise Management for Fashion Business, for the duration of the programmes for the first batch to be used by those associated with the programmes by allocating 5% of the fee.

The DDF shall be placed at the disposal of the Department concerned headed by CC/ Head (Resource Centre) to be administered by a Committee of all the Faculty Members/ Officers of the Department/ Centre jointly, in accordance with the following guidelines.

2. Sources of Fund:

2(1) Academic Departments

- 2(1).1 35% of the revenue generated through the Continuing Education Policy under the CE Policy.
- 2(1).2 5% of the revenue generated through the Project and Consultancy Policy (to be allocated out of the 15% Administrative Charges levied on a Project) undertaken by a Department. Where two or More Departments jointly undertakes the Project, the amount shall be proportionately allocated as shall be initially decided at the time of approval of the Project.
- 2(1).3 15% of the revenue generated through the Classroom and Diploma Projects.
- 2(1).4 5% of the NRI/ NRI Sponsored fee of the respective department.

Graduation Project Fee:

(NIFT/Dean-A/2008/AMS/171-II August 25, 2008)

The Graduation Project fee which was being charged by F&LA & F&T departments from the sponsoring industry. It has now been decided that the departments may now instead charge a Registrations Fee of Rs. 2000/-from sponsoring industry to ensure their commitment to the project. The revenue generated will be credited to DDF of the concerned department.

2(2) Resource Centre

- 2(2).1 25% of the revenue generated through the Membership Fees other than that of the regular students & faculty of NIFT.
- 2(2).2 25% of miscellaneous receipts including overdue fines, fines for other delinquencies and miscellaneous service charges.

2.3 Head Office

- 2.3(1) 5% of the revenue generated through the Project and Consultancy (to be allocated out of the 15% Administrative Charges levied on a Project) undertaken by Head Office.

3. Application of Funds:

1) Academic Departments & Resource Centres

- 3(1).1 The Department Development Fund for Academic Expenses may be utilized for any or all of the following purposes:

A. 25% of the DDF for:

- i) Purchase of consumables for academic purposes (other than office supplies) rate contract for which shall be finalised for each Centre.
- ii) Maintenance of equipment and machinery including Annual Maintenance Contract as per rate contract for each Centre.
- (iii) Purchase of additional general purpose or specialized equipment, machinery etc.
- (iv) For import of equipment/ machinery/ software or if received as a donation, as the case may be, for payment of customary charges to the Customs authority, clearing agent, transportation and installation charges etc.
- (v) Printing of placement brochure/ any other promotional material for the Academic Department the rate contract for which shall be finalized by a duly appointed Committee for each Centre.
- (vi) The Centre Finance Committee comprising the Director, Registrar, Accounts Officer and two Centre Coordinators to be co-opted on rotational basis shall decide the rate contracts referred above.

B. 25% of the DDF for:

- (i) (a) Subsidizing field trips/ industry visits (fully or partially) for students in accordance with the instructions issued by the Academic Affairs Department from time to time.
- (b) Fashion Spectrum including the Graduation Shows with or without partial sponsorship with the prior approval of the Budget by the Competent Authority (for Academic Departments).
- (ii) Organising any promotional event for the Department during the academic year exhibition/ seminars/ workshops with or without partial sponsorship and for production of promotional materials for the Resource Centre (for Resource Centre).

C. 25% of the DDF for:

- i) Sponsoring the Faculty Members and the Staff of the Department including professional staff of Resource Centre to Seminars/ Workshops/ Training Programmes etc. not more than once during the academic year with the prior approval of DG-NIFT.
- ii) Grant of honorarium for special assignments to the staff of Academic Departments & Resource Centre with the prior approval of DG-NIFT.
- iii) Reimbursement on account of purchase of Books/Journals/ Periodicals for Professor of Rs. 6000 p.a., Rs.5000 p.a. for Associate Professors and Rs. 4000 p.a. for Assistant Professors for Resource Centre relevant to extending services (only for Resource Centre).

D 15% of the DDF:

By Academic Departments for Engagement of Adjunct Faculty and Visiting Fellows by Academic

Department and shall be utilized for the following purposes:

- i) Payment of honorarium to the Adjunct Faculty appointed for the academic department as per Adjunct Faculty Policy.
- (ii) Payment of remuneration to the Visiting Fellows by the Host Department and Secondary Affiliation Department on pro-rata basis as per Visiting Fellow Policy.
- (iii) Meeting expenses towards stay and DSA of the Visiting Fellows as per Visiting Fellow Policy.
- (iv) Any other miscellaneous expenditure towards engagement of Adjunct Faculty and Visiting Fellows.

E. By Resource Centre

The amount will be placed at the disposal of NRC at H.O and will be utilized for the following purpose.

- (1) Payment of remuneration to the experts invited by NRC
- a) Sponsoring the professional staff of the NRC to Seminars/ Workshops/ Training Programmes etc. not more than once during the academic year with the prior approval of DG-NIFT.

- (b) Grant of honorarium for Special assignment to the staff of NRC with the approval of DG- NIFT, as per the respective policies.

F. 10% of the Department Development Fund (DDF) of Academic Department and the Resource Centre and shall be utilized for the following purposes:

- i) Sponsoring the staff Admission & Account staff of the Centre to Seminars/ Workshops/ Training Programmes etc. not more than once during the academic year with the prior approval of DG-NIFT.
- ii) Grant of honorarium for CE Programme/Project work to Administrative, Accounts with the approval of DG-NIFT, as per the respective policies.

3(2) Head Office

As no expenses are required to be incurred on A, B, C & D of 3 above, the entire DDF may be earmarked for faculty, and administrative officers/ staff working in the Head Office in equal proportion and shall be utilized for the following purposes:

- i) Sponsoring the faculty, and officers of the Head Office to Seminars/ Workshops/ Training Programmes etc. not more than once during the academic year with the prior approval of DG-NIFT.
- (ii) Grant of honorarium to Administrative, Accounts staff of Head Office with the approval of DG- NIFT.

4. Administration of the Fund:

(A) At Centre

- 4.1 All full-time Faculty Members of the Department shall be the members of the Department Development Fund Committee of Academic Departments and the Director, Registrar and Head (RC) for DDF of RC and all decisions on administration of the Fund shall be taken in the meeting of the Committee in a participative and democratic manner.
- 4.2 The Centre Coordinator/Head (RC) shall be the Convenor of the respective Department Development Fund Meetings and shall keep a record of the proceedings and minutes.
- 4.3 The Meetings of the Department Development Fund shall be convened at least once every quarter to review and take decisions on the utilization of the Fund in most effective manner.
- 4.4 Deputy Registrar (F&A)/ Accounts Officer shall be a member of the Committee and ensure procedural formalities have been complied with.
- 4.5 Accounts Officer shall maintain the Accounts of the Department Development Fund of each Department including Resource Centre separately and shall render the statement of accounts of the Fund to the Centre Coordinator/ Head (RC) periodically and on demand.
- 4.6 The recommendations of the Committee, for proposed utilization of the Funds shall be put up through the DR(F&A) to the Competent Authority, for administrative and financial approvals/ sanctions invariably.

(B) Head Office

- 4.1 The Dean, Head (AA), Director (Head Office), Director (F&A) and CAO shall be the members of the Department Development Fund (DDF) Committee. The Committee for administration for DDF for NRC will include DD (NRC) and all decisions on administration of the Fund shall be taken in the meeting of the Committee in a participative and democratic manner.
- 4.2 The Assistant Director (Projects) shall be the Convenor of the Department Development Fund Meetings and shall keep a record of the proceedings and minutes.
- 4.3 The Meetings of the Department Development Fund shall be convened at least once every quarter to review and take decisions on the utilization of the Fund in most effective manner.
- 4.4 CAO shall ensure that all procedural formalities have been complied with.
- 4.5 CAO shall maintain the Accounts of the Department Development Fund and shall render the statement of accounts of the Fund.
- 4.6 The recommendations of the Committee, for proposed utilization of the Funds shall be put up through the CAO to the Competent Authority, for administrative and financial approvals/ sanctions invariably.

5. Review of the Fund:

(a) At Centres

By Local Academic Standards Committee (LASC) in the prescribed proforma as per A-1 and A-2 respectively.

(B) At Head Office

By Central Academic Standards Committee (CASC) for both Centres and HO in the prescribed proforma as per A-3

6. Power to interpret:

The decision of the Director General, in all matters relating to interpretation of these rules shall be final and binding.

7. Power to Relax:

No provision of these guidelines on Department Development Fund shall be relaxed except with the explicit approval of the BPFC.

8. This policy will come into effect from the Academic Year 2007-08.

Use of DDF for Graduation Show/Projects:

No. NIFT/F&A/AUDIT/30/CIRCULAR/2008-10 Dated 11.05.2011

Rs. 2.00 lakhs are allocated to each Academic Department from the Revenue Budget of the Center for the Graduations Shows/ Projects. Besides this, the center also generates funds for this purpose through sponsorships. As per past practice when these funds were not found to be sufficient for the shows/projects, the funds to the extent of 25% from the DDF of respective departments were utilized to meet the short fall with the approval of DG, NIFT in terms of DDF Policy as follow:-

"Fashion Spectrum including the graduation Show with or without partial sponsorship with the prior approval of the budget by the Competent Authority (for Academic Department)".

In this connection, the DG NIFT has directed that this should not be a practice and DDF should be used for Graduations Shows/ Projects only in exceptional circumstances like recession in 2009 or to encourage 'first time' Graduation Shows etc. The departments should be able to produce such good quality of work that attracts sponsors.

It has, therefore, been decided by DG, NIFT that the use of DDF should be restricted upto maximum of 20% of the sponsorship collected. It is further clarified in this regard that 20% of sponsorship or 25% of DDF, whichever ever is less, may be used for the purpose with the approval of DG, NIFT. This may be followed in all the centers with immediate effect.

Quarterly Statement for Review of Income & Expenditure of Department Development Fund (DDF)
(To be submitted by the Academic Departments of NIFT Centres to the LASC)

Department : _____

Centre : _____

For Quarter _____

Previous Balance of DDF Brought Forward : _____ as at the end of quarter ending

Income to the Fund during the quarter:

a) CE Programme

Name of the CE Programme	Gross Revenue generated	35% to DDF
(1)		
(2)		
(3)		

b) Projects & Consultancy

Particulars of the Project	Gross Project value project be	5% of Gross value to DDF to allocated out of 15% Admn. Charges
(1)		
(2)		
(3)		

c) Classroom and Diploma Projects

Particulars of the Classroom / Diploma Project	Gross Project value	15% to DDF

d) NRI Fee

Amount of Tuition Fee **5% to DDF**

Total Funds in DDF as on quarter ending

Expenditure to the funds:

Academic Department

Allocation	Amount incurred	Balance in DDF	Deficit, if any
(1) A* (25%)			
(2) B* (25%)			
(3) C* (25%)			
(4) D* (15%)			
(5) E* (10%)			

Summary for Quarter ending

DDF B/F	Income to the Fund during the Quarter	Total DDF	Application of funds during the quarter	Balance in DDF at the end of quarter
(1) A* (25% - Amount incurred)				
(2) B* (25% - Amount incurred)				
(3) C* (25% - Amount incurred)				
(4) D* (15% - Amount incurred)				
(5) E* (10% - Amount incurred)				

*Please refer to para 3.1 of the Main Policy

(Accounts Officer)

[Dy. Registrar
(Finance & Accounts)]

(Centre Coordinator)

**Quarterly Statement for Review of Income & Expenditure of Department Development Fund (DDF)
(To be submitted by the Resource Centre of NIFT Centres to the LASC)**

Department : _____

Centre : _____

For Quarter _____

Previous Balance of DDF Brought Forward : _____ as at the end of quarter ending _____

Income to the Fund during the quarter:

Amount of Tuition Fee 5% to DDF

- a) Revenue generated by Resource Centre through membership fee etc. (25% to DDF)
- b) Revenue generated by Resource Centre through Misc. receipts (15% to DDF)

Total Funds in DDF as on quarter ending _____**Expenditure to the funds:****Resource Centre**

Expenses	Amount incurred	Balance in DDF	Deficit, if any
(1) A* (25%)			
(2) B* (25%)			
(3) C* (25%)			
(4) D* (15%)			
(5) E* (10%)			

Summary for Quarter ending :

DDF B/F	Income to the fund during the quarter	Total DDF	Application of funds during the quarter	Balance in DDF at the end of quarter
(1) A* (25% - Amount incurred)				
(2) B* (25% - Amount incurred)				
(3) C* (25% - Amount incurred)				
(4) D* (15% - Amount incurred)				
(5) E* (10% - Amount incurred)				

Please refer to para 3.1 of the Main Policy*(Accounts Officer)**

**[Dy. Registrar
(Finance & Accounts)]**

(Centre Coord.)

Quarterly Statement for Review of Income & Expenditure of Department Development Fund (DDF)
(To be submitted by the Resource Centre of NIFT Centres to the LASC)

Department : _____

Centre : _____

For Quarter _____

Previous Balance of DDF Brought Forward : _____ as at the end of quarter ending _____

Income to the Fund during the quarter:

Amount of Tuition Fee 5% to DDF

- a) Revenue generated by Resource Centre through membership fee etc. (25% to DDF)
- b) Revenue generated by Resource Centre through Misc. receipts (15% to DDF)

Total Funds in DDF as on quarter ending _____

Expenditure to the funds:

Resource Centre

Expenses	Amount incurred	Balance in DDF	Deficit, if any
(1) A* (25%)			
(2) B* (25%)			
(3) C* (25%)			
(4) D* (15%)			
(5) E* (10%)			

Summary for Quarter ending :

DDF B/F	Income to the fund during the quarter	Total DDF	Application of funds during the quarter	Balance in DDF at the end of quarter
(1) A* (25% - Amount incurred)				
(2) B* (25% - Amount incurred)				
(3) C* (25% - Amount incurred)				
(4) D* (15% - Amount incurred)				
(5) E* (10% - Amount incurred)				

*Please refer to para 3.1 of the Main Policy

(Accounts Officer)

[Dy. Registrar
(Finance & Accounts)]

(Centre Coord.)

**Quarterly Summary Statement for Review of Department Development Fund (DDF)
(To be submitted by the NIFT Centres to the LASC)**

Centre : _____

For Quarter _____

Previous Balance of DDF Brought Forward for the quarter, Department-wise

(i)	F & A	_____
(ii)	F& T	_____
(iii)	_____	_____
(iv)	_____	_____
(v)	_____	_____
(vi)	_____	_____
(vii)	_____	_____
(viii)	Resource Centre	_____

Sources of Fund :

a) CE Programme

	Department	Gross Revenue generated	35% to DDF
(i)	F & A	_____	_____
(ii)	F& T	_____	_____
(iii)	_____	_____	_____
(iv)	_____	_____	_____
(v)	_____	_____	_____
(vi)	_____	_____	_____
(vii)	_____	_____	_____

b) Projects & Consultancy

Department	Gross Project value	5% of Gross Project value to DDF to be allocated out of 15% Admn. Charges
(i) F & A	_____	_____
(ii) F& T	_____	_____
(iii) _____	_____	_____
(iv) _____	_____	_____
(v) _____	_____	_____
(vi) _____	_____	_____
(vii) _____	_____	_____

c) Classroom and Diploma Project

Department	Gross Project value	15% to DDF
(i) F & A	_____	_____
(ii) F& T	_____	_____
(iii) _____	_____	_____
(iv) _____	_____	_____
(v) _____	_____	_____
(vi) _____	_____	_____
(vii) _____	_____	_____
(viii) _____	_____	_____

Revenue Generated

(i) Membership fee	_____	25% to DDF
(ii) Misc. Receipts	_____	25% to DDF

d) 5% of NRI Fee

Department	Amount of Tuition Fees	5% to DDF
(i) F & A	_____	_____
(ii) F& T	_____	_____
(iii) _____	_____	_____
(iv) _____	_____	_____
(v) _____	_____	_____
(vi) _____	_____	_____
(vii) _____	_____	_____
(viii) _____	_____	_____

e) **Resource Centre**

Amount received

25% to DDF

(i) Membership fee

(ii) Misc. Receipt

Total Funds in DDF as on quarter ending _____

Department-wise

	Previous Balance	For the quarter	Total
(i) F & A	_____	_____	_____
(ii) F& T	_____	_____	_____
(iii) _____	_____	_____	_____
(iv) _____	_____	_____	_____
(v) _____	_____	_____	_____
(vi) _____	_____	_____	_____
(vii) _____	_____	_____	_____
(vii) _____	_____	_____	_____

Application of funds, department-wise

a) **Academic Expenses**

	Department	Amount incurred (in each category)					% Value of DDF			Deficit, if any	
		A*	B*	C*	D*	E*	A*	B*	C*	D*	E*
(i)	F&A	----	----	----	----	----	----	----	----	----	----
(ii)	F&T	----	----	----	----	----	----	----	----	----	----
(iii)	-----	----	----	----	----	----	----	----	----	----	----
(iv)	-----	----	----	----	----	----	----	----	----	----	----
(v)	-----	----	----	----	----	----	----	----	----	----	----
(vi)	-----	----	----	----	----	----	----	----	----	----	----
(vii)	-----	----	----	----	----	----	----	----	----	----	----
(viii)	Resource Centre	----	----	----	----	----	----	----	----	----	----

(e) Please refer to para 3.1 of the main Policy

Summary for Quarter ending

	Deptt.	DDF B/F	Funds during the quarter	Total DDF	Application of DDF during the quarter with % age value in category	Balance in DDF at end of quarter
(i)	F&A	-----	-----	-----	-----	-----
(ii)	F&T	-----	-----	-----	-----	-----
(iii)	-----	-----	-----	-----	-----	-----
(iv)	-----	-----	-----	-----	-----	-----
(v)	-----	-----	-----	-----	-----	-----
(vi)	-----	-----	-----	-----	-----	-----
(vii)	-----	-----	-----	-----	-----	-----
(viii)	Resource Centre	-----	-----	-----	-----	-----

(Accounts officer)

[(Dy. Registrar (F&A)]

(Registrar)

(Director)

Summary of Unit wise Responsibility

Activity	Para No	HO			Centre		
		Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility	Unit having primary responsibility	Direct supervisory responsibility	Over all supervisory responsibility
All Project related DDF matters	All	F&A-VII	AD Project	CAO/DIR (F&A)	F&A-I & II	AO/DR (F&A)	Dir
Final Account matter	All	F&A-II	DR (F&A)	CAO/DIR (F&A)	F&A-I & II	AO/DR (F&A)	Dir

CHAPTER -21

Centre Development Fund (CDF) of National Institute of Fashion Technology

1551(46)/NIFT/DR(F&A)/CDF/2008-09 dated 20th November 2008 of Dy. Registrar (F&A), NIFT-HO

Approved by BOG meeting held on 16/10/2008 vide agenda no. 0505

1. Short Title/ commencement:

- A. This policy shall be called NIFT Centre Development Fund Policy
- B. The policy shall come in force with effect from its approval by the Competent Authority.

2. Purpose:

NIFT Centres generates resources locally through various innovative ways using spare assets of the Centre in a manner that does not affect the core academic activities at the Centre. These resources should be used to enhance the infrastructural facilities and improvements of the Centre assets in a prudence manner. This policy calls for creation of a separate fund from all such accruals and defines the process to utilize this fund.

3. Sources of fund:

- A. There should be a separate bank account at Centre in the associated Bank of NIFT to hold the fund.
- B. The following may be the sources of the fund:
 - a. Maintenance/Usage charges for using:
 - i. Centre ground/lawn.
 - ii. Auditorium / amphi-theatre.
 - iii. Sports facilities / sports ground.
 - iv. Hostels (during vacation).
 - v. Campus for Film making / advertisement making.
 - vi. Labs/ prototypes/machines.
 - b. Late payment of fee by students
 - c. Punishment to the students on account of disciplinary violations.
 - d. Any voluntary contribution by philanthropists / industrial persons/alumni.
 - e. Administrative expense (15%) received in projects
- C. The electricity and water charges shall be levied separately.

Note:

- A. The assets and facilities to be utilized should be idle at the time these are allowed for generating Revenues of the Centres

and it should not affect the normal functioning of the classes or official work at all.

- B. The assets and facilities should be allowed to be utilized only by Industry, Government (Central and State) and other autonomous bodies for official/Demi Official meetings, Seminars, Conference and film shooting etc.. but not for personal use, i.e. marriages, entertain-ment & other such purposes.

4. Empowered Committee:

- A. The Empowered Committee shall consists of Centre Director, Registrar, DR (F&A), executive Engineer and two faculty members to be nominated by the Centre Director (annually).
- B. The Empowered Committee shall decide the fee rate and maintenance charge annually for standard offers and on case to case basis on special offer.
- C. The Empowered Committee shall prepare annual budget for the usage of the Fund for enhancing and improving the infrastructure and amenities on the Centre Campus and sanction the projects/works to be executed according to procedure laid down. The empowered committee shall have full powers to sanction subject to budget approval.

5. Budget

The budget for the fund should be approved as prepared by the empowered committee along with the Centre budget with or without modification by the competent authority.

6. Accounting and Auditing System:

- A. Centre Account Officer will maintain the accounts as per NIFT Account Manual.
- B. DR (F&A) will advise the empowered committee on tax liability and ensure compliance.
- C. Audit will be conducted as per NIFT procedure.

7. Application of Fund

The funds under this policy shall be used for the development of the infrastructure & capital expenditure i.e. infrastructural development, including maintenance and upgradation of the facilities at the centre.

8 Power to interpret and relax:

The decision of the Director General in all matters relating to interpretation of these rules shall be final and binding. No provision in this guideline shall be relaxed except with the explicit approval of the Director General.

9. Bifurcation between capital and revenue:

No honorarium should be paid out of this and that all the expense should be in the form of capital expenditure. Only 15% of the gross receipt can be kept for revenue expenses only.

10. Use of Assets during Holiday/Sunday & Saturday

The assets of NIFT may be allowed to be used during holidays Sunday & Saturday also and there should be some responsible officer of the Department/Centre present when these assets are

being used by outsiders. In case of any damage to the property of NIFT, the responsibility should be of the party using it and this may be made clear in advance. Some reasonable Security Deposit in the form of Demand Draft as Bank Guarantee may be kept before allowing any outside agency the use of NIFT facilities.

11. Reporting to Head Office

A quarterly report of revenue generated and its uses from the CDF should be sent to HO in the Proforma as prescribed for the purpose by F&A Department of Head Office.



Chapter -22

Personal Claims/Entitlements

1. Reimbursement of Telephone charges

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 20th October, 2008 of Registrar (Estt)

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 25th November, 2008 of Registrar (Estt)- clarification

No. NIFT/HO/Estt/Clarification (FAQ)/06 dated 16th May 2007 of Registrar (Estt)

As per recommendations of the Standing Committee of the Board on Establishment Matters in its 4th Meeting held on 16th October, 2008 and ratification by BOG in its 5th Meeting, the limit of reimbursement of residential telephone charges including Broad-Band and mobile phone charges, are revised as under w.e.f. 16.10.2008:

1. Director/Senior Professor/ Chairperson	Rs.3200/- per month
2. Registrar / CAO/PE (Bldg.)	Rs.2500/- per month
3. Deputy Registrar & Other equivalent Admn. Officers	Rs.1500/- per month
4. Asst. Director / Asst. Registrar / Other equivalent Admn. Officers	Rs.800/- per month
5. Centre Coordinators, RIC, SDAC, CIC and Coordinators (IL)	Rs. 750/- per month
6. Other faculty members :	Rs.400/- per month

The above limit shall be applicable to those officers who are allowed the reimbursement of Mobile phone charges on need basis, as per the specific order of the Competent Authority and reimbursement shall be on the basis of production of bills for reimbursement. The remaining officers and faculty would continue to draw the reimbursement as per existing rates.

2. Transport Allowance in lieu of pick up and drop

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 20th October, 2008 of Registrar (Estt)

As per recommendations of the Standing Committee of the Board on Establishment Matters in its 4th Meeting held on 16th October, 2008 and ratification by BOG in its 5th Meeting, Senior Professors and Professors in NIFT will be paid Transport Allowance in lieu of pick-up and drop facility at the following rates, with immediate effect:

Senior Professor	-	Rs.5000/- per month
Professor	-	Rs.3000/- per month

2. The above Transport Allowance will be in addition to the Transport Allowance already being drawn by the above faculty alongwith pay. This issues in supersession of all earlier orders on the subject.

3. Medical /OPD Reimbursement

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/200822nd October, 2008 of Registrar (Estt)

As per recommendations of the Standing Committee of the Board on Establishment Matters in its 3rd Meeting held on 16th June, 2008 and ratification by BOG in its 5th Meeting, the OPD Treatment limit for NIFT Employees is revised as follows, from the financial year 2008-09 onwards :

Group A Officials	-	Rs.20,000/- per annum
Group B Officials	-	Rs.18,000/- per annum
Group C Officials	-	Rs.16,000/- per annum
Group D Officials	-	Rs.14,000/- per annum

The above amount shall be reimbursed quarterly, on the basis of self certification for which format is enclosed. The reimbursement shall be restricted to the limits prescribed above. No bills will be required to be produced for OPD treatment. In case of officers who were eligible for CGHS facility and no limit has been prescribed for them, would be required to produce bills if their reimbursement claim exceeds the above prescribed limit.

2. This issues in partial modification of this office order of even no. dated 21st October, 2008.

Further clarified vide Office Order Ref No. NIFT/HO/E.II/Stand.Comm.of Board

(ATR)/2008, dt- 26th February, 2009 of Reg. (Estt), HO:

- The amount of OPD Treatment will be reimbursed on quarterly basis, and shall be restricted to the limits prescribed.
- Reimbursement for OPD Treatment shall be on quarterly basis and the balance amount, not claimed in a quarter cannot be availed in the subsequent quarters.
- Reimbursement in a specific quarter shall be done for the OPD treatment pertaining to that quarter only and the amount claimed in excess of that cannot be reimbursed in subsequent quarters. However, In case of officers who eligible for CGHS facility and no limit has been prescribed for them, would be required to produce bills if their reimbursement claim exceeds the prescribed limit.
- The claim submitted after stipulated time can be considered for reimbursement subject to genuine and valid grounds for delay in submission.
- During the period of subbatical leave the faculties are entitled to reimbursement of Medical expenditure incurred by them on OPD treatment. NIFT/HO/Estt/Clarification (FAC) Dated 12.7.2007.

4. Housing Incentives in lieu of HRA

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 21th October, 2008 of Registrar (Estt)

As per recommendations of the Standing Committee of the Board on Establishment Matters in its 3rd Meeting held on 16th June, 2008 and ratification by BOG in its 5th Meeting, the following incentives as Housing Benefits will be paid to Officers/Faculty on graded basis in metropolitan cities, Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad, w.e.f. 16th June, 2008 in lieu of HRA for which no receipt would be required to be produced. However, the incentive shall be taxable as per income-tax rules :-

Administrative Officers

Director General	---	As per Actual
Directors	---	Rs. 20,000/- per month
Registrars	---	Rs. 15,000/- per month
Deputy Registrars	---	Rs. 12,000/-per month
Asst. Director/ Accounts Officer/ Asst. Registrars	---	Rs. 8000/- per month

Faculty

Sr. Professors/Professors	---	Rs. 20,000/- per month
Associate Professors	---	Rs. 12,000/- per month
Assistant Professors	---	Rs. 8000/- per month

In case of non-metropolitan cities, incentive shall be 75% of the above slabs. The employees claiming this incentive will not be eligible for HRA.

5. Reimbursement of hospitality Expenses

Vide order no NIFT/HO/Estt (Office Order)/2004 dated 31st August, 2006, w.e.f. 1st August, 2006, the reimbursement of Hospitality expenditure shall be as follows:

Category	Group	Revised Rates
Category-I	Group A Officers (including faculty members having administrative responsibility as Unit Incharge/Head of Units/Head of Department in the Centres and HO	Rs. 400/- per month
Category-II	Group B Officers + Faculty members not having administrative responsibility in the Centres and HO	Rs.200/- per month
Category-III	Group C & D	Rs.100/- per month

6. Reimbursement of Newspaper/Magazines etc.

Reimbursement of expenditure on newspapers/magazines to all NIFT Officials (including deputationists) and all faculty members of and above the level of AR shall be restricted to ` 275 (less 10%) on account of purchase of newspapers/magazines by them at their residence.

During the Sabbatical leave the faculty/officials are not entitled for reimbursement of residential telephone/cell phones but are entitled to reimbursement of Newspaper allowance.

(Lr. No. NIFT/HO/Estt/Clarification(FAC)/06, Dt. 23.5.2007)

Office Order Ref No. NIFT/HO/E.II/Stand.Comm.of Board (ATR)/2008, dt-

21st October, 2008 of Reg. (Estt), HO.

It has been decided that henceforth reimbursement of Transport Subsidy, Cost of Newspaper/Magazines, Expenditure on Canteen Subsidy and Expenses on OPD Treatment, will be reimbursed on self-certification basis, as per the proforma given below:-

Payment of Transport Subsidy

Certified that I have actually incurred a sum of Rs. _____ Rupees _____) on conveyance from residence to office and back during the month of _____. The admissible amount may be reimbursed to me.

Reimbursement of Cost of Newspapers/Magazines:

Certified that I have actually incurred a sum of Rs. _____ (Rupees _____) towards the cost of newspapers & magazines subscribed at my residence during the month of _____ > The admissible amount may be reimbursed to me.

Reimbursement of expenditure on canteen subsidy:

Certified that I have actually incurred a sum of Rs. _____ Rupees _____) on canteen subsidy during the month of _____. The admissible amount may be reimbursed to me.

(Signature of Official)

Name : _____

Designation : _____

Department : _____

Account No . _____

(Strike out whichever not applicable)

APPLICATION FOR REIMBURSEMENT OF ACTUAL MEDICAL EXPENSES

1. Name & Designation of the Employee:-
2. Present Pay:-
3. Name of the Patient and relationship with the employee:-
4. Period of present claim:- From , to
5. Expenditure being claimed:- Rs
6. Amount reimbursed during the year - so far Rs
7. I certify that the statement in this application are true to the best of my knowledge and belief and that the persons for who medical expenses have been incurred are wholly dependent on me.
- 7a. I certify that (i) I am not a C.G.H.S beneficiary,(ii) my husband' wife is not availing CGHS for himself' herself or for any dependent member of the family, (iii) my husband' wife is not an employee of the Central Govt., State Govt.' 'Public Sector Undertaking, Autonomous Body 'Institution etc. which are wholly' partly owned' controlled / funded by Central / State Governments and is / is not claiming any medical benefits under the relevant rules applicable to them for himself / herself or any dependent member of the family.
- 7b. I also certify that the claim does not include expenditure towards vitamins (unless certified as essential by a registered medical practicenor), tonics, baby food, milk food, beverages, spectacles, dentures, crown work bridge work, orthodontic work and other special dental work.

Date :

(Signature of the Official)

Account No

7. Clarification under other Allowances "Housing Incentives"

No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 4th November, 2008

In continuation of this office order of even no. dated 21st October, 2008, regarding admissibility of incentives as Housing Benefits to Administrative Officers/Faculty w.e.f. 16th June, 2008, the equivalent level Faculty/Officers will also be entitled to Housing benefits at the rates mentioned therein.

8. Washing Allowances

NIFT/HO/E.II/6th CPC/2008 dated 14th October, 2008

Consequent upon the decisions taken by the Government on the recommendations made by the sixth Central Pay Commission on the subject of washing allowance the rate of Washing Allowance is revised from the existing Rs. 30/- per month to 60/- per month for all common categories of Group 'D' employees at NIFT Head Office and Centres, who have been supplied with uniforms. Moreover, the rate of washing allowance will be increased by 25% every time the Dearness Allowance payable on revised pay scales goes up by 50%.

This orders shall be effective with effect from 1st September, 2008.

9. Hardship Allowance to Faculty

NIFT/HO/E, II/ATR/Estt106 26th May, 2010

In pursuance of 11th Finance Committee approval in its meeting held on 8th February, 2010 ratified by BOG in its 8th meeting held on 19th February, 2010, it has been decided that grants of special incentive for the existing faculty to be transferred/posted to existing new NIFT Centres as well as new Centres to be opened in future shall be on the basis of gradation of these Centres at the rates mentioned below granted with prospective effect for a period of 5 years from the opening of the Centre and the other incentive to the faculty to be posted at existing new NIFT Centres shall remain the same as-approved by the FC in its meeting held on 28th March, 2008.

S No.	Grade	Type	Name of the Officer
1.	A	Hard	Shillong, Kannur & Kangra
2.	B	Semi-Hard	Rae- Bareli
3.	C	Soft	Patna, Mohali, Bhopal, Bhubneshwar & Jodhpur

S No.	Designation	Type A Centres (Rs.)	Type B Centres (Rs.)	Type C Centres (Rs.)
1.	Professor	10,000/-	6,000/-	3,000/-
2.	Associate Professor	6,000/-	4,000/-	2,500/-
3.	Assistant Professor	4,000/-	2,500/-	2,000/-

10. Local Conveyance Allowance

No. NIFT/HO/E.II/16th CPC/2008 dated 13th September. 2010

In pursuance of Ministry of Finance Notification dated 26th May, 2010 amending the Delegation of Finance Power rules 1978 regarding Conveyance hire, with the approval of Competent Authority, accordingly, the rates of Conveyance hire in NIFT are hereby revised from Rs.150/- to Rs. 300/- per month.

The Conveyance hire shall be applicable if staff/officials are detained for official duties for extra hour and for local duties if conveyance is not provided by office.

EXTRACTS OF MINUTES OF AGENDA ITEM NO. 1610 OF THE 16TH FINANCE & AUDIT COMMITTEE (F&AC) MEETING HELD ON 1ST JULY, 2011

AGENDA ITEM NO. 1610

APPROVAL FOR THE UPDATED FINANCE AND ACCOUNTS MANUAL OF NIFT

The F&AC was informed that NIFT's Account manual was printed in 2007. Since then various decisions have been taken in the BOG and F&AC meeting and some instructions were issued by DG from time to time, therefore a need was felt to update the Accounts Manual. Accordingly, the orders, circulars and amendments which have been issued on the basis of decisions of F&AC, BOG and its sub-committees have been incorporated in the Accounts Manual and the Manual has been renamed as Finance and Accounts Manual.

The F&AC considered the updated Finance and Accounts Manual of NIFT and after noting that only the decisions taken as mentioned above have been incorporated, approved the updated Finance and Accounts Manual.

AGENDA ITEM NO. 1610

Approval for the Updated Finance and Accounts Manual of NIFT.

Scope of Proposal

The agenda seeks approval of the draft updated Finance and Accounts Manual, presently known as Accounts Manual.

The Genesis

In pursuance of the decision taken in the Executive Council meeting held on 24th March, 2011, a Committee consisting of following was formed to update the existing Accounts Manual.

Committee:

1. Shri. Dhananjay Kumar, Director (F&A)
2. Shri. B.K.Pandey, CAO
3. Shri. S.Devadas, Director-NIFT Chennai
4. Shri. B.Narasimhan, DR(F&A)-NIFT Chennai
5. Shri. S.P.Singh DR(F&A) Rae Bareli
6. Shri Sanjay Jain, PE-Bldg, could not attend the meeting
7. Shri Rajat Bose, Registrar NIFT Kolkata, attended only one meeting held on 23rd and 24th May, 2011
8. Ms. Raj Bala, AR(PO) (HO) & Coordinator

Meetings of the committee were held on the following dates:

1. 05/05/2011
2. 23/5/2011 & 24/05/2011
3. 09/06/2011 to 10/06/2011

The minutes of the meetings are placed at Annexure - 1610/Pages 1 to 7.

The mandate given to the committee (Annexure 1610/ II Pages 1) is that only the orders, circulars, and amendments which have been approved by the Competent Authority are to be incorporated in the updated manual. This includes the circulars issued so far with the approval of DG, decisions of Finance Committee, BOG and its various sub committees.

The orders, circulars, etc. pertaining to Finance and Account Manual matters issued after April 2007 have been proposed for incorporation. The irrelevant and obsolete points, after the issuance of such orders have been proposed for deletion. No. correction and item has accordingly been included which is not approved by the Competent Authority i.e DG, FC & BOG. The spelling mistake if any in the original manual has been duly corrected. Taxation Chapter has been completely amended as per the latest guidelines and two new chapters have been added namely Chapter 21 & Chapter 22 Centre Development Fund (CDF) of NIFT and Personal claims/Entitlement respectively.

Suggestions were invited from Center Directors, HOD's, CPs & DR (F&A)s. Suggestions, feedbacks received have been incorporated in the relevant chapters by the committee in its various meetings. The list of amendments made, at a glance, is placed at (Annexure-1610/III Page- 1 to 9)

FINANCIAL IMPLICATION:

NIL

RECOMMENDATIONS

The committee chaired by Director(F&A) has recommended and DG has approved that updated Manual with due incorporation of orders and circulars may be put up to F&AC for its approval.

Draft Manual is enclosed at (Annexure - 1610/IV) in which New Orders/Circulars included has been shown in red colours and item to be deleted has been shown in Blue colours.

MATTER FOR CONSIDERATION OF F & AC

F&AC may peruse & approve the updated Draft Finance and Accounts Manual.

(Board Secretary)





**NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HEAD OFFICE, HAUZ KHAS, NEW DELHI**

Report of the mandated Committee for updation of Finance and Accounts Manual of NIFT.

In pursuance of the decision taken in the Executive Council meeting held on 24th March, 2011, a Committee consisting of following members was formed to update the existing Accounts Manual.

Committee:

1. Director (F&A), Officer Incharge
2. CAO, Member
3. Director-Chennai, Member.
4. DR(F&A)-Rae Bareli, Member
5. DR(F&A) Chennai, Member
6. PE-Bldg, Member: could not attend the meeting.

Further to the mandated members of the Committee, Asstt. Registrar (HO) was co-opted by the Committee as the coordinators for the purpose, and also Registrar, NIFT Kolkata, as per notice issued by DG on 28th April, 2011.

Accordingly, the Committee met on 5/5/2011 at HO, The members discussed the modalities to be observed as mandated, for the preparation of the Draft updated Finance and Accounts Manual. As per the mandate (Annexure- I) given by DG to the Committee, only Circulars, Orders and decision of the DG, FC and BOG having the financial implications are taken into consideration for the drafting and updating the existing Finance and Accounts Manual. Accordingly, the Committee scrutinized the Office Orders, decisions of BOG etc. having financial implications issued by Head Office from time to time, after the printing and publication of existing Accounts Manual. Apart from the meeting the Committee members mainly Dy. Reg.(F&A) Raebareli, Dy. Reg.(F&A) Chennai and Asstt. Reg.(HO), interacted among themselves over telephone and by mail for updating the Finance and Accounts Manual and kept the members briefed on regular intervals.

The Committee started the updation with the soft copy of the existing Accounts Manual retained by the Finance Department from the last printing done in the year-2007 and further developed upon it by incorporating the above said Circulars, Orders, decisions of the DG, FC and BOG issued by HO. In this regard, the Board Secretariat handed over the minutes of the FC and BOG of the last four years i.e. after the printing of the existing Accounts Manual. The Committee went through all the materials made available and has proposed for deletion of certain portions of the existing Manual which have become obsolete or irrelevant after the issuance of these directives/orders. The Committee decided that only those circulars and orders, directions which have been approved by DG, FC and BOG should be incorporated, and should not taken on board any decision which has not been found approved/order issued by any of these authorities or not amended by any subsequent order. Accordingly, the portions to be deleted have been shown in the soft copy in the "blue color" and the portion proposed for incorporation have been shown in "red color". It has been decided by the committee that the 1st updated draft of Finance & Accounts Manual will be circulated to the members latest by 10th May, 2011.

AR/PO(HO)

DR (F&A) Chennai

DR(F&A)Rae Bareli

Registrar (Kolkata)

CAO

Director (Chennai)

Director (F&A)

Report of the Mandated Committee for updation of Finance and Accounts Manual of NIFT

1. In pursuance of the decision taken in the Executive Council meeting held on 24th March, 2011, (Annexure-I) a Committee consisting of following members were formed to update the existing Accounts Manual (Annexure-I).
 - Director (F&A) - Officer Incharge
 - CAO
 - Director (Chennai)
 - DR (F&A) - Raebareli
 - PE (Bldg)

Further to the mandated members of the Committee, Mr. B Narasimhan, Dy. Reg(F&A), NIFT Chennai, Ms. Rajbala Chauhan, Asstt. Registrar (HO) was co-opted by the Committee as the coordinators for the purpose, and also Registrar, NIFT Kolkata, as per notice issued by DG on 28th April, 2011.

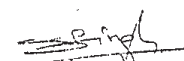
2. Accordingly, the Committee met on 5/5/2011(Annexure-II) at HO and Director (F&A) and other members discussed the modalities to be observed as mandated, for the preparation of the Draft updated Finance and Accounts Manual. As per the mandate (Annexure-III) given by DG to the Committee, only Circulars, Orders and decision of the DG, FC and BOG having the financial implications are taken into consideration for the drafting and updating the Finance and Accounts Manual. Accordingly, the Committee scrutinized the Office Orders, decisions of BOG etc. having financial implications issued by Head Office from time to time, after the printing and publication of existing Accounts Manual. Apart from the meeting the Committee members mainly Mr. S. P. Singh, Dy. Reg. (F&A) Raebareli, Mr. B. Narasimhan, Dy. Reg.(F&A) Chennai and Ms.Rajbala Chauhan, Asstt. Reg.(HO), interacted among themselves on telephone and by mail for updating the Finance and Accounts Manual and kept the members briefed on regular intervals.
3. The Committee started the updation with the soft copy of the existing Accounts Manual retained by the Finance Department from the last printing done in the year-2007 and further developed upon it by incorporating the above said Circulars, Orders, decisions of the DG, FC and BOG issued by HO. In this regard, the Board Secretariat handed over the minutes of the FC and BOG of the last four years i.e. after the printing of the existing Accounts Manual. The Committee went through all the materials made available and has proposed for deletion of certain portions of the existing Manual which have become obsolete or irrelevant after the issuance of these directives/orders. The Committee have taken only those circulars and orders, direction which have been approved by DG, FC and BOG, and have not taken on board any decision which has not been found approved/order issued or not amended by any subsequent order. Accordingly, the portions to be deleted have been shown in the soft copy in the "blue color" and the portion proposed for incorporation have been shown in "red color".
4. The 1st updated draft Finance & Accounts Manual was prepared by the members and the soft copy was circulated on 10th May, 2011 (Annexure-IV) to Centre Directors, Head of the Departments and Chairpersons for their feedback. The Committee have received back from Registrar, NIFT, Jodhpur and DR(F&A), NIFT, Hyderabad, only which have been duly considered for necessary action.
5. As per the direction of DG(Annexure-V), the Committee again met on 23-24, May,2011 for final updation of Finance and Accounts Manual for incorporation of the suggestions given by the other Centres and also certain missed-out Orders and Circulars which were missed-out before the first draft circulation. Now the Committee has come up with second updated draft Finance and Accounts Manual. The second draft updated Finance and Accounts Manual in soft copy has been circulated to all Centre Directors, CPs and HOD for their valuable suggestions and comments on 24/05/2011(Annexure-VI).
6. The Chapter wise index showing the deletion as well as the incorporation have been made by the Committee which is placed at (Annexure-VII) for kind approval and perusal of the Competent Authority.
7. The proposed portion for deletion is shown in "Blue Color" and which may be removed after the approval of the Competent Authority. Similarly, the proposed incorporation in "Red Color" may be taken on board after the approval of the Competent Authority.
8. The existing Accounts Manual is having 20 Chapters. Now the Committee has added two more Chapters i.e. Chapter-21 and Chapter-22 dealing with Centre Development Policy(CDF) and personal claims/reimbursement/entitlement respectively, which may prove quite relevant and very useful in dealing with the Finance and Accounts matters.
9. The Committee has taken utmost care to incorporate/delete the records on the basis of the documents made available. However, in case of any inadvertent omissions. The same may be brought out by all concerned for further appreciation and necessary action by the Committee.
10. The Committee is therefore, of the view that the second draft updated Finance and Accounts Manual containing 22 Chapters may be submitted to the competent Authority for kind perusal and approval please.



(R.B. Chauhan)
AR/ (PO), NIFT,
HO



(B. Narasimhan)
DR (F&A), NIFT,
Chennai



(S.P. Singh)
DR (F&A), NIFT,
Raebareli



(B.K. Pandey)
CAO, NIFT, HO



Dhananjay Kumar)
Director (F&A), NIFT, HO



**NATIONAL INSTITUTE OF FASHION TECHNOLOGY
HEAD OFFICE, HAUZ KHAS, NEW DELHI**

The Second Report of the Mandated Committee for updation of Finance and Accounts Manual of NIFT

Ref:- Our earlier report 25-27/C of the mandated committee for updation of Finance and Accounts Manual.

In pursuance of the directions of the DG on pre-page N/4 & 5, the mandated Committee consisting of the following members have met on 9 - 10 June 2011 at NIFT, HO to carry out the direction of the Director General for further updation of the draft Finance & Accounts Manual.

- Mr. Dhananjay Kumar, Director (F&A)
 - Mr. B.K. Pandey, CAO
 - Mr. S.P. Singh, DR (F&A), NIFT, Raebareli
 - Mr. B. Narasimhan, DR (F&A), NIFT, Chennai
 - Ms. R.B. Chauhan, AR (PO), NIFT, HO.
1. As mentioned in the Para No. 5 of the 1st report of the mandated committee (Flag A) the second draft updated Finance and Accounts Manual in soft copy was circulated to all centre Directors /Chairpersons/Heads /DR (F&A)s on 24.05.2011. The Committee have received feed back which has been summarized along with the committee remarks placed at (Annexure I).
 2. As directed by the Director General the committee have revisited once again the guidelines contained in Audit and Internal Audit Chapter and confirmed that all the necessary amendments as per the records made available have been duly incorporated.
 3. As regards maintenance of accounts in the centres, necessary circular has already been issued to all NIFT centres vide HO. circular no. NIFT/F&A/Audit/30/Circular/08/2492 dated 25.03.2011 by Deputy Registrar (F&A) HO. The same has also been proposed for incorporation in the draft Finance and Accounts Manual of Chapter 16 under Internal Audit.
 4. As directed by Director General on page 5/ante the format of index showing the list of changes (in red Color) and its have been prepared by the committee which have been duly cross-checked with the order/circular/decision no. & date and the authority by whom issued along with the hard copy of the circular, orders, decision of DG, FC & BOG issued by HO from time to time available with the mandated committee (Annexure II) and been accordingly proposed for incorporation.
 5. The proposed portion for deletion is shown in "Blue Color" which may be removed after the approval of the Competent Authority. Similarly, the proposed incorporation in "Red Color" may be incorporated in the Finance and Accounts Manual after the approval of the Competent Authority.
 6. The existing Accounts Manual is having 20 Chapters. Now the Committee has added two more Chapters i.e. Chapter-21 and Chapter-22 dealing with Centre Development Policy (CDF) and personal claims/reimbursement/entitlement respectively, which may prove quite relevant and very useful in dealing with the Finance and Accounts matters.
 7. The Committee has taken utmost care to incorporate/delete the records on the basis of the documents made available. However, in case of any inadvertent omissions. The same may be brought out by all concerned for further appreciation and necessary action by the Committee.
 8. The Committee is therefore, of the view that the third draft updated Finance and Accounts Manual containing 22 Chapters may be submitted to the competent Authority for kind perusal and approval please.

**(R.B. Chauhan)
AR/ (PO), NIFT,
HO**

**(B. Narasimhan)
DR (F&A), NIFT,
Chennai**

**(S.P. Singh)
DR (F&A), NIFT,
Raebareli**

**(B.K. Pandey)
CAO, NIFT, HO**

**Dhananjay Kumar
Director (F&A), NIFT,
HO**

----- Original Message -----

From "Monika S. Garg" <dg@nift.ac.in>
Date Thu, 28 Apr 2011 17:08:18 +0530
To deannift@gmail.com, dean@nift.ac.in, suhail.anwar@nift.ac.in, suhailanwar@rediffmail.com, director.ho@nift.ac.in, director@ho.nift.ac.in, registrar.estt@nift.ac.in, munish_girdhar2000@yahoo.com, binodpandey476@gmail.com, cao@nift.ac.in, dirnifthyd@gmail.com, dir.fin@nift.ac.in
Subject Establishment, Academic and Finance & Accounts Manual

**Office of Director General
NIFT, HO**

Dated : 28.4.2011

NIFT is in the process of updating its manual for which various committees have been constituted. The mandate of the committees is only to incorporate the amendments which have already been made by the Competent Authority. This includes the circulars issued so far with the approval of DG, decisions of the BOG, & its various sub-committees and also of the Senate.

I hope compilation of the above has already been done by the respective committees. Now the need is to get a soft copy prepared. It will be required to highlight the amendments / modifications in the 'Track Change Mode'. It will be responsibility of the Head of the Committee to ensure the above and also to ensure that no changes are made which have already not been approved by the Competent Authority. If some typographical errors exist or improvement in language is required in the existing manual that should be done with the specific approval of Head of the Committee and that should also be shown in the Track Change Mode. It is reiterated that no changes other than the above mentioned should be made.

It is expected that the first draft of the updated manual (soft copy) will be ready by 10th May, 2011. The Committee Head is required to circulate the soft copy to all Centre Directors, Head of the Departments and Chairpersons and receive their feedback by 20th May, 2011. Discussions will be held by the Committee members on the feedback thus received and the proposed draft should be put before the undersigned latest by 30th May, 2011.

Director General

Head of Committee

Establishment Manual

Director (Hyderabad)

Academic Manual

Dean (A)	-	Academic Matters
Head	-	Student Matters
COE/ Director (HO)	-	Exam Matters

Finance & Accounts Manual

Director (F&A)

INDEX FOR THE DRAFT UPDATED FINANCE AND ACCOUNTS MANUAL

S. No.	Existing Manual Page No.	Draft Manual Page No.	Existing Content	Changed Content	Circulars/Reference	Remarks
1.	-----	4	----	New Addition Constitution Of Finance & Audit Committee Of The Board	11th BOG meeting held on 25th August, 2010 vide agenda item no.1104	
2	-----	5	-----	New Addition Constitution Of Academic Affairs Committee Of The Board	11th BOG meeting held on 25th August, 2010 vide agenda item no.1104	
3.	-----	30	BPFC	Change of nomenclature of BPFC	Vide agenda item no.1116.of BOG 25/8/2010	
to	42	38 to 41	Sub Delegation of Powers by DG to subordinate officers in NIFT Annex-IV.	-----		To be deleted 4. 39
5.	-----	42 to 55	Sub Delegation of Powers by DG to subordinate officers in NIFT	New Addition Delegation of Power various officers at HO and Centres	DG's order no. NIFT/DR(F&A)/DOP/2005 dated 28/1/08	
6.	43 to 47	56 to 60	Annexure - V Sub-Delegation Of Powers To Directors - NIFT Centres	-----	-----	To be deleted 7.
----	-	60 to 61	-----	New Addition Sub Delegation of Power to Centre Directors on service matters.	NIFT/HO/EII/Delegation of work.2010 15th December, 2010	
8.	48	61 to 62	Annexure-Vi Sub-Delegation Of Powers To Registrars & Other Officer NIFT Centres	----		To be deleted 9.
----	---	64 to 65	New Addition Standard Operating Procedure for Construction Project.	BOG meeting held on 18/3/2011, agenda items no. 1317 1517(5)/Accts/HO/BPFC-BOG/ATY/NIFT/2008-Vol.II dated 7.4.11		
10.	-----	65		New Addition Release of Funds on works	D.G's circular no.1551(150)/NIFT/DR/Release of fund/10-11 dated 24/11/2010 11.	

----	---	65 to 72		New Addition CVC Guidelines for Mobilization Advances, Negotiation with L-1and Submission of Quarterly Progress Report as communicated by Vigilance Division(HO)	Division(HO) vide latter no.01/30/2009-Vig./557 dated 8/3/2011	
12.	-----	84 to 85		New Addition Fundamental Guidelines pertaining to Purchase	NIFT/DG/Circular/01/09 dated 01/4/2009	
13	53	85-86	Place- ment of orders for printing of forms, broachers and magazines etc.	New Addition Amendments in the purchase policy for print & non-print materials of NRC and RCs of NIFT	10th FC meeting held on 6th Jan,2010 vide agenda no.1017.	
14.	-----	86		New Addition Procurement of Vehicles at DGS&D Rate Contract , for all NIFT Centres	Approved in 8th FC meeting held on 1/6/2009 vide agenda item no.0809 and also retified by BOG held on 8/6/09 vide agenda item no.0621)	
15.	-----	95 to 96		New Addition Approval of Drawing & Specification of Machinery and Equipment relating to Academics	Vide order no. 1551 (80)/ NIFT /Vol I/DR (F&A) /Cap bud/09-10, dated- 21.12.2009 of DR (F&A) NIFT Head Office, New Delhi.	
16.	57-58	102 to 103	Custom Duty Exemption Certifi- cate valid up to 31/ 8/2010	-----	-----	To be deleted 17. ----
-		96 to 97		New Addition Custom Duty Exemption Certificate valid up to 31/8/ 2015	TU/V/RG-CDE(593)/2010 dated 30/8/2010 issued by DSIR	
18.	-----	98 to 101		New Addition Various Guidelines issued by CVC and communicated by Vigilance Department of NIFT (HO) on purchases .	vide Order Memorandum No.:- 01/30/2009-Vig./ 569Dated 16th March, 2011	
19.	-----	141	-----	New Addition ACCOUNTING POLICY OF POOL ACCOUNT	(HO Circular 1513(21)/ Accts./HO/BRS/Corres/ 08 dated 20.04.09)	
20.	-----	141 to 145		New Addition Block Grant Scheme	Ref: 1503(1) /Acct/Block Grant/05-volume-II 5th June, 2008 of Dy. Registrar (F&A) NIFT-HO	

21.	79 to 82	146 to 152	TA / DA Rates in NIFT			(To be deleted)
22.		156 to 164		New Addition T.A./ D.A. RULES	(Decision of BOG in its 5th Meeting held on 16th October, 2008 Circulated vide No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/2008 dated 27th October, 2008)	
23.	-----	165		i) New Addition CLARIFICATIONS ON T.A./D.A. RULES Payment of Local Transport/Conveyance on Tour. ii) Admissibility for reimbursement for Travel within the city during tours; clarification. iii) Clarification on D.A. during tour	i) (NIFT/HO/E.II/Stand. Comm. Of Board (ATR)/2008 Dated 12.01.2009) ii) NIFT/HO/E.II/Stand. Comm. Of Board (ATR)/2008Dated 29.01.2009) iii) (NIFT/HO/E.II/ Stand. Comm. Of Board (ATR)/2008 Dated 12.01.2009)	
24.	-----	1 66		New Addition TA/DA entitlement of BOG members of NIFT	(Ref: NIFT/HO/BOG/TA- DA/2005, dated 25th May, 05 of Registrar NIFT-HO)	
25.	83-84	167 to 168	Foreign Travel Entitlement	-----	-----	To be deleted)
26.	-----	168 to 171		New Addition Foreign Tour/Training Of NIFT Officials	(No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/ 2008 20th October, 2008)	
27.	88-90 175	to179	Annexure"A" Rates of Daily Allowance for duty Journeys in various Countries	-----	-----	(To be deleted)
28.		251		New Addition Fee Subsidy adjustment for NIFT Students.	Ref: Minutes of the BOG Meeting held in April 2008; and Letter No.1122(2)/NIFT/ HO/F&A/Scholarship/08 dt. 17/10/08 & 29/10/08 issued vide letter no1122(2)/NIFT IHO/F &A/Scholarship/08 dated 23rd January, 2009	

29.		251 to 252		New Addition Revision Of Fees For Regular Students Of NIFT. And subsidy to the poor students.	APPROVED VIDE AGENDA ITEM NO.0406 OF BOG MEETING HELD ON 2/4/ 2008	
30	-----	252		New Addition Subsidy to the students	Approved by FC meeting held on 20.2.2009 vide agenda item 0616 and ratified by BOG held on 8/6/09 agenda item no. 0621	
31.	-----	252		New Addition BOG Decision regarding further increase in tuition fee charged from students: Applicable from batch- 2011-12..	Vide agenda item no 1207 in BOG meeting held on 26.11.2010	
32.	-----	341 to 346		New Addition Appointment of Internal Auditors at Centres.	(D.G's Letter no NIFT/F&A/ Audit/11/Tour Prog/06 dated 27.8.2008)	
33.	-----	350 to 358		New Addition Maintenance of accounts at NIFT.	HO circular no.(NIFT/F&A/ Audit/30/Circular/08/2492 dated 25th March 2011)	
34.	203	368	Income Tax Rates: (Finance Act, 2007)	-----	-----	To be deleted 35. ----
--		369		New Addition New Income tax slab for assessment year 12-13/ FY.11-12	-----	
36.	205	374 Rates	Of Tax Deducted At Source (Including Surcharge) Financial year 2006-2007 -----	-----	To be deleted	37.
37 to		376		New Addition TDS RATE CHART FINANCIAL YEAR 2011-12 (ASSESSMENT YEAR 12- 13)	Subject to change time to time as per Govt. notification	
38.	-----	377 to 378	New Addition	New Addition Opinion of the Chartered Accountant for exemption u/s 10(23c) of the Incom Tax act 1961.	(HO letter no.1504(25) / Accu. HO/A Y07-08/844 Date:26.02.2010)	
39.	215 to 217	393 to 395	Standing Internal Advisory Commit- tee in which finance representing	-----	-----	To be deleted

40.		396 to 402		New Addition Standing Internal Advisory Committee in which finance representing	Vide vide Office Order no. NIFT/HO/MIS/SIAC/08 Dated 3rd, 6th, 10th May & 6th August, 2010	
41.		404 to 405		New Addition Instructions Related to Projects	NIFT/I&A/30/CIRCULAR/ 08/20 dated 19/9/ 2008)	
42.	220 to 221	410	Consultancy through Classroom and Diploma Projects	-----	-----	To be deleted
43		413 to 414		New Addition NIFT Consultancy Project Approval Form	(Refer clause 5 of NIFT Consulting Rules for clarification - To be submitted in Triplicate)	
44.	-----	416 to 417		New Addition Graduation Project Fee:	NIFT/Dean-A/2008/AMS/ 171-II August 25, 2008	
45.	-----	417 to 418		New Addition Use of DDF for Graduation Show/Projects:	NIFT/F&A/AUDIT/30/ CIRCULAR/2008-10 Dated 11.05.2011	
46.	-----	429 to 431		New Addition Centre Development Fund (CDF) of National Institute of Fashion Technology	1551(46)/NIFT/DR(F&A)/ CDF/2008-09 dated 20th November 2008 of Dy. Registrar (F&A), NIFT- HO Approved by BOG meeting held on 16/10/ 2008 vide agenda no. 0505	
47.	-----	432 to 438		New Addition Personal Claims/Entitle- ments 1. Reimbursement of Telephone charges 2. Transport Allowance in lieu of pick up and drop. 3. Medical /OPD Reim- bursement Further clarification regarding OPD treatment 4. Housing Incentives In Lieu Of HRA. 5. Reimbursement of hospitality Expenses.	No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/ 2008 20th October, 2008 of Registrar (Estt) No. NIFT/HO/E.II/Stand. Comm. of Board (ATR)/ 2008 25th November, 2008 of Registrar (Estt)- clarification No. NIFT/HO/Estt/ Clarification (FAQ)/06 dated 16th May 2007 of Registrar (Estt) 2. No. NIFT/HO/E.II/ Stand. Comm. of Board (ATR)/2008 20th October, 2008 of Registrar (Estt)	

				<p>6. Reimbursement of Newspaper/Magazines etc.</p> <p>7. Clarification under other Allowances "Housing Incentives"</p> <p>8. Washing Allowances</p> <p>9. Hardship Allowance to Faculty</p> <p>10. Local Conveyance Allowance</p>	<p>3. No.NIFT/HO/E.II/ Stand. Comm. of Board (ATR)/2008 22nd October, 2008 of Registrar (Estt)</p> <p>Vide Office Order Ref No. NIFT/HO/E.II/ Stand.Comm.of Board (ATR)/2008, dt- 26th February, 2009 of Reg. (Estt), HO:</p> <p>4. No. NIFT/HO/E.II/ Stand. Comm. Of Board (ATR)/2008 20th October, 2008 Of Registrar (Estt)</p> <p>5. Vide order no NIFT/HO/Estt (Office Order)/2004 dated 31st August, 2006, w.e.f. 1st August, 2006</p> <p>6. (Lr. No. NIFT/HO/ Estt/ Clarification(FAC)/06, Dt. 23.5.2007)</p> <p>7. No. NIFT/HO/E.II/ Stand. Comm. of Board (ATR)/2008 4th November, 2008</p> <p>8. NIFT/HO/E.II/6th CPC/2008 dated 14th October, 2008</p> <p>9. NIFT/HO/E,II/ATR/ EsttI06 26th May, 2010</p> <p>10. No. NIFT/HO/E.II/ 16th CPC/2008 dated 13th September. 2010</p>	
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MINUTES OF THE 14TH MEETING OF THE BOARD OF GOVERNORS OF NATIONAL INSTITUTE OF FASHION TECHNOLOGY HELD ON 12TH JULY, 2011 AT 11.00 A.M. AT NIFT CAMPUS, NEW DELHI

AGENDA ITEM NO. 1415

RATIFICATION AND TAKING NOTE OF THE MINUTES OF THE 16TH FINANCE & AUDIT COMMITTEE MEETING HELD ON 1ST JULY, 2011-09-01

The Board ratified and note of the minutes of the 16th meeting of the Finance & Audit Committee held on 1st July, 2011.



