

ACCOUNTS MANUAL

FINANCIAL REGULATIONS OF THE INSTITUTE (Revised in 2022)

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FINANCIAL REGULATIONS OF THE INSTITUTE

Preamble

Whereas it is necessary to prescribe the authorities who may incur expenditure on behalf of the ISEC, the conditions subject to which such expenditure may be incurred, and to generally provide for the proper management of finances of the Institute, the following regulations are framed:

1. Short Title:

- 1) These regulations shall be called as “the ISEC Financial Regulations, 2021”.
2. The properties and funds of the Institute shall vest in and be administered by the Board of Governors as per the respective applicable rules.
3. The Director and other officers of the Institute are authorized to incur the expenditure necessary, for the administration of the Institute as per the delegated financial powers duly approved by the BoG, provided that such expenditure is within the budget / revised budget estimates of the Institute.

Definitions

Under these paragraphs unless the context otherwise provides,

- ‘**Accounts Officer**’ means Accounts Officer of the Institute
- ‘**Academic Staff**’ means Professors, Associate Professors and Assistant Professors.
- ‘**Compensatory Allowance**’ means an allowance granted to meet the personal expenditure necessitated by the special circumstances in which the duty is performed.
- ‘**Dearness Allowance (DA)**’ means the amount of Dearness Allowance sanctioned by GoK.
- ‘**Director**’ means the Director of the Institute
- ‘**Employee**’ means a member of the staff who holds a permanent or temporary post in the Institute and includes the members on probation or extension of probation.
- ‘**Honorarium**’ means a recurring or non-recurring payment granted to an employee from the funds of the Institute as remuneration for the work of an occasional or intermittent nature.
- ‘**Institute**’ means Institute for Social and Economic Change, Bangalore.
- ‘**Leave Salary**’ means the amount paid by the Institute to an employee on leave according to Rule 96 of ISEC Service Rules.

- **'Lien'** means the title of an employee to hold substantively, either immediately or on the termination of a period or period of absence, a permanent post to which he has been appointed substantively.
- **'Pay'** means the amount drawn monthly by an individual employee as (a) pay including additional pay that has been sanctioned for the post held by him substantively or in an officiating capacity, special pay or personal pay, and (b) any other emoluments that may be specifically classified as pay by the Institute.

Note: The additional pay sanctioned shall count for pay for regulating payment of leave salary, travel allowance and dearness allowance.

- **'Personal pay'** means the additional pay granted to an employee to save him from a loss of substantive pay in respect of a permanent post due to revision of pay or to any reduction of such substantive pay otherwise than as a disciplinary measure, for adopting small family norm and/or exceptional circumstances on personal consideration.
- **'Probation'** means the period of assessment of an employee's fitness for substantive appointment to a permanent post during the first year of his service prior to confirmation, which may be extended or curtailed at the discretion of the appointing authority.
- **'Public conveyance'** means a train, bus or other conveyance which plies regularly for the conveyance of the passengers.
- **'Registrar'** means the Registrar of the Institute.
- **'Special Pay'** means an addition of the nature of pay to the emoluments of the post or of an employee granted in consideration of the particular arduous nature of the duties, or a specific addition to work or responsibility.
- **'Substantive Pay'** means the pay to which an employee is entitled on account of a post to which he has been appointed substantively or by reason of his substantive position in the cadre other than special pay or personal pay.
- **'Subsistence Grant'** means a monthly grant made to an employee who is not in receipt of pay or leave salary.
- **'Travelling Allowance'** means an allowance granted to an employee to cover the expenses that he incurs in travelling in the interest of the Institute.

'Daily Allowance' means an allowance granted to an employee to cover the incidental expenses that he incurs in travelling in the interest of the Institute in accordance with the rates prescribed for the same.

2. **Budget:**

- 2.1 Budget estimates of the Institute for the succeeding year shall be prepared in a realistic manner by the end of the current year in the month of October each year and put up to the Finance Committee for scrutiny and review and

then placed before the Board of Governors for approval before the end of December.

- 2.2 Revised Estimates, if necessary, based on actual up to the previous month of the budget proposal and anticipated expenditure for the rest of the months of the financial year shall also be prepared and placed before the Board for approval after review by the Finance Committee as per the same schedule for the Budget estimates for the succeeding year.
- 2.3. Re-appropriation of funds from one head of account to another shall be made only with the approval of the Finance Committee and the Director may re-appropriate the same to the extent of power delegated to him/her not exceeding 5 percent of the allocation.
- 2.4. The Director may order re-appropriation within the head of account from one sub head to another within the same head of account.

3. **Receipts:**

- 3.1 All receipts pertaining to the Institute shall be credited promptly to the concerned account or fund account. The funds shall be kept in any nationalised bank as may be decided by the Board of Governors from time to time.
- 3.2. The funds received for specific purposes/projects from State and Central Governments and from other Institutions shall be kept and accounted for separately.
- 3.3. The Accounts Officer is authorized to receive money on behalf of the Institute and issue proper receipts and maintain accounts.

4. **Expenditure:**

- 4.1. While incurring expenditure, the generally accepted canons of financial propriety shall be observed by all officers scrupulously.
- 4.2. Proper accounts of receipts and expenditure of the Institute shall be maintained in the Accounts Section under the direct supervision of the Accounts Officer.
- 4.3. Amounts required for meeting the expenditure may be drawn by cheques from banks signed jointly by the Accounts Officer & Registrar or by the Director himself, in the absence of Accounts Officer or Registrar or both.
- 4.4. A bill or other voucher presented as a claim for payment shall contain full particulars such as (a) nature of the claim: (b) amount: (c) period to which it relates: (d) orders of the competent authority who sanctioned it: and (e) the account to which it is debitable.
- 4.5. (a) All claims must be filled in and signed by the claimant

- (b) They must contain the encasement of 'Pay order' and paid by cheque no....., duly signed by the officers authorized or online payment in this behalf.
- (c) All vouchers should be numbered serially and filed chronologically in a guard file
- (d) All sub-vouchers should be cancelled.

5. **Personal Entitlement:**

5.1. Pay and allowances: (a) Pay and allowances of the staff of the Institute for a particular month shall be drawn in the prescribed pay bill form by the Accounts branch based on the rates specified in the Service Regulations and disbursed by means of cheque or electronic transfer on the last working day of the month.

(b) When the last working day of the month is a Sunday or a notified holiday, the payment of the establishment bills shall be made on the last working day before the said holiday. However, the establishment bill for the month of March shall be payable only on the first working day of April.

(c) A last pay certificate in the prescribed form shall be issued to an employee of the Institute on his/her proceeding lien or deputation to another establishment.

5.2. Travelling Allowance: Travelling allowance bills should be drawn in the prescribed form setting forth *inter-alia* details of the journey, purposes etc. All such bills shall be countersigned by the Head of the Centre or such officers as may be designated. The travelling allowance bill of the Director does not require countersignature. The rates shall be those specified in the Service Regulations of the Institute. Travelling allowance admissible to non-officials, i.e., to those other than employees of the Institute shall be as approved by the Chairperson of BoG

5.3. Honorarium to be paid to the members of the BOG and members of the Committee appointed by the BOG may be paid by the Institute as decided by BoG.

6. **Advances:**

10.1. The following kinds of advances may be sanctioned to the Institute employees:

- a) Leave salary advance:
- b) Tour travelling allowance advance;
- c) Festival advance

a) ISEC employees (including temporary employees) proceeding on leave for a period of not less than 30 days at a stretch may be granted one month's leave salary in advance subject to the following conditions:

- i) The advance should be restricted to the net amount of leave salary for the first month of leave after deductions on account of provident fund, insurance,

repayment of advances, house rent, income-tax etc. The deductions may be effected from the leave salary or duty pay which the Institute employee will draw during the major portion of the month.

ii) The advance should be adjusted in full in the pay bill in which the leave salary for the period in question is claimed. In cases where the advances cannot be so adjusted in full, the balance will be recovered from the next payment of pay or/and leave salary.

iii) Employees drawing leave salary advance who resume duty before expiry of leave period for which the leave salary advance has been drawn, should refund the entire leave salary advance before they are permitted to resume duty.

b) Tour travelling allowance advance is granted to an employee who proceeds on tour of an amount equal to 90% of the probable travelling expenses. This shall be adjusted from his/her final T.A. bill which he/she should submit immediately on return to headquarters from tour failing which the advance shall be recovered from his/her pay bill. The Director can sanction tour travelling advance for himself/herself.

c) Advances may be sanctioned to defray the expenses of important festivals to all employees subject to the following conditions:

1. The amount of advance will be as per the orders of Government of Karnataka issued from time to time.
2. The advance will be recovered in 10(ten) monthly instalments, the first instalment commencing from the next month's pay.
3. The advance may be granted to temporary employees subject to their furnishing surety from permanent employees.
4. The advance will be admissible only to those who are on duty or on leave on full pay or on maternity leave at the time of drawal of advance.
5. The advance will be admissible only for one festival in a financial year.
6. No festival advance shall be granted unless the earlier advance granted for the purpose has been repaid in full.
7. The advance should be drawn with previous sanction and disbursed not earlier than a fortnight and not later than the day (the first day) of the festival.
8. The recovery of advances made will be watched by maintaining separate registers.

7. **Indemnity Bond:**

Every cashier, store keeper and any other employee of the Institute who is entrusted with Institute cash, stores, etc., should be required to execute an Indemnity Bond in the prescribed form, for a value fixed by the Registrar from time to time.

8. **Motor Vehicles:**

The rules regulating the use and maintenance of vehicles of the Institute are detailed in Appendix II.

9. **Imprest:**

To meet emergent expenditure which has to be incurred before money could be obtained from the Accounts Branch, an imprest may be sanctioned by the Director to persons who have to incur such expenditure on behalf of the Institute. The holder of the imprest is responsible for the safe custody of the amount and shall be at all times ready to produce the total amount of imprest either in the form of vouchers or in the form of cash or both.

10. **Audit of Accounts of the Institute:**

10.1 The annual accounts of the Institute shall be audited by Chartered Accountants appointed for the purpose by the BoG.

10.2. The audited accounts together with the Auditor's report shall be reviewed by the Finance Committee and placed before the Board of Governors and the Annual General Meeting.

10.3. The accounts of the Institute are also subject to audit annually by the Accountant General.

11. **Delegation of powers:**

The delegation of powers of the Director, Registrar and Head of the Centre of the Institute is detailed in Appendix I.

Appendix – I: Statement showing the delegation of financial and administrative powers to the Director, Registrar and Head of the Centre of the Institute for Social and Economic Change

Sl. No	Nature of powers delegated	Director	Registrar	Head of Centre / Project Director
I	Administrative Powers			
1	Appointment of Faculty, Registrar, Accounts Officer	The appointment orders shall be issued to the selected candidates by the Director with the approval of the Chairperson, BoG based on the recommendation of the Selection Committee.	--	--
2	Appointment of of all other staff	--	The appointment orders shall be issued to the selected candidates by the Director with the approval of the Chairperson, BoG based on the recommendation of the Selection Committee.	
3	To make ad-hoc appointments against vacant posts (only on contract basis).	The appointment may be for a period not exceeding eleven months by process of agreement as per the qualification prescribed in the C & R Rules both for faculty and non-academic staff following reservation policy for SC / ST / OBC / BC / EWS. Such appointments shall be made with the approval of the Chairperson, BoG and reported to the Board of Governors. Extension of service, if required, shall be done with the approval of the Chairperson, BoG. In case of appointment for less than 45 days then no need to follow the reservation.	--	--

II	Promotions & Confirmations :			
4	Confirmation of Service after probation for all employees	Full powers subject to the relevant bye-laws	--	--
5	Promotion to staff belonging to all categories to next cadre	<p>The Director based on the recommendation of the ISEC Promotional Committee may promote the employees of Group 'C' and 'D' with the approval of the Chairperson, BoG.</p> <p>For the posts 'A' and 'B' the Director may issue the promotion orders based on the recommendation of the ISEC Promotional Committee with the approval of the Chairperson, BoG and report to the BoG.</p>		
6	Deputation / Lien of any staff to other organizations / government	<p>In case of academic staff, with the approval of the Chairperson, BoG.</p> <p>In case of non-academic staff, the Director has full powers. Reporting to BOG for ratification.</p>		
7	In-charge arrangement	In the case of Director / Registrar as per the relevant bye-laws	In case of non-academic staff the Registrar with the approval of the Director	
8	Extension of joining time on first appointment	<p>Up to 15 days by the Director</p> <p>Exceeding 15 days with the approval of the Chairperson of the BoG.</p>		
9	Maternity Leave / Paternity Leave	Full powers		
10	Sanction of other leaves including	As per the leave rules	As per the leave rules	

	Sabbatical leave			
11	Encashment of leave	Full Powers		
12	Encashment of leave at the time of retirement / death	Full Powers		
13	To authorize staff to proceed on duty outside ISEC	Full Powers		
III	Financial Powers:			
14	Administrative approval of new works	Approval of any capital works with the approval of BoG Work order will be issued by the Director.		
	Repairs of capital works	Full powers		
	AMCs of computer office equipment and repairs of other items	Full powers		
	To permit staff to proceed on tour within and outside the State	Full powers. In case of foreign tour with the approval of Chairperson, BOG.	--	--
10	Sanction of TA Bills including counter signatures. After scrutiny by the Accounts Section	For Academic Staff and foreign travel of Non-Academic Staff – Full powers	For Non-Academic Staff – Full powers	
10	Countersignature of TA bills of staff and other officials and non-officials	--		Head of the Centre for all the staff working under them. Project Directors – in

				case of project staff working under him / her
IV	Advances :			
11	To sanction advances such as leave salary advance, TA advance, festival advance, etc.	Full powers	--	--
V	Purchases :			
12	Purchase of office equipment, furniture, computers and computer peripherals, stationary and printing articles locally,	Full powers for each item value above Rs.50,000/- up to Rs.3.00 lakhs subject to budget provision Above Rs. 3.00 lakh with the approval of the Chairperson, BoG. subject to budget provision	Full powers for each item up to Rs.50,000/- subject to availability of budget	--
13	Purchase of, library books and subscription to journals and periodicals books, Acts, Manuals etc., for Administration	Full powers up to Rs.2.00 lakhs on one occasion based on the recommendation of the Library Committee.		

VI	Repairs :			
16	Repairs to vehicles	Full powers	Upto Rs.50,000/- in a Financial year	--
	Purchase of vehicles	Director with the approval of the BoG		
	Disposal of unused goods / obsolete unserviceable equipment	Full powers	Upto Rs.1,00,000/- in a Financial year	
	Vehicles beyond economic repair subject to certification of RTO for disposal	Full power	Upto Rs.1,00,000/- in a Financial year	
	Sanctioning of advertisement and publishing of notification in the Newspapers	Full power		
	Hiring of vehicles for official duties	Full power	Full Powers	
	Outsourcing of services	Full power		
	Training programmes / seminars / conferences	Full power – both approval of programme and expenditure		
	Sanction of refund of any amount	Full power		
VII	Miscellaneous Expenditure :			
18	To incur expenditure on refreshments,	Full powers	Upto Rs.5000/-	--

	reimbursements of conveyance charges incurred by staff in connection with official duties, petty contingent expenditure, etc.			
VIII	Contracts and Agreements :			
19	To sign agreements on behalf of the Institute	--	Full powers	--
X	Re-appropriation :			
22	From one budget head to another budget head	With the approval of the Finance Committee.	--	--
	From one sub-head to another sub-head	Full powers		

Note: All relevant rules procedures and instructions under various rules of ISEC shall be followed subject to transparency and cost effective, procurement.

All procurements should be within the annual approved budgetary grants.

It will be the responsibility of the officer exercising the delegating powers to ensure quality procurement at competitive prices.

The order of delegation of financial powers is subject to economy measures as approved by the BoG from time to time.

These delegated powers shall not be sub-delegated.

ACCOUNTS MANUAL – RULES

SECTION – I

1. Establishment and Status:

.1. The Institute for Social and Economic Change was established during 1972, as an all India institute of excellence for interdisciplinary research and training in the social sciences. It is a society registered under the Karnataka Societies Registration Act, 1960.

2 Presently following nine centres are functioning in the Institute:

- a. Agricultural Development and Rural Transformation Centre (ADRTC)
- b. Centre for Decentralisation and Development (CDD)
- c. Centre for Ecological Economics and Natural Resources (CEENR)
- d. Centre for Economic Studies and Policy (CESP)
- e. Centre for Human Resource and Development (CHRD)
- f. Centre for Political Institution, Governance and Development (CPIGD)
- g. Centre for Study of Social Change and Development (CSSCD)
- h. Population Research Centre (PRC)
- i. Centre for Research in Urban Affairs (CRUA)

In addition, many commissioned projects of various reputed organizations/ granting agencies are also being carried out annually. Details of updated Academic Centres and Academic activities may be found in the Institute's Annual Reports.

3 The Need for Accounts manual:

3.1. The Accounts Officer is the head of the accounts office and works in coordination with the Director and Registrar in carrying out his/her accounting and financial responsibilities. Though the accounts office is functioning well within the framework of the financial regulations of the Institute, there is a need for an accounts manual, which can lay down procedures, the duties and responsibilities of the Accounts Officer and his/her staff in order to maintain consistency in operations and over time. The Indian Council of Social Science Research (ICSSR) Review Committee, which visited the Institute in January 1997, also recommended that the Institute make efforts to formulate and adopt an accounts manual that clearly sets out norms and rules of functioning of the accounts office. Accounting being a continuous process and a dynamic area, the amendments shall be incorporated as and when felt necessary.

4. Book Keeping:

Accounting records shall be maintained under double entry system of book keeping and basic accounting assumptions of going concern, accrual and consistency shall be followed.

Institute shall stick to Fund based accounting. It shall maintain separate independent accounting records and prepare separate financials for individual grant received by the Institute. Books shall be closed on completion of the object(s) of the concerned

projects. Some project accounts are maintained within the consolidated project account of the centres, if there are no restrictions relating to such exhibition.

5. Institute shall also prepare a consolidated financial statement to reflect the overall financial position.

Financial Statements to include:

Institute being a non-trading/non-profit organization, shall prepare the following set of financial statements of projects as well as the Institute:

- I. Receipts and Payment account
- II. Income and Expenditure account
- III. Statement of Affairs/Balance Sheet
- IV. Consolidated Receipts and Payment account
- V. Consolidated Income and Expenditure account
- VI. Consolidated Balance Sheet

6 Receipts and Payment Account:

Receipts including Foreign Currency Regulatory Act (FCRA) receipts and payment account are prepared to know the cash/bank transactions during the financial year irrespective of the period to which the receipts or payments belong. Grants shall, however, be recognized on receipt basis.

Keeping Opening Cash balance receipts as a balance, during the year receipts are added and payments made during the year are deducted, the resultant balance should tally to the physical cash/bank balance as per the books of accounts.

7 Income and Expenditure Account:

Income and expenditure account is prepared to know the operations during a given financial year. All incomes and expenses are posted in this account on accrual basis, irrespective of receipts/payments during the year.

Excess of Income over expenditure in the year is known as 'unspent balance' and excess of expenditure over income as 'overspent balance'. The same shall be included in the balance sheet at the end of the financial year.

8 Statement of Affairs/Balance Sheet:

Balance Sheet is prepared to know the financial position as on specific date. This shall include various assets and liabilities as on specific date. On closure of the project, all ledgers shall be closed by passing closing entries.

9 Consolidated I & E account and Balance Sheet:

Common heads of accounts shall be used while preparing consolidated financials to comply with consistency, better presentation and disclosure. In case of individual projects, however, financials are prepared as required by the granting agency.

10 Income items may be broadly grouped as under:

- Grant received
- Royalty/Life membership/other fees collected

- Interest income from savings/investments
- Income for providing various services
- Transferred revenue from other projects

11 Expenditure items may be broadly grouped as under:

- Establishment Cost:
 - Salary including Basic Pay, DA, and other allowances.
 - PF, Gratuity Contributions, HTC / LTC, EL encashment, etc
 - LIC Pension Scheme Contribution
 - Ph.D. Students fellowship and contingency
 - Travelling Cost/Boarding and Lodging Cost
- Administrative and working expenses
 - Postage, Telephone and telegrams
 - Printing and Stationery/Computer charges
 - Campus maintenance/Repairs to Building/Rent for conference hall/ accommodation/food
 - Data collection/entry/processing/computer maintenance charges
 - All other miscellaneous and administrative expenses

12 Assets may be broadly grouped under following heads and details may be provided by way of schedules.

Investments

- Central and State Government Bonds / Securities including Public Sector Undertakings Bonds and Securities
- Any other Government approved Investments

- Current Assets
 - Bank Balance SB
 - Bank Balance FD
 - Grant Receivable
 - Interest Receivable
 - TDS Receivable
 - Overspent Grant
- Loans and Advances
 - Advances to Centres/ Employees/others
 - Prepaid Expenses
 - Advance tax
- Fixed Assets as per contra
 - Land and Building
 - Furniture and Fixtures
 - Electrical Equipment
 - Computers and Peripherals
 - Books
 - Vehicles
 - Others

13 Liabilities may be broadly grouped as under

- Fund account:
 - Opening Balance
 - During the year additions
 - During the year reductions
 - Closing Balance
- Current Liabilities
 - Unspent grant
 - Advances from other units
 - Sundry Liabilities
- Fixed Assets as per contra
 - Land and Building
 - Furniture and Fixtures
 - Electrical Equipment
 - Computers and Peripherals
 - Books
 - Vehicles
 - Others

14 Internal Control:

14.1. The accounts office has an in-built system of internal control under which the work is distributed properly among the staff, the work of each member is defined precisely and responsibility for the same is fixed on the individual official. The work done by each individual is test checked by the Accounts Officer, and checks are prescribed for compilation of accounts to ensure the correctness of accounting. As a result, defects and errors committed by any official are not only detected promptly and rectified, but also minimized.

15 Accounting Procedure and Policy:

It shall be ensured that proper books of accounts as required by law are maintained and that they disclose a true and fair picture of the financial transactions in a transparent manner.

The accounts shall be prepared on double entry system on accrual basis, for each financial year (April to March) and placed before the Finance Committee and BoG after certification of the Accounts by the Auditors appointed by the BoG. The audited statements have to be placed before the AGM for its ratification. However, the income tax returns may be filed after the audit.

16 Project accounts:

Separate accounts shall be maintained for projects, if the funding agency so desires and FCRA accounts. In other cases, the project account shall be within the Centre Project account. Separate sub ledger accounts shall be maintained for individual projects within the Centre Project account. Both Centre Project accounts and individual project accounts shall be got audited and certified by the Statuary Auditors.

Separate accounts shall be maintained for Employees Provident Fund and Gratuity Trusts and these accounts shall not form part of Consolidated Account of the Institute, as the PF and Gratuity funds are managed by the independent ISEC PF and Gratuity Trusts.

Time spent by faculty on projects, beyond their normal duties in their Centres, shall be charged to the project accounts as 'Faculty Time' and the credit of this charge shall be to the 'overhead and royalty account' to be utilized towards payment of institutes contribution towards LIC Annuity Scheme, etc.

Interest accrued on the Centre Project accounts shall be construed as institutional maintenance charges, if interest is not required to be credited to individual project account.

Overhead charges or Institutional charges as shall be debited to project accounts on receipt of grants, as determined by the Institute / funding agency.

17 Assets and Investments:

Cost of all fixed assets including library books purchased shall be debited to the income and expenditure of the account concerned in the year of purchase. For control purposes, original cost less depreciation suffered shall be shown in the Balance Sheet under Assets as well as Liabilities in consolidated Balance Sheet.

Depreciation in accordance with the Company's Act 2013, on Straight Line Method basis, shall be charged, separately for each class of assets and the depreciation amount is met from ISEC Overhead and Royalty a/c and credited to ISEC Development and Asset Replacement a/c for future use.

Subscription to Journals shall be charged off to the Income and Expenditure account of ISEC Main.

Investments shall be valued at cost. Premium paid/Discount received, if any, on Government securities shall be accounted for in the year of purchase. Interest on investments shall be recognised on accrual basis.

Every year a physical stock taking shall be undertaken and the Asset & Liability Register maintained.

Physical stock taking exercise of the Institute shall be undertaken annually and the Assets and Liability Register will also be updated annually.

Provision:

Provision shall be made for leave encashment liability for the Financial Year and of employee on superannuation.

Employer's contribution and employees' subscription to ISEC Provident Fund shall be accounted on actuals.

Gratuity liability calculated on actuarial basis by LIC shall be accounted and paid on actual basis from ISEC Gratuity Fund account.

The employer's contribution to LIC Annuity scheme shall be debited to ISEC Overhead and Royalty account.

Other:

No provision shall be made for payment of income tax as the Institute is eligible for exemption from payment of income tax under section 10(23C) (III ab) of the Income Tax Act, 1961.

While exhibiting previous year's figures in the accounts, regrouping, as deemed fit, shall be made.

Efforts shall be made to maintain the accounts of financial transactions in a fully computerized environment.

18. Closure of project accounts: On closure of the project accounts the unspent balance if any, shall be appropriated as per the Ground Rules of ISEC CPDF.

19 Source of funding:

19.1 The major sources of receipts of the Institute are block grants/grant-in-aid from Ministry of Human Resources Development through the ICSSR and Government of Karnataka.

Financial aid is also provided by Union Ministries of Agriculture and Health and Family Welfare for two units, which exclusively take up projects of special interest to these ministries.

There are also Four Chairs funded by the Reserve Bank of India, Government of Karnataka , Government of India.

Further, the Institute receives funds from various agencies within and outside the country for carrying out special studies/projects.

19.2 Accounting entries: Appropriate narrations will be made for each entry passed.

19.2a Interest Receipts:

Interest receipts is the income generated on Investment and Savings made by the Institute. Interest on Savings Bank Account is on actual basis and interest on investments shall be accounted on accrual basis. As interest income would have been accounted on accrual basis, the necessary journal entries will be passed on actual receipts.

19.2b Income received on providing various services:

Receipt from various projects for some of the services provided to them, either under the same centre or otherwise, such as faculty time, institutional charges, photocopying service charges, rentals for seminar hall, utilization of vehicles, phones and transaction of similar nature by whatever name called is to be accorded for under this.

20 Amount transferred from projects/overhead account:

Transfer of amount may be due to closure of the project or otherwise. After obtaining specific approvals from the authorities, an amount may be transferred to the centre or any other appropriate account. This act shall be in the nature of Income for the receiving unit and an expense for the other.

All contributions shall be routed through Income and Expenditure account so as to reflect the correct overspent/Unspent balance for the year and not directly to Fund balance, unless such transaction result in avoidable inflation of receipts or payments and distortions in projection of balances under unspent/overspent.

Projects accounts with small balances (less than 15% of the project cost), remaining open even after the completion of projects will be closed at the discretion of the Director.

The Director in consultation with the Chairperson/Finance Committee will transfer funds from ISEC Overhead and Royalty account to other funds, retaining a minimum balance of Rs 1.00 crore.

With regard to the savings at the end of any sponsored project, out of such savings an amount of 10% will be transferred to Staff Incentive Fund and 45% will be transferred to Overhead and Royalty Account. Out of the remaining balance, an amount not exceeding Rs.5 lakhs will be transferred to the individual CPDF Account of the concerned faculty. Amounts in excess of Rs.5 lakhs will be transferred to ISEC Development and Asset Replacement Reserve Fund account.

21 Standards of financial propriety

The standardized accounting heads are as under:

1. Receipts
 1. Opening Balance (Unspent balance of previous year)
 2. Grants in aid received/Fund
 3. Overspent balance of current year/Excess of E/I

4. Interest receipts
5. Other receipts (to be specified)

Transport charges, house rent, Xeroxing, computer charges, sale of publications / working papers / sale of monographs / , sale of books / , tuition fees from Ph.D. scholars, sale of wood / , sale of grass / unserviceable articles etc. .

2. Expenditure

1. Salary (with provision for sub-heads like Basic Pay, Dearness allowance, house rent allowance, gratuity contribution, PF contribution, city compensatory allowance, LIC annuity contribution).
2. Medical reimbursement
3. Encashment of earned leave
4. Home Travel Concession / Leave Travel Concession
5. Travelling allowance (with provision for sub-heads like travel cost, daily allowance, local travel cost, etcetera) for Board meetings, field work, seminars, conferences, etc.
6. Communication (with sub-heads for postage, telephone and telegrams fax etc.)
7. Campus maintenance, electricity charges, water charges (on quarters, on gardens, on office buildings, on other areas)
8. Other repairs and maintenance including AMC
9. Vehicle maintenance (registration no. with fuel, repairs, insurance etc)
10. Contingencies:
 - Audit fees
 - Bank charges
 - Advertisement
11. Boarding charges
12. Society registration fee
13. Library Insurance
14. Honorarium (to academic and non-academic staff to be specified)
15. Subscription to communication and other facility (to be specified)
16. Internship (fellowship, travel cost cost of study to be specified in sub-heads)
17. Unspent balance of current year/excess of I/E

Note: All items of expenditure are to be booked under prescribed heads of account. In case of no specific head of account is available, then the expenditure can be booked under 'miscellaneous' / 'contingencies' with necessary remarks.

C. Assets

- 1) Cash on hand
- 2) Cash at bank & Multiple option Deposit
- 3) Advance and deposits (with separate heads for various types of advances and deposits)

(i) Advances:

- Advance-TA/Festival/Others
- Due from other units
- (ii) Deposits
 - Investments
 - Others viz., EMD / SD, etc.

4. Overspent grants

5. Receivables

6. Fixed Assets per Contra

- i. As in last Balance Sheet
- ii. Addition during the year

D. Liabilities

- a) Unspent grant/Fund account
- b) Due to other units
- c) Loans
 - i) Secured
 - ii) Unsecured
- d) Sundry liabilities (separate sub-head should be available for each type of liability).
- e) Payables (Ag wise)
- f) Fixed assets per contra
 - i) As in last balance sheet
 - ii) Additions during the year

22. The accounts shall be maintained in as distinguished manner as possible to ensure transparency and also consolidation in any particular manner to suit the peculiarities of funding agencies.

22.1. While ensuring that the relevant rules and orders of competent authority have been observed and that there is no irregularity in respect of an item of expenditure, it is important to see that broad principles of orthodox finances are borne in mind by the officers sanctioning and/or incurring expenditure.

22.2. The following general principles that have been universally accepted as standards of financial propriety or standards of official conduct of financial administration should be applied in the course of sanctioning and/or incurring expenditure.

- The expenditure should not be *prima facie* more than the occasion demands. Every officer is expected to exercise the same vigilance in respect of expenditure incurred from the Institute as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- No authority should exercise its power of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- Institute money should not be utilized for the benefit of a particular person or a group of persons unless the amount of expenditure involved is insignificant or a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.

- No authority should sanction any expenditure beyond the delegated powers of sanction.
- The amount of allowances such as travelling allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not a source of profit to the recipients

22.3 Expenditure:

- While incurring expenditure out of the Institute's funds, the general accepted canons are:
- Financial propriety should be observed by all officers.
- Proper accounts of receipts and expenditure of the Institute shall be maintained in Accounts Branch under the direct supervision of the Accounts Officer.
- Amounts required for meeting the expenditure may be drawn from banks on cheques authorized by any two of the following officers, i.e., Director and any one of the following:
 -
 - Registrar
 - Accounts Officer
- A bill or other voucher presented as a claim for payment shall contain full particulars such as (a) nature of the claim; (b) amount; (c) period to which it relates; (d) orders of the competent authority that has sanctioned it and (e) the head of account to which it is to be debited, etc.
 - All vouchers must be filled in and signed by the concerned staff.
 - They must contain the encasement of 'Pay order' and paid by cheque no..... duly signed by the officers authorized in this behalf.
 - All vouchers should be numbered serially and filed chronologically in a guard file.
 - All sub-vouchers should be cancelled while passing the claims.

23 Personal Entitlement

- Pay and Allowances: (a) Pay and allowances of the staff of the Institute for a particular month shall be drawn in the prescribed pay bill form by the Accounts branch based on the rates specified in the Service Regulations and disbursed by means of cheque on the last working day of the same month. The Accounts Officer shall be the drawing officer.

(b) When the last day of the month is a Sunday or a notified holiday, the payment of the establishment bills shall be made on the last working day before the said holiday. However, the establishment bill for the month of March shall be payable only on the first working day of April.

(c) A last pay certificate in the prescribed form shall be issued to an employee of the Institute on his deputation or proceeding on lien to another establishment.

Pay scales of ISEC staff:

Academic staff: The academic staff of ISEC are governed by UGC pay scales as approved by ICSSR / Government of Karnataka from time to time.

Non-academic/Administrative staff: The non-academic/administrative staff of ISEC are governed by the pay scales prescribed by Government of Karnataka from time to time.

All allowances viz., DA, HRA, CCA, etc., for both academic and non-academic staff shall be paid in accordance with the relevant orders issued by Government of Karnataka from time to time.

However, any revision in the existing pay scales in respect of both Academic and Non-academic/administrative staff is subject to the approval of Board of Governors of ISEC.

- Travelling Allowance: Travelling allowance bills should be drawn in the prescribed form setting forth *inter-alia* details of the journey, purposes etc. All such bills shall be countersigned by the heads of the Centre or such officers as may be designated. The travelling allowance bill of the Director does not require countersignature. The rates shall be those specified in the Service Regulation of the Institute.
- Non-official members of the BOG and members of the Committees appointed by the BOG would be eligible for Honorarium as per the UGC norms.

24 Advances

(a) The following kinds of advances may be sanctioned to the employees of the Institute:

- Leave salary advance;
- Tour travelling allowance advance;
- Festival advance;
- All advances given shall be entered in a separate advance register and their adjustments watched. It shall be the Endeavour to ensure that no advance is generally outstanding at the end of the financial year.
- The advances may be credited to the bank accounts of the concerned persons.
Imprest advance

The recovery of advances made, will be watched by maintaining separate registers.

These advances could be sanctioned by Director/Registrar, in accordance with the powers delegated, to defray identified expenses. The detailed bills for these advances should be given immediately after incurring expenses and should not in any case exceed a period of one month. The advance should be given to permanent employees generally, and the advance should be outstanding against the person to whom the advance is sanctioned. Failure to render detailed accounts with vouchers within a period of one month shall result in recovery of the advance from the next pay bill of the person to whom the advance has been paid.

(b) ISEC employees (including temporary employees) proceeding on leave for a period of not less than 30 days at a stretch may be granted one month's leave salary in advance subject to the following conditions:

i) The advance should be restricted to the net amount of leave salary for the first month of leave after deductions on account of payment of provident fund, insurance, repayment of advances, house rent, income tax, etc. The deductions may be effected from the leave salary or duty pay which the Institute employee will draw during the major portion of the month.

ii) The advance should be adjusted in full in the pay bill in which the leave salary for the period in question is claimed. In cases where the advances cannot be so adjusted in full, the balance will be recovered from the next payment of pay or/and leave salary.

iii) Employees drawing leave salary advance who resume duty before expiry of leave period for which the leave salary advance has been drawn, should refund the entire leave salary advance before they are permitted to resume duty.

(c) An amount equal to 90% of the probable travelling expenses may be granted as Tour travelling allowance advance to an employee who proceeds on tour. This shall be adjusted from his T.A. bill which he should submit immediately on return to headquarters from tour failing which the advance shall be recovered from his pay bill. The Director can sanction tour travelling allowance advance for himself.

(d) Advances may be sanctioned to defray the expenses of important festivals to all employees subject the following conditions:

- i. The amount of festival advance will be in accordance with the orders issued by GoK in this regard, from time to time and is applicable for both academic and non-academic staff.
- ii. The advance will be recovered in 10 (ten) monthly installments, the first installment commencing from the next month's pay.
- iii. The advance may be granted to temporary employees subject to their furnishing surety from permanent employees.
- iv. The advance will be admissible only to those who are on duty or on leave on full pay or on maternity leave at the time of drawl of advance.
- v. The advance will be admissible only for one festival in a financial year.
- vi. No festival advance shall be granted unless the earlier advance granted for the purpose has been repaid in full.
- vii. The advance should be drawn with previous sanction and disbursed not earlier than a fortnight and not later than the day (the first day) of the festival.

SECTION - II

ACCOUNTS OFFICE

1 Functions and responsibilities of Accounts Officer and other accounts staff:

1.1 The responsibilities of the Accounts Officer of the Institute are threefold as under:

- (A) As Financial Advisor - to assist and advise the Institute in matters relating to financial policy, accounts and budget estimates and also the operation of the financial and accounting rules, regulations and orders generally.
- (B) As Accountant – to compute the accounts monthly and annually and prepare related statements and reports of the Institute in accordance with the prescribed rules and procedures from the data furnished to him and available in his office.
- (C) As Internal Auditor - to apply certain preliminary checks to the initial accounts, bills, vouchers, etc. received by him and to check locally the initial documents maintained in the units/project cells.

The Accounts Officer is also responsible for monitoring and clearing of audit comments and objections raised by the statutory auditors, viz., Chartered Accountants as well as the Accountant General (Audit) and others who are specifically authorized to check the accounts. For this purpose, he shall seek the cooperation and assistance from other staff of the Institute.

2. The Accounts Officer and other accounts staff are also responsible for:

- 1. Determining the financial resources required to meet the needs of the Institute;
- 2. Forecasting how much of these requirements will be met by block grants, internal generation and projects;
- 3. Establishing and maintaining a system of financial control governing allocation and use of funds;
- 4. Keeping constant watch on the state of cash flow, bank balances and investments;
- 5. Ensuring maximum yields on the investments including Provident Fund and Gratuity Fund consistent with policy and orders to be followed and keeping proper accounts of these funds.
- 6. Ensuring that Register of Assets is maintained by Stores Section is up to date and discrepancies brought out during the annual stock taking are reconciled/regularized.

3. The main functions of the Accounts Office are as under -

- a) Accounting of all receipts from various authorities like State Government, Indian Council of Social Science Research, Central Government, Reserve Bank of India, World Bank, and other grantee organizations, and watching the proper utilization of the funds so received.
- b) Upkeep of detailed accounts in respect of permanent units as well as long and short-term projects.
- c) Payment of salaries to the academic and other staff of the Institute.

- d) Maintenance of accounts relating to pay, provident fund, income tax and other deductions.
- e) Payment of various advances such as pay advance, travelling allowance advance, festival advance, etc., to the staff and watching the demands and recovery of these advances.
- f) Maintenance of Founder Members' and Institutional Members' Contribution Fund Account and other special fund accounts.
- g) Maintenance of Bank Accounts and preparation of Bank Reconciliation Statements at the end of the month.
- h) Preparation of trial balance and annual accounts with the help of statutory auditors.
- i) Maintenance of detailed accounts in respect of fellowships awarded by ICSSR, the Institute and other agencies.
- j) Preparation of budget estimates for 'Plan' and 'Non-Plan' under Institute's main accounts for approval by the Finance Committee.
- k) Verification and payment of various expenditure like purchase of stationary & stores, printing, postage courier, telephone & mobile, medical fees & bills, law charges, auditors fees and expenses, rates and taxes, capital items like furniture and fixtures, computers, motor vehicles, construction repair of buildings, insurance, electricity charges, bank charges, office garden, transport, traveling and halting expenses of staff and non-staff members, advertisement, newspaper and periodicals, uniforms, official meetings, seminar expenses and other expenses.
- l) To ensure that the above referred expenditure as indicated in 3(k) above, has been approved by the BoG, Director, Registrar or any other official as the case may be and also within the approved budget, the sanction limits and as per the conditions stipulated / indicated by the granting institution / authority / agency.
- m) Maintenance of royalties account and periodical distribution of accrued amount in terms of the rules.

4 Sanctions of expenditure:

4.1. The concerned authority shall not split the expenditure of any item in order to bring it under their delegated / prescribed powers.

SECTION III

RECEIPTS AND PAYMENTS - GENERAL

1 Nature of receipts:

1.1. The receipts of the Institute are generally received by direct credit to bank a/c, cheques/ demand drafts/electronic transfer/RTGS/NEFT. However, certain types of receipts are received in cash.

Receipts received by cheques/demand drafts/electronic transfers are:

- Quarterly/other installments of block grants from Government of Karnataka.
- Quarterly/other installments of block grants from the Indian Council of Social Science Research
- Periodical grants from the Ministry of Agriculture, Government of India.
- Periodical grants from the Ministry of Health & Family Planning, Government of India.
- Periodical grants from the Reserve Bank of India.
- Project grants from various funding authorities.
- Founder Members' contributions
- Earnest money caution deposit, fixed deposits, etc. from contractors.
- Any other receipts.

Receipts received in cash are:

- Cost of tender documents, application forms, etc
- Refunds of traveling allowance advance, leave travel advance, contingent advances, etc.
- Charges for Xerox, telephone calls and miscellaneous receipts.
- Estate receipts.
- Fine for late return of Library books.
- Receipts from guest house charges
- Any other receipt authorized by competent authority

2 Accounting of receipts:

2.1. All institute receipts whether received in cash or by cheque or direct credit to bank a/c shall at once be brought into account and a stamped receipt shall invariably be issued without delay, to the payer. In case of grants received from Government of India / Government of Karnataka / ICSSR and project funding agencies, the utilization certificate shall be submitted as prescribed.

2.2. Though the receipt can be signed by the cashier on behalf of the Accounts Officer/Registrar, the acknowledgement letters issued to the payer shall invariably be signed by the Registrar or the Accounts Officer only. The receipts shall be made out only on the preprinted receipt books available in the Accounts Office. The receipt shall be made in duplicate, the duplicate copy being retained in the book for accounting purpose. The original is to be issued to the remitter. In the case of cheques, Demand Drafts, etc. the receipts should indicate that it is subject to realization.

2.3. All receipts pertaining to the Institute including interest income from FD shall be credited to the respective accounts. These accounts are to be kept in any scheduled

bank as defined in the Reserve Bank of India Act, 1934 or may be invested in securities authorized by the Indian Trusts Act, 1982 as may be decided by the Board of Governors from time to time. Funds received for specific projects / studies shall be kept and accounted for separately.

- 2.4. The receipts shall be accounted in the cash book on a day-to-day basis, quoting reference to the receipt number. The cheques and demand drafts shall be credited to the bank on a day-to-day basis. The counterfoils of the challans for remittances into the bank shall be linked to the receipts and filed.
- 2.5. A stock register showing receipts, issues and stock balance of the receipt books shall be maintained.

3 Security:

- 3.1. A Register of securities shall be maintained wherein the securities received from cashier, estate in-charge, etc. are recorded. This register shall be verified periodically by the Accounts Officer and necessary action shall be taken to keep the securities revalidated whenever necessary.
- 3.2. In the case of bank guarantees, appropriate action should be initiated at least one month before their expiry.

4 Custody of cash:

- 4.1. The cash shall be kept in a safe, preferably with double locks. The inner key of the lock of the safe should be kept with the official who is entrusted with the responsibility of handling cash, and the other key (outer) shall be kept with the accounts Officer. The duplicate keys of the safe shall be kept duly sealed with the Registrar. The duplicate keys should be called back yearly for verification, resealed and sent back again for safe custody. A register of duplicate keys should be maintained for this purpose. The person entrusted with the custody of cash shall furnish security or be covered by fidelity guarantee policy.

5 Imprest cash (Petty cash):

- 5.1. The Accounts Officer, in consultation with the Registrar, will decide about the quantum of petty cash required in the Accounts Section for meeting of the day-to-day expenditure on petty items under main accounts as well as in the case of certain projects. The approval of the Director shall be obtained for keeping the petty cash up to the above limits. The petty cash limit as fixed by the Director is Rs.26,500/-. The Director shall be empowered to increase / decrease this amount as and when found necessary. Imprest cash shall be invariably under the custody of the cashier, who will be responsible for its safe custody and for accounting all expenditure out of the money. Reimbursement of contingent expenditure, whether petty cash or otherwise, shall be claimed on Form **ISEC 'A'**. The details of the transactions shall be recorded in the imprest cash book maintained account-wise.
- 5.2. This cash book will show the amount of imprest sanctioned, amounts received in recoupment, the description of charges incurred analysed under subheads. Whenever the imprest cash runs short, the amount shall be recouped on a contingent bill. Indent for recoupment of imprest will be prepared on form **ISEC 'B'** for obtaining the sanction of Registrar / Director. At the end of every month the expenditure incurred through petty cash shall be posted to the ledgers concerned through the journal. The cash balance shall be verified by the Accounts Officer once a month.

- 5.3. Before making payment on petty vouchers the cashier shall stamp the vouchers "paid and cancelled". Petty cash vouchers shall be serially numbered, accounted and recorded in respective files. In addition to the monthly verification by the Accounts Officer, surprise verification of cash balance may also be done periodically by an official nominated by the Director
- 5.4. All claims, must be processed administratively and orders of the competent authority be obtained, and sent to Accounts Section for making final payment.

6 Payments:

- 6.1. All payments are generally made through cheques/ demand drafts/electronic transfer/RTGS/NEFT with the exception of petty expenditure and, in a few cases, where payment by cash is specifically requested.
- 6.2. Disbursement of salary to regular faculty and staff is made through bank. For this, a consolidated statement is prepared account-wise and individual-wise and forwarded to bank for crediting into their individual account. Salary / disbursement to temporary / contractual staff shall be made through bank.
- 6.3. All payments whether by cash or cheques/ demand drafts/electronic transfer/RTGS/NEFT shall be made on the basis of authorised payment vouchers. The payment voucher should be accompanied by supporting vouchers / bills / invoices and should clearly indicate the name of the payee, the amount of payment (both in figures and words) and the classification of expenditure. All sub-vouchers should be cancelled before writing the cheque. The cheque shall be legibly written, indicating the payee and the amount payable. The cheque shall be crossed for account payee payments unless specifically authorized by the competent authority to the contrary. The authorized officer(s) before signing the cheque will ensure that the cheque has been correctly drawn and sign the cheque and initial the counterfoil. They shall also initial the payment voucher as a precaution against double payment on a single payment voucher. Letters for forwarding the cheques to the address indicated on the payment vouchers shall be marked for dispatch by registered post. Ordinarily no outsider cheque shall be handed over personally. However, if any cheques are handed over personally, it shall be after obtaining a proper receipt and after identification of the recipient.
- 6.4. Under no circumstances payment shall be made on duplicate/Xerox copy of the bills. Payment shall be based on original bills only. All vouchers shall be serially numbered and filed chronologically. All cheques are to be signed jointly by the Registrar and Accounts Officer. However, in the absence of Registrar and Accounts Officer, the cheques will be signed by the Director.

7 Bank Accounts

7.1. Cheques:

When any cheque issued remains uncashed till its currency has expired and has thus become time-barred, it will not be paid by the bank. When a cheque issued by the Institute is time-barred, a new cheque may be issued but only after cancelling the old one. The fact of cancellation and the date of the new cheque should be recorded on the counterfoil of the old cheque and the number and date of the old cheque that has been cancelled should be entered on the counterfoil of the new one. The fact of a

new cheque having been issued should be entered in red ink on the date of its issue in the Cash Book, but not in the column for payment, a note being made at the same time against the original entry in the Cash Book under the dated initial of the Assistant and the Accounts Officer.

7.2 Cancellation of cheques

When the cheque is in the possession of the Institute, the record of cancellation shall be made across the cheque under the dated initials of the Accounts Officer, and the cancelled cheque should be retained in the cheque book. If a fresh cheque is issued in lieu of the one cancelled, the number and date of the fresh cheque should be noted on the date of its issue in the Cash Book (without recording the amount in the bank column), under the dated initial of the Accounts Officer. When the cheque is not in the possession of the Institute, prompt intimation should first be given to the bank on whom the cheque has been drawn, to stop payment thereon. After ascertaining from the bank in writing that the payment has been stopped, the transaction relating to the cheque to be cancelled shall be written back, and entries in the cash book shall be made.

7.3 Lost cheques:

When a cheque issued by the Institute is reported lost, immediate intimation shall be given to the bank on which the cheque had been drawn, that payment thereon should be stopped as the cheque had been reported lost. A confirmation from the bank that the instruction to stop payment had been noted shall also be obtained. In case the payee requests for the issue of a duplicate cheque in lieu of the lost one, a fresh cheque shall be issued only on obtaining a certificate from the bank that the cheque reported lost had not been paid. Before issuing a duplicate cheque, a guarantee in the following form should be obtained from the person to whom the duplicate cheque is to be issued:

“I do hereby guarantee to make good to the Institute the sum of Rs.....being the amount of the cheque bearing number.....dated.....on.....(Name of the bank) drawn in my favour, in case any double payment is made in consequence of the loss of the original cheque, a duplicate thereof being issued at my request.”

A note shall be made on the counterfoil of the lost cheque that the cheque was reported lost and that a fresh cheque has been issued, with the number and date of the fresh cheque. In the counterfoil of the fresh cheque issued, an entry relating to the lost cheque shall be made. A corresponding entry shall be made in the cash book, noting against the entry relating to the lost cheque the number of the fresh cheque issued, giving the reasons therefor.

SECTION - IV

PAY ROLL ACCOUNTS

1 Salary account:

- 4.1. The salary / payroll accounts shall deal with the salaries and wages of all employees of the Institute, including the fellowships to the students of the doctoral programme. The pay accounts will be maintained centre-wise in the form of pay registers. The entitlements portion shall be compiled with reference to the conditions of appointments and other orders in force taking into account increments and other items that have a bearing on pay and allowances. The recoveries shall be posted from various demand statements received from the estate officer (for license fee, electricity charges, estate dues, etc.), provident fund unit (for subscription, loan recovery), receptionist (for private telephone calls) library (overdue charges, photocopying charges, etc) and others. The deduction file maintained in the Accounts Section shall also be consulted considered for recoveries due from the employees.
- 4.2. Remittances to the concerned statutory authorities shall be made in the case of the following deduction from the salaries.
 - Employees' and Institute's contributions to the Contributory Provident Fund.
 - Life Insurance premium and the Group Insurance Scheme premium.
 - Post office recurring deposits, if any.
 - Court attachments.
 - Income tax and profession tax recoveries.
 - Housing Loan, Vehicle Loan, Personal Loan of SBI, SBM and Co-operative Apex Bank only.
 - For employees residing in ISEC quarters recoveries towards house rent, electricity, water, repair and other expenses.
 - Any other recoveries.
- 4.3. All remittances shall be made after ensuring that the recoveries have been posted in the ledger and that the remittance is not in excess of recovery, by the dates prescribed for the purpose. All payments shall be made by cheque for which purpose a payment voucher shall be prepared, supported by a schedule of recoveries made.
- 4.4. Final settlement of dues to the employees may arise on account of resignation, termination, death and retirement. In the event of any of these causalities, the Registrar's office will circulate a No Dues Certificate and only after the receipt of a consolidated no dues certificate signed by all sections and the head of unit, the accounts section will prepare a final settlement bill. All outstanding advances against the employee shall be taken into account before passing the bill.
- 4.5. In the case of deputationists, the gross earnings shall be calculated in accordance with the terms of deputation. As regards recoveries, deductions shall be made from the pay in accordance with the advice received from the parent department in addition to the routine dues of the Institute. The recoveries shall normally comprise those on account of provident fund and other recoveries such as motor car/cycle advance, house building advance, etc. The amounts so recovered will have to be remitted to the departments concerned. Besides pay and allowances paid to the deputationists, the Institute may also be called upon to pay every month leave salary

and pension contributions to the parent department. The remittance of the contributions on the due dates shall be ensured. Leave salary due in respect of a deputationist shall be paid in accordance with the terms of the deputation and the arrangement of payment of leave salary contribution. Where the leave salary is advanced to the deputationist, subject to reimbursement of the amount by the parent department, the adjustment shall be watched by the Accounts section.

4.6. The salary slip of the employees shall be prepared by the Accounts Section and given to them.

4.7. The salary claims of temporary / project staff for release shall be sent by the Centre Heads to the Accounts Section by 25th of every month. Salary release orders received after 25th of the month shall be processed from 7th to 10th of the succeeding month.

2 Fellowships:

.2.1. In the doctoral programme there are fellowships offered by the Indian Council of Social Sciences Research, the Institute and other agencies. The doctoral scholars are eligible for monthly fellowship as well as contingent expenditure during the period of fellowship. Individual accounts are maintained for each fellowship. In the case of ICSSR fellowships, accounts office shall watch the periodical receipt of fellowship amounts from the ICSSR. Periodical advances from contingency grant in respect of fellowships shall be processed in **ISEC 'C'**.

2.2. The payment of fellowship and contingency grant shall be governed by ISEC Ph.D. Fellowship Rules.

SECTION – V

TRAVEL CLAIMS

1. General:

- 1.1. The Institute in general, follows the travel allowance rules and regulations issued by Government of Karnataka from time to time. However, the travel allowance rules as applicable to the staff of the Institute as approved by BoG shall be implemented in the Institute.
- 1.2. All travel claims including Home Travel Concession / Leave Travel Concession, shall be submitted in form 'D'. Sanctions for field work and advances for travel allowances shall be submitted on Form 'E'.
- 1.3. The staff of the Institute shall obtain the necessary approval from the concerned Centre Heads / Registrar / Director before undertaking any official travel and also travel in the entitled mode of travel / class only.
- 1.4. The travel claims from the concerned travel agency must be submitted to the office by 10th of the succeeding month.
- 1.35. The travelling allowance claims of academic and non-academic staff of the Institute are scrutinized by the Accounts Office before payment is made. It is the duty of the countersigning officer concerned to see that the tours have been properly sanctioned by the competent authority and are in accordance with the advance tour programme already approved.

2. Scrutiny and travel claims:

- 2.1. The following fundamental requirements are required to be satisfied before passing the claims:
 - The journey was actually performed
 - The journey was necessary and authorized by general or special orders
 - The journey was performed as expeditiously as possible
 - No bill has been submitted and / or paid for the same journey before.
 - The amount claimed is correct with reference to the prescribed rates and general conditions.
 - Particulars under all the columns in the bill have been clearly furnished. The purpose of the journey is indicated clearly.
 - When hotel rates of daily allowances are claimed, the claim should conform to the Institute rules and all other required vouchers and certificates are furnished.
 - All prescribed certificates and declarations applicable to the claims included in the bill have been given in a correct and complete manner by the claimant and countersigning officer.
 - Advances drawn have been adjusted promptly and properly.
 - All TA claims must be submitted within 30 days from the date of return to the headquarters failing which the TA claims shall stand forfeited.
- 2.2. In all cases, the countersignature of the travelling allowance claim by the controlling officer is necessary. It is the primary responsibility of the controlling officer to ensure before counter-signing that the requirements mentioned above have been compiled

with. However, a test check of the travelling allowance claim shall be conducted by the accounts staff occasionally to ensure double check.

- 2.3. Before finally passing a travelling allowance claim, accounts staff shall also ensure that the pay noted in the bill tallies with the relevant establishment pay bill, and that daily allowance, mileage allowance, etc. are in accordance with the rates prescribed, and that rail, bus and airfare claimed are correct.

3. Home travel concession / Leave travel concession:

As per the rules mentioned in the subsequent chapter.

B. Medical Reimbursement

4. **Medical reimbursement:** The medical rules / orders of the scheme of Government of Karnataka are applicable to both academic and non-academic staff.

- 3.1. Claims for reimbursement of medical expenses shall be made by submitting Form 'F'.

- 3.2. While admitting the medical reimbursement claims, it shall be seen in Accounts Office that they conform to the rates prescribed by the Government of Karnataka as amended from time to time, supported by proper certificates, receipts and vouchers.

- 3.3. Irregularities, if any, noticed during the check of medical claims shall be brought to the notice of the Head of the Section / Centre / Office concerned.

C - Contingent expenditure:

- 4.1 Contingent expenditure are those expenditures which are not specifically mentioned or provided already in this manual but are generally and routinely incurred by the organization on its various projects / programmes / centres.

- 4.2. It is the primary responsibility of the Heads of Units / Project Directors to exercise effective control on contingent expenditure.

- 4.3. During the preliminary check of contingent expenditure vouchers in the accounts office, it shall be seen that:

- The bill is in proper form and the classification is correctly recorded.
- All the particulars are clearly recorded in the voucher, and necessary certificates have been given.
- The expenditure has proper sanction, and is a proper charge against the relevant budget grant noted on the voucher.
- The rates claimed are not extravagant and the standards of financial propriety have been observed.
- If the expenditure during the month of March is unusually large, it has not led to any irregularity.
- Expenditure requiring countersignature by head of unit/project director has been countersigned by the designated official.

A practice has to be followed to route all transactions through party accounts to have proper control and check over payments made to various parties. This help in complying with statutory provisions such as TDS.

D Purchase and Supply of stores:

5.1 The purchases are to be made subject to availability of fund and sanction of the competent authority. The following checks shall be exercised in respect of vouchers for purchase of stores against contracts, supply orders and agreements, etc by Accounts Office.

- The purchase is covered by proper sanction and is in accordance with the Purchase policy and procedures framed thereunder.
- The purchase has been made economically and in accordance with the prescribed rules
- The rates mentioned in the bills, are in accordance with those shown / indicated in the purchase order / quotations, etc.
- A Certificate will be furnished for having received the goods in good condition and as per the specifications by the recipient.
- Certificate for having taken the goods into the concerned stock register is recorded on the bill by the AR (E & S) / Head of the Centre.
- When GST and other statutory duties are claimed in the bill, it shall be seen ensured that the contract/purchase order provides specifically for payment of the same separately.

5.2 The primary responsibility for ensuring that the above requisites are fulfilled shall be with the AR (E & S). Accounts Office shall supplement these checks.

E Works Contractors' bill:

6.1. During the check of contractor's bill for work done, it shall be seen that

- The name of the contractor and reference to the agreement or work order are given in the bill.
- Number and the page of the measurement book and the date on which the measurement was recorded are indicated in the bill.
- Full particulars of quantities of work done are clearly furnished.
- In the case of piece work contracts, the rates claimed are in accordance with the contract agreement.
- Acknowledgement of the payee is given for gross amount (i.e.) amount paid through cheque plus recoveries made, if any, and not the net amount of the bill.
- When payments are made for dismantling old works or for renewal / replacements, a certificate is recorded by the Estate Manager to the effect that serviceable materials have been accounted for and taken on charge for eventual utilization / disposal.
- There are no deviations from the terms of the contract.
- Arithmetic calculations in respect of individual items and totals are correct and deductions towards further security deposit, cost of materials supplied by the Institute, hire charges of vehicles, Income-tax, etc. have been made from the gross amount of the bill. It shall be ensured that payments are made strictly according to the terms of the agreement / work order. In case of claims over and above the approved amount necessary sanction from the competent authority is required before making the payment.

- 6.2. The primary responsibility for ensuring correctness of contractor's bills indicated in the above paragraphs shall rest with the Estate Manager. The Accounts Officer shall also ensure that the requirements are fulfilled before payment is made.

SECTION - VI

BUDGET AND ACCOUNTS

1 Definition:

1. **Budget** may be defined as 'a statement of estimated receipts and payments for a specified period, which is usually a financial year'. The budget year is the financial year commencing from 1st April and ending on the following 31st March.
2. **Revised Budget / Re-revised Budget** means the revision in the probable receipts and the expected payments to be made during the remaining period of the financial year.
3. **A Balanced Budget** is one in which the total receipts for the year, together with the opening balance, if any, are equal to the total payments during the corresponding period. Since the receipts and payments are equal, the budget is said to be balanced.
4. **A Surplus Budget** contemplates a situation where the total anticipated receipts together with the opening balance for a year are more than the total anticipated payments during the corresponding period. The excess of receipts over payments renders the budget a surplus one.
5. **A Deficit Budget** arises in a situation where the total anticipated payments for a financial year are more than the total anticipated receipts plus the opening balance for the corresponding period.
6. **A Supplementary Budget** is one which adds to the existing budget estimates (original or revised) certain other items of receipts and payments. In other words, it supplements or adds to an already existing budget.

2 Preparation and Submission of Budget:

2.1 The Accounts Office shall prepare budget in the format prescribed giving particulars of previous years and appropriate justification for the current year budget.

3 Composition of Budget

- 3.1 The budget is to indicate the estimated receipts / expenditure against each item under respective heads of accounts. The budget is generally prepared during the month of October / November:
 1. BE / RE of the receipts of the current year and the estimated receipts for the next financial year
 2. BE / RE of the expenditure of the current year and the estimated expenditure for the next financial year
 3. Actual receipts / expenditure up to the date of preparation of the budget
 4. Anticipated expenditure for the next financial year.

4 Preparation of Budget

4.1 In order that the budget is compiled in a realistic manner in accordance with the approved programme of activities and the plan for implementation of other new programmes, the heads of units shall also be consulted if found necessary. While preparing the budget under each head, amounts due for commitments already made, payments made so far and likely payments during the year are to be taken into account. Likewise, new commitments that are likely to be entered into during the year are to be enumerated and payments thereon need to be forecast. The information gathered from various sources is to be scrutinized and edited before final compilation.

4.2 The Centres of ISEC should be involved in the preparation of their budgets. The Centre-wise budgets will be prepared with the help of the Accounts Officer and will be discussed and agreed with the Head of the concerned Centre by the Director.

Centre-wise breakup of revenue and expenditure statements will be prepared by the Accounts Officer and circulated every six months to all the Centres and discussed by the Director with the Centre Heads together. The same will be placed before the Board in the subsequent meeting.

The Heads of the Centres will also consult the faculty and staff of the Centre in preparing the Budget, about the discussions on the Centre's budget with the Director, and on the six monthly statement of actual and revenue and expenditure.

4.3. Regular budget for the maintenance of buildings/quarters etc., needs to be provided to come out of the depreciation reserve. Routine maintenance can be outsourced.

5 Approval of Budget

5.1 The budget proposals prepared for ISEC Main and Centres will be placed before the Finance Committee with the following information for approval.

- (a) For the previous year: Original estimates, revised estimates and actuals.
- (b) For the current year: Original estimates, actuals for the part of the year that has elapsed, anticipated requirements for the rest of the year.
- (c) For the next year: Estimates proposed and brief notes thereon.

5.2 The Budget proposals for ISEC Main is to be passed by the Finance Committee and recommend to the Board of Governors for approval.

In the case of other centres which are funded by the Ministries / funding agencies the budget proposal have to be submitted to concerned ministries / or funding agencies for their approval.

The annual budget as approved by the Finance Committee shall be submitted to the concerned authorities viz, GoK, ICSSR / GoI / RBI within the prescribed due dates. The proceedings of the Finance Committee shall be placed before the BoG for ratification.

The annual budget under 'Plan' and 'Non-Plan' (Income and Expenditure) is due for submission to the Government of Karnataka and the Indian Council of Social Science Research for eventual release of grants. Similarly, budget estimates are to be prepared in respect of the Agricultural Development and Rural Transformation Centre, Population Research Centre for onward transmission to the respective Ministries of the Government of India. This exercise will cover the revised budget estimates in respect of the current financial year and the budget outlay for the following year. This involves collection of

detailed information from various units and sections, their scrutiny and compilation. The Accounts Office shall propose the budget for various centres including projects.

6. Budgetary Control

- 6.1 As all the transactions are liable for post audit by the Statutory Auditors/Accountant General (Audit), the Registrar and the Accounts Officer shall have a close watch on the expenditure by properly exercising budgetary control.

7 Books of Accounts to be maintained

- 7.1 Separate accounts of receipts and expenditure shall be maintained grantee-wise and fellowship accounts are maintained individual-wise as well as in consolidated form. The books of accounts maintained in the Accounts Office fall into the following three broad categories:

- (a) Books of primary entry, also referred to as 'Primary Books of Account'.
- (b) Secondary books of entry, also referred to simply as 'Secondary Books'.
- (c) Other books of account.

7.2 Primary Books of Accounts

The following are the primary books of accounts:

- (a) The Cash Book
- (b) The Journal

a)Cash Book

The cash book is of two types-one for recording bank transactions and the other for recording petty cash transactions. These are column ledgers, for recording the cash and bank transactions that take place every day. The cash books should have columns for recording cash receipts and cash payments and also amounts received/paid through cheques, bank drafts/ or postal orders or online mode. There are columns for the classification of the transactions that take place under broad categories like grants, advances, overheads, equipment, books etc. As and when amounts are received they are to be recorded in the cash book continuously, giving reference to the receipt numbers, names of the parties and their addresses, particulars of the receipts and the amounts received. Cash receipts are entered in the cash column and the amounts received through cheques/drafts are entered in the bank column. Similarly, on the payment side transactions recorded through cheques/drafts are entered in the bank column. Similarly, on the payment side transactions are recorded continuously, giving voucher numbers indicating the details of the payments made and the amounts paid. Periodically, the totals of the figures in the cash and the bank columns are arrived at and the closing cash balance is worked out, taking into account the opening balance of cash held at the commencement of the day and the cash receipts and payments during the day.

b) Journal

There are certain transactions that take place not involving payment or receipt of cash as these are taken into account through adjustment entries. For example, transfer to various heads, deductions made from salaries shall be accounted for through journal entries. Stores issues to the various departments / sections from the

central stores are accounted through a journal entry by crediting the stock account and debiting the departmental budget provision. Adjustment entries are also passed for the rectification of errors of misclassification in the book of accounts.

The adjustment entries are recorded in a register called 'Journal' as and when adjustments are passed. These entries are recorded chronologically and a serial number is given to each of them for easy reference at a later date. The Journal is closed periodically and an abstract of all debits and credits is prepared and tallied. One common Journal is maintained for all accounts in the Institute, and the entries in respect of each account are posted to the General Ledger of that account. The journal entries shall have the authority of the Accounts Officer.

7.3 Secondary books of entry:

The general ledger and the trial balances come under this category.

i) General Ledger

The General Ledger is the main ledger wherein the transactions are recorded headwise from the cash books. In the general ledger, the receipts and payments only under major heads of accounts are recorded. No details are available in this ledger. From the general ledger, the figures are taken to the trial balance every month. From the details available in the ledger, a statement of expenditure under various subheads of recurring grants is prepared whenever there is a request from the Director/Project Director.

ii) Trial balance

The trial balance shall be prepared every month with the balances under each major head of account as maintained in the general ledger. This shall be closed once a month. The debits and credits posted shall be totalled at the end of the month and tallied. This ensures that all the balances from the General Ledger have been taken correctly to the trial balance. Monthly trial balances under each account are filed in guard files, and at the end of each financial year the final balances are taken to the receipts and payments or income and expenditure account and the balance sheet. At the end of each month, a bank reconciliation statement shall also be prepared.

From the trial balance, receipt and payment account wherever it is required – eg. FCRA a/cs, ISEC Main a/cs and/or income and expenditure account shall be prepared.

The accounts that received grants from or through foreign agencies shall be sent to the Home Ministry, as required in the Foreign Contribution (Regulation) Act, within the time frame stipulated therefor.

iii) Preparation of Balance Sheet

The balance sheet gives a total picture of the financial position of the Institute. The liabilities and the funds built up shall be listed on the left hand side and the assets and properties shall be listed on the right hand side of the balance sheet. The figures for the balances sheet shall be taken from the trial balance and other accounts as indicated above.

At present, depreciation as per Company's Act 2013, the Straight line method is followed. The amount of depreciation calculated on Individual project is shown in the

consolidated Balance Sheet. However, the depreciation is not reflected in any individual project financial statements. This is worked out every year, the total value of assets is depicted on the liabilities side as well as on the assets side by contra entries. The balance sheet is signed by the Accounts Officer, the Registrar and the Director, and placed before the Auditors for verification and audit. When the balance sheet is verified and certified by the Auditors, it shall be placed before the Finance Committee for their scrutiny. With the comments of the Finance Committee, the accounts shall be placed before the Governing body for approval. Copies of the approved accounts and the balance sheet are sent to the grantee organizations, whenever required.

iv) Project Accounts

The accounts in respect of all projects/training programmes/ seminar /conferences/ workshops etc are to be closed within one year of submission of final report or receipt of final instalment of grant.

The Accounts Officer is authorized to proceed with the closure of accounts and transfer the un-spent balances to the respective accounts in accordance with the Rules/Procedure of the Institute.

SECTION – VII

MANAGEMENT OF PROVIDENT AND GRATUITY FUNDS

1 Provident Fund:

- 1.1. The Provident Fund (PF) is managed by a Board of Trustees. Election to the board of Trustees is dealt with in ISEC Bye Law on election to PF Trust. The management of the fund is governed by ISEC EPF Rules. The Institute employees are covered under the Employees Provident Fund Scheme. Each employer admitted to the fund shall be assigned an account number under which a ledger page will be opened to post recoveries towards monthly subscription, refund of loans, employer's contribution, interest on the balances at credit and all withdrawals from the fund, whether they are in the nature of loans or part or final withdrawals.

2. Property of PF:

- 2.1. The provident fund trust property consists of
- subscriptions of the members and contribution from the Institute;
 - any accumulations or accretions to the Fund by way of interest or otherwise;
 - any transfers from other recognized Provident Fund or Provident Funds under Employees Provident Fund Act, 1952;
 - any securities or other assets purchased with the accumulations or accretions.

3 Subscriptions:

- 3.1. Subscriptions to the fund shall be at the minimum of 12% of the monthly pay (Basic Pay and AGP) of the member and not more than 24% of such pay. However, the member may enhance/decrease the subscription above the minimum/maximum only once during the year. In calculating the subscription, any fraction of a rupee is omitted. Subscription shall be deducted from the salary of the member every month and the amount so deducted shall be paid into the Institute's Provident Fund Account to the credit of the member provided the arrears of subscription, if any, shall be deducted in easy installments not exceeding 24 months as may be fixed by the Director.
- 3.2. The Institute (employer) shall contribute, every month an amount equal to 12% of the monthly pay (Basic Pay and AGP) of the member, and such contribution shall be credited to the individual account of each member along with his monthly subscription. In calculating the contribution, fraction of a rupee shall be omitted.

4 Accounting:

- 4.1. Every month the provident fund unit shall prepare a statement of amounts recoverable from each subscriber towards subscription and loans, and watch recovery and remittance through the pay register.
- 4.2. Cheques, demand drafts, etc. received on behalf of the fund shall be accounted in the cash book on a day-to-day basis. The counterfoils of the challans shall be linked to the receipts and filed carefully. All receipts directly credited to the bank such as interest on investments, deposits, etc. credited by Bank shall be taken to the cash book immediately on receipt of advice from the bank. All payments from the Fund shall be by cheques only. Largely, the nature of payments will be loans / withdrawals

by subscribers, final payments on resignation / superannuation /death of subscribers and investment of surplus money in the Fund.

- 4.3. Subscribers shall be eligible for loan or withdrawal to the extent of their own subscriptions standing to the credit of that account, which shall not include employer's contribution. The subscriber shall apply for loan / advance in form **ISEC 'G'** and the application shall be processed in form **ISEC 'H'**. Applications for loans/withdrawals from the Fund shall be verified with reference to their eligibility for advance / withdrawal in terms of rules, existing instructions, admissibility of the advance / withdrawal for the reason stated, amount of advance admissible, etc. and then put up for sanction and paid to the subscriber
- 4.4. A **cash Book** shall be maintained on day-to-day basis to record all receipts of subscription, refund of loans, interest received from investments and all other miscellaneous receipts to the fund, and also payments towards loans, withdrawals, final payments to the subscribers, investment of surplus money in the Fund and other miscellaneous payments. The Cash Book shall be closed monthly and the balance arrived at. A reconciliation statement between the cash book and the bank book shall be prepared every month.
- 4.5. A **Broad Sheet** in the form of ledger shall be maintained to post opening balance, recovery towards subscription, Institute's contribution, recovery of loan instalments and payment of loans/withdrawals. The ledger will be maintained member-wise, and at the end of each month the ledger shall be tallied with the recovery statement. On 31st March of each financial year, the closing balance of each subscriber shall be arrived at and tallied with the balance reflected in the subscriber abstract. Income and expenditure account and the balance sheet for the year shall be got audited and certified.

4.6 Accounts:

The accounts of the Provident Fund Trust in the form of income and expenditure statement and balance sheet shall be made up to the 31st day of March every year and shall be duly audited by the Chartered Accountant appointed by ISEC.

5. Investment:

- 5.1. The most important function of the provident fund unit is to ensure that surplus money in the fund is judiciously invested in the securities approved by EPFO so as to ensure risk free investment and maximum yield to the fund. A regular account of all investments made and interest realised should be maintained. For this purpose, the procedure prescribed in the Income-Tax Rules shall be followed.

6 Other matters:

- 6.1. The minimum subscription is fixed with reference to the emoluments on the date of joining the Fund. Subscription may be increased and / or reduced once during the course of the year. Institute's contribution to the Fund shall be such fixed percentage of emoluments of subscribers, drawn during the year or period, as the case may be, shall be credited to the subscribers' account.
- 6.2. A member of the provident fund, as soon as he/she is admitted to the fund shall submit to the provident fund unit, his nomination formally conferring the right to

receive the accumulations in his/her fund account, in the event of his/her death, to any member of his/her family, as provided in the rules. In the case of multiple nominee the share of each shall be specified. A subscriber can at any time cancel a nomination and send a fresh nomination. Where there is no nomination, the amount shall be payable to his/her legal heir or heirs in accordance with the legal heir certificate issued by the competent authority. Final payment is admissible when the subscriber quits service, / is dismissed, / removed from service or on superannuation. Any amount due to the Institute or any amount due from the subscriber on account of any other administrative action is not recoverable from the final payment. The final settlement of PF on superannuation will be paid on the last day of service in the Institute.

7. GRATUITY FUND

7.1 Management:

The Gratuity Fund is managed by a Board of Trustees whose election and other matters are governed by ISEC Bye Law on election to Gratuity Trust. The management of Gratuity Fund is governed by ISEC Gratuity Rules.

8 Property:

8.1. The Gratuity Trust property consists of the following:

- Contributions by the Institute.
- Any accumulations or accretions to the Fund by way of interest or otherwise.
- Any securities or current assets purchased with the accumulations or accretions.

9 Annual Contribution

Such of the employees who have rendered a minimum service of 5 years in the Institute are eligible for gratuity. The Institute shall not make any contributions towards Gratuity in case the appointment or service is less than 5 years.

The annual contribution by the Institute to the Fund shall not exceed 8-1/3% of the emoluments (Basic Pay + AGP), of each employee during a year. In case of deputation / lien the Institute shall not be liable for any contribution to the Gratuity Fund. The contributions during the period of deputation / lien have to be borne by the borrowing authority and such contributions, if received the same shall be credited to the Gratuity Fund Account. In case the borrowing authority does not bear the liability of such contributions the same has to be borne by the employee himself / herself.

An employee may be allowed to make a nomination conferring on one or more persons the right to receive the amount of Gratuity in the event of his / her death, before the amount becomes payable or having become payable, has not been paid. Where no valid nomination is made or subsists, the gratuity amount admissible shall be paid to his / her legal heir or heirs in accordance with the legal heir certificate issued by the competent authority.

10 Investments:

- 10.1. The accumulations in the Gratuity Fund Account will be invested judiciously in accordance with the pattern prescribed in the Income-Tax Rules.

For settlement of the Gratuity there is a policy coverage with the Life Insurance Corporation of India. The premium will be paid to the LIC out of the interest earned on the investments of the Gratuity Funds by the Institute as per the policy terms and conditions.

11 Settlement of Gratuity

The final payment / settlement of the gratuity amount to the employees as per the rules shall be made through Life Insurance Corporation of India (LIC) with whom the Institute has an arrangement with them in this regard.

The final settlement of gratuity to employee will be paid on receipt of "No-Dues" & relieving order from the Institute.

12. Accounts

- 12.1. The accounts of the Gratuity Fund Trust in the form of income and expenditure statement and balance sheet shall be made up to the 31st day of March every year and shall be duly audited by the Chartered Accountant appointed by ISEC.

SECTION – VIII
MISCELLANEOUS

1. Insurance of buildings and equipment, etc.

- 1.1. The Institute shall insure based on the risk assessment, if necessary, with the approval of the Chairman / BoG / Director depending on the premium to be paid and the value of the item to be insured, its building and equipment, library books, etc. with the General Insurance Corporations. For this purpose, the following norms are adopted.

Equipment	-----	100% of the value.
Library books	-----	100% of the value.
Vehicles	-----	100% of the value (Comprehensive)
Buildings	-----	A notional value is taken for this purpose.

- 1.2. Every year while renewing the fire policy, the additions made to the equipment, books, etc. shall be added to the value of the insured amount, and the value of the items written off is deducted.

2 Payment of Audit fees

- 2.1. After the final accounts are passed by the general body, the payment shall be paid to the external auditors by the Accounts Section.

3 Salary Certificate:

- 3.1. An official requiring a salary certificate should make a specific request indicating *inter alia* the purpose for which it is required. The certificate issued shall contain full salary details, including all recoveries and also the purpose for which it is intended to. The certificate will be signed by the Registrar. The certificate shall specify that “issue of the certificate does not amount to any financial commitment / liability on the part of the Institute”. The acknowledgement shall be taken from the concerned official for having received the salary certificate. The certificate shall be issued in Form – 1.

4 Loans by outside agencies

- 4.1 As a matter of principle, the Institute may undertake salary deductions only in respect of loans availed from the State Bank of India, ISEC Branch. In case of other institutions the employee shall make his / her own arrangements for the remittance of the loan amount. While effecting the salary deductions it shall be ensured that the take home salary of the individual does not fall below an amount equal to fifty per cent of his basic pay plus rupees hundred. However, the dues to the Institute, if any, shall get priority over other deductions. The facility of recovery of loan amount is extended

5 Court Attachments

All court attachments of salaries received shall be entered in a separate register and recoveries made shall be promptly remitted as per the court order.

6 Computerisation

- 6.1 At present, some of the accounting functions of the Institute has been computerized. The office has been provided with necessary hardware as well as networking facilities. Tally ERP 9 version of software is being utilised for compilation of Receipt and Payment Accounts, Trial Balance and Balance Sheet are being prepared project wise as well as major fund wise such as grants from Government of Karnataka and ICSSR. Utilization of suitable software for pay-roll and accounting of personal ledger such as Provident Fund, Gratuity Fund, etc. are under consideration for implementation. As a first step it is necessary to implement alpha-numerical accounting codes to various heads of accounts used in the Institute. This will facilitate generation of MIS information immediately at any given point of time. Efforts are being made to identify suitable software to integrate pay-roll accounting with Tally ERP 9 which is in use in the Institute. It has been decided that the accounting functions of the Institute shall be fully computerized in a phased manner. As a first step, pay accounting is being done on computers on an experimental basis. The Accounts Officer shall identify suitable software in consultation with the appropriate service provider and submit concrete proposals through the Registrar/ to the Director for necessary approval.

7 Income-Tax:

- 7.1 According to Section 192 and 194C of the Income Tax Act 1961, any person responsible for making payments of salaries, payments to contractors exceeding rupees twenty thousand for carrying out any work, is liable to deduct tax at source on such payments at prescribed rates. Non-recovery of tax at source by the drawing and disbursing officers shall attract penal provisions of the Income Tax Act, 1961. Income tax as required shall be deducted from salaries and other payments and remitted to the department within the time frame fixed. Other returns due to individuals/companies from whom IT is deducted and due to Income Tax Department shall be sent promptly well within the due dates prescribed therefore. The employees shall be provided with Form-16 to enable them to file their individual IT returns.

8 Overriding Effect:

- i. The provisions of this Manual shall not have an overriding effect on the Bye-Law and Rules and Regulations of the Institute.

9. Power to Amend:

The Board of Governors of ISEC shall have the power to amend the provisions of this Accounts Manual.

Procurement (Goods / Services / Works) and Distribution Rules of ISEC

1. THE OBJECTIVES OF THE PROCUREMENT AND DISTRIBUTION RULES OF ISEC:

- a. Obtaining value for money by encouraging healthy competition by ensuring non-discrimination in procurement of goods, services and works and using competitive procurement processes, including cost benefit.
- b. Promoting the use of available resources in an efficient, effective, ethical and environmentally sustainable manner.
- c. Making decisions with probity, accountability and transparency, within the financial and administrative powers delegated.
- d. Appropriately identifying and managing risk including e-waste.
- e. Compliance with all relevant rules, regulations, laid down procedures, and best practices.
- f. Ensure the optimum utilization of existing equipment / goods and other resources before initiating procurement process.

2 Definition

- a. The construction works means putting up, demolition, repairs or renovation of buildings and other structures and fabrication of steel structures and all other civil works.
- b. Goods means machinery, motor vehicles, equipment, furniture, articles of stationery and all other required goods for use for discharge of official duties.
- c. Procurement entity means the ISEC.
- d. Service means procurement of various services for discharging official functions of ISEC.

3. THE DETAILED PROCEDURE FOR MAKING PROCUREMENTS OF GOODS AND SERVICES:

- a. The need for procurement shall be realistically assessed by the indenter, taking into account the real requirement, maintenance, etc. The relevant indent form needs to be filled by the Project Director. For purchases pertaining to the Section./ Centre, the Head of the Section / Centre may sign the indent.
- b. Approval of the Director / Registrar as per the delegated powers shall be obtained prior to actual procurement, by considering the budget provision and the availability of funds.

- c. Technical sanction shall also be obtained from the technical experts of the Institute or from the outside of the Institute wherever required.
 - d. The purchase of goods / services up to the value of Rs.1.00 lakh based on three sealed quotations as per the delegated powers or as decided by the Purchase Committee may be done
 - e. The Purchase Committee shall ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier by calling minimum three quotations from different sources.
 - f. If the v is more than 1.00 lakh it shall be procured through tender process.
4. Purchase of goods / services costing above Rs.1,00,000/- (Rupees One Lakh only) is to be done by following the standard method of tender process:
- (i) **Tender Process:** The bid documents for the procurement of goods and services in the same lines of GoK shall be prepared by the Institute for works and other than works i.e. goods and services.
 - (ii) **Eligibility of bidders:** The Eligibility of the tenderer should have turnover twice of the tender value in case of works or 80% of the tender value for goods and services.
 - (iii) **Tender inviting authority:** The officer of the Estate and Stores department may be authorized as the tender inviting authority who invites the tender from the bidders and is authorized for opening of tenders. He shall issue the notice of inviting the tender and arrange to publish the same in the newspapers by mentioning the last date etc for submission of tenders. In case of extension for submission of bids permission may be obtained from the Director. For procurement of works, good and services, 30 days for submission of bids may be given. The time period may be relaxed by the Director in exceptional cases, if required.
 - (iv) **Tender scrutiny authority:** The tender scrutiny committee may consists of the following officers: The tender value of exceeding Rs.50 lakhs shall be referred to the scrutiny committee.

Registrar
Accounts Officer
AR (Estate and Stores) / Estate Manager
Systems Analyst

- (v) **The tender accepting authority:** The Director will be the accepting authority and the tender of the L1 bid may be accepted based on the recommendation of the scrutiny committee and pass the necessary orders of acceptance by giving the reasons for accepting the tender. Provided the tender accepting authority, if he is due to retire within next

six months from the date fixed for accepting of tender he shall not act to accept the tender without obtaining prior approval of the Chairperson, BoG and the Chairperson, BoG may permits him to accept the tender, he may pass the orders accepting the tenders.

- (vi) **Publication of Tender:** Invitation to tenders by advertisement should be made in the leading newspapers and should also be hosted in the ISEC website.

5. **Single Source of Procurement:** Procurement from a single source / firm may be resorted to in the following circumstances with approval of the Director and justification for doing so:

- a. It is in the knowledge of the Centre / Section head or Project Director that only a particular firm is the manufacturer/supplier of the required goods.
- b. In case of emergency, the required goods and services are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of the Director is obtained.
- c. For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the Director), the required item is to be purchased only from a selected firm.

6. **Rejection of Tender:** The tender accepting authority may at any time before passing an order to accepting tender reject the tenders on the ground of changes in the scope of procurement, failure of anticipated financial resources, accidents, calamities or any other grounds which would make the procurement unnecessary or impossible and report the same to BoG. He shall also communicate the fact of the rejection to all the tenderers.

7. **Single Tender:** In case of receipt of single tender, it shall not be accepted but it may be re-tendered and in the re-tender process, if again only single tender has been received, the same may be considered.

8. **Appeal:** Any tenderer aggrieved by an order passed by the tender accepting authority may appeal to the Chairperson, BoG within 30 days from the date of receipt of such order.

9. Negotiation with bidders after bid opening must be severely discouraged. In exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to unavoidable circumstances, the same may, however, be resorted to with the lowest evaluated responsive bidder.

10. The bid document should contain clauses for bid security, performance security, penalty, free maintenance period, proper specification, quantities, manner of bidding, legal jurisdiction & so on and should be fair.

- a. After the selection of successful bidder, supply / work order is to be issued incorporating all the essential conditions, terms of supply, accepted rates, specifications, time frame for supply, penalty, and so on.
- b. Purchase of stores has to be made in most economical manner only after obtaining sanction of the Director as per the delegation of powers.
- c. The agreement for services / AMC may enter into with supplier of the equipment as per the delegated powers.

11 **Stores**

- 11.1. This consists of machinery, equipment, furniture, stationery and other miscellaneous and contingent articles.
- 11.2 Once the goods / equipment are supplied it should be taken into the stock register and issue the same to the concerned indenter by the stores.
- 11.3 Stock verification of all store articles as at the end of 31st March shall be arranged for every year before end of June of that year.

12. **Works:**

The procurement has to be followed in the same manner as in the case of goods and services by developing a separate tender document for the works on the same lines of the Government of Karnataka.

Procurement (Goods / Services / Works) and Distribution Rules of ISEC

Insertions/Amendments

Rule 3 (d) (i) (*page No 50*): Procurement (Goods/Services/Works) and Distribution Rules, ISEC the following is inserted :

Purchase of Goods/Services up to Rs 50000.00 on each occasion may be made without calling for quotation or bids from appropriate bonafide supplier only (such as those with GST number) on the basis of a certificate in the following format: "I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

In Rule 3 (d) (ii) (*page No 50*) : Procurement (Goods/Services/Works) and Distribution Rules, ISEC, the following shall be amended:

The purchase value of goods/ services above Rs 50000.00 up to Rs 5 lakh may be based on a minimum of three sealed quotations as per the delegated powers or as decided by the purchase committee may be done. For the submission of quotation, a time period of 15 (Fifteen) days may be given which may be reduced by the Competent Authority in exceptional cases and this reduced time shall not be less than 07 (Seven) days.

In Rule 3 (f) (*page No 50*) of Procurement (Goods/Services/Works) and Distribution Rules, ISEC, the following shall be substituted:

If the value of procurement of Goods/Services/Works is more than Rs 5.00 lakh it shall be procured through tender process.

REGULATIONS OF ISEC EMPLOYEES' PROVIDENT FUND TRUST

The ISEC Employees Provident Trust was constituted on 24th March, 1977 and it is operation. It was recognized under Income Tax Act 1962.

1. Now, the ISEC EPF Trust has been granted exemption from the provision of EPF & MP Act, 1952 w.e.f 13.11.2018 under the powers vested in Rule 16(1) (B) of the said Act by the Government of Karnataka in Notification No. LD 35 LWA 2018 dated 07.11.2020 and published in Karnataka Gazette dated 24.12.2020.

2. Definition:

- i) 'Board of Trustees' means the Trustees thereof for time being;
- ii) 'The Fund' means the Institute for Social and Economic Change Provident Fund;
- iii) 'Institute' means the Institute for Social and Economic Change;
- iv) 'Member' means a member of the Fund;
- v) 'Rules' means the Rules hereinafter mentioned.

3. The Institute hereby declares that the Institute has transferred and assured into the trustee hereof and all singular the cash and property described hereinafter in clause 9 hereof all rights, title thereto or interest therein to hold the same into the Trustees for ever upon an irrevocable Trust with and subject to the terms, powers, provisions and declarations hereinafter mentioned;

4. The Fund shall consist of subscriptions made by the employees admitted to the Fund and contributions by the institute and the rules framed thereunder, and shall vest and be administered by the present Board of Trustees and their successors in the Trust. The Trust property described in clause 9 hereof shall vest and be deemed to have vested in the present Board of Trustees and their successors who shall apply and employ the Trust property if any for the execution, advancement and furtherance of the objects of the Trust in accordance with the Provident Fund Rules of the Institute, and subject to the modifications therein from time to time.

5. The present Trustees who have undertaken to execute the duties of the Trust are the Trustees hereof for the time being.

5. The Board of Trustees shall not be less than three or more than nine at any time. The power of appointment of any all the Trustees shall be vested in the Institute.

6. The place of a Trustee shall become vacant, if a Trustees (I) dies, (ii) resigns his office, (iii) is adjudged as insolvent, or (iv) becomes of unsound mind, or (v) in case of a Trustee nominated by the Board of Governors ceases to be a nominee of the Board of Governors, (vi) leaves India permanently.

7. The Trustees may meet together for the conduct of business, adjourn or otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Chairman of the board of Trustees shall be entitled to vote and in respect of matters on which opinion is equally divided, he/she shall have a casting vote.

8. The Trust property shall consist of the following:

- a) Subscription of the members and contributions from the Institute.
- b) Any accumulation or accretions to the Fund by way of interest or otherwise;

- c) Any transfers from other recognised Provident Fund or Provident Funds under Employees Provident Fund Act, 1952;
 - d) Any securities or other assets purchased with the accumulations or accretions.
9. All moneys contributed to the Fund (whether by the employer or by the employees) after the 31st day of October 1974 or transferred after that date from the individual account of an employee in any recognised Provident Fund maintained by his former employer or accruing after that date by way of interest or otherwise to the Fund may be deposited in a savings bank account with any nationalized / scheduled bank; and to the extent such moneys as are not so deposited shall be invested in the manner specified by EPFO.
10. The Board of Trustees shall be authorised to delegate any of their duties, powers, rights and discretion to such one or more of the trustees jointly or severally as they may from time to time think fit, and they may, with such concurrence, vary, alter, withdraw, modify or cancel such delegation as they may from time to time think fit.
11. The Board of Trustees shall not expend any moneys belonging to the Fund for any purpose other than for the payment of sums as per rules of the Provident Fund of the Institute to the individual members of the Fund or to their nominees or heirs or legal representatives in accordance with the rules of the Fund.
12. The accounts of the Provident Fund Trust shall be made up to the 31st day of March every year and shall be duly audited at the end of the year by a Chartered Accountant appointed by the Board of Trustees. The meeting of the Trustees taking place next before the annual general meeting of the Board of Trustees at which the audited accounts of the previous accounting year of the Trust shall be presented and passed.

EMPLOYEES' PROVIDENT FUND RULES

It is necessary to establish and maintain a Provident Fund for the benefit of the employees of the Institute for Social and Economic Change, Bengaluru, the Board of Governors of the Institute hereby make the following Rules:-

1. **Short Title** : The Rules shall be called the 'Institute for Social and Economic Change Employees' Provident Fund Rules' 2021.
2. **Definition** : In these rules unless there is anything repugnant in the subject or context:
 - A) *'Board'* means the Board of Governors.
 - B) *'Director'* means the Director of Institute and include the Acting Director, if any, and any person doing his duties.
 - C) *'Employee'* means a member of the staff (whether academic or non-academic) of the Institute.
Notwithstanding anything contained in the preceding sub-clause, a person appointed on contract, a part-time or honorary employee, a retired Pensioner, Deputationist and daily wages staff shall not be entitled to the benefits of the ISEC Employees Provident Fund Scheme, except to the extent provided for in the contract of his employment.
 - D) *'Emoluments'* shall mean basic pay, additional basic pay, Academic Grade Pay, if any, and personal and/or special pay, if any, which a person was receiving immediately before the date of his/her retirement or relinquishment of services.
 - E) Effective date in relation to the Fund shall mean the 20.01.1972 the date as from which the scheme takes effect.
 - F) *'Family'* for the purpose of Provident Fund includes :
 - i) Wife or husband as the case may be;
 - ii) Legitimate children;
 - iii) Step children;
 - iv) Dependent parents;
 - v) Un-married Sisters and minor brothers.
 - G) *'Fund'* means the Institute for Social and Economic change Employees' Provident Fund and the Fund shall consist of subscriptions by the members, the contributions by the Institute received by the Trustees, of accumulation thereof and of interest credited in respect of such contributions and accumulations, and of securities purchased therewith and of any capital gains arising out of transfer of capital assets of the Fund and of no other sums
 - H) *'Institute'* means the Institute for Social and Economic Change, Bengaluru.
 - I) *'Leave'* means any kind of leave recognised by the Institute.
 - J) *'Pay'* means the amount drawn monthly by a person as pay which has been sanctioned for the post held by him substantively or in an officiating capacity and includes special pay, personal pay, additional basic pay, if any.
 - K) *'Personal pay'* means additional pay granted to a person.

- i) to save him from a loss of substantive pay in respect of a permanent post owing to a revision of pay or to any reduction of such substantive pay – otherwise than as a disciplinary measures; or
- ii) in exceptional circumstances or on such considerations, as may be determined by the Director.
- L) *'Qualifying service'* means rendered by a member in a substantive capacity for a period of at least 1 year including period spent on probation. All services rendered to the Institute on a full time basis for a period of at least 1 year in a temporary or officiating capacity without interruption, shall also count as qualifying service.

Qualifying service will include:

(i) All periods of leave with pay or leave on medical grounds sanctioned during the period, (ii) interruption caused by reasons beyond the control of the employees concerned provided this does not exceed one year and the concession is limited to persons whose service preceding the interruption is not less than 3 years and including the interruption is not less than 5 years.

The following periods in the service of a person shall not count as qualifying services:

- (a) Period of suspension pending enquiry unless otherwise ordered by the Director;
- (b) Extraordinary leave without allowances, beyond a period of one year;
- (c) Unauthorised absence, not condoned by the Director.
- M) *'Registrar'* means the Registrar of the Institute, and any person discharging his duties.
- N) *'Retirement'* The age of retirement of academic staff shall be 62 years and that of administrative staff shall be 60 years* as specified in the Service Rules of the Institute.
- O) *'Special pay'* means an addition of the nature of pay to emoluments of a post or of a person granted in consideration of the especially arduous nature of his duties or of a specific addition to his/her work or responsibility.
- P) *'Year'* means the financial year of the Institute.

The sanction and payment of retirement benefits admissible under this scheme shall be regulated by such procedural instructions as may be determined by the Board of Governors.

4. If any question arises, relating to the interpretation of this scheme, it shall be referred to the Trustees whose decision thereon shall be final and conclusive.

5. Admission to the Institute for Social and Economic Change Employees' Provident Fund:-

- a) Every whole-time employee of the Institute shall become a member of the above Fund. Those whose services are lent to the Institute by Government or other bodies or those who are already holding pensionable posts are eligible to the Provident Fund benefits of the Institute on condition that the Institute will not be liable for payment of any pensionary or Provident Fund contribution to the parent Institution.

- b) No member shall, however, be entitled to the Institute's accumulated contribution and interest thereon, unless he has put in the qualifying service as defined in Rule II(P) or be eligible under Rule VI.
- c) Any whole time employee of the Institute though appointed against a temporary post may be admitted to the Fund, if he/she is likely to be continued for at least 1 year.
 - (i) Persons appointed on probation to the Institute's service may also be permitted by the Director to subscribe to the Fund, subject to the payment of the Institute's contribution being made only after satisfactory completion of the probationary period. The arrears of contribution is payable from the date of commencement of subscription of the members.
 - (ii) If an employee holding a permanent post is appointed to officiate in a higher post he/she may subscribe to the Fund at the approved rate on the basis of pay he/she actually draws in the higher post.
- d) The Director may permit the employees of the Institute whose services are lent to the foreign employers to continue to subscribe to the Fund while on foreign service, provided the foreign employers or the employee whose services are lent agree to pay the contribution to the Institute on the basis of the emoluments last drawn by the employee in the Institute.

6. Persons who are in receipt of any pension from Government if re-employed in the Institute may be permitted to subscribe to the Provident Fund, provided that where the term of re-employment is initially for a year or less but is later extended so as to exceed one year the contribution with interest will be credited only after the completion of one year's re-employed service. The contribution with interest shall be payable for the entire period for which the re-employed pensioner is allowed to subscribe to the Provident Fund if such period exceeds one year.

7 (i) No employee of the Institute who has been appointed by the Institute on a consolidated salary on special terms or on a part time or daily wages basis, shall be entitled to the benefit of the Provident Fund.

(ii) The Trustees may in the case of a person appointed to a substantive post permit the transfer to the Provident Fund of any money standing to his credit in any recognised Provident Fund to which he/she was a subscriber immediately before his appointment in the Institute, and may, with his consent, make such arrangements with the authorities of that other Provident Fund for the purpose of the transfer, whether in the form of cash or of securities or of both, as may be convenient.

**INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE
EMPLOYEES' PROVIDENT FUND TRUST**

This Trust made on this Day of One thousand nine hundred seventy six between the Institute for Social and Economic Change, Bangalore, represented by its Director hereinafter called the 'Institute', which term shall mean and include if the context so requires or which term shall mean and include if the context so requires or admits, its permissible successors and assignees on the one part,

	Name	Designation
1)
2)
3)
4)
5)
6)
7)

hereinafter collectively called 'Trustees' on the other part.

Whereas the Institute desires to establish and constitute with effect from 20.01.1972 for the benefit of its whole-time employees a Provident Fund in conformity with the Provident Fund Rules of the Institute which have been drawn up separately;

Whereas the ISEC EPF Trust has been granted exemption from the provision of EPF & MP Act, 1952 w.e.f 13.11.2018 under the powers vested in Rule 16(1) (B) of the said Act by the Government of Karnataka in Notification No. LD 35LWA 2018 dated 07.11.2020 and published in Karnataka Gazette dated 24.12.2020.

And whereas it is necessary to vest the administration of the said Provident Fund in a Board of Trustees upon a Trust not revocable, save with the consent of all the beneficiaries.

1. In these presents, unless there is anything repugnant in the subject or context;
 - i) 'Board of Trustees' means the Trustees thereof for time being;
 - ii) 'Institute' means the Institute for Social and Economic Change;
 - iii) 'The Fund' means the Institute for Social and Economic Change Provident Fund;
 - iv) 'Member' means a member of the Fund;
 - v) 'Rules' means the Rules hereinafter mentioned.
2. The Trust hereby declared and constituted shall be called the Institute for Social and Economic Change Employees' Provident Fund Trust.
 - (a) The Trust shall be deemed to have been constituted as from
3. The Institute hereby declares that the Institute has transferred and assured into the trustee hereof and all singular the cash and property described hereinafter in clause 9 hereof all rights, title thereto or interest therein to hold the same into the Trustees for ever upon an irrevocable Trust with and subject to the terms, powers, provisions and declarations hereinafter mentioned;
4. The Fund shall consist of subscriptions made by the employees admitted to the Fund and contributions by the institute and the rules framed thereunder and shall vest and be administered by the present Board of Trustees and their successors in the Trust. The Trust property described in clause 9 hereof shall vest and be deemed to have vested in

the present Board of Trustees and their successors who shall apply and employ the Trust property if any for the execution, advancement and furtherance of the objects of the Trust in accordance with the Provident Fund Rules of the Institute, and subject to the modifications therein from time to time.

5. The present Trustees who have undertaken to execute the duties of the Trust are the Trustees hereof for the time being.
6. The Board of Trustees shall not be less than three or more than nine at any time. The power of appointment of any all the Trustees shall be vested in there Institute.
7. The place of a Trustee shall become vacant, if a Trustees (I) dies, (ii) resigns his office, (iii)is adjudged as insolvent, or (iv) becomes of unsound mind, or (v) in case of a Trustee nominated by the Board of Governors ceases to be a nominee of the Board of Governors, (vi) leaves India permanently.
8. The Trustees may meet together for the conduct of business, adjourn or otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Chairman of the board of Trustees shall be entitled to vote and in respect of matters on which opinion is equally divided, he shall have a casting vote.
9. The Trust property shall consist of the following:
 - a) Subscription of the members and contributions from the Institute.
 - b) Any accumulation or accretions to the Fund by way of interest or otherwise;
 - c) Any transfers from other recognised Provident Fund or Provident Funds under Employees Provident Fund Act, 1952;
 - d) Any securities or other assets purchased with the accumulations or accretions.
10. All moneys contributed to the Fund (whether by the employer or by the employees) after the 31st day of October 1974 or transferred after that date from the individual account of an employee in any recognised Provident Fund maintained by his former employer or accruing after that date by way of interest or otherwise to the Fund may be deposited in a savings account with any nationalized/scheduled bank; and to the extent such moneys as are not so deposited (such moneys as are not so deposited being hereafter in Rule 67 of Income Tax Rules, 1962 referred to as investible moneys) shall be invested in the manner specified in sub-rule (2) or Rule 67 of Income Tax Rules of 1962.
11. The Board of Trustees shall be authorised to delegate any of their duties, powers, rights and discretion to such one or more of the trustees jointly or severally as they may from time to time think fit, and they may, with such concurrence, vary, alter, withdraw, modify or cancel such delegation as they may from time to time think fit.
12. The Board of Trustees shall not expend any moneys belonging to the Fund for any purpose other than for the payment of sums as per rules of the Provident Fund of the Institute to the individual members of the Fund or to their nominees or heirs or legal representatives in accordance with the rules of the Fund.
13. The accounts of the Provident Fund Trust shall be made up to the 31st day of March every year and shall be duly audited at the end of the year by a Chartered Accountant appointed by the Board of Trustees. The meeting of the Trustees taking place next before the annual general meeting of the Board of Trustees at which the audited accounts of the previous accounting year of the Trust shall be presented and passed.

The common seal of the Institute for Social and Economic Change is hereto affixed in the presence of two of the members of the Board of Governors of the Institute, and the said members of the Board of Governors have signed this Deed in exercise of the authority conferred upon them by the resolutions of the Board of Governors of the Institute passed on

for Institute for Social and Economic Change

Director

1. Member, Board of Governors
Institute for Social and Economic Change

Trustees :

2. Member, Board of Governors
Institute for Social and Economic Change

1
2
3
4
5
6
7

Witness:

1.

2.

Bangalore

Dated:

INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE
EMPLOYEES' PROVIDENT FUND RULES

The Regulations contained in Part XII of the Income Tax Rules, 1962 framed under the Income-Tax Act, 1961 so far as the same may be applicable to this Fund shall apply in the same manner as if all such Regulations are specifically contained in these Rules subject to the modifications herein contained.

Whereas it is necessary to establish and maintain a Provident Fund for the benefit of the employees of the Institute for Social and Economic Change, Bangalore, the Board of Governors of the Institute hereby make the following Rules:-

- I. **Short Title** : The Rules shall be called the 'Institute for Social and Economic Change Employees' Provident Fund Rules'.
- II **Definition** : In these rules unless there is anything repugnant in the subject or context:
- A) *'Institute'* shall mean the Institute for Social and Economic Change, Bangalore.
- B) *'Board'* shall mean the Board of Governors.
- C) *'Director'* shall mean the Director of Institute and include the Additional or Joint Director, if any, and any person doing his duties.
- D) *'Registrar'* shall mean the Registrar of the Institute, and any person discharging his duties.
- E) *'Year'* means the financial year of the Institute.
- F) *'Employee'* means a member of the staff (whether academic or non-academic) of the Institute.
- Notwithstanding anything contained in the preceding sub-clause, a person appointed on contract, a part-time or honorary employee, a retired Pensioner, Deputationist and daily wages staff shall not be entitled to the benefits of the ISEC Employees Provident Fund Scheme, except to the extent provided for in the contract of his employment.
- G) *'Retirement'* The age of retirement of academic staff shall be 62 years and that of administrative staff shall be 60 years* as specified in the Service Rules of the Institute.
- H) The effective date in relation to the Fund shall mean the 20.01.1972 the date as from which the scheme takes effect.

* Karnataka Government by its Order No. DPAR 44 SRP 2008 dt.28.07.2008 enhanced the age of retirement of non-academic staff from 58 to 60 years w.e.f July 17, 2008 and the same was implemented in the Institute, vide BoG minutes dated 21st August 2008, Agenda Item No.XV.

- I) *'Fund'* means the Institute for Social and Economic change Employees' Provident Fund and the Fund shall consist of subscriptions by the members, the contributions by the Institute received by the Trustees, of accumulation thereof and of interest credited in respect of such contributions and accumulations, and of securities purchased therewith and of any capital gains arising out of transfer of capital assets of the Fund and of no other sums.
- J) *'Family'* for the purpose of Provident Fund includes :
- i) Wife or husband as the case may be;
 - ii) Legitimate children;
 - iii) Step children;
 - iv) Dependent parents;
 - v) Un-Married Sisters and minor brothers.
- K) *'Emoluments'* shall mean basic pay, additional basic pay, Academic Grade Pay, if any, and personal and/or special pay, if any, which a person was receiving immediately before the date of his retirement or relinquishment of services.
- L) *'Pay'* means the amount drawn monthly by a person as pay which has been sanctioned for the post held by him substantively or in an officiating capacity and includes special pay, personal pay, additional basic pay, if any.
- M) *'Personal pay'* means additional pay granted to a person.
- i) to save him from a loss of substantive pay in respect of a permanent post owing to a revision of pay or to any reduction of such substantive pay – otherwise than as a disciplinary measures; or
 - ii) in exceptional circumstances or on such considerations, as may be determined by the Director.
- N) *'Special pay'* means an addition of the nature of pay to emoluments of a post or of a person granted in consideration of the specially arduous nature of his duties or of a specific addition to his work or responsibility.
- O) *'Leave'* means any kind of leave recognised by the Institute.
- P) *'Qualifying service'* means rendered by a member in a substantive capacity for a period of at least 1 year including period spent on probation. All services rendered to the Institute on a full time basis for a period of at least 1 year in a temporary or officiating capacity without interruption, shall also count as qualifying service.

Qualifying service will include:

- (i) All periods of leave with pay or leave on medical grounds sanctioned during the period, (ii) interruption caused by reasons beyond the control of the employees concerned provided this does not exceed one year and the concession is limited to persons whose service preceding the interruption is not less than 3 years and including the interruption is not less than 5 years.

The following periods in the service of a person shall not count as qualifying services:

- (a) Period of suspension pending enquiry unless otherwise ordered by the Director;
 - (b) Extraordinary leave without allowances, beyond a period of one year;
 - (c) Unauthorised absence, not condoned by the Director.
- III. The sanction and payment of retirement benefits admissible under this scheme shall be regulated by such procedural instructions as may be determined by the Board of Governors.
- IV. If any question arises, relating to the interpretation of this scheme, it shall be referred to the Trustees whose decision thereon shall be final and conclusive.
- V. Admission to the Institute for Social and Economic Change Employees' Provident Fund:-
 - a) Every whole-time employee of the Institute shall become a member of the above Fund. Those whose services are lent to the Institute by Government or other bodies or those who are already holding pensionable posts are eligible to the Provident Fund benefits of the Institute on condition that the Institute will not be liable for payment of any pensionary or Provident Fund contribution to the parent Institution.
 - b) No member shall, however, be entitled to the Institute's accumulated contribution and interest thereon, unless he has put in the qualifying service as defined in Rule II(P) or be eligible under Rule VI.
 - c) Any whole time employee of the Institute though appointed against a temporary post may be admitted to the Fund, if he is likely to be continued for at least 1 year.
 - (i) Persons appointed on probation to the Institute's service may also be permitted by the Director to subscribe to the Fund, subject to the payment of the Institute's contribution being made only after satisfactory completion of the probationary period. The arrears of contribution is payable from the date of commencement of subscription of the members.
 - (ii) If an employee holding a permanent post is appointed to officiate in a higher post he may subscribe to the Fund at the approved rate on the basis of pay he actually draws in the higher post.
 - d) The Director may permit the employees of the Institute whose services are lent to the foreign employers to continue to subscribe to the Fund while on foreign service, provided the foreign employers or the employee whose services are lent agree to pay the contribution to the Institute on the basis of the emoluments last drawn by the employee in the Institute.
- VI. Persons who are in receipt of any pension from Government if re-employed in the Institute may be permitted to subscribe to the Provident Fund, provided that where the term of re-employment is initially for a year or less but is later extended so as to exceed one year the contribution with interest will be credited only after the completion of one year's re-employed service. The contribution with interest shall be payable for the entire period for which the re-employed pensioner is allowed to subscribe to the Provident Fund if such period exceeds one year.

VII (i) No employee of the Institute who has been appointed by the Institute on a consolidated salary on special terms or on a part time or daily wages basis, shall be entitled to the benefit of the Provident Fund.

(ii) The Trustees may in the case of a person appointed to a substantive post permit the transfer to the Provident Fund of any money standing to his credit in any recognised Provident Fund to which he was a subscriber immediately before his appointment in the Institute, and may, with his consent, make such arrangements with the authorities of that other Provident Fund for the purpose of the transfer, whether in the form of cash or of securities or of both, as may be convenient.

VIII. Subscription and Contribution on to Provident Fund :

- (a) The word 'Subscription' wherever it occurs in these rules means the amount paid by the member and the word "Contribution' wherever it occurs means the amount contributed by the Institute.
- (b) Subscription to the Fund shall be at the minimum of 12% (w.e.f 1.4.2004) (vide Resolution dated 7.9.2004) of the monthly pay of the member and not more than 24% of such pay. However, the member may enhance the subscription above the minimum only once during a year. In calculating the subscription, any fraction of a rupee will be omitted.
- (c) Subscription shall be deducted from the salary of the member every month and the amount so deducted shall be paid into the Institute's Provident Fund account to the credit of the member provided the arrears of subscription, if any, will be deducted in easy instalments not exceeding 24 months as may be fixed by the Director.
- (d) The Institute shall contribute monthly an amount equal to 12% (w.e.f 1.4.2004) (vide Resolution dated 7.9.2004) of the monthly pay of the member and such contribution shall be credited to the individual account of each member along with his monthly subscription. In calculating the contribution, fraction of a rupee will be omitted.
- (e) Any employee on leave / lien shall continue to pay his subscription on the pay he receives while on leave / lien.

IX. Management of the Fund :

The Fund shall be held by and managed by Trustees consisting of the Director or Additional Director or Joint Director as may be named by the Board of Governors who shall be Chairperson, the Accounts Officer and six members, two of who shall be nominated by the Board of Governors. The other four members shall be elected every three years from among the staff of the Institute, of whom two shall be from the academic staff and the other two from other staff. The Registrar of the Institute will make necessary arrangements for the election of these four Trustees. Casual Vacancy, if any, will be filled-up by nomination by the Director for the balance of the term of the elected Trustees. The Registrar shall be ex-officio Trustee and be the Secretary of the Board of Trustees.

X. **Investment of Fund Moneys:** All moneys contributed to the Fund (whether by the employer or by the employees) after the 31st day of October 1974 or transferred after that date from the individual account of an employee in any recognised Provident Fund maintained by his former employer or accruing after that date by way of interest or otherwise to the Fund may be deposited in a savings account with any nationalized / scheduled bank; and to the extent such moneys as are not so deposited (such moneys as are not so deposited being hereafter in Rule

67 of Income Tax rules referred to as investible moneys) shall be invested in the manner specified in sub-rule (2) of Rule 67 of the said rules.

XI. Meeting of the Trustees: At every meeting of the Trustees, the Director or in his absence another Trustee nominated by him in writing shall preside. In the absence of any such nomination, the Trustees present may elect one among themselves to be the Chairperson. The presence of at least three Trustees shall be necessary to form a quorum for the transaction of business.

XII. Nomination and Declaration

- 1) Every employee of the Institute entitled to the benefits of the Provident Fund shall be required to sign a written declaration in the prescribed form (Form A) that he has read the scheme and agree to abide by it.
- 2) A member may be allowed by the Trustees of the Provident Fund to make a nomination conferring in one or more persons of his/her family the right to receive the amount that may stand to his credit in the Provident Fund in the event of his death, before that amount becomes payable, or having become payable, has not been paid. Such a nomination shall be made in Form No.40A of the Income Tax Rules, 1962.
- 3) If a member nominates more than one person under sub-rule (2) above, he shall, in his nomination, specify the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Provident Fund.
- 4) Where a member has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination by a member in favour of a person not belonging to his family shall be invalid.
- 5) If at the time of making a nomination the member has no family, the nomination may be in favour of any person or persons, but if the member subsequently acquires a family such nomination shall forthwith be deemed to be invalid and the member may be allowed to make a fresh nomination in favour of one or more persons belonging to his family.
- 6) A nomination made by a member may, at any time, be modified by him after giving a written notice to the trustees of his intention of doing so in Form No.40-B of the Income Tax Rules, 1962. If the nominee predeceases the member, the interest of the nominee shall revert to the member, who may thereupon make a fresh nomination in respect of such interest.
- 7) A nomination or its modification shall take effect to the extent that it is valid on the date on which it is received by the trustees.
Explanation: For the purpose of this rule, 'Family' shall have the same meaning as in rule II (J).
- 8) A register of such nomination shall be kept in the Institute's office.

XIII. Maintenance of Accounts : An account shall be opened in the name of each member to which shall be credited :

- i) The member's subscription;
- ii) Contribution made by the Institute;
- iii) Interest on subscription, and
- iv) Interest on contribution.

The Accounts shall be maintained in Form 'B' and contain such particulars as prescribed under rule 74 of the Income-tax Rules, 1962.

XIV. **Management Expenses:** The Institute shall bear all expenses of management and all other costs, charges and expenses to which the Trustees will be put to in connection with the management of the Fund.

XV. **Interest:** The Trustees shall, from year to year, credit the amount standing to the credit of a subscriber as on 31st March each year, interest at a rate to be fixed by them having regard to the net yield on the invested balance of Fund. The rate of interest shall be calculated in complete multiple of 0.10 per cent (one tenth of one per cent) and the balance, if any, out of the net yield shall be carried forward. Interest on a member's account shall be payable up to the end of the month preceding the date on which the final payment is authorised.

XVI. **Audit:** The Accounts of the Fund shall be audited once a year and a statement of the total amount at the credit of each member shall be furnished to him/her every year.

XVII. **Loans to subscribers and recoveries:** Loans from the Provident Fund may be granted to a subscriber by the Trustees, subject, however, to the following conditions, provided that the loan to the Director shall be sanctioned by the Board of Governors of the Institute.

- i) No loan shall be granted unless the trustees are satisfied that it will be expended on any or all of the following objects and not otherwise:
 - a) to pay expenses in connection with illness of the member of any person actually dependent on him;
 - b) to pay obligatory expenses on a scale appropriate to the members status in connection with marriage, funeral or ceremonies which by his religion it is incumbent on him to perform;
 - c) to meet expenditure on repairs or renovation;
 - d) to pay the expenses of education in a University or other Institution of higher learning of the member of any person actually dependent on him.
- ii) Loans shall not, except for special reasons to be recorded, be granted until all the previous loans sanctioned to the member have been repaid in full. The amount of loan shall not exceed an amount equivalent to 90 per cent of the amount of the subscription and interest thereon standing to the credit of the member or 6 months basic pay of the subscriber whichever is less.
- iii) Loans shall be recovered from the members in such number of equal monthly instalments not exceeding twenty-four as the Trustees may fix. But such number shall not less than twelve unless the subscriber so elects. Each instalment shall be in whole rupees, the amount of advance being raised or reduced, if necessary to admit the fixation of such instalment.
- iv) Recovery of the loans shall commence from the succeeding month in which the loan is drawn. No recovery shall be effected from the subsistence allowance given to an employee under suspension unless the member requests in writing.
- v) Members will be eligible to apply for a fresh loan only after the recovery of 6 installments of the earlier loan.

**NEW RULES INSERTED BY 1ST DEED OF VARIATION DATED 20.02.1986
AND FURTHER AMENDED BY 2ND DEED OF VARIATION DATED 09.11.1989**

XVII (A) Rules for withdrawals from Provident Fund for House Building:

1. Withdrawals by employees may be allowed by the Trustees of the Provident Fund to meet the expenditure on building a house, or purchasing a site or a house and site also on additions, substantial alterations or improvements necessary to a house:

Provided that the employee furnishes an undertaking to the Trustees not to encumber or alienate such house or site or house and site, as the case may be.

2. The withdrawals for the purpose by any employee where Basic pay exceeds Rs.50,000 p.m. shall be subject to the following conditions:

- i) the amount of withdrawal shall not exceed one-half of the amount standing to the employee's credit or the actual cost of the house and/or of site, whichever is less;
- ii) the employee shall have completed 10 (ten) years of service or is due to retire within the next ten years;
- iii) the construction of the house should be commenced within six months of the withdrawal and should be completed within one year from the date of commencement of the construction;
- iv) if the withdrawal is made for the purchase of a house and/or a site for a house, the purchase should be made within six months of the withdrawal;
- v) if the withdrawal is made for the repayment of loan previously raised for the purpose of construction or purchase of a house, the repayment of the loan should be made within three months of the withdrawal;
- vi) where the withdrawal is for the construction of a house, it shall be permitted in two or more instalments (not exceeding four) a later instalment being permitted only after verification by the trustees about the actual utilisation of the earlier withdrawal;
- vii) the withdrawal shall be permitted only if the house and/or site is free from encumbrances and no withdrawal shall be permitted for purchasing a share in a joint property or building or house or land whose ownership is divided;
- viii) if the amount withdrawn exceeds the actual cost of the purchase or construction of the house and/or site, or if the amount is not utilised for the purpose for which it is withdrawn, the excess or the whole amount, as the case may be, shall be refunded to the trustees forthwith in one lump sum together with interest from the month of such withdrawal at the rate prescribed in sub-rule (4) of rule 71. The amount refunded shall be credited to the employee's account in the Provident Fund.

3. The withdrawal for this purpose by any employee whose pay does not exceed rupees Fifty thousand (Rs.50,000/-) per month, shall be subject to the following conditions, namely:

- i) the amount of withdrawal shall not exceed
 - a) one half of the amount standing to the employee's credit in the Fund; or
 - b) the employee's Basic pay for twenty-four months; or
 - c) the employee's contribution to the Fund together with the specified percentage of the employer's contributions to that Fund, with interest thereon, whichever is more:

Provided that the amount of such withdrawal shall in no case exceed the actual cost of the house and/or site.

Explanation:- For the purposes of sub-clause (c)
“Specified percentage” means :-

- 1) 75% of the employer’s contribution forming part of the accumulations as on the date of the authorisation of payment, if the period of membership of the employee in the Fund is five years or more, but less than ten years; and
 - 2) 85% of such contribution, if the period of membership of the employee in the Fund is ten years or more, but less than fifteen years;
- ii) The employee shall have completed five years of service or is due to retire within the next ten years;
 - iii) The withdrawal shall be permitted only if the house and/or site is free from encumbrances;
 - iv) No withdrawal shall be permitted for purchasing a share in a joint property or a building or a house or land whose ownership is divided except where a site is owned jointly with the spouse;
 - v) Where the withdrawal is for construction of a house, the payment of the withdrawal may be sanctioned in such number of instalments (not exceeding four) as the trustees of the Fund think fit;
 - vi) Where the withdrawal is for the construction of a house, the construction of the house should be commenced within six months of the withdrawal and should be completed within twelve months of the withdrawal of final instalment.
 - vii) If the withdrawal is made for the purchase of a house and/or a site for a house, the purchase should be made within six months of the withdrawal;
 - viii) If the amount withdrawn exceeds the actual cost of the purchase or construction of the house and/or if the amount is not utilised for the purpose for which it is withdrawn, the excess or the whole amount, as the case may be, shall be refunded to the Trustees forthwith in one lump sum together with interest from the month of such withdrawal at the rate of 4% and the amount so refunded shall be credited to the employee’s account in the Fund.
- 4) A withdrawal for additions, substantial alterations or improvements necessary to the house owned by the employee or jointly owned by the employee and the spouse may be granted once and in the instalment only to an employee whose pay does not exceed rupees twenty five thousand per month, up to six months basic or the employee’s own share of construction with interest there-on or the amount standing to his credit in the Fund whichever is less;

Provided that the said withdrawal shall be admissible only after a period of five years from the date of purchase or completion of the house;

Provided further that where the amount withdrawn is not utilised in whole or in part of the purpose for which it was withdrawn, the excess or the whole amount, as the case may be, shall be refunded to the Trustees forthwith in one lump sum together with interest from the amount of

such withdrawal at the rate of 4% and the amount so refunded shall be credited to the employee's account in the Fund.

5) Second withdrawal for construction of a house/purchase of a Residential flat limited to the difference between the amount of withdrawal admissible on the date of application and the amount actually withdrawn earlier will be permitted to the employees subject to the following conditions:

- i) The employee had availed of the 1st withdrawal for purchase of a site and now proposes to construct a house on the site so purchased; or
- ii) The employee had availed of the first withdrawal for making initial payment towards the allotment or purchase of a house through Government Agencies or Co-operative Societies and now proposes to withdraw the amount for completing the transaction; or
- iii) The employee had availed of the first withdrawal for construction of a house, but the said construction of a house, but the said construction could not be completed due to shortage of funds.

xviii) Final payment and Deduction, if any therefrom:

Rule XVIII. 1: Subject to the provision of sub-Clause 2 of this Rule the accumulated balance due to a member shall be payable on the day he ceases to be a member of the Institute provided he has fulfilled the period of qualifying service in the Institute as per Rule II (P).

2) (a) The Institute shall not be entitled to recover any sum whatsoever from the Fund, provided, however that in case the employee is dismissed from service the contribution of the Institute with interest thereon credited under Rule VIII (d) shall not be payable to the employee.

Provided that in such cases the recoveries made by the Institute shall be limited to the contributions made by them to the individual account of the member and to the interest credited in respect of such contributions in accordance with the regulations of the Fund and the accumulations thereof.

(b) No employee who has been appointed on a contract basis shall be entitled to receive the Institute's contribution and interest thereon unless he completes the full term of appointment except in the case of death.

Provisions of this Rule shall be applicable only to appointments made by a written contract duly specifying the non-payment of Institute's contribution and interest thereon in the event of the contracted employee not completing the full term of the contract. However, nothing in this clause is applicable to other types of appointments.

XIX. On the member's death the amount at the credit of the member shall be paid to the person or persons duly nominated by him or when no valid nominations is made or subsists to his legal heir or heirs in accordance with his personal law.

XX. No final withdrawal shall be allowed until the member ceases to be the employee of the Institute or his death which ever is earlier.

XXI. The Trustees shall in cases where sub-rule (1) of Rule 9 of part of schedule IV of Income-Tax Act, 1961 applies, at the accumulated balance due to a member is paid, deduct the taxes payable under the said Rules.

XXII. Payment towards Insurance premia: (1) on a written application from a member of the Provident Fund and with the approval of the Trustees, the Institute may allow premia on the Life Insurance Policy of the member to be said out of his subscription to his Provident Fund. In all such cases, the Life Insurance Policy for which the premia are so paid shall be assigned in favour of the Institute. On the retirement of the member from the service of the Institute the policy shall be reassigned to him by the Institute.

(2) In the case of maturity of the policy during service of the member in the Institute the full amount of the policy shall be credited to the Provident Fund of the member. In case death of the member, during the service of the Institute or before payment of the Provident Fund, the full amount of the policy shall be paid to the nominee or in the absence of nomination to the legal heirs of the deceased entitled to receive the Provident Fund under these rules.

XXIII. Powers to amend the rules: The Trustees may, at any time, by a resolution in writing, signed by not less than 3 of them and with the consent in writing of the Board of Governors alter, vary or amend any of the provisions of this Deed and the rules provided that no such alteration, variation or amendment shall be in consistent with the main objects of the Trust.

XXIV Arrangements for winding up of the Fund: Any arrangements for winding up of the Fund or not its amalgamation with another Fund shall be subject to the approval of the Trustees and BoG of the Institute.

XXV. The accounts of the Fund shall be open to inspection at all reasonable times by the Income-tax authorities and Trustees shall furnish to the said authorities abstracts thereof or any information sought for as may be prescribed by the said authorities.

for Institute for Social and Economic Change
Director

1. Member, Board of Governors
Institute for Social and Economic Change

Trustees :

2. Member, Board of Governors
Institute for Social and Economic Change

1
2
3
4
5
6
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Bangalore
Dated

24th March, 1977

GRATUITY TRUST RULES

This Trust made on this 24th day of March one thousand nine hundred and seventy seven between the Institute for Social and Economic Change, Bangalore, represented by its Director (hereinafter called the "Institute", which term shall mean and include if the context so requires or admits, its permissible successors and assignees) on the one part,

A N D

	Name	Designation
1.
2.
3.
4.
5.
6.
7.

(hereinafter collectively called "Trustees") on the other part.

1. Whereas the Institute desires to establish and constitute with effect from 20.1.1972 for the benefit of its whole time employees a Gratuity Fund in conformity with the Gratuity Fund Rules of the Institute which have been drawn up separately;

And whereas it is necessary to vest the administration of the said Gratuity Fund in a Board of Trustees upon a Trust not revocable save with the consent of all the beneficiaries.

2. Definition:

- a. "Board of Trustees" means the Trustees thereof for the time being;
- b. "The Fund" means the Institute for Social and Economic Change Gratuity Fund;
- c. "Institute" means the Institute for Social and Economic Change;
- d. "Rules" means the rules hereinafter mentioned.

3. The Trust hereby declared and constituted shall be called "The Institute for Social and Economic Change, Gratuity Trust".

4. (a) The Trust shall be declared to have been constituted as from 20.1.1972 _____

5. The Institute hereby declares that the Institute has transferred and assured into the Trustees hereof all and singular the cash property described hereinafter in clause 9 hereof all rights, title thereto or interest therein to hold the same into the Trustees for ever upon an irrevocable Trust with and subject to the terms, powers, provisions and declarations hereinafter mentioned;

6. The Fund shall consist of contributions by the Institute in accordance with the provisions of these presents and the rules framed thereunder, and shall vest in and are administered by the present Board of Trustees and their successors in the Trust. The Trust property described in clause 9 hereof shall vest and be deemed to have vested in the present Board of Trustees and their successors who shall apply and employ the Trust property, if any, for the execution, advancement and furtherance of the objects of the Trust in accordance with the Gratuity Fund Rules of the Institute, and subject to the modifications therein from time to time.

7. The present Trustees who have undertaken to execute the duties of the Trust are the Trustees hereof for the time being;

8. The Board of Trustees shall not be less than 3 or more than 9 at any time. The power of appointment of any or all the Trustees shall be vested in the Institute.

9. The place of a Trustee shall become vacant, if a Trustee (i) dies, (ii) resigns his office, (iii) is adjudged insolvent or (iv) becomes of unsound mind or (v) in case of a Trustee nominated by the Board of Governors ceases to be a nominee of the Board of Governors, (vi) leaves India permanently.

10. The Trustees may meet together for the conduct of the business, adjourn or otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Chairperson of the Board of Trustees shall be entitled to vote and in respect of matters, on which option is equally divided, he shall have a casting vote.

11. The Trust property shall consist of the following:

- a) Contributions by the Institute;
- b) Any accumulations or accretions to the Fund by way of interest or otherwise;
- c) Any transfers from other Gratuity fund;
- d) Any securities or other assets purchased with the accumulations or accretions.

12. All moneys contributed to the Fund after the 31st day of October 1974 or received or accruing after that date by way of interest or otherwise to the Fund may be deposited in a Savings Account with any Nationalised Bank or utilized for the purpose of making contributions under Group Gratuity Scheme entered into with the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), and to the extent such moneys as are not so deposited or utilized shall be invested in the manner specified in sub-rule (2) of Rule 67 and for this purpose, the expression "investible moneys" in that sub-rule shall mean the moneys of the Fund as are not deposited or utilized as aforesaid.

13. The Board of Trustee shall be authorized to delegate any of their duties, powers, rights and discretions to such one or more of the Trustees jointly or severally as they may from time to time think fit, and they may, with such concurrence vary, alter, withdraw, modify or cancel such delegations they may from time to time think fit.

14. The Board of Trustees shall not expend any moneys belonging to the Fund for any purpose other than for the payment of sums as per rules of the Gratuity Fund of the Institute to the employees or to their nominees or heirs or legal representatives in accordance with the rules of the Fund.

15. The accounts of the Gratuity Fund Trust shall be made up to the 31st day of March every year and shall be duly audited at the end of the year by a Chartered Accountant appointed by the Board of Trustees. The meeting of the Trustees taking place next before the annual general meeting of the Institute shall be deemed to be the annual meeting of the Board of Trustees at which the audited accounts of the previous accounting year of the Trust shall be presented and passed.

16. The common seal of the Institute for Social and Economic Change is hereto affixed in the presence of two of the members of the Board of Governors of the Institute, and the said members of the Board of Governors have signed this Deed in exercise of the authority conferred upon them by the resolution of the Board of Governors of the Institute passed on

GRATUITY FUND RULES

The Regulations contained in Part XIV of the Income-tax rules framed under the Income-tax Act 1961, so far as the same may be applicable to this fund shall apply in the same manner as if all such Regulations are specifically contained in these Rules subject to the modifications herein contained.

Whereas it is necessary to establish and maintain a Gratuity Fund for the benefit of the employees of the Institute for Social and Economic Change, Bengaluru, the Board of Governors of the Institute hereby make the following rules:-

1. Short Title: The Rules shall be called "The Institute for Social and Economic Change, Gratuity Fund Rules".

2. Definition: In these rules unless there is anything repugnant in the subject or context:

- A) *Board'* means the Board of Governors.
- B) *'Director'* means the Director of Institute and include the Acting Director, if any, and any person doing his duties.
- C) *'Employee'* means a member of the staff (whether academic or non-academic) of the Institute.
Notwithstanding anything contained in the preceding sub-clause, a person appointed on contract, a part-time or honorary employee, a retired Pensioner, Deputationist and daily wages staff shall not be entitled to the benefits of the ISEC Employees Provident Fund Scheme, except to the extent provided for in the contract of his employment.
- D) *Emoluments'* shall mean basic pay, additional basic pay, Academic Grade Pay, if any, and personal and/or special pay, if any, which a person was receiving immediately before the date of his/her retirement or relinquishment of services.
- E) Effective date in relation to the Fund shall mean the 20.01.1972 the date as from which the scheme takes effect.
- F) *'Family'* for the purpose of Provident Fund includes :
 - v) Wife or husband as the case may be;
 - vi) Legitimate children;
 - vii) Step children;
 - viii) Dependent parents;
 - W) Un-married Sisters and minor brothers.
- G) *Fund'* means the Institute for Social and Economic change Employees' Provident Fund and the Fund shall consist of subscriptions by the members, the contributions by the Institute received by the Trustees, of accumulation thereof and of interest credited in respect of such contributions and accumulations, and of securities purchased therewith and of any capital gains arising out of transfer of capital assets of the Fund and of no other sums
- H) *'Institute'* means the Institute for Social and Economic Change, Bengaluru.
- I) *'Leave'* means any kind of leave recognised by the Institute.
- J) *'Pay'* means the amount drawn monthly by a person as pay which has been sanctioned for the post held by him substantively or in an officiating capacity and includes special pay, personal pay, additional basic pay, if any.

- K) *'Personal pay'* means additional pay granted to a person.
- iii) to save him from a loss of substantive pay in respect of a permanent post owing to a revision of pay or to any reduction of such substantive pay – otherwise than as a disciplinary measures; or
- iv) in exceptional circumstances or on such considerations, as may be determined by the Director.
- L) *'Qualifying service'* means rendered by a member in a substantive capacity for a period of at least 1 year including period spent on probation. All services rendered to the Institute on a full time basis for a period of at least 1 year in a temporary or officiating capacity without interruption, shall also count as qualifying service.

Qualifying service will include:

(i) All periods of leave with pay or leave on medical grounds sanctioned during the period, (ii) interruption caused by reasons beyond the control of the employees concerned provided this does not exceed one year and the concession is limited to persons whose service preceding the interruption is not less than 3 years and including the interruption is not less than 5 years.

The following periods in the service of a person shall not count as qualifying services:

- (d) Period of suspension pending enquiry unless otherwise ordered by the Director;
- (e) Extraordinary leave without allowances, beyond a period of one year;
- (f) Unauthorised absence, not condoned by the Director.
- M) *'Registrar'* means the Registrar of the Institute, and any person discharging his duties.
- N) *'Retirement'* The age of retirement of academic staff shall be 62 years and that of administrative staff shall be 60 years* as specified in the Service Rules of the Institute.
- O) *'Special pay'* means an addition of the nature of pay to emoluments of a post or of a person granted in consideration of the especially arduous nature of his duties or of a specific addition to his/her work or responsibility.
- P) *'Year'* means the financial year of the Institute.

3. The sanction and payment or retirement benefits admissible under this scheme shall be regulated by such procedural instructions as may be determined by the Board of Governors. If any question arises, relating to the interpretation of this scheme, it shall be referred to the Trustees whose decision thereon shall be final and conclusive.

4. Annual contributions:- (1) The annual contribution by the employer to the Fund shall be made on a reasonable basis as may be approved by the Commissioner of Income-tax having regard to the length of service of each employee concerned so, however, that such contributions shall not exceed 8-1/3% of the emoluments of each employee during each year.

(2) The Institute may contribute monthly on account basis as per the existing policy to the Gratuity Fund and during the fourth quarter balance payable as per the premium

demanded by LIC less on account payment, may be contributed, ensuring the contribution to Gratuity Fund is 100% of the yearly premium demanded by LIC.

Any excess of the interest income after meeting all expenditure would be also transferred to LIC as advance premium before finalization of accounts.

5. Investment of fund money: All moneys contributed to the Fund after the 31st day of October 1974 or received or accruing after that date by way of interest or otherwise to the fund may be deposited in a savings account with any nationalized bank or utilized for the purpose of making contributions under Group gratuity scheme entered into with the Life Insurance Corporation of India established under the Life Insurance Corporation Act 1956 (31 of 1956) and to the extent such moneys as are not so deposited or utilized shall be invested in the manner specified in sub-rule (2) of Rule 67 of Income Tax rules 1962 as amended from time to time and for this purpose the expression "Investible moneys" in that sub-rule shall mean the moneys of the fund as are not deposited or utilized as aforesaid.

6. Employer not to have interest in Fund Money:

No money belonging to the Fund shall be receivable by the Employer under any circumstances nor shall the employer have any lien or charge on the Fund.

7 Management of the Fund

The fund shall be held by and managed by Trustees consisting of the Director who shall be Chairperson, the Accounts Officer and six members, two of whom shall be nominated by the Board of Governors. The other four members shall be elected every three years from among the staff of the Institute, of whom two shall be from the academic staff and the other two from non-academic staff. The Registrar of the Institute will make necessary arrangements for the election of these four Trustees. Casual Vacancy, if any, will be filled-up by nomination by the Director for the balance of the term of the elected Trustees. The Registrar shall be ex-officio Trustee and be the Secretary of the Board of Trustees".

8 Meetings of the Trustees:

At every meeting of the Trustees, the Director or in his absence another Trustee nominated by him/her in writing shall preside. In the absence of any such nomination the Trustees present may elect one among themselves to be the Chairperson. The presence of at least three Trustees shall be necessary to form a quorum for the transaction of business.

9 Management Expenses:

The Institute shall bear all expenses of management and all other costs, charges and expenses to which the Trustees will be put to in connection with the management of the Fund.

10 Amount Admissible, to whom payable, where etc:

1. An employee who has completed minimum qualifying service of 5 years shall be granted Gratuity at the rate of $\frac{1}{2}$ of the emoluments for each completed six monthly period of qualifying service. The Gratuity shall be payable on his retirement / resignation/ termination of service/death.
2. The amount of gratuity payable to an employee after retirement / resignation shall be the amount as received from LIC of India for that employee and shall be paid to the employee through the Institute. The ceiling limit shall apply as per the Government of India Rules on Gratuity..
3. If an employee who has completed a minimum qualifying service of 5 years dies thereafter while in service, his family will be eligible as per the amount received from LIC will be paid.
4. If an employee dies before completing qualifying service of 5 years his/her family will be eligible for the following from the Gratuity Trust Fund:

- i. If the service rendered is less than one year then the family would be entitled to two months basic pay subject to a maximum limit of Rs.2,50,000/-.
If the service rendered is more than one year but less than five years then the family would be entitled to four months basic pay subject to a maximum limit of Rs.3,50,000/-.
1. In case of those employees who have completed 5 years of service, the gratuity shall be payable within 40 days of the occurrence of the event, i.e., retirement, resignation/ termination of service or death, as received from LIC. In case of death within 5 years of service clause (4) above shall be applicable.
2. The gratuity amount shall be payable only in India and in Rupees only.
3. On the death of the employee, the gratuity amount admissible shall be paid to the person or persons duly nominated by him/her or when no valid nomination is made the payment shall be made to his/her legal heir or heirs in accordance with the legal heir certificate issued by the competent court.

A register of such nominees shall be kept in the Institute's office.

11 Nomination: (1) An employee may be allowed by the Trustees of the Gratuity fund to make a nomination conferring on one or more persons the right to receive the amount of gratuity in the event of his/her death, before the amount becomes payable or having become payable, has not been paid. Such a nomination shall be made in Form NO.40-A, of the Income Tax Rule, 1962.

(2) If an employee nominates more than one person under sub-rule (1) he/she shall in his/her nomination, specify the amount to share payable to each of the nominees in such manner as to cover the whole of the amount of gratuity that may be payable in the event of his death.

(3) Where an employee has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his/her family. Any nomination made by such employee in favour of a person not belonging to his/her family shall be invalid.

(4) If at the time of making a nomination the employee has no family, the nomination may be in favour of any person or persons, but if the employee subsequently acquires a family, such nomination shall forthwith be deemed to be invalid and the employee may be allowed to make a fresh nomination in favour of one or more persons belonging to his family.

(5) A nomination made by an employee may, at any time, be modified by him after giving a written notice to the trustees of his intention of doing so in form No.40-B of the Income-Tax Rules, 1962. If the nominee predeceases the employee, the interest of the nominee shall revert to the employee who may thereupon make a fresh nomination in respect of such interest.

(6) A nomination or its modification shall take effect to the extent it is valid on the date on which it is received by the Trustees.

Explanation: For the purpose of this rule, "Family shall have the same meaning as in rule II (J).

XIII. Powers to amend the rules:- The Trustees may, at any time, by a resolution in writing signed by not less than 3 of them and with the consent in writing of the Board of Governors alter, vary or amend any of the provisions of this Deed and the rules, provided, that no such alteration, variation or amendment shall be inconsistent with the main objects of the Trust hereby created and provided further that no such alternation, variation or amendment shall be made without the prior consent of the Commissioner of Income-tax.

XIV. Arrangements for winding up of the Fund:

Any arrangements for winding up of the fund or for its amalgamation with another fund shall be subject to the prior approval of, and to such conditions as may be imposed by the Commissioner of Income-tax.

CONTRIBUTORY PENSION SCHEME THROUGH LIC PENSION / ANNUITY SCHEME FOR ALL EMPLOYEES OF ISEC

Preamble

Any organisation, has to create an environment wherein the employees can give their best and derive a sense of well-being, a sense of fulfilment and security and take pride in their continued association with the organisation.

With rising costs of living, at the time of retirement or death of an employee while in service, the accumulated PF in the individual accounts and other smaller accumulations may not be significant and sufficient to provide for any decent level of post-retirement living. Introduction of pension scheme may provide an added attraction for such persons to continue in the organisation and work more efficiently.

With the above in view, ISEC has adopted an Annuity Scheme for ISEC staff as an additional social security/welfare measure.

The LIC Pension Annuity Scheme is operated by the Life Insurance Corporation (LIC) of India. The rules and regulations of this scheme may be broadly stated as below.

This scheme shall be called "LIC Pension Annuity Scheme for ISEC Employees" or "Group Superannuation Scheme" and it shall be deemed to have come into force with effect from 1st April 2006.

The words "Institute", "ISEC", "Employer", and "Management" wherever they occur in these rules, shall refer to Institute for Social and Economic Change, Bengaluru.

1. Who can participate in this scheme?

This scheme is open to all permanent employees of the ISEC. All persons employed on contract basis on regular pay scale for 3 years and above are also eligible for this scheme.

2. Voluntary Participation

The LIC Pension Annuity Scheme is optional / voluntary. Any interested employee may opt to be covered by the scheme. The participation of an employee in this scheme is wholly dependent upon his/her free will and volition. An employee may opt for this scheme any time during the service of ISEC.

3. Subscription and Contribution to the Scheme

The word 'subscription' wherever it occurs in these rules means the amount paid by the employee towards the scheme and the word 'contribution' wherever it occurs, would mean the amount paid by the employer (ISEC).

4. Subscription

- (i) An employee including Group 'D' who opts for the scheme shall subscribe voluntarily every month a minimum of 5 per cent of his/her basic pay. However, there shall be no limit on the maximum subscription, provided that the additional subscription shall be in multiples of 5 per cent of his/her basic pay.
- (ii) An employee who is on leave shall continue to pay his/her subscription while on leave, even when the leave is without pay.

5. Contribution by the Employer

ISEC being the employer contributes to the LIC Annuity Pension scheme for any employee @ 10% of his / her basic pay. In case of Group "D" employees, the contribution by ISEC is 15%.

6. Management of the Fund

The entire management of the Fund vests with the LIC of India and the administration of the fund is carried out by LIC of India in a beneficial manner and claims will be properly settled. The subscriptions / contributions made to individual employee accounts will be credited with interest every year by LIC of India at the interest rates in force from time to time.

The LIC of India shall settle the claims in accordance with the scheme immediately after, either resignation / superannuation / death or cease to be the member of the scheme of the individual employee. The ISEC is not only responsible for payment of contribution but also to ensure the timely settlement of claims by the LIC.

7. Payment of Pension / Annuity

The above scheme provides various options to the employees, and they may opt for the scheme of their choice on the exit date i.e., on resignation, retirement, etc. The various options available are as under:

- a. Pension for life with return of Corpus
- b. Pension for life without return of Corpus
- c. Pension guaranteed for 5/10/15/20 years and life thereafter
- d. Joint pension with return of Corpus
- e. Joint Pension without return of Corpus
(In case of joint pension options (d or e), please give the date of birth of Spouse with proof).

8. Benefits

The benefits of the above scheme are explained briefly as below and the details are also available with the LIC of India.

(a) On Retirement

On retirement of an employee, the Corpus (subscription + contribution + accumulated interest) is utilised to provide the following:

- I. Commuted Value (Equivalent to 1/3rd of the Corpus) which is **tax free**
- II. The corpus that remains after providing for the commuted value is taken as the purchase price to provide for pension.
- III. The Staff Member can opt for the pension scheme from LIC within a period of five years of retirement, but not beyond five years.

(b) On Withdrawal

- i. If an employee ceases to be in the employment of the Institute and takes up a new job elsewhere he/she can get the corpus transferred to the Superannuation Scheme of the new employer, provided the rules of both the schemes provide for the same.
- ii. He/she may opt for a pension from the normal retirement date as provided in the old employer's scheme.
- iii. He/she may opt for payment of commuted value and pension immediately in which case the benefits would be taxable. The members will have option to commute 1/3 or 1/2 of the total accumulation and the balance can be in the form of annuities. The commuted portion of accumulation is subject to tax.

(c) On Dismissal from Service

On dismissal, the benefit will be offered to the employee as of 'on withdrawal' category with effect from the date of dismissal.

9. Settlement of Claims

Settlement of all claims will be carried out by the LIC of India on receipt of the filled-in application forms from the Institute (Accounts Office). The following forms duly filled will be submitted to LIC by the Accounts Office and the concerned person/nominee of the person will be intimated of the same.

- (a) Form No.3427 (intimating the LIC office about the retirement/death/leaving service of an employee)
- (b) Another application form (Section I and Section II) authorising LIC to pay the pension amount to the employee.

Once the above forms are submitted to LIC by the office, it would be for the concerned person/nominee of the person to meet the officials of the LIC and decide about the future course of action. However, the ISEC will facilitate the process. The format are enclosed.



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शारतीय जीवन बीमा निगम
Life Insurance Corporation of India

BANGALORE DIVISION - I

P&GS Unit, "Jeevan Prakash", IV Floor,
J.C. Road, Bangalore - 560 002
Ph : 22292647, FAX : 22293471,
E-mail : bo_g501@licindia.com

**THE EMPLOYEE'S GROUP SUPERANNUATION SCHEME-
MASTER POLICY NO. GS (CA) _____**

INTIMATION OF RETIREMENT/DEATH/LEAVING SERVICE

(To be completed in accordance with the terms and conditions as laid down in the Rules of the Scheme)

1. Name of the Member :
2. (a) LIC Membership No. :
(b) Salary Roll No./Identity No. :
3. Date of entry into Scheme :
4. Date of Birth :
5. Date of Exit :
6. (a) Cause of Exit :
(b) In case of death, (Death Certificate and
Age Proof of Beneficiary to be attached) :
7. Final Contribution in respect of the member : a. Amount Rs.
b. Paid On
8. Income Tax Pan No :
9. Whether Member is eligible for Gratuity :
10. Whether option to commute part of pension exercised or not
if yes, what proportion (1/3rd if eligible for Gratuity or 1/2 if not):
11. Type of Pension Option selected by the Member :
12. In case of Joint Life Pension, Name and DOB of : Name :
the spouse : Date of birth
13. Specimen Signature of the Member : 1. 2.
14. **Income Tax on Commutation & Annuity to be
Deducted at the rate of** :

-----For Self and Co-Trustees of
Employees' Group Superannuation Scheme

Place:
Date:

(TRUSTEE)

**N.B:- If no Income Tax is to be deducted against the above account, please write
'NIL' to question no.14.**

(To be completed by the annuitant and witnessed by the Trustees)

1.I, Shri/Smt. _____ opt for the following

2. A. PAYMENT OF PENSION

(Mention one of the following types of Pension)

- a) Pension for Life
- b) Pension for Life With return of Corpus(ROC)
- c) Pension guaranteed for 5 I 10 / 15 I 20 years and life thereafter
- d) Joint Life Pension.(100%). Annuity for Life with a provision for 100% of the annual payable to the spouse on death of the annuitant
- e) Joint Life Pension (100%) With Return of Corpus (ROC). Annuity for Life with a provision for 100% of the annuity payable to the spouse on death of the annuitant With Return of purchase price on death of the annuitant
- f) Joint Life Pension (50%). Annuity for Life with a provision for 50% of the annuity payable to the spouse on death of the annuitant
- g) Pension for Life Increasing at a simple rate of 3% p.a

[Note: 1. In case of Joint Pension Options (d),(e) & (f) please give the Date of Birth of Spouse
2. Return of Corpus Option available only in case of Option (b) & (e)]

B. COMMUTATION

(Please indicate one of the following options)

- a) With commutation
- b) Without commutation

C. PAYMENT OF ANNUITY

Monthly **OR** Quarterly **OR** Half-yearly **OR** Yearly

b. I request you to credit the Annuity payments directly to my Bank Account.

➤ Account Number. _____ ➤ MICR Number _____
➤ Name of the Bank _____ ➤ IFSC CODE _____
➤ Address of the Bank _____ ➤ PAN NO _____

(Enclose a cancelled blank cheque leaf for the above ECS facility).

D. NOMINATION

I, Shri/Smt. _____, a member of the _____ (Name of the company) Employees' Superannuation Scheme, hereby nominate Shri/Smt _____ aged _____ years who is related to me as _____, to receive the Pension in the event of my death during the guaranteed period as per the Rules of the Scheme/the Pension Corpus on my death. I further agree and declare that upon such payment, the Corporation will be discharged of all liability in this respect under the **Master Policy No.** _____.

Signature of Witness by Trustee:

Address :

Place

(Signature of the Annuitant)

2.

(To be completed by the annuitant and witnessed by the Trustees)

1. I Shri/Smt. _____ do hereby acknowledge receipt from the Life Insurance Corporation of India, the sum of ₹ _____ (Rupees _____) in full satisfaction and discharge of my under mentioned claims and demand under the **Master Policy No.** _____.

1. Commuted Value _____ Pension _____	₹ _____
2. _____ Insatallments of pension @ _____	₹ _____
due from _____ to _____	₹ _____
Total	₹ _____

Signature of Witness by Trustee:
Address :

**(Signature of the Annuitant
on Revenue stamp of ₹1/-)**

MY ADDRESS

Telephone No. with STD code

_____	Phone No. : _____
_____	Mobile No.: _____
_____	Email Id. : _____

Place

Date

Specimen Signature 1. _____
2. _____

(Member residing away from bangalore may opt fro transfer of annuity records to the nearest P&GS Unit)



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ಕಂಪನಿ ಲಿಮಿಟೆಡ್
LIC Insurance Corporation of India

BANGALORE DIVISION - I

P&GS Unit, "Jeevan Prakash", IV Floor,
J.C. Road, Bangalore - 560 002
Ph : 22292647, FAX : 22293471,
E-mail : bo_g501@licindia.com

**ANNEXURE-I
SECTION I**

(To be completed by Trustees)

GROUP SUPERANNUATION SCHEME, MASTER POLICY NO. _____

We hereby direct, authorise and empower you to pay on our behalf to Shri/Smt _____, Membership No, _____, the pension amount as per option elected by him/her named above after deduction of Income Tax and other taxes & Duties as given below.

1. Commuted Value @ _____ of pension Rs. _____
2. Total of Pension instalments due from _____ to _____ (i.e. during the current financial year)

TOTAL AMOUNT	LESS INCOME TAX	NET AMOUNT PAYABLE

We hereby admit and acknowledge that the above mentioned payments which shall be made by you shall be in full settlement of the payments due to us and hereby declare that the receipts signed by the payees shall be sufficient, valid and legal discharge to you for the respective payments made to them and shall be fully binding upon us as if the payments had been made to us and the receipts signed by us.

N.B:- If no tax is to be deducted against any of above account, please write 'NIL'.

Signature of the Trustees

RULES GOVERNING CUMULATIVE PROFESSIONAL DEVELOPMENT FUND

1. The Cumulative Professional Development Fund (CPDF) utilized for projects which are obtained by member/s of faculty. This is to encourage them to generate research funds for ISEC. The CPDF was approved from 24 Sep 2018 and hence is operative for the projects generated from then onwards. CPDF is not operative for projects executed prior to 24th Sep 2018. The CPDF applies to projects assigned to ISEC by organizations / Institutions / Governments, which request ISEC to take up research / training / outreach endeavours and ISEC assigns the endeavour to member/s of faculty to conduct them. The CPDF is not applicable to Chair Professors who may also generate funds, as the balance of funds generated will be transferred to the corpus of the Chair Professorship. The extract of CPDF approved by the 190th BoG dt 24 Sep 2018 is provided here for record.

2. Honorarium

1. Payment of honorarium to ISEC Faculty is acceptable in principle. Honorarium for PI and Co-PI up to Rupees Fifty Thousand per project to a maximum of Rupees One Lakh Fifty Thousand for all projects per year is approved within the funded project budget approved. Prior approval of the Director will be obtained for allocation of honorarium before beginning the activity.
2. Net savings and faculty time provided for in the budget of the project should be considered for determining the honorarium.
3. Out of the net savings up to 50 per cent could be transferred to the account identified by the Board of Governors.

3. ISEC faculty members have been active in mobilizing external project funds. After the completion of an external project, the tendency observed in the past is to move to another project without bringing the project findings to a logical end in the form of publications in the high quality journals or books from the standard publishers. This issue has been discussed in 187th BoG meeting held in November 20, 2017. The BoG has approved to allow the faculty to utilize project funds for further professional development activities. The BoG has asked the Director to work out modalities for utilizing funds for academic purposes upon completion of projects by the faculty.

4. The Director constituted a committee to discuss the modalities, which met on March 7, 2018, and prepared a draft on the modalities. The RPC in its meeting on April 4, 2018, discussed the same and approved the following.

- “It is crucial to recognize that every member of faculty is constantly attempting to obtain project funding and accordingly needs to be encouraged to generate more research funds for ISEC. Therefore, it

was suggested to create Cumulative Professional Development Fund (CPDF) from the Project”.

- After the completion of a research project, training programme, conference seminar, the balance may transferred to Overhead Royalty Account with a provision of up to 50 per cent or Rupees Five Lakhs whichever is lesser towards CPDF and the rest towards overheads.
- Sharing of CPDF if there is more than one project director:

No. of Project Directors	Ratio for Utilizing CPDF among Project Director
(1 + 1) Two (1 PD + 1 Co-PD)	60 : 40
(1 + 2) Three (1 PD + 2 Co-PDs)	60 : 20 : 20
(1 + 3) Four (1 PD + 3 Co-PDs)	40 : 20 : 20: 20

- The CPDF fund will be utilized within a period of three years.
- The activities for which the fund will be used are: i) Writing research papers and books; ii) Appointment of research assistants/field investigators; iii) Academic visits within and outside the country for research, attending seminars and conferences, collaboration and discussion, etc; iv) Organizing seminars, conferences and workshops; v) Inviting scholars working in the concerned research area for academic discussions; vi) Initiating own research project and project related works such as field work; vii) books and data purchase and; viii) Sabbatical purposes.

Consultancy Rules

- (1) All Consultancy assignments by faculty members should be undertaken with prior approval of the Director.
- (2) A faculty member may be allowed to spend for consultancy adjusted against accrued leave to a maximum of 45 days in a financial year. No accumulation of leave for 157 consultancy privilege will be permitted from one accounting year to the next. (amended on 27.12.2005)
- (3) Examinations, Lectures, Selection Committees and other professional work of faculty are not to be treated as consultancy. Any academic/research work and writing papers for value of less than Rs.25,000/- shall not be considered as consultancy.
- (4) Remuneration received for monographs, papers and other literary contributions are not to be included in the consultancy in so far as they do not arise out of a contract for a consultancy.
- (5) All remuneration for consultancy shall be received by a cheque/draft in favour of either the individual faculty member or the Director, Institute for Social and Economic Change.
- (6) A faculty member or a group will receive 80% of total consultancy fees paid by the sponsoring agency and the balance shall be remitted to the Institute.
- (7) Consultancy services approved by the Director shall be reported to the Board of Governors.
- (8) The consultancy work should not interfere with the normal teaching/research work of the Institute and other duties relating to Institute responsibilities.
- (9) Before accepting the consultancy, the faculty member/members concerned shall submit the following details to the Director for assessing the consultancy request:
 - a. Name and address of sponsoring agency.
 - b. Title of the consultancy job
 - c. A brief description of the work to be done.
 - d. Names of the staff members and other outside experts, who will be involved in carrying out the work of the consultancy.
 - f. A copy of the TOR to be submitted.

The Finance Committee of ISEC has approved the following amendment to the Consultancy Rules applicable to the Faculty members' w.e.f. 21st June 2022:

I. Receipt of Consultancy fees:

1	Consultancy fee upto Rs.50,000/-	i. Need not be shared with the Institute. ii. No leave shall be debited
2	Consultancy fee from 50,001/- to 1,00,000/-	i.10% of the fee to be remitted to the Institute ii. 10 days of earned leave shall be debited.
3	Consultancy fee from 1,00,001 to Rs.3,00,000/-	i. 15% of the fee to be remitted to the Institute ii. 15 days of earned leave shall be debited.
4	Consultancy fee above Rs.3,00,000/-	i.20% of the fee to be remitted to the Institute ii.20 days of earned leave shall be debited

- II. All consultancy assignments must be got approved by the Director before taking up the assignment. If there is a continuation of any Consultancy work on the same subject and Agency in parts then the entire amount should be clubbed together. Splitting up the work is not allowed.
- III. Tax implications on the Consultancy fee received, must be borne by the concerned Faculty.
- IV. In cases where the results of the Consultancy work are published, the onus of the legal Implications thereof, rests with the concerned faculty and no liability rests with the Institute.
- V. Consultancy reports must be mentioned / reported in the Annual Report of the Institute and considered as an academic output of the Institute.
- VI. In all correspondence with respect to the concerned Consultancy, the official address of the Faculty members shall be referred to.