

IHFC PURCHASE POLICY

1. PREAMBLE

This policy has been framed, based on series of meetings held by a committee consisting of members from IIT Delhi Stores and Purchase Section, FITT, IHFC, faculty members and by the consent of Executive Committee of IHFC, for purchase from IHFC's planned and non-planned funds generated from sponsors and self-efforts and other funds allocated to IHFC.

These rules for purchase and accounting of various expenses of setting-up and running the organization and thereby provide a conducive working environment for employees/staff, partners and associated entities to promote excellence expected from IHFC and as such should be interpreted in that context, so that the procurement of the needed equipment/stores/services is done in time and without procedural wrangles, which permits the desired task to be pursued with greater vigor.

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

- a) The specification in the terms of quality, type, duration etc. and quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring entity without including non-essential features, which may result in unwarranted expenditure.
- b) Offers should be invited following a fair, transparent and reasonable procedure.
- c) The procuring authority should be satisfied that the equipment(s)/item(s) / material/ service partner(s)/vendor(s) selected offer(s)/adequately meet(s) the requirement in all respects.
- d) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.
- e) Purchase should not be split to avoid obtaining approval of appropriate competent financial authority.
- f) The procedure to be followed for a purchase would follow the Financial DoA guidelines.

2. CLASSIFICATION OF STORES

Non- Consumable Stores(NC)		Consumable Stores
Permanent Assets(PA)	Limited Time Assets(LTA)	
<p>Stores satisfying anyone of the following conditions shall be classified as permanent Assets</p> <ol style="list-style-type: none"> 1. Stores which are intended to be used over prolonged period (more than 5 years) before becoming unusable or obsolete 2. Office furniture and fixture 	<p>Stores satisfying anyone of the following condition shall be classified as Limited Time Assets</p> <ul style="list-style-type: none"> • Store consisting 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 • Stores which can be upgraded either by replacing components/part or which can be rendered obsolete by the release of new versions or editions. • Stores which can be used over any period of time but costing less than Rs.75,000/ excluding office furniture and fixtures. • Examples of such items PCs, Laptop, Tablet Cameras, Mobiles, Software Projector, LFT monitors 	<p>Stores satisfying anyone of the following condition shall be classified as Consumable stores.</p> <ol style="list-style-type: none"> 1. Stores which exhaust rapidly with the lapse of time (normally with in one year) 2. Stores which are rapidly rendered unusable due to normal wear and tear. 3. Stores which have negligible disposal value 4. Spares of equipment etc. <p>Examples, Chemicals, stationery items, printer toner/cartridge, electronic storage media like pen drive.</p> <p>Computer parts requiring replacement such as the mother board, RAM hard disc etc. Batteries of any kind (like UPS, laptops/mobiles portables instruments etc.) electronic components like capacitors, connectors, electrical, wires, plugs switches, tool bits and hand tool etc.</p>

a. Any item with value of greater than INR 2500 (including taxes) will automatically get classified as Non-Consumables

b. In case of any ambiguity with respect to classification of stores, the same may be resolved by the CEO, IHFC and one of the Directors of IHFC

3. SALIENT FEATURES OF THE POLICY


- (i) Upgradation and Repairs: In case of upgradation of assets, the old asset which has been upgraded will be treated as written-off i.e., its value will be written-off from the records. The upgraded new asset will be entered in the records. Sum of cost of old asset and the additional cost paid, will be considered as cost of the upgraded asset. For any repairs of Imported assets, in case the items is to be sent back to the OEM in foreign country, re-import process should be initiated.
- (ii) Purchase of Proprietary Items: IHFC Single Tender Enquiry form may kindly be used
- (iii) Earnest Money: To safeguard against a bidder's withdrawing or altering its bids during the bid validity period, the Purchase Committee may obtain bid Security (also known as Earnest Money) (2.5% of the estimated cost)
- (iv) Performance Guarantee: In order to ensure due performance of the contract, Purchase Committee may obtain performance security from the successful bidder awarded the contract (5-10% of the order value). Performance security may be obtained in the form of demand draft or Bank Guarantee from a scheduled bank in an acceptable form safeguarding the purchaser's interest in all respect
- (v) For all purchase, Purchase Requisition Form needs to be used
- (vi) Role of Store Purchase Section
 - [1] Processing and clearance of Indian/International purchase
 - [2] E-Procurement, E-Publishing, E-Auction, Onboarding/Registration of Vendors
 - [3] Maintenance of Central Asset Registers for all items/ Vendor Details
 - [4] Conducting physical annual stock/contract verification
 - [5] Centralized GIS
 - [6] Maintenance of Purchase Requisition Forms against all purchases
- (vii) Payment: Payment should be made to vendors through RTGS/Cheque/NEFT
- (viii) The value of a service contract would be considered basis its annual value (from the date of initiation of contract), irrespective of the tenure of the contract, for deciding the authority to finalize/terminate the vendor for that service
- (ix) Employee recruitment would not be considered a part of service contracts and would be as per the HR and Recruitment Policy

- (x) Write-off/Disposal/Re-use/abnormal loss /theft of Stores: IHFC will initiate the process of write-off/disposal/Re-use of stores after the completion of project life-time is over. It would be governed by Financial DoA
- a) Any loss or shortage of public money, departmental revenue, receipt, stamps, stores or other property held by or on behalf of the IHFC. Irrespective of the cause of loss and manner of detection, shall be immediately reported to the next higher authority. Cases involving serious irregularities shall be brought to the notice of CEO/Project Director.
- b) Report of loss contemplated in (a) above shall be made as follows - An initial report with the security officer should be made as soon as a suspicion arises that a loss has taken place. FIR be made immediately, and "Non-Traceable Report" issued by police station be submitted for the purpose of write –off of the item/s.
- (xi) Any rule/purchase procedure not covered here shall be governed through requisite approval from Board of Directors/Hub Governing Body of IHFC


Initiated by:


Ashutosh Dutt Sharma
CEO – IHFC

Recommended by:


Prof. Subir Kumar Saha
Project Director - IHFC

Approved by:


Prof. V Ramgopal Rao
Director - IIT Delhi
Chairman (HGB) - IHFC

IHFC – Financial Delegation of Authority (DoA)

1. Approval authority for store purchase/service contract

Amount (INR)	Process/Guideline	Initiator	Recommendation	Approver
Upto 25k	Need to accompany actual invoices	Employee/PI	None	CEO
25k – 2.5 Lac	Single vendor allowed	Employee/PI	Two member purchase committee from the EC	CEO
2.5Lac - 10 Lac	Minimum 3 vendors	Employee/PI	Two member purchase committee from the EC	CEO
10 Lac - 25 Lac	Minimum 3 vendors	Employee/PI	Three member purchase committee from EC (CEO mandatory member)	Project Director
Above 25 Lac	Minimum 3 vendors	Employee/PI	Three member purchase committee from the EC (Project Director and CEO mandatory members)	Director

2. Approval authority for travel expenses

Amount (INR)	Process/Guideline	Initiator	Approver
Upto 1 Lac	Need to accompany actual invoices for travel and requisite approval for travel from CEO/ Project Director	Employee, IHFC	CEO
1 Lac and above	Need to accompany actual invoices for travel and requisite approval for travel from CEO/ Project Director	Employee, IHFC	Project Director

3. Approval authority for salary expenses

Amount (INR)	Process/Guideline/ Initiator	Recommendation	Approver
	HR person to initiate the process basis employee records and contractual obligations*	CEO, IHFC	Project Director

***Authority to issue an offer letter or appointment letter would be with CEO or above**

4. Financial power to write-off the assets

Amount (INR)	Process/Guideline	Initiator	Recommendation	Approver
Upto 25k	As per Purchase Policy	Employee/PI/Vendor	None	CEO
25k – 2.5 Lac	As per Purchase Policy	Employee/PI/Vendor	Two member committee from the EC	CEO
2.5Lac - 10 Lac	As per purchase policy	Employee/PI/Vendor	Two member committee from the EC	CEO
10 Lac - 25 Lac	As per purchase policy	Employee/PI/Vendor	Three member purchase committee (CEO mandatory member)	Project Director
Above 25 Lac	As per purchase policy	Employee/PI/Vendor	Three member purchase committee (Project Director and CEO mandatory members)	Director

1. For any service contracts, financial authority would be defined based upon the annual value of contract, irrespective of the tenure of the contract
2. Any exception to the above DoA requires approval from the CEO and Project Director, IHFC.

Initiated by:


Ashutosh Dutt Sharma


CEO – IHFC

Recommended by:


Prof. Subir Kumar Saha

Project Director - IHFC

Approved by:


Prof. V Ramgopal Rao

Director - IIT Delhi
Chairman (HGB) - IHFC