


INDIAN INSTITUTE OF TECHNOLOGY: DELHI
HAUZ KHAS, NEW DELHI-110016

STORES AND PURCHASE SECTION

IITD/SP(R)/2008-09/2864
DATED: 31/3/2008

The new Comprehensive Stores and Purchase Rules approved by the competent authority as per details at Appendix enclosed, for implementation at the Institute with effect from 01.04.2008.

The above rules supersedes all earlier notifications related to Stores and Purchase.


31/3/08
(Prof. A. L. VYAS)
Acting Registrar

Distribution:

- Dy. Directors
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COMPREHENSIVE STORES AND PURCHASE RULES 2008

1. PREAMBLE

These rules have been framed for purchases from institute Plan and Non-Plan funds and funds of sponsored / consultancy projects. These rules do not cover the construction / maintenance activities of Estate and Works, purchase of medicines by Hospital, purchase of books and subscription of Journals by Library.

These rules for purchase and accounting of equipments/ stores for Department/ Centres/ Sponsored/ Consultancy Projects/Laboratories have been framed in order to provide a conducive working environment for faculty and staff to promote excellence expected from IITs and as such should be interpreted in that context, so that the procurement of the needed equipments/stores is done in time and without procedural wrangles, which permits laboratory and research work to be pursued with greater vigour. These Rules also contain details of accounting, maintenance of records, disposal and write off of stores/equipments.

1.1 Fundamental Principles of Public Procurement (Buying) :

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:

- i) The specifications in the terms of quality, type etc. as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring Deptt./Centres without including non-essential features, which may result in unwarranted expenditure;
- ii) Offers should be invited following a fair, transparent and reasonable procedure;
- iii) The procuring authority should be satisfied that the equipment(s)/ item(s)/ material selected offer adequately meet(s) the requirement in all respects;
- iv) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- v) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with the while taking the procurement decision;
- vi) Purchases should not be split to avoid obtaining approval of appropriate Competent Financial Authority;
- vii) Funds from Non-Plan Budget MUST not be utilized for procurement of assest (non-recurring items) and funds from Plan budget MUST not be used for recurring expenditure and consumable items.

1.2 Abbreviations: Annexure-I

1.3 Definitions: Annexure-II

2. CLASSIFICATION OF STORES

All stores procured shall be classified into following categories;

(a) Non Consumables Stores:

- i) Permanent Assets (PA)
- ii) Limited Time Assets (LTA)

(b) Consumable Stores (CS)

2.1 Permanent Assets (PA):

Stores satisfying anyone of the following conditions shall be classified as Permanent Assets:

- i. Stores which are intended to be used over prolonged periods (more than 5 years) before becoming unusable or obsolete.
- ii. Office furniture and fixtures

2.2 Limited Time Assets (LTA):

Stores satisfying anyone of the following conditions shall be classified as Limited Time Assets:

- i) Store costing any amount and having useful life of less than five years, which rapidly lose their value/relevance with the lapse of time or have very little or negligible disposal value.
- ii) Stores which can be upgraded either by replacing components/part or which can be rendered obsolete by the release of new versions or editions.
- iii) Stores which can be used over any period of time but costing less than Rs.10,000/- excluding office furniture and fixtures.

Examples: Personal Computers (PC) including Laptop, Pocket PC, computer accessories, software, fax machines, mobile phone, digital cameras with less than 3.0 GP, projectors etc.

2.3 Consumable Stores (CS):

Stores satisfying anyone of the following conditions shall be classified as Consumable Stores:

- i) Stores which exhaust rapidly with the lapse of time
- ii) Stores which are rapidly rendered unusable due to normal wear and tear.
- iii) Stores which have negligible disposal value.
- iv) Spared of equipment etc. under PA or LTA category

Examples: Chemicals, stationery items, printer ribbons and cartridges, electronic storage media like floppies, CD ROMS, Magnetic tape, Pen drives etc, computer parts requiring replacement such as the mother board, RAM, hard disc etc. Batteries of any kind(like

UPS, Laptops, mobiles, portable instruments etc.) electronic components like resistors, capacitors, connectors, electrical wires, plugs switches, tool bits and hand tools etc.

Note: In case of any ambiguity with respect to classification of stores, the same may be resolved by following Committee:

- | | | |
|------|--------------------------|----------|
| i) | Deputy Director (A) | Chairman |
| ii) | Dean, IRD | Member |
| iii) | Prof. in charge (Stores) | Member |
| iv) | DR/AR Stores | Member |

3. COMPETENT FINANCIAL AUTHORITY

3.1 Purchases :

CFA	For single Purchase Costing (Rs.)
HoD/PI	Up to Rs.2.00 Lac
DD(A) /DIRD	Up to Rs.25.00 Lac
Director	Full Powers

3.2 Write-off Disposal of Stores:

CFA	Normal Wear & Tear of Individual Item Costing (Rs.)	Abnormal Wear & Tear of Individual Item Costing (Rs.)
HoD / PI	Up to Rs.20,000/- Total amount not to exceed Rs.2.0 lac	Up to Rs.5,000/- (In each case)
DD (A) / DIRD	Up to Rs.2.0 lac Total amount not be exceed Rs.10.0 lac	Up to Rs.25,000/- Total amount not be exceed Rs.1.0 lac (In each case)
Director	Up to Rs.5.0 lac Total amount not to Exceed Rs.25.0 lac	Up to Rs.1.0 lac Total amount not be exceed Rs.5.0 lac (In each case)
BoG	Full Powers	Full Powers

4. GENERAL PROCEDURE AND RULES FOR ALL PURCHASES / ANNUAL MAINTENANCE CONTRACTS / RATE CONTRACTS

Purchase / up gradation / exchange of equipments, components, office equipments, consumables, stationery, annual Maintenance Contracts, Annual Rate Contracts for goods and services shall be affected through the following systems of purchase except where stated otherwise. This shall be applicable to all such purchases through the Plan/ Non-Plan budget heads and through funds received from sponsored/ consultancy projects.

The purchases are classified in to following three categories:

- i) Minor Purchase
- ii) Medium Purchase
- iii) Major Purchase

The following purchase procedures shall be adapted for three purchase categories.

Note: IIT Delhi plans to switch over to e-procurement in a phased manner in keeping with the GOI orders as contained in GFR.

4.1 Minor Purchase

(a) Purchase up to Rs.15,000/- (Without Quotation)

After obtaining the approval of the CFA, a buyer may make purchase up to a ceiling of Rs.15,000 at one time after certifying the reasonability of prices. The purchased may be effected either through a permanent imprest held in the name of the Head or his nominee/PI or through a temporary advance up to Rs.15,000/- that may be specifically drawn for the purchase in the name of a buyer.

(b) Purchase above Rs.15,000/- and up to Rs.1.00 Lac (Purchase Committee without Quotation)

The purchases for a total value of money than Rs.15,000/-and up to Rs.1.00 lac can be done through a Purchase Committee (PC) consisting of three Faculty/Group A Officers. This PC will be approved by Head / PI. The PC will ensure and certify the reasonability of the price.

If necessary, the buyer may draw an advance up to Rs.1.00 lac for making cash purchases while ensuring no single payment will exceed Rs.15,000/-.

If the payment to vendor is Rs.15,000/- or more, the payment must be through cheque. If recommended by the Purchase Committee, payment through cheque may be made to the supplier against proforma invoice. The amount shall be treated as advance in the name of buyer. The buyer shall submits CS or PA / LTA form as the case may be and settle the advance immediately i.e. within fifteen days from the date of drawal of advance.

(c) Purchase above Rs.1.0 Lac and up to Rs.2.00 lac (Purchase Committee with Quotation)

The composition of the Purchase Committee for the purchase of items for a total value up to Rs.2.00 lac (excluding the freight, insurance, bank charges, custom duty etc.) shall consist of at least three faculty members/Group A officers. The Committee shall be approved by the Head/PI.

Minor Purchases can be ordered from online stores duly ensuring the reasonability of the price.

4.2 Medium Purchase above Rs.2.0 Lac and up to 25.0 Lac

The composition of Purchase Committee for total value above Rs.2.0 Lac and up to Rs.25.0 Lac (excluding the freight, insurance, bank charges, custom duty etc.) shall consist of at least three faculty/Group A officers as members and/or nominee of the

Head/PI (in case of projects) as Chairman. The purchase Committee shall be approved by the Deputy Director (A)/Dean, IRD.

4.3 Purchase Procedure (for purchases through Purchase Committee)

The following purchase procedure shall be adopted for Minor and Medium purchases:

- i) The buyer to propose a Purchase Committee and get it approved by the CFA.
- ii) The items to be purchased and the composition of Purchase Committee are entered into the ACSS system to book the funds.
- iii) The ACSS system generates a PC number which will be used for all future reference. **No payment will be made without the PC number.**
- iv) Quotations may be invited or received either through post/courier service/ email/ Fax.
- v) The Purchase Committee must invite quotation by putting the requirement on the Institute Web site for Medium Purchases. The minimum time to be allowed for submission of bids should be two weeks for medium purchase.
- vi) Normally, the purchase shall be processed on the basis of at least three quotations. However, the Director and relax this condition on sufficient grounds on the recommendations of the PC.
- vii) The accepted quotation and only accepted price on the comparative statement. Also a justification for the particular price choice, being the lowest quotation or on technical grounds should be recorded on the minutes.
- viii) The buyer shall then place the order with the vendor approved by the Purchase Committee. However, the buyer may send the file/case to Audit Section for pre-auditing. Supply Order will be generated by the ACSS System.
- ix) Submission of CS or PA / LTA form as the case may be to make asset entry/release the payment soon after the receipt of material or within fifteen working days **failing which assets entry is made in the name of the buyer/ indenter.**
- x)

4.4 Major Purchase above Rs. 25.00 Lac

Any purchase above Rs. 25.00 Lac shall be through Purchase Finalization Committee (PFC).

The composition of the PFC is as under:

- i) Chairman (To be approved by CFA)
- ii) Buyer (concerned faculty/PI/Official)
- iii) Two experts (To be nominated by the buyer)
- iv) DR/AR (A/C / IRD A/C) / Nominee
- v) DR / AR (Stores)/ Nominee

A Technical Evaluation Committee (Sub Committee of PFC) shall be constituted for technical evaluation of bids. The composition of **TEC** shall be:

- i) Chairman (same as in PFC)
- ii) Buyer (Concerned faculty/PI/Official)

- iii) Two experts (same as in PFC)

4.4.1 Purchase Procedure for Major Purchases

The following purchase procedure shall be adopted:

- i) The buyer to propose a Purchase Finalization Committee (PFC).
- ii) Chairman will be nominated by the CFA.
- iii) The items to be purchased and the composition of PFC are entered into the ACSS system to book the funds.
- iv) The ACSS system generates a PFC number. The number will be used for all future reference. **No payment will be made without the PFC number.**
- v) On approval, the Buyer will call the first meeting of the TEC (Technical Evaluation Committee) in consultation with the Chairperson. In this meeting, the Tec shall discuss and finalize the specifications of items(s) and any other technical point considered relevant.\
- vi) The committee **MUST** invite quotations by putting the requirement on the Institute web site along with one national daily having wide circulation. The minimum time to be allowed for submission of bids should be three weeks.
- vii) The committee **MUST** invite the technical and financial bids under separate be three weeks.
- viii) The TEC shall open and examine the technical bids only. If required, may invite the bidders for clarifications on the technical aspects only.
- ix) Financial bids only of those vendors shall be opened by the PFC which has been recommended by TEC on technical grounds.
- x) The financial bids shall be opened in the presence of at least three members of PFC.
- xi) All the quotations will be signed and amount circled by the officials present at the time of opening.
- xii) A comparative statement shall prepared by the Buyer and the same along with the quotations will submitted to the PFC for necessary recommendations.
- xiii) The PFC will finalize and recommend the purchase after deliberations.
- xiv) The PFC may negotiate with the vendor (L1: lowest bidder) if felt necessary.
- xv) Then the file will be sent to the SPS for placing an order after it is pre-audited by the audit Section.
- xvi) Normally, the purchase shall be processed on the basis of at least three quotations. However, the Director can relax this condition on sufficient grounds on the recommendations of the PFC.
- xvii) In case of proprietary item, the same may be procured from the proprietary source on the basis of a single quotation after certification of the item by the buyer on the basis of the claim of seller/supplier.
- xviii) The PR for the recommended items shall then be raised by official of the Department. SPS will prepare the Supply Order and send the file to audit. The Audit shall pre-audit the Supply Order and certify the availability of funds in the budget Head. Thereafter, approval for the availability of funds in the Budget Head. Thereafter, approval for the purchase shall be obtained from the CFA and the Supply Order duly stamped “checked” shall be sent to SPS for issue to the vendor.
- xix) SPS **MUST** obtain the consent of the vendor to supply the material within the stipulated time. In case the vendor fails to give the consent or supply the

material within stipulate time, the PFC may negotiate with the second lowest bidder to supply the material as per the offer of the lowest bidder.

Note:

- i) Purchases should not be split to avoid obtaining the approval of appropriate Competent Financial Authority.
- ii) Funds from Non-Plan Budget MUST not be utilized for procurement of assets (non-recurring items) and funds from plan budget MUST not be used for recurring expenditure and consumable items.
- iii) The main emphasis of the PFC will be on the time saving and therefore, it is left to the Committee to organize its proceedings once constituted.
- iv) The PFC must complete the purchase process within the original valid period of PFC (i.e. three months).
- v) Extension of validity of PFC will be given only in exceptional cases.
- vi) Buyer should ensure availability of proper space/infrastructure for installation of the equipment.
- vii) Bid document be prepared/floated (duly vetted by the Audit, if required).

5. PURCHASE OF ITEM(S) THROUGH OTHER MODES

5.1 Purchase on Rate Contract of DGSD:

The indentor after being fully satisfied that the item(s) which is/are on the Rate Contract of DGSD, meet(s) the requirement, any purchase the same, after getting approval of the CFA.

5.2 Purchase through Repeat Purchase Orders:

The indentor after being fully satisfied that the items already procured by any Department after following the complete purchase procedure, meet(s) the requirement and there is no technical/Scientific change(s) in the item may purchase the same within ninety days from the date of originally processed order after getting the approval of the CFA.

6. BUY BACK OF ASSETS AND UPGRADATION

In case of buy back of any item, prior approval of the DIRD/DD(A)/Director should invariably be obtained.

6.1 Buy Back Arrangement:

In case of purchase of assets under buy-back arrangement, the old asset which has been exchanged will be treated as written-off with its book value and its disposal value so fixed/ agreed upon by the PC / PFC will be taken as income (Receipt) of the Institute. The asset will be created through GIS at the cost of new asset.

However, actual payment will be made by deducting value of buy-back from the billing amount of new asset.

- i) That the PR should be raised on gross amount of the item/ equipment/ material without taking into consideration the buy-back value of old item/

- equipment/ material since the amount so realized on account of buy-back value of old item is to be treated as receipt (income) of the Institute.
- ii) That gross value of the item/equipment/material should be committed on account of expenditure to be incurred on procurement of item(s).
 - iii) In view of (a) and (b) above, pass order for the gross amount of the item/equipment/material should be recorded on back of the bill(s).
 - iv) That approval of the CFA should be obtained based upon the gross value/cost of the item(s) without reducing the buy-back value of the old item(s) from the gross/actual cost of the new item(s).
 - v) That buy-back value of old item(s) should not be received directly in any form from the vendor(s).
 - vi) That buy-back value/cost of old item(s) should not be considered as the Part of Budget of the Deptt./Centre/Section/Unit.

6.2 Upgradation:

In case of upgradation of assets, the old asset which has been upgradation will be treated as written-off i.e., its value will be written-off from the records. The upgradation new asset will be entered in the records by raising as computerized GIS and the sum of cost of old asset and the additional cost paid, will be considered as cost of the upgraded asset.

7. INTERNATIONAL PURCHASES

For procurement of items from outside India against the open general import license or otherwise in foreign currency, all the rules and procedures laid down earlier shall apply. However, the role of the various Purchase Committee will be to recommend the Purchase rather than make purchases. The quotations should be obtained either with the Department of Expenditure, Ministry of Finance, GOI. All further processing including pre-audit and placement of orders shall be through SPS irrespective of the value of purchase. Purchase/import approval shall be obtained from DIRD/DD(A)/Director by Audit. The procedure of processing subsequent to receipt of goods shall be the same as that for purchases of indigenous stores.

8. CUSTOM AND EXCISE DUTY EXEMPTION

The Institute is exempted from payment of custom and excise duty on items mentioned in this para under notification No.51/96 dated 23rd July, 1996 and 10-97 dated 1st March, 1997 respectively. In terms of these notifications, Registrar is the authorized signatory of the exemption certificates. Further, Institute is required to submit a consolidated report on the exemptions availed during the financial year. Therefore SPS shall issue the custom and excise duty exemption forms on submission of one copy of the proforma invoice to SPS.

Description of items exempted from payment of custom & excise duty.

- i) Scientific and technical instruments, apparatus, equipment (including computers).
- ii) Accessories, spare parts and consumables thereof.
- iii) Computer software, CD-ROM, recorded magnetic tapes, microfilms, etc.

Note:

- i) The Institute is not authorized to issue 'C' and 'D' form.
- ii) Some of the states (e.g. Maharashtra, Tamil Nadu, Pondicherry, Karnataka, Kerala, Andhra Pradesh, Rajasthan, Madhya Pradesh, etc.) accept Education concession Form duly signed by SPO for exemptions of Sales Tax.

9. Advance / part payment to supplier(s):

Ordinarily, the payments should be released to the supplier(s), vendors and service providers only after the supplies, made or service rendered, however, it may become necessary to make advance payments in the following types of cases:

- i) AMCs of costly equipments, machines, computers, photocopier/FAX etc.
- ii) Turn key and/or fabrication contracts.
- iii) In certain cases of good percentage of discount, if payment made in advance.
- iv) In certain cases of the equipment or machine etc. being proprietary item(s).

In such cases, advance payments shall fulfill the following:

- i) In cases of AMCs, the amount shall not exceed the amount payable for six months under the contract;
- ii) Forty percent (40%) of the contract value to a Central/State, Govt. agency/PSU;
- iii) Up to Thirty percent (30%) to a supplier on furnishing Bank Guarantee of equal amount.

In such cases, there should be a unanimous decision of the committee while considering the following:

- i) Essential requirement of the equipment or machines, etc. and there is no alternative to it.
- ii) Reputation and past track record of the company
- iii) Reputation and past track record of the Indian Agent, if any
- iv) Possibility of furnishing Bank Guarantee of equal amount by the Company or by Indian Agent, in case of foreign supplier
- v) Under all circumstances, the amount of advance payment to a vendor shall not exceed Rs.5.00 lac, without Bank Guarantee, if at all the PC/PFC so agrees.

10. DISCREPANCY IN SUPPLY

Where stores supplied are found not, acceptable due to damage in transit, wrong supply and are consequently rejected, the department concerned or SPS shall immediately notify such rejection specifying the grounds on which such rejection has been made to the supplier directly depending upon who initiated the purchase and take necessary action for getting the items as the specification of the Supply Order.

10.1 Discrepancy in case of IMPORT

Where stores are found partially defective and are considered to be capable of being rectified at the department or in the Workshops of the Institute, the particulars thereof

shall be notified to the SPS at an early date specifying the exact nature of the defect and the estimated cost of repair/rectification. Extra expenditure, if any, in this regard shall be borne by the supplier for which necessary intimation shall be given to the supplier by the SPS.

When stores are found defective and it is considered necessary to have the defects rectified at the site under arrangement made by the supplier, particulars of such defects shall also be notified to the SPS at an early date specifying the exact nature of defect.

In all such cases indicated above, the SPS shall report the discrepancy to the supplier concerned and ask for immediate action. Copies of such reports shall also be endorsed to the Department concerned.

Where packages of containers have been found damaged, broken and where such damages and breakages are attributable to handling in transit a claim shall be lodged with the transport agency immediately by the SPS on the basis of a certificate on shortage/damage granted by the railway and intimation should be sent to the supplier concerned and the HOD.

Notwithstanding anything contained herein, where a consignment is covered by insurance in transit and where defects/damages or breakages are attributable to handling in transit, appropriate claims for compensation shall be lodged by the SPS with the underwriters concerned additionally.

In case of the stores being rejected outright, the Department should keep it duly packed and report to the Store Purchase Section, who shall return such rejection stores to the Supplier promptly.

Where stores and equipment, partially or fully paid are found defective or otherwise rejectable the firms should be asked by the SPS to replace or to rectify the stores under their own arrangement of defective stores supplied shall be borne by the Supplier.

11. GENERAL REMARKS

A buyer may draw only one advance at a time from the recurring and non-recurring grant of the Department/Centre/each Sponsored Project for purchases under any system of purchase. Once adjustment account of an advance is submitted to Accounts/IRD Accounts, next advance can be drawn.

11.1 Bid Security (2% to 5%):

To safeguard against a bidder's withdrawing or altering its bid during the bid validity period, the PC/PFC may obtain bid Security (also known as Earnest Money). The bidders should be asked to furnish bid security along with their bids. Amount of bid security ordinarily ranges between two and five percent of the estimated value of the goods to be procured. The exact amount of bid security should be determined accordingly by PC / PFC and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the

purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 15th day after the award of the contract.

11.2 Performance Security (5% to 10%):

To ensure due performance of the contract, PC / PFC may obtain performance security from the successful bidder awarded the contract. Performance Security should be for an amount of five to ten per cent of the form of Demand Draft, Fixed Receipt, and Bank Guarantee from a scheduled bank in an acceptable form safeguarding the purchaser's interest in all respects.

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

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

12. Role of SPS

The role of the SPS envisaged is as follows:

- i) Processing and clearance of International Purchases.
- ii) Maintaining approved panel of suppliers, for purchases through quotations/press tenders, in consultation with Departments/Centres/PIs.
- iii) Complete processing including inviting quotations through post or press for Major purchases on the basis of specifications / requirements of indenting Department/Centres / PIs.
- iv) Processing of all items such as stationery for administrative sections only and liveries etc. and their subsequent issue. Registrar will be the Head of the Department for operating their budget heads;
- v) Maintenance of Central Asset Registers for items under PA & LTA category of items;
- vi) Conducting physical stock verification;
- vii) Issue custom duty and excise duty exemption certificate(s).

13. MAINTENANCE OF RECORDS

This section describe the records pertaining to stores that must be maintained by SPS and Departments.

A record of all purchases including the purchases through project funds shall be maintained by the Institute.

A record of all items of non-consumable in nature shall be maintained by the SPS. Stores in the the PA category shall be recorded in the PA-Assets Register and the LTA category in the LTA-Asset Register of the Institute.

For consumable store, an issue record as per summary sheet 'C Form' shall be maintained in Stock Register at the Department/Centre level, in three files one each for purchases through funds of Institute, IRD Project and FITT projects. Proper care needs to be taken by HoD/PI to monitor the consumption. However, GIS shall not be raised for consumable stores.

PA and LTA form shall be generated by ACSS for the given PC / PFC number. The buyer shall fill in the issue details and send the same to SPS. GIS for PA and LTA shall be automatically generated by the ACSS system. These entries shall facilitate computerized generation of Central Asset Registers, Stock Register for each department and Inventory Register of each official. Each entry shall also be allocated an Inventory Control Number (ICN) to each Asset automatically. ICN shall be unique for each item. The PA & LTA Stock Registers of each department will be generated at the end of each financial year and sent by SPS to respective department for record. However, additions and deletions to the stock during the quarter shall be sent quarterly.

In case of purchases involving both consumables and those belonging to PA & LTA category, the buyer shall get the Summary Sheets filled on Form 'C' for consumable stores and on relevant Form 'NC' for non consumable stores.

In summary, the following records need to be maintained by Departments/Centres and SPS:

Department:

- i) Existing Stock Register for consumable and assets
- ii) Existing inventories of officials
- iii) New Computerised Stock Register for Assets
- iv) Separate Summary Sheet for consumables for Institute, IRD and FITT funds
- v) New Computerised Inventories (to be generated & sent by SPS)
- vi) All purchase files / records the preserved in the departments for internal audit/statutory audit.

SPS:

- i) Continuous updating of existing Asset Registers one each for Institute, IRD Projects and free aid/gifts (includes FITT also)

14. Transfer of stores

- i) Transfer of stores within the Institute from one department to another and from one official to another can be done with the explicit approval of the concerned HODs. A transfer voucher will be filled by official of the department and sent to SPS for entering in the ACSS System.
- ii) Transfer of stores from the Institute to another Institute/ College/ University/ Industry can be done only with the explicit written approval of the Director. In case of stores purchased through IRD/ FITT projects, the transfer of stores can be done with specific instructions from the sponsoring agency and concurrence there to by the Director. Subsequent to transfer to storethe

appropriate Stock and Asset Registers shall be suitably updated by SPS through ACSS System. The value of stores so transferred shall be deducted from the capitalized assets of the Institute as indicated in the Balance Sheet.

14.1 Transfer of probe/device/equipment etc. from Institute to Sponsoring Agency:

When a final probe/device/equipment, etc. created in pursuance of Agreement entered into/finalized between PI/CI on behalf of IRD and the Sponsoring Agency, the same can be transferred to the Sponsoring Agency subject to following:

- i) Only related raw material used to make/create a probe/device/equipment/final product be treated as consumable items/material;
- ii) Since the probe/final product is made/created out of consumable material, the same shall be treated as temporary asset to be transferred to the sponsoring agency
- iii) Transferred of such probe/final product may be made by the CI/PI himself/herself subject to:
 - a) Copy of the letter addressed to the Sponsoring Agency by CI/PI will be endorsed to the Stores & Purchase Section/IRD Unit.
 - b) Copy of GatePass signed by CI/PI and duly countersigned by the concerned HoD/C will be endorsed to the Stores & Purchase Section/IRD Unit.
 - c) Receipt Voucher (acknowledgment) in token of having received the probe/final product by the Sponsoring Agency will also be endorsed to the Stores & Purchase Section/IRD Unit.

15. WRITE-OFF AND DISPOSAL

15.1 Limited Time Assets (LTA)

The procedure for accounting of assets under the LTA category needs to be different and simple as compared to the assets under the PA category. Such assets are to be disposal of after following simplified procedure on completion of the stipulation life time. The accounting procedure for assets under the LTA category shall be as follows:

- i) Item procured under the LTA category and submitted for accounting in the LTA form shall be entered in the separate GIS/Asset Register (LTA-AR) in the ACSS system.
- ii) At the end of the 5 year period (life classified for LTA category items), the Deptts./Centres / Buyer may initiate a note duly signed by the three Faculty Members/Group A Officers requesting through Head for deletion of these items from the LTA register. SPS shall issue the necessary notification in this regard.
- iii) Physical disposal of goods: The LTA items in a Department/ Centre/ School/ Unit may be disposed off by the Head. The amount collected, if any, shall be deposited in the Main Account of the Institute.

15.2 Permanent Assets

The HOD shall constitute a Stores Survey Board of not less than three members, at least two of them will be professors or equipment. This Survey Board shall inspect/ survey the PA stores and recommend write off of those items which are ordinarily more than five years old than five years old and in this view are obsolete, unserviceable, beyond

economical repair and not usable at all. The Committee shall record the specific reasons against each item costing more than Rs.50,000/- while recommending the write-off.

15.2.1 Modes of Disposal:

- (a) If residual value of obsolete/unserviceable or surplus goods/equipments, etc. has been assessed Rs.2.0 Lac or more, the same should be disposed of by the CFA as per Para 3.1 by :
 - i) Obtaining bids through advertised tender or
 - ii) Public auction
- (b) If, in the opinion of the Survey Board, the residual value of such items is less than Rs. 2.00 lac then the same can be disposed of by the HoD/SPS.
 - i) By inviting limited tender
 - ii) By fixing its normal value exclusively for staff members on 'first come first serve basis'
 - iii) By destruction/burial of item(s) in eco-friendly manner
 - iv) By donation to some other govt., semi-govt., local govt. agencies or to a registered - govt. aided NGOs.

15.2.2 Write-off of goods/ equipments/items, etc. under 'Abnormal Loss/ Theft':

- a) Any loss or shortage of public money, departmental revenue, receipts, stamps, stores or other property held by or on behalf of the Institute irrespective of the causes of loss and manner of detection, shall be immediately reported to the next higher authority.
- b) Cases involving serious irregularities shall be brought to the notice of the Registrar.
- c) Report of loss contemplated in (a) & (b) above shall be made as given below:
 - i) An initial report with the security officer should be made as soon as a suspicion arises that a loss has taken place.
 - ii) A report should be sent to the Registrar after investigation indicating nature and extent of loss, errors or neglect of rules by which the loss has been caused and the prospects of recovery.
 - iii) The registrar may, after examining the said and appropriate legal actions through Security Officer and/or submit the case to the Director for his consideration to write off the loss within his delegated powers.
 - iv) If loss is beyond his delegated powers, the same may be put up to BoG for appropriate direction and/or write off.

16. STOCK VERIFICATION

DR / AR (Stores) shall depute stock verifiers to conduct periodic stock verification of all items on the various stock registers of the departments.

17. IMPLEMENTATION OF RULES (no Change):

The Institute shall lay down guidelines specifying normal time for each of the processing function under these rules so that all actions are completed expeditiously.

Any rule / purchase procedure not covered here shall be governed by the General Financial Rules (GFR) Delegation of Financial Power Rules (DFPR)/ Manual on Policies and Procedures for Purchase of Goods of GOI.

Annexure – I
1.2 ABBREVIATIONS

A/Cs:	Main Accounts Section
ACCS:	Administrative Computerization Support Service
Audit:	Internal Audit Section
BOG:	Board of Governors
CFA:	Competent Financial Authority
DD(A):	Deputy Director (Admin.)
DD (F):	Deputy Director (Faculty)
DIRD:	Dean Industrial Research & Development Unit
ADIRD:	Assoc. Dean Indl. Research to Dev. Unit
FACULTY:	All Academic Staff
FITT:	Foundation for Innovation and Technology Transfer
GIS:	Goods Inward Slip
HOD:	Head of Deptt./Centre
ICN:	Inventory Control Number
IRD:	Industrial Research & Development Unit
IRD A/Cs:	IRD Accounts Section
INDENT:	Indent as raised through ACSS Computer System
PA:	Permanent Assets
CS:	Limited Time Asset
PFC:	Purchase Finalisation Committee
PI:	Principal Investigator of Sponsored/ Consultancy Project
PR:	Purchase Requisition as raised through ACSS Computer System
SO:	Supply Order as raised through ACSS Computer System OR Manual Supply Order
SPO:	Office-In-Charge of Store and Purchase Section
SPS:	Stores and Purchase Section

Annexure-II
1.3 DEFINITIONS

Department:

Department shall imply, Department/ Inter-Disciplinary program/ Centre/Central Facility/Unit or any entity in the Institute which has a separately allocated budget.

Project:

Project shall mean any other activity which has a valid project number given by the IRD/FOTT/QIP/CEP etc. of the Institute.

Principal Investigator:

Any faculty of the Institute, whose name is recorded as a Project Investigator in the records pertaining to the project in the office of IRD/FITT/QIP/CEP etc. At any point in time only the first named Project Investigator in the records of the Project in the IRD office will be identified as the Principal Investigator for operational purpose (e.g. exercise of financial powers).

Associated Department:

The associated department of a project is the department to which the PI of the project belongs.

Buyer:

Any faculty/group A officer who draws advance or signs as purchaser.

Seller:

A seller refers to the company/vendor/dealer/agent/individual from whom the Institute may buy goods or services.

Temporary Advance:

It is an advance which can be taken to meet contingent expenses on PA/ LTA/ CS/ Miscellaneous items. This should normally be taken from the appropriate budget head.

Imprest:

It is a rolling advance which is taken to meet day to day contingent exp