

**MANUAL
OF
FINANCIAL MANAGEMENT SYSTEM
NATIONAL AGRICULTURAL HIGHER EDUCATION PROJECT
(NAHEP)**



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FOREWORD

The mandate of ICAR/DARE includes promotion and coordination of education in agriculture, agro-forestry, animal husbandry, fisheries, home science and allied sciences in the country. Agricultural higher education is the engine for increasing productivity through skill, innovative research and extension. Education is a positional good that provides access to social prestige and income earning and a public good that paves the pathway to the empowerment of people and the development of nations. The present situation demands a renewed thrust for enhanced quality and relevance of higher agricultural education to facilitate and undertake human capacity for developing self-motivated professionals and entrepreneurs in view of the changing scenario of globalization of education. The National Agricultural Higher Education Project (NAHEP) with financial assistance of the World Bank aims to achieve this objective by investing on infrastructure, competency and commitment of faculty, and attracting talented students to agriculture.

For the success of such a challenging project, sound financial management system (FMS) is critical. The FMS includes mobilization of resources, releases, accounting and financial reporting which will ensure accurate and timely information regarding project resources and expenditures. This manual on Financial Management of NAHEP attempts to facilitate the process of understanding and provides the detailed guidelines relating to budgeting and fund flow system, project accounting, audit and disbursement and all other aspects of financial management system. This Manual is a living document and may be revised on the basis of experience in implementing this project, subject to approval of the World Bank.

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ACRONYM/ ABBREVIATIONS USED IN THE TEXT

S. No.	Acronym	Description
1.	BD	Bidding Document
2.	BDS	Bid Data Sheet
3.	BG	Bank Guarantee
4.	CG/CGL	Consultant Guidelines
5.	CIF	Cost, Insurance & Freight (paid)
6.	CIP	Carriage & Insurance Paid
7.	CPT	Carriage Paid To
8.	CQS	Consultant Qualifications Based Selection
9.	DC	Direct Contracting
10.	DDP	Delivered Duty Paid
11.	DDU	Delivered Duty Unpaid
12.	DGS&D	Directorate General of Supplies and Disposals
13.	DPR	Detailed Project Report
14.	EOI	Expression of Interest
15.	EXW	Ex-works (price)
16.	FA	Force Account/ Framework Agreement
17.	FBS	Selection under a Fixed Budget
18.	FoB	Free on Board
19.	FoE	Floating of Enquiry
20.	FoR	Free on Rail
21.	GCC	General Conditions of Contract
22.	GIS & RS	Geographical Information System & Remote Sensing
23.	GoI	Government of India
24.	GPN	General Procurement Notice

25.	GPS	Global Positioning System
26.	IBRD	International Bank for Reconstruction and Development
27.	ICB	International Competitive Bidding
28.	IDA	International Development Association
29.	IEC	Information, Education and Communication
30.	IFB	Invitation for Bid
31.	ICAR	Indian Council of Agricultural Research
32.	IT	Information Technology
33.	ITB	Instructions to Bidders
34.	ITC	Instructions to Consultants
35.	IUFRs	Interim Unaudited Financial Reports
36.	LCS	Least Cost Selection
37	LD	Liquidated Damages
38	LIB	Limited International Bidding
39	LOI	Letter of Invitation
40	M&E	Monitoring and Evaluation
41	MIS	Management Information System
42	MEP	Monthly Expenditure Plan
43	NCB	National Competitive Bidding
44	NAHEP	National Agricultural Higher Education Project
45	NoC	No Objection Certificate
46	NS	National Shopping
47	O&M	Operation and Maintenance
48	PA	Project Agreement
49	PAD	Project Appraisal Document
50	PC	Procurement Cell
51	PFMS	Public Finance Management System
52	PIA	Project Implementing Agency

53	PIU	Project Implementation Unit
54	PIP	Project Implementation Plan
55	PPR	Procurement Post Review
56	QBS	Quality Based Selection
57	QCBS	Quality- and Cost Based Selection
58	REOI	Request for Expressions of Interest
59	RFP	Request For Proposals
60	RFQ	Request for Quotations
61	SBD	Standard Bidding Document
62	SCC	Special Conditions of Contract
63	SLNA	State Level Nodal Agency
64	SPN	Specific Procurement Notice
65	SSS	Single Source Selection
66	TER	Technical Evaluation Report
67	TOR	Terms of Reference
68	UCD	Unit Cost Database
69	UNDB	United Nations Development Business
70	WB	World Bank
71	WBR	World Bank Reference Number (for Prior review contracts)

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CHAPTER: 1

GENERAL INTRODUCTION

National Agricultural Higher Education Project (NAHEP): An Overview

One of the most important mandates of ICAR/DARE includes promotion and coordination of education in agriculture, agro-forestry, animal husbandry, fisheries, home science and allied sciences in the country. It has been the endeavour of ICAR over the years to strive for uniformity in norms and standards in academics, governance and finance management, quality and relevance of education, and policies on human resource development in the country. ICAR is now embarking upon an ambitious step in further strengthening the National Agricultural Education System in the country through National Agricultural Higher Education Project (NAHEP) with financial assistance of the World Bank by investing on infrastructure, competency and commitment of faculty, and attracting talented students to agriculture.

ICAR - Agricultural Universities (AUs) System comprises 61 State Agricultural Universities (AUs) modelled on the US Land Grant University pattern, five Deemed to be Universities (DUs), three Central Agricultural University (CAUs) and four Central Universities (CUs) with Agriculture Faculty. With about 265 constituent colleges having about 35,000 total student-intake capacities, the AUs impart education in 11 major disciplines at undergraduate and about 95 subjects at post-graduate level. About 55% students in higher agricultural education level are from rural background and 36% are girl students. Besides, about 100 private colleges, affiliated to general universities, and a few in States of Chhattisgarh, Maharashtra, and Tamil Nadu, affiliated to AUs, impart higher agricultural education (Policy for Higher Agricultural Education).

The Indian Council of Agricultural Research (ICAR) in collaboration with the World Bank has enunciated a series of projects to revamp the national research, extension and innovation systems. The National Agricultural Higher Education Project has been conceived to enable the agricultural education system catch up nationally and internationally with the peers. This project is aimed at enhancing the capability of best of the agricultural universities in the country (like the DUs in the ICAR system) to

become globally relevant and competitive by investing in chosen core activities that have a bearing on their reckoning to be counted in the race.

National Agricultural Higher Education Project is formulated by ICAR with a total cost of US\$ 165 million (Rupees 1100 crore at the exchange rate of Rs. 67.49 = 1US\$) for four years starting from 2017-18. The project is proposed on 50:50 cost sharing basis between the World Bank and the GoI, implemented at the Education Division, ICAR, New Delhi. It has been formulated with a focus to improve and sustain quality of higher agricultural education. It aims to produce a globally competitive agricultural human resource capable of developing newer technologies and skills for scale up and transfer of new technologies to improve the production system and value addition. Over all, the project aims to develop resources and mechanism for supporting infrastructure, faculty and student advancement, and providing means for better governance and management of agricultural universities, so that a holistic model can be developed to raise the standard of current agricultural education system that provides more jobs and is entrepreneurship oriented and on par with the global agricultural education standards.

1.1. Objectives of NAHEP

The proposed NAHEP would support participating Agricultural Universities (AUs) and ICAR Deemed Universities (DUs) in providing more relevant and higher quality education to agriculture university students bringing about qualitative changes in the working culture of the AUs/ICAR DUs by raising the standards of campus teaching and learning adopting non-conventional methods. It aims to achieve this objective by:

- Enhanced financial support to Agricultural Universities for developing centers of advanced agricultural science and technology;
- Developing leadership in the field of agricultural education through linkages between SAUs & ICAR DUs;

1.2. Components of NAHEP

NAHEP aims to address majority of the concerns in the field of agricultural research and education by conceptualizing a number of important reforms under two broad categories, i.e. focusing on the working mechanism of the AUs and raising the standard of campus teaching and learning in more non-conventional ways. This will be achieved through a number of schemes and provisions for up gradation

of faculty, students and required infrastructure and partnerships with other institutions and private industry. The following three components are envisaged under the project:

- **Component 1: - Support to Agricultural Universities.**

This Component aims to strengthen around 12 competitively selected Agricultural Universities to improve learning outcomes and employability of graduates and scale-up Postgraduate education, research & development and innovation and establishing centres of excellence. This component has three sub-components - Component 1A, Component 1B and component 1C

Sub-component 1A: Investments toward 21st Century Agricultural Universities.

The objective of the sub-component is to enhance institutional and system management effectiveness, improve learning outcomes, employability and entrepreneurship of agricultural students, and ensure student and faculty development so as to excel in the field of agricultural education through higher placement/employment ready for students in agro and allied industries, reduced Inbreeding as measured, improved faculty-student ratio, increase in number of research papers published in reputed journals (h-Index), improved internal revenue generation and scaling up extension activities by increasing the number of technologies commercialized; (b) number of registered users (farmers) in ODL/short-term courses; and (c) number of industry participants in ODL/short-term courses.

Sub-component 1B: Investments in Centers for Advanced Agricultural Science and Technology (CAAST)

This sub-component will support interdisciplinary advanced centers for innovative approaches to teaching, research, extension and capacity building in the specialized area for holistic development and integrating agricultural education with employment and entrepreneurship. The CAAST will support AUs in setting up interdisciplinary Centers of Excellence in emerging areas of importance. Six Centers of Advanced Agricultural Science and Technology (CAAST) will be selected from different sub-sectors of Indian agriculture for the purpose of funding.

Sub-component 1C: ICAR innovation grants to AUs

The ICAR will guide and support SAUs in developing and strengthening linkages of SAUs with industry in agricultural education and research. The project would support development of a

comprehensive national, regional and state level data base of private sector, industry and trade. The goal is institutionalization of well-structured stakeholder and advisory inputs to better inform education, research and extension across the ICAR-SAU system. This will also help in generating additional fiscal resources for SAUs and ICAR institutions, e.g., through private sector endowments, contract research, fellowships and internships.

- **Component 2:** - Investments in ICAR for Leadership in Agricultural Higher Education

This component would finance ICAR's internal reforms to enhance its effectiveness in: (a) coordinating, guiding and managing agricultural higher education across the ICAR-AU System; and (b) its interactions with AUs and key stakeholders nationwide through interventions that increase the quality and relevance of agricultural higher education. As the Education Division/ICAR is responsible for national coordination and quality assurance of agricultural higher education, the component would leverage ICAR's comparative advantage in: (a) assessing systemic challenges across the ICAR-AU System; and (b) incubating solutions.

The Education Division (ED) of ICAR, the implementing agency for the National Agricultural Higher Education Project (NAHEP), is responsible for coordinating and providing technical guidance and management oversight for Component 1 activities of NAHEP in selected agricultural universities (AUs). It is also the central agency for implementing Component 2, which will (i) empower ICAR by financing its own internal reforms to enhance its effectiveness and efficiency in coordinating, guiding and managing agricultural education and research nationwide; and (b) support the Education Division in its interactions with Agricultural Universities and key stakeholders nationwide through interventions that enhance the quality and relevance of agricultural education. Based on outcome of the institutional analysis of the Education Division/ICAR, identifying the areas where: (a) internal reforms are required; and (b) new and different modes of interaction needed to achieve greater quality and relevance in agricultural universities, the sub-component proposes investment in ICAR to support excellence in AUs.

- **Component 3:** Project Management and Learning

This component would strengthen ICAR's management capacity for project implementation, including: (a) the establishment/maintenance of a Project Implementation Unit, a Steering Committee, a Technical Committee and a Monitoring and Evaluation Cell to ensure compliance

with the Project's procurement, financial management, safeguards and reporting requirements, and the carrying out of the administration, supervision, monitoring and evaluation of IDP Grants, CAAST Grants and Innovation Grants and/or proposals therefore; and (b) the provision of training to ICAR and participating AUs to achieve and sustain increased quality, relevance and effectiveness of agricultural higher education.

The objective of this component is to administer, supervise, monitor and evaluate overall project implementation.

CHAPTER: 2

GOVERNANCE, MANAGEMENT, IMPLEMENTATION & CO-ORDINATION

2.1 NAHEP Governance, Selection and Advisory Bodies

The NAHEP will be implemented in a decentralized manner and will require well-developed accountability systems. Once the MoU has been signed, the universities involved will ensure its faithful implementation.

A successful implementation of the NAHEP will require frequent and intensive interactions with a broad array of the NARS clients and stakeholders, including those from the farm and the industry.

Research grants under this are to be managed by the Project Management Committee (PMC) assisted by the Agricultural Higher Education Programme Committee (AHEPC). National Steering Committee (NSC) will provide overall guidance for implementation of the project.

2.1.1 National Steering Committee (NSC)

The NSC will be established by the ICAR to serve as the national apex body for management of all aspects of the project. The NSC will lay down overall policies and will provide guidance to ensure the timely achievement of the main goals of the project. The Director General, ICAR, who is also the Secretary DARE, will chair the NSC and the National Director will be its Member-Secretary. The Committee will meet twice a year to monitor the progress of the project and to provide guidance to the PMC on issues of interest for the development and dissemination of technologies.

2.1.2 Project Management Committee (PMC)

The PMC will have direct executive responsibilities for sanctioning/endorsing the proposed sub-projects and overseeing of the effective and efficient implementation of the entire project, resource management and use, and for M&E of all the - supported activities. This Committee will be chaired by the DG ICAR, and the National Director, will be its Member-Secretary. The PMC will meet quarterly initially and as and when required subsequently.

2.1.3 Agricultural Higher Education Programme Committee (AHEPC)

The AHEPC will be composed of persons with demonstrated knowledge and experience in managing R&D institutions/systems and with awareness about the emerging needs of the R&D systems. The Committee will be chaired by the National Director (ND), NAHEP and will be responsible for awarding sub-projects and their effective and efficient implementation. The members for the AHEPC will be proposed by the Project Implementation Unit and approved by the PMC. It will be an advisory committee of about six senior subject specialists and its main responsibilities will be sanctioning/recommending the major sub-projects and activities; overseeing and monitoring their progress at the time of annual and mid-term reviews.

Powers of the AHEPC

With a view to decentralizing the decision-making process under the project, the AHEPC will have the following powers; the PMC may decide to add to or modify these powers as and when required. The AHEPC will sanction sub-project proposals up to Rs10 crores each. However, such sanctioned proposals will be put before the PMC for information. A proposal with a budget exceeding the limit of Rs10 crores would be submitted to the PMC along with the recommendations of the AHEPC for approval.

The AHEPC may Exercise its Powers Subject to the Following Conditions:

- i. That the necessary funds to meet the planned expenditures are available in the budget and the activities are approved in the EFC Memo,
- ii. That there is no duplication/overlapping of requirements indicated in the current five year plan and subsequent Plan proposals or any other source of funding of individuals/institutes/projects to that proposed under NAHEP.
- iii. That the procurement of all goods, services, contracts, civil works, etc. is made as per World Bank's guidelines
- iv. That the proposals do not envisage creation of posts and purchase of new vehicles, and
- v. All personnel employed under project for research assistance and administrative support are co-terminus with the sub-project and the PIU- and ICAR will not have any liability whatsoever.

2.2 NAHEP Implementation Entities

2.2.1 Project Implementation Unit (PIU)

PIU would be managed by a central Project Implementation Unit (PIU), which will be established at the Education Division of ICAR. The Project Implementation Unit (PIU), headed by the National Director (ND) will be responsible for the coordination and facilitation of implementation of the entire project under the direction and supervision of the PMC. The PIU will include a Project Director, and three National Coordinators (NCs), one for each Component. The PIU will also comprise of expertise in Administration, Finance, Procurement, M&E, Management Information Systems (MIS), Learning and Capacity Building (L&CB) and Social/ Environmental aspects. The staff will be deployed from the existing strength of ICAR.

The PIU will, with inputs from the implementing agencies, AHEPC, consolidate the annual budgets and work plans for different components for approval by the PMC. The responsibilities of the PIU will include:

- i. Providing logistic support for the NSC, PMC and AHEPC and preparing their respective meeting schedules and agendas.
- ii. Reviewing the relevant reports and other materials, and drafting recommendations, and minutes of meetings, and contracting and administering special studies, reviews, etc. as advised by the NSC,PMC and AHEPC.
- iii. Technical, financial, procurement and administrative management of the project, including issuing “Calls for Proposals” with the powers as may be delegated by the PMC.
- iv. Overseeing the implementation of the sub-projects and activities as approved by the PMC and AHEPC.
- v. Preparing, collating and keeping track of implementation of all training activities.
- vi. Organizing the Annual Workshops.
- vii. Submitting to the World Bank, the NSC and the PMC, annual progress reports and audit reports within three and six months of the close of each fiscal year, respectively. Also submitting to the World Bank quarterly compiled Interim Unaudited Financial Reports¹(IUFs) for the Project within 45 days from the end of the quarter.
- viii. Managing Internal and External Audits, follow-up of external and internal audit observations to ensure resolution of audit issues.

¹Formats provided in Appendices XIII A -F

- ix. Liaising with the World Bank regarding operation and management of the project as and when required for the execution of the supported activities, and organizing the World Bank review missions.
- x. Preparing all reports, doing documentation work and disseminating/ providing information on the PIU, including on the progress of sub- project and impact evaluation for The World Bank missions, respectively, and preparing any other report required by various authorities.
- xi. The PIU, with the approval of the PMC, may arrange for expert advice from consultants in any subject-matter area related to the PIU implementation.

2.2.2 National Director (ND)

The PIU will be headed by a National Director. DDG (Agricultural Education) in ICAR will simultaneously hold the post of National Director. The National Director, under the direction of the PMC and with the support of the Project Director and National Coordinators, will coordinate and facilitate implementation of the entire project. He/ she will be responsible for and empowered to direct all the activities of the PIU as summarized above. As indicated, National Director will be the ex-officio Member-Secretary for the NSC and the PMC. The powers delegated to the National Director, NAHEP may be seen at **Appendix –XII**.

2.2.3 Project Director (PD)

Project Director will be responsible for overall implementation, monitoring and evaluation of the NAHEP. The Project Director will work under supervision and guidance of National Director and will be assisted by three National Coordinators. The Project Director will be appointed through ASRB.

2.2.4 National Coordinators

There will be one National Coordinator (NC) for each component. The National Coordinators will be appointed through ASRB. To ensure continuity of personnel during the project implementation, it would be desirable to have Project Director and National Coordinators with enough service left to complete the tenure of the project.

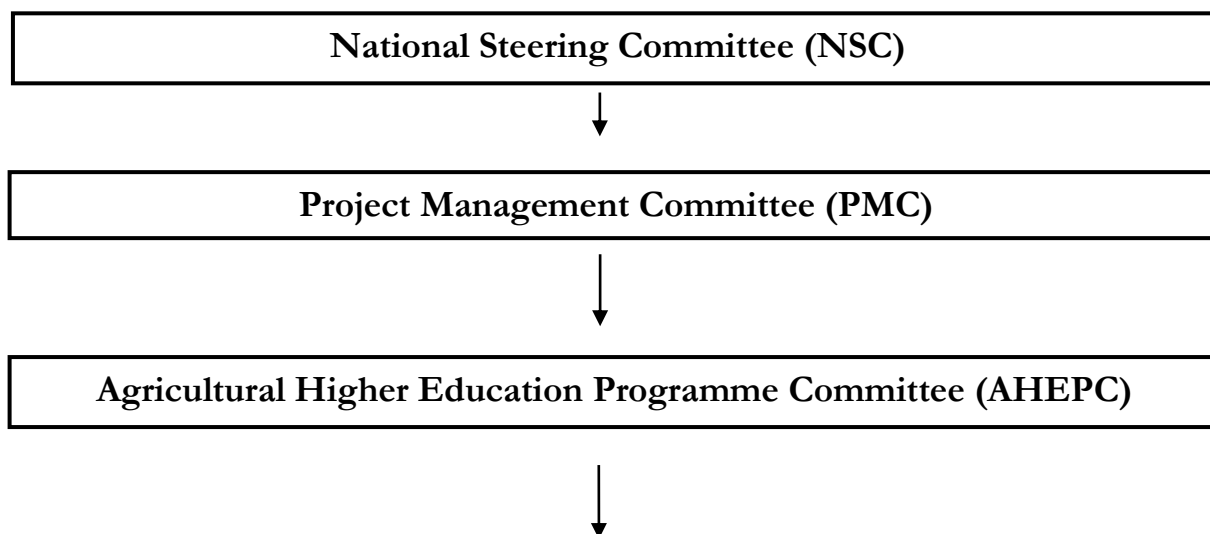
2.2.5 Deputy Director Finance (DDF)

The DDF will be responsible for the overall financial management, including the estimation of fund requirements for different purposes, timely disbursement of funds, maintenance of proper accounting and audit, establishment of separate bank accounts, and ensuring timely receipt of bank reconciliation statements by/ from each implementing agency. The DDF will be assisted by a Finance & Accounts Officer for the day to day function of the Finance Section. A Chartered Accountant would also be appointed for all financial and audit related matters.

2.2.6 Deputy Secretary (DS)

The Deputy Secretary (DS) will be the nodal point for all administrative and procurement- related matters in the project and will function as the main resource person to guide and advise the implementing agencies on procurement procedures as per the World Bank guidelines. DS will initiate all such proposals and obtain Administrative Approval of ND, NAHEP. Thereafter, the proposals shall be submitted for obtaining the financial concurrence by the FA (DARE)/ DDF as the case may be. Subsequently, the proposal shall be submitted for Expenditure Sanction of ND, NAHEP. A procurement consultant would also be appointed as the nodal point to guide and advise the implementing agencies on procurement procedures and guidelines. Adequate Grievance Redressal Mechanism would be put in place and necessary guidance will be issued to all implementing units.

Governance Structure for National Agricultural Higher Education Project



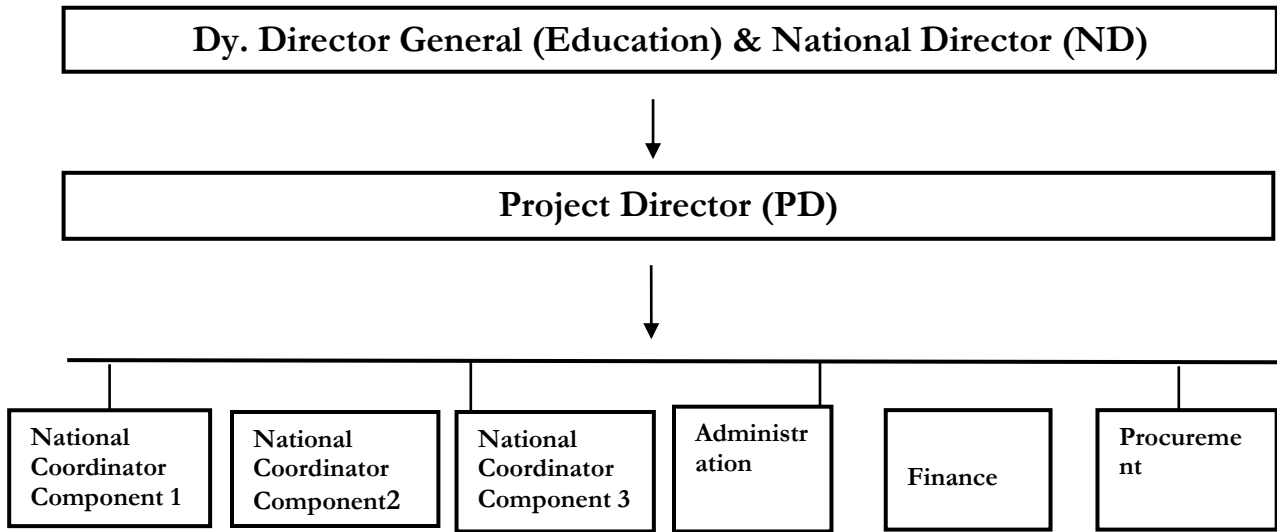


Fig 1.

CHAPTER: 3

PROJECT COST

3.1 PROJECT FINANCING DATA

Loan No.	: 8776 IN
World Bank Financing	: US \$ 82.5million
GoI Financing	: US \$ 82.5 Million
Total Project Cost	: US \$ 165 Million

The EFC has been prepared at the cost of Rs. 894.66 crore for the period of three years from 2017-2018 to 2019-2020 in line with the current Finance Commission, which is up to March 2020. However, the total cost of the Project is 165 million USD equivalent to Rs. 1100 crores. Approval of the additional portion i.e., for the period 2020-2021 for an amount of Rs. 205.34 crore will be obtained at the later stage.

3.2 PROJECT COST

Cost estimates for the scheme duration: both year-wise, component-wise segregated into non-recurring and recurring expenses is as per the table below. (Rs. in crore)

Component	Particulars	Year 1	Year 2	Year 3	3 Year Total	Year 4	Grand Total
		2017-18	2018-19	2019-20		2020-21	
1-A	Non-revenue	36.5	35	18.1	89.6	1	90.6
	Revenue	85.68	87.36	87.36	260.4	99	359.4
	Total	122.18	122.36	105.46	350	100	450
1-B	Non-revenue	35	33.8	16	84.8	1	85.8
	Revenue	51.81	51.82	51.82	155.45	58.75	214.2
	Total	86.81	85.62	67.82	240.25	59.75	300
1-C	Non-revenue	11.8	11.8	1.8	25.4	0.5	25.9
	Revenue	28.09	30.14	28.03	86.26	17.84	104.1
	Total	39.89	41.94	29.83	111.66	18.34	130
2	Non-	13.45	29.55	4	47	0	47

	revenue						
	Revenue	30.87	37.59	33.71	102.17	10.83	113
	Total	44.32	67.14	37.71	149.17	10.83	160
	Non-revenue	1.08	0.44	0.11	1.63	0.02	1.65
	Revenue	12.7	14.25	15	41.95	16.4	58.35
3	Total	13.78	14.69	15.11	43.58	16.42	60
	Non-revenue	97.83	110.59	40.01	248.43	2.52	250.95
	Revenue	209.15	221.16	215.92	646.23	202.82	849.05
Project	Total	306.98	331.75	255.93	894.66	205.34	1100

Table (Total Project Budget): Grant-in-aid: Capital, Salaries and General (Rs in crore)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total for 3 years	Year 4 2020-21	Grand Total
Grant-in Aid Capital	97.83	110.59	40.01	248.43	2.52	250.95
Grant-in Aid Salaries	4.50	4.75	5.00	14.25	5.50	19.75
Grant-in Aid General	204.65	216.41	210.92	631.98	197.32	829.30
Total	306.98	331.75	255.93	894.66	205.34	1100.00

3.2.1 THE BASIS OF THE COST ESTIMATES WITH REFERENCE DATES FOR NORMATIVE COSTING

3.2.2 Major Activity in Component 1 A is Institutional Development Plan (IDP).

There will be 10 numbers of participating units (SAUs/ DUs) in IDP. Proposals on IDP will be invited and the selection of 10 IDPs will be on competitive bidding basis. The purpose of the IDP will be to attract talented students for agriculture, enhancing the competency of the faculty, creation of infrastructure, promotion of e-governance, imparting an international outlook and cosmopolitan but inclusive campuses with an equity action plan to mainstream students from disadvantaged background through remedial courses, soft and communication skills. The programme aims at ushering in a certain degree of faculty-student diversity by addressing the acute inbreeding amongst them through investment and technology. Accordingly detailed programmes have been chalked out for overseas post-doctoral programmes, and international

trainings for faculty; and twinning arrangements, dual degree programmes, and mentorship programmes for students. The proposed IDPs will fund and facilitate students from other countries to do UG programs in Indian AUs. Besides, national and international visiting and adjunct professorships and guest lectures will provide a different profile to the faculty and experience to students. Teaching assistantship will be encouraged wherever the trained manpower is a major constraint. Skill development for employment and entrepreneurship and enhancing revenue generation through capacity building for testing skills and certification capabilities in the area of their comparative advantage will be attempted to vocational and entrepreneurship programmes with industry participation in curriculum, delivery, faculty, live in projects and internships. High speed Net connectivity, ICT enabled Modern projection, smart boards and touch screens, visualizers & LCD projection, video conferencing, E-kiosks, artificial intelligence based course modules, biometric attendance for students, campus security and safety measures, access to digital library and online journals and e-books, educational CDs & software, etc. The IDP should also envisage plans to strengthen the supporting discipline in basic sciences, humanities and language in faculty development programmes and infrastructure improvement. The IDP should also provide for establishment and active functioning of alumni network towards mentorships, visiting professorships and resource mobilization.

Budget for Component 1 A:

(Rs. in Lakh)

S. No.	Particulars	Year 1	Year 2	Year 3	Total 3 Years	Year 4	Grand Total
		2017-2018	2018-2019	2019-2020		2020-2021	
A.	Goods & Equipment						
	Equipment, Plant & Machinery	0	0	0	0	0	0
	Office Equipment	50	50	0	100	0	100
	Laboratory Equipment	900	900	750	2550	0	2550
	Furniture & Fixtures	50	50	0	100	0	100
	Computers & Peripherals	1400	1400	960	3760	0	3760
	Books & Journals	150	100	100	350	100	450
B.	Civil Works*						
	Minor repair & renovation work	1100	1000	0	2100	0	2100
	Sub-total (A+B)	3650	3500	1810	8960	100	9060
C.	Human Capacity Building						
	National Level Training	0	0	0	0	0	0
	International Level Training	1250	1250	1250	3750	1250	5000
	Short visits/Seminars	50	130	130	310	140	450
	Meetings & Workshops	50	130	130	310	140	450
D	Consultancy						

	National Level Consultancies	200	200	200	600	300	900
E.	Recurrent Cost						
	Travel expenses	60	60	60	180	60	240
	Contractual Services	2575	2575	2575	7725	2640	10365
	Operational Costs	3975	3975	3975	11925	4900	16825
	Institutional Charges	408	416	416	1240	470	1710
	Sub-total (C+D+E+F)	8568	8736	8736	26040	9900	35940
	Grand Total	12218	12236	10546	35000	10000	45000

**No new works/construction is proposed. The funds under this head will be utilized for renovation of existing laboratories/facilities/classrooms/hostels/offices/glasshouse/polyhouse/experimental field site or facilities /incorporation of sophisticated equipment etc.*

Table (Component 1A): Grant-in-aid – Capital, Salaries and General (Rs. in Lakh)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total for 3 years	Year 4 2020-21	Grand Total
Grant-in Aid Capital	3650	3500	1810	8960	100	9060
Grant-in Aid Salaries	-----	-----	-----	-----	-----	-----
Grant-in Aid General	8568	8736	8736	26040	9900	35940
Total	12218	12236	10546	35000	10000	45000

3.2.3 Major Activity in Component 1 B is Centers for Advanced Agricultural Sciences & Technology (CAAST).

There will be 10 numbers of participating units (SAUs/ DUs) in CAAST to be selected on competitive mode. Only existing centers with functional and critical multi-disciplinary faculty as evident by published works will be considered for up-gradation into CAAST. Each CAAST will have state of the art facility in terms of laboratory/structures like poly house/greenhouse/walk-ins/tunnel, etc. as the case may be. The faculty development, visiting professorship, teaching assistantship, etc. will be similar to IDPs but the student development programmes will be limited to PGs only. Industry participation in teaching and research of the centers will be compulsory. The Centre will develop capacity for consultancy, testing and certification in the theme area so as to impart skills for employment and entrepreneurship and revenue.

Budget for Component 1 B:

(Rs. in Lakh)

S. No.	Particulars	Year1	Year 2	Year 3	Total 3 Year	Year 4	Grand Total
		2017-2018	2018-2019	2019-2020		2020-2021	
A.	Goods & Equipment						
	Equipment, Plant & Machinery	1100	1100	1150	3350	0	3350
	Office Equipment	50	50	0	100	0	100
	Laboratory Equipment	1500	1500	350	3350	0	3350
	Furniture & Fixtures	100	100	0	200	0	200
	Computers & Peripherals	100	80	50	230	0	230
	Books & Journals	100	50	50	200	100	300
B.	Civil Works*						
	Minor repair & renovation work	550	500	0	1050	0	1050
	Sub-total (A+B)	3500	3380	1600	8480	100	8580
C.	Human Capacity Building						
	National Level Training	0	0	0	0	0	0
	International Level Training	250	250	250	750	300	1050
	Short visits/Seminars	50	50	50	150	100	250
	Meetings & Workshops	35	35	35	105	100	205
D.	Consultancy						
	National Level Consultancies	350	350	350	1050	350	1400
E.	Recurrent Cost						
	Travel expenses	50	50	50	150	75	225
	Contractual Services	1050	1050	1050	3150	1120	4270
	Operational Costs	3150	3150	3150	9450	3550	13000
	Institutional charges	246	247	247	740	280	1020
	Sub-total (C+D+E+F)	5181	5182	5182	15545	5875	21420
	Grand Total	8681	8562	6782	24025	5975	30000

*No new works/construction is proposed. The funds under this head will be utilized for renovation of existing laboratories/facilities/class rooms/hostels/offices/glasshouse/poly-house/experimental field site or facilities/incorporation of sophisticated equipment, etc.

Table (Component 1B): Grant-in-aid – Capital, Salaries and General

(Rs. in Lakh)

Particulars	Year 2 2017-18	Year 3 2018-19	Year 4 2019-20	Total for 4 years	Year 5 2020-21	Grand Total
Grant-in Aid Capital	3500	3380	1600	8480	100	8580
Grant-in Aid Salaries	-----	-----	-----	-----	-----	-----
Grant-in Aid General	5181	5182	5182	15545	5875	21420
Total	8681	8562	6782	24025	5975	30000

3.2.4 Major Activities in Component 1C (ICAR Innovation Grants to AUs):

The AUs will be supported under this component specifically to meet their requirement for quality assurance so as to enable them to attain ICAR accreditation. Also, the project will support providing necessary infrastructure to the beneficiary universities in adhering to and implementation of ICAR Model Act.

3.2.5 Faculty development through linkages with Public and Private R&D institutions and visiting faculty programmes

Capabilities of teachers will be enhanced by encouraging inter-institutional movement through visiting faculty schemes. In addition, faculty movement and sharing of expertise in teaching-learning/research in critical and emerging areas will also be targeted by joint educational programmes involving national institutions of repute, general universities and R&D institutions both in public and private sectors. Selected faculty members will be trained in best institutions of the world in different frontier areas.

3.2.6 Support for visiting faculty from overseas:

Scientists/faculty members from foreign universities/institutions will be supported for a period of 3-6 months to help the AUs in addressing new and emerging areas.

3.2.7 Post-doctoral Fellowships (National and International)

In order to strengthen research and degree programmes in the emerging and frontier areas of science and technology, students will be awarded fellowships for pursuing post-doctoral research for 12 months.

3.2.8 Faculty/PG students' participation in International Conferences/ Symposia

Presently there is very little exposure of faculty and PG students at International Forum which will be supported with travel grant for participation in the International Conferences/Symposia. This will help to develop international linkages and partnership with leading institutions across the globe

Budget for Component 1C

(Rs. in Lakh)

S. No.	Particulars	Year 1	Year 2	Year 3	Total 3 Year	Year 4	Grand Total
		2017-2018	2018-2019	2019-2020		2020-2021	
A.	Goods & Equipment						
	Equipment, Plant & Machinery	0	0	0	0	0	0
	Office Equipment	100	100	0	200	0	200
	Laboratory Equipment	650	650	0	1300	0	1300
	Furniture & Fixtures	100	100	0	200	0	200
	Computers & Peripherals	100	100	0	200	0	200
	Books & Journals	50	50	0	100	50	150
B.	Civil Works						
	Minor repair & renovation work	180	180	180	540	0	540
	Sub-total (A+B)	1180	1180	180	2540	50	2590
C.	Human Capacity Building						
	National Level Training	50	100	50	200	0	200
	International Level Training	500	500	500	1500	0	1500
	Short visits/Seminars	300	400	200	900	0	900
	Meetings & Workshops	100	100	100	300	100	400
D.	Consultancy						
	National Level Consultancies	0	0	0	0	0	0
E.	Recurrent Cost						
	Travel expenses	200	200	200	600	200	800
	Contractual Services	400	400	400	1200	450	1650
	Operational Costs	1100	1150	1200	3450	940	4390
	Institutional charges	159	164	153	476	94	570
	Sub-total (C+D+E+F)	2809	3014	2803	8626	1784	10410
	Grand Total	3989	4194	2984	11166	1834	13000

**No new works/construction is proposed. The funds under this head will be utilized for renovation of existing laboratories/facilities/class rooms/hostels/offices/glass house/polyhouse/experimental field site or facilities/incorporation of sophisticated equipment, etc.*

Table (Component 1C): Grant-in-aid – Capital, Salaries and General

(Rs. in Lakhs)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total for 3 years	Year 4 2020-21	Grand Total
Grant-in Aid Capital	1180	1180	180	2540	50	2590
Grant-in Aid Salaries	-----	-----	-----	-----	-----	-----
Grant-in Aid General	2809	3014	2803	8626	1784	10410
Total	3989	4194	2983	11166	1834	13000

3.2.9 Major Activities in Component 2 :

Worldwide research has shown that ICT can lead to improved student learning and better teaching methods. Increase in student exposure to educational ICT through curriculum integration has a significant and positive impact on student achievement, especially in terms of Knowledge Comprehension, Practical skill and Presentation skill. Through ICT, images and videos can easily be used in teaching and improving the retentive memory of students, teachers can easily explain complex instructions and ensure students' comprehension, teachers are able to create interactive classes and make the lessons more enjoyable, which could improve student attendance and concentration. The proposed Agriculture Education Digital Information System will provide the much needed boost to use ICT in Agriculture Education to enable the students to achieve excellence in education and at the same time it allows more interaction among students of various universities in the country. Standardized Academics and Agriculture Student Portal needs to be adopted on a centralized web-based platform common among all participating universities to have better insight and management control on the outcome at central level. The major sub components are:

- Establishment of the infrastructure for hosting the AEDIS in ICAR-Data Centre
- Establishment of the regional data centre for load sharing and to act as disaster recovery centre for ICAR-DC.
- Standardized Academic Management System
- Project Information and Management System.
- Student portal with digital locker and Mobile Application.
- E-learning/m-learning through MOOC/LMS
- Virtual Class Room & Video Streaming System

Budget for Component 2 :
(Rs. in Lakh)

S. No.	Particulars	Year 1	Year 2	Year 3	Total 3 Years	Year 4	Grand Total
		2017-2018	2018-2019	2019-2020		2020-2021	
A.	Goods & Equipment						
	Equipment, Plant & Machinery	200	2400	0	2600	0	2600
	Office Equipment	0	0	0	0	0	0
	Laboratory Equipment	400	400	400	1200	0	1200
	Furniture & Fixtures	80	20	0	100	0	100
	Computers & Peripherals	620	105	0	725	0	725
	Books & Journals	0	0	0	0	0	0
B.	Civil Works*						
	Minor repair & renovation work	45	30	0	75	0	75
	Sub-total (A+B)	1345	2955	400	4700	0	4700
C.	Human Capacity Building						
	National Level Training	15	10	0	25	0	25
	International Level Training	10	10	0	20	0	20
	Short visits/Seminars	10	10	10	30	10	40
	Meetings & Workshops	55	55	55	165	55	220
D.	Consultancy						
	National Level Consultancies	205	275	125	605	50	655
E.	Recurrent Cost						
	Travel expenses	310	320	320	950	209	1159
	Contractual Services	1880	2400	2200	6480	510	6990
	Operational Costs	455	500	500	1455	200	1655
	Institutional charges	147	179	161	487	49	536
	Subtotal (C+D+E+F)	3087	3759	3371	10217	1083	11300
	Grand Total	4432	6714	3771	14917	1083	16000

*No new works/construction is proposed. The funds under this head will be utilized for renovation of existing computer laboratories/facilities/offices/ incorporation of sophisticated equipment, etc.

Table (Component 2): Grant-in-aid – Capital, Salaries and General
(Rs. in Lakh)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total for 3 years	Year 4 2020-21	Grand Total
Grant-in Aid Capital	1345	2955	400	4700	0	4700
Grant-in Aid Salaries	-----	-----	-----	-----	-----	-----
Grant-in Aid General	3087	3759	3371	10217	1083	11300
Total	4432	6714	3771	14917	1083	16000

3.2.10 Component 3 is Project Management & Learning. This also includes the expenditure of the PIU.

Budget for Component 3:

(Rs. in Lakh)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total 3 years	Year 4 2020-21	TOTAL
A. Goods & Equipment						
Furniture & Fixtures	5	5	0	10	0	10
Computers & peripherals (Hardware & Software)	74	10	7	91	0	91
Misc. Equipment	6	4	4	14	0	14
B. Civil Works						
Minor repairs & renovation works	23	25	0	48	0	48
Sub-total (A+B)	108	44	11	163	0	163
C. Human Capacity Building						
National Training	0	0	0	0	0	0
International Training	50	50	50	150	100	250
Short Visits/ Seminars	10	10	10	30	10	40
Meetings & Workshops	60	60	60	180	70	250
D. Consultancy						
National Level Consultancies	200	350	400	950	400	1350
E. Recurrent Cost						
Pay & Allowances	450	475	500	1425	550	1975
Travel expenses	70	60	60	190	60	250
Contractual Services (incl. RA/SRF/System Analyst/Programmer)	220	220	220	660	250	910
Operational Costs	210	200	200	610	200	810
Sub-total (C+D+E)	1270	1425	1500	4195	1640	5835
Grand Total	1378	1469	1511	4358	1642	6000

Table (Component 3): Grant-in-aid – Capital, Salaries and General

(Rs. in Lakh)

Particulars	Year 1 2017-18	Year 2 2018-19	Year 3 2019-20	Total for 3 years	Year 4 2020-21	Grand Total
Grant-in Aid Capital	108	44	11	163	2	165
Grant-in Aid Salaries	450	475	500	1425	550	1975
Grant-in Aid General	820	950	1000	2770	1090	3860
Total	1378	1469	1511	4358	1642	6000

CHAPTER: 4

PROJECT SELECTION

4.1 INTRODUCTION

Project selection will be a two-stage process. First, Project Concept Notes (PCN) will be called for through open wide calls. These Project Concept Notes will be screened by a Competent Committee and short-listed. Those partners whose CNs have been shortlisted will be requested to submit the detailed project proposals as per the guidelines. The preparatory activities will include benchmarking, surveys and also cost of arranging meetings of partners, and preparation of detailed project proposals. The sanctioned proposals shall get the project preparation costs reimbursed, as per the actuals subject to a ceiling of Rs. 5.0 lakhs, provided the expenditure is incurred, as per the NAHEP norms. The evaluation of the proposal will be done in a comprehensive manner by applying weightage to scientific, social, economic and financial aspects as finally agreed upon by the committee. The financial part of the proposal will be submitted as given in **Appendix I**.

4.2 IDENTIFICATION AND CLASSIFICATION OF EXPENDITURE

The identification and classification of heads sub-heads of expenditure will be as given below:

(I) Capital expenditure, cost of

1. All works including civil works, laboratory renovation, modernization, etc.
2. Plant and machinery, including technology procurement cost to undertake an activity.
3. Farm land/field development to bring it under cultivation, ponds/tanks etc.
4. Goods, equipment and farm implements/tools, furniture and fittings, computer hardware and software.

(II) Revenue expenditure, cost of

1. Consultancy, contractual services, human capacity building, workshops/seminars etc:
2. Operation and maintenance including printing, stationery, stores, consumables, telephone, local charges, electricity bill, rent and rates, internet, honoraria to resource persons, travel and conveyance costs, farm costs, seeds, fertilizers, chemicals, glassware, seedlings, feeds, water, fuel, software etc.
3. Institutional charges towards co-ordination, electricity, water and telephone charges, audit fee

and other services being provided by the institutions for running the project.
Once the Competent Authority approves and sanctions the sub-projects, the process of flow of funds and reporting of expenditure will start.

CHAPTER: 5

BUDGETING & FUND FLOW SYSTEM

5.1 INTRODUCTION

Under the NAHEP, the ICAR acquires the funds through DARE under its annual budget. These fund flows directly to the PIU. The Budget for the entire project is approved at the central level before 31st of March every year. Budgeting involves planning for the operations and forecasting the activities and related expenditure to be incurred at a later stage. The budgeting exercise starts with the signing of the MoU/contract and the issue of Sanction Letter. This Letter contains the physical and financial targets over the life of the project. Thus, the details mentioned in the contract/ MoU, Sanction Letter, form the basis for Budgeting and its Control. Further, to distinguish the NAHEP budget from the Ministry of Agriculture & Farmer's Welfare (MoA&FW) budget, a separate budget head will be assigned for the NAHEP. This simplifies the identification of the NAHEP budget and helps in monitoring the budget utilization. Budget is a bottom-up exercise where budget for Components 1&2 should be drawn up from the annual budget and procurement plans of Agricultural Universities or Deemed Universities of ICAR selected for funding under these two components. Budget for Component three will be drawn up based on annual estimates prepared by the PMU. All these put together will form the initial budget which will then be fitted within the overall approved budget envelope for the Project. The budget requirement at each spending unit's level will be formulated for each year by keeping in view the annual action plan and communicated to the participating units (AUs & DUs) and the concerned the National Co-ordinator of Project Implementation Unit. This will be compiled at Project Implementation Unit level (Component-wise and Head-wise) for formulating total budget requirement under NAHEP for one financial year. It is also to state that if the Participating Units (AUs & DUs) want to request for revision in annual budget allocated, the request for revision of budget with proper justification will need to be routed through the concerned National Coordinator of each Component with a copy to PIU, Finance. The supplementary demand for grants/revised estimates will be submitted as being done for the regular Government grants.

5.2 BUDGET ALLOCATION PROCESS

The budget compiled by the Finance wing of PIU will be submitted to the DARE/ ICAR. On receipt of sanctioned budget, the PIU will re-allocate the annual budget to the AUs based on their budgetary requirements.

While allocating these funds to AUs, the PIU will consider:

- Importance of the work being handled by the unit.
- Priority of work based on the NAHEP- ICAR/ World Bank guidelines.
- Allocation as per EFC.
- Inter-linkage of expenditure with other Components, which are taken up.

5.3 RE-ALLOCATION OF FUNDS

During the year, Finance and Accounts wing of the PIU will monitor the fund utilization status on a quarterly basis, based on expenditure statements received. On review, if felt that the funds allocated may not be utilized by the AU due to certain reasons, the same can be reallocated to another AU in need, in the same year. Such reallocation of funds will be done based on the monitoring of expenditure at the level of the PIU Finance, and after obtaining the required sanctions from the competent authority of the Project. The fund left as unspent balance with one partner will be allocated to the other partners requiring funds, subject to the ceilings prescribed in the EFC and annual budget plan.

5.4 RECEIPTS AND UTILIZATION PROCESS

(i) Releases

Under the ICAR/DARE the funds are released by ICAR out of their Budget to the Project Implementation Unit (PIU) as per Quarterly Expenditure Plan. The PIU in turn further releases the funds to various project implementing agencies based on the sanction. The proforma at Appendix II will be used for requisition of funds by the project partners along with the quarterly SoE. Release for third quarter (Sept. to Dec.) will be made after submission of the SoE (Appendix III & IV) as well as AUC of the previous Financial Year.

(ii) Expenditure

The releases are utilized by the implementing agencies including PIU as per the sanctions/ budget allocation.

(iii) Procurement of works, goods and services

The Financing Agreements signed with the World Bank requires the borrower to ensure that the credit/loan proceeds are used only for the purposes set out in the financing

agreements and that the goods and services required for the project are procured in accordance with the World Bank's procurement procedures as laid out.

(iv) Claims

The Compiled Interim Unaudited Financial Reports (IUFs) for the Project in agreed formats as enclosed in Appendix XIII will be submitted by PIU NAHEP to World Bank through the Controller of Aid, Accounts and Audit no later than 45 days from the end of the quarter. For this PIU should get IUFs from each Grantee no later than 30 days from the end of the quarter to allow consolidation and submission of IUFs to the World Bank. Submission of quarterly compiled IUF to the World Bank within 45 days is a legal requirement and should be complied with.

(v) Reimbursement

The World Bank reimburses the eligible expenditure on the basis of IUFs submitted to the Bank in accordance with the covenants of its Financing Agreements between the World Bank, and the Government of India.

The World Bank would not finance the following :

- a) Items of expenditure not related to the Project components as defined by the legal agreements.
- b) Goods works or services not procured in accordance with procurement guidelines of the World Bank.
- c) Payments made or due for goods, works and services delivered/constructed/provided after the closing date of the project i.e. November 30, 2022.
- d) Any land acquisition costs.
- e) Late payment penalties that were incurred in connection with a disputed payment which was under arbitration.
- f) Advance payments other than secured mobilization advances paid to contractors as per the terms of contracts.
- g) Refundable deposits paid by the implementing agency, if any (security deposits etc.)
- h) Amounts parked in deposit/Bank accounts of implementing entities and accounted for as expenditure without expenditures being actually incurred.
- i) Any other expenditures disallowed by the auditor. However, in this case the auditee will be allowed to justify eligibility along-with the requisite evidence if the expenditure is actually eligible for financing by the Bank. If the auditor is satisfied, the expenditure could be re-certified.

The Project Implementation Unit releases/remits funds to various implementing agencies for project activities. The release of funds is based on the sanction letter and is made with the approval of

the Project Director and concurrence of finance wing of the Project Implementation Unit.

5.5 FLOW OF FUNDS

On approval of the research sub-projects, the process of flow of funds and reporting of expenditure will start. Funds will be released against the prior sanctioned budget and the major Governing guidelines for the Financial Management as enumerated here.

- (i) NAHEP will receive funds from ICAR/ DARE as per the BE/RE for the respective financial year.
- (ii) Universities which fail to submit audit reports by September of the next FY will not be eligible for reimbursement as per Bank's business procedure. For eg. Audit Report for FY 18-19 will be due for submission to the Bank in September 2019. If the grantee University is unable to submit audit report by January 2020, the Bank will stop reimbursing its expenditures.
- (iii) After signing the Grant Agreement, funds for each financial year will be disbursed to the sub-projects by PIU Finance, NAHEP. This would include proportionate allocation both under revenue and capital expenditure of the given first year. The expenditure may be prioritized keeping in view the BE/RE of the year and availability of funds under "Grant-in-aid Capital" and "Grant-in-aid General".
- (iv) Funds will be disbursed directly to the implementing centres on the basis of the recommendation of the concerned National Co-ordinators, to be furnished by them on six-monthly basis.
- (v) As far as flow of funds to the various participating units (AUs & DUs) is concerned, the Comptroller/CA firms/Head of Finance of the participating unit (AUs/DUs) must ensure regarding sound Financial Management System being implemented. ie. Project specific Bank account opened and registered with PFMS, Separate cash Accountant for the project designated, all Project staff acquainted with the FM Manual, Procurement Plan for the first year approved etc.
- (vi) Requisition of funds for financial year will be submitted immediately along with the fund utilization statement in the prescribed proforma on-line through an electronically signed mail and as a hard copy too with the recommendation of the concerned National Coordinator. Format for requisition of funds is given in **Appendix II**.

- (vii) The unspent part of the project grant at the end of the fiscal year will be adjusted against the grant of the next year and the balance amount released accordingly.
- (viii) The funds will be released by the Project Implementation Unit (PIU) online through Public Finance Management System (PFMS) under the Scheme Code 3555(National Agricultural Higher Education Project) directly to the implementing units for which these units will be required to get themselves registered and mapped on the PFMS Portal.
- (ix) Since, the releases under the project will be on the basis of the sanctioned budget and keeping in view the unspent amounts, no separate financial concurrence is required for release at each stage. However, before making any release, it will be ensured by the concerned National Co-ordinator that such release will not result in unnecessary parking of funds/heavy unspent balances with the implementing centres. Further, if any additional fund is to be released, proper approval of the Competent Authority with the concurrence of finance will be required at the Project Implementation Unit.
- (x) Funds will be released directly to each participating units (AUs & DUs)by Project implementation Unit. These releases will be as per the Grant Agreement between the PIU and the members of the participating units (AUs & DUs)which will specify the schedule of payments (initial advance and the subsequent instalments) and the milestones to be achieved to qualify for each next instalment. Unutilized amount will be adjusted while making the next remittance within the same financial year.

CHAPTER: 6

PROJECT ACCOUNTING

6.1 INTRODUCTION

The Project Implementing Agency shall maintain a sound Financial Management System which includes mobilization of resources, releases, accounting and financial reporting adequate to ensure that they can provide to the Bank and the Government accurate and timely information regarding project resources and expenditures. Towards this objective the Project Implementing Agency should maintain their records of accounting of expenditures incurred under the project financed by the World Bank. The accounting record shall keep track of each contract awarded and expenditures incurred periodically under the contract and the claims submitted to Government of India against such expenditure. The project agency at periodical interval may review this accounting record to monitor that the total expenditure incurred does not go beyond the approved contract value. The Project Implementing Agency will take necessary timely action to revise the contract value for approval in advance whenever the total expenditure under the contract is likely to exceed in the near future. No claims should be sent to Government of India over and above the contract value approved. A financial statement of expenditure under in the format prescribed in this manual should be prepared annually for the year ending 31st March.

6.2 ACCOUNTING SYSTEM

(i) Accounting Units

1. Project Implementation Unit (PIU)
2. Participating units (AUs & DUs)
3. Implementing Centers (Co-Partners of AUs & DUs)

The Project Implementation Unit is responsible to release funds to the ICAR DUs and State Agricultural Universities under the approved sub-projects, activities etc through PFMS as already explained in the previous chapter. These units in turn are required to furnish initially quarterly Statement of Expenditure (SoE) Statements and IUFR in the required formats. They should also furnish Annual Audited Financial Statements, to the

Project Implementation Unit. Further, sub-project wise records should be maintained, so that the Financial Statements can be sent with respect to funds received for the sub-projects from the respective source, which implies that the consolidation shall be done sub-project-wise at various participating institutions/funding agencies. Each implementing centres are required to maintain Cash Book, Cheque Book/DD Register, General Ledger, Journal Register, Contract Register, Bill Register, Grant Register, Project-wise Expenditure Control Register, Asset Register, Advance Register, Objection Book, as in case of institution funds.

- (ii) **Accrual Based Double Entry Accounting System:** The Accounting System to be followed by each of the project implementing agencies will be on the basis of Accrual Based Double Entry Accounting system. It may be noted by all Accounting units that as per Accrual Accounting System, all advances are accounted for as advances and not expenditures until the advances are settled and converted into expenditure. Subsidiary accounts of contractors/employees to whom advances have been given should also be maintained.
- (iii) It may be pertinent to mention in this context that only mobilisation advances paid to contractors as per terms of the contract are eligible for reimbursement from the Bank. All other advances are eligible for reimbursement only when they are charged to expenditure head based on supporting documents evidencing that actual expenditure has been incurred.
- (iv) Each Grantee University should prepare a reconciliation of expenditure as per Income & Expenditure Account and the amounts claimed from the World Bank against expenditures of a financial year. This Reconciliation Statement should form part of the Annual Audited Financial Statements.

6.3 REPORTING OF EXPENDITURE

The reporting system shall be strictly in prescribed forms and the PIU is required to submit a compiled Audited Annual Financial Statements of the NAHEP to the World Bank within 6 months after the close of the financial year. The guidelines for the preparation of Statement of Expenditure (SoE) and IUFR are enumerated here:

- (i) Implementing agency should keep in mind that funds must be utilized strictly in accordance with the approved allocations for the sub-project as envisaged in the sanction following the World Bank guidelines/procedures and the term and conditions of the projects. Any over-utilization or utilization not in accordance with the sanction is not reimbursable.
- (ii) It will be mandatory for all the sub projects to operate and report through the Financial Management System and submit quarterly reports on funds utilizations i.e statement of Expenditure (SoE) /IUFR directly to the PIU.
- (iii) For reporting purposes, usages of the standards formats prescribed by the World Bank/Project Implementation Unit will be mandatory for each implementing agency.
- (iv) The Interim Unaudited Financial Reports (IUFRs Appendix XIII A to XIII E) will be compiled at Project Implementation Unit. The compiled IUFR for the project as a whole will be submitted to the World Bank for claiming re-imburement. The Annual Financial Statements in respect of the ICAR institutes will also be submitted to the C&AG for arranging audit of NAHEP.
- (v) The budget utilization will be certified annually by the Competent Authority, i.e. the Head of the organization and the Head of the Finance of each member institution/organization of the participating units (AUs & DUs). This can be achieved through management assertion in the Annual Financial Statements. (Appendix VII, VIII, IX, X). The implementing units are also required to furnish UC as per the format prescribed in GFR 12-A along with Appendix-X.
- (vi) For the purpose of financial reporting, Income & Expenditure Accounts, Receipt & Payment Accounts and bank reconciliation statements, must be submitted by Implementing units to the PIU within the stipulated deadline, as and when required / prescribed by the PIU NAHEP. The Financial Management Report formats are provided in the Finance Manual. The PIU will furnish compiled Financial Management Reports on a quarterly basis to the World Bank.

- (vii) The formats for preparation of Statement of Expenditure are given in in **Appendix: III & IV.**

6.4 FINAL ACCOUNTS

The Accounts (Balance Sheet) will be based on double entry system as per the Significant Accounting Policy of ICAR (Appendix-XIV), the Annual Financial Statements will have to be prepared by every institution and submitted to Project Implementation Unit duly audited by the Statutory Auditors. The formats for preparation of accounts are same as prescribed by the ICAR. The main formats are given below:

APPENDIX VII: Receipt and Payment Accounts

APPENDIX VIII: Income and Expenditure Accounts

APPENDIX IX: Balance sheet as on 31 March.

Further the implementing units will also submit the Annual Financial Statement which would include audited Balance Sheet, Audit Reports, Cash Book (**Appendix V**), Statement of Refunds (**Appendix: VI**), excess expenditure incurred if any covered and not covered by sanction (**Appendix: XI**)

6.5 FINANCIAL MANAGEMENT REPORT

A report on the total Financial Management of the project is required to be sent to the World Bank in the formats prescribed by them on 6 monthly/quarterly basis as per the requirement. All the member institutions will have to ensure submission IUFRRs Reports, as given in **Appendix XIII A to XIII G** to Project Implementation Plan.

6.6 VITAL DATE SHEET :

Sl. No.	Document	By whom	To whom	Due date
1.	Quarterly SoE (Appendix III to IV)	Grantee Agricultural Universities/Deemed Universities	PIU	Within 15 days after completion of each quarter
2.	Submission of Quarterly IUFRs (Appendix XIII F to G)	Grantee Agricultural Universities/Deemed Universities	PIU	Within 15 days after completion of each quarter
3.	Submission of Quarterly IUFRs(Appendix XIII A to E)	PIU	World Bank	Within 45 days after the completion of each quarter.
4.	Submission of Annual SoE (Appendix III to IV)	Grantee Agricultural Universities/Deemed Universities	PIU	April 30 th
5.	Annual Financial Statements (Appendix VII to X)	Grantee Agricultural Universities/Deemed Universities	PIU	June 30 th
6.	Compiled Annual Financial Statements	PIU	World Bank	30 th September

CHAPTER: 7

AUDIT & DISBURSEMENT

7.1 OBJECTIVES OF AUDIT

The objective of the audit of the Project Financial Statement is to enable the auditor to express an opinion on the followings:

- (i) The financial statements of the implementation unit (either Project Implementation Unit, ICAR DUs, Central Agricultural University/State Agricultural Universities) of NAHEP as at the end of each fiscal year. The auditor should give an opinion on whether the financial statements give a true and fair view of the receipts and expenditures incurred for the year ended on 31st March 20 . . . and the financial status of affairs as on that date.
- (ii) Whether the project funds have been utilized for the intended purposes as laid down in the Loan and Project Agreements.
- (iii) Whether project expenditures reimbursed by the Bank are eligible for reimbursements.

7.2 SCOPE

The audit will be carried out in accordance with auditing standards of Institute of Chartered Accountants of India (ICAI) in case the audit is conducted by a CA firms. In case the audit is conducted by the Comptroller and Auditor General of India (as in case of PIU), the audit will be conducted in accordance with the auditing standards of the Comptroller and Auditor General of India. Auditing exercise will include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- (i) Whether all funds have been used for the purposes for which the financing was provided as laid down in the relevant financing agreements—the Loan Agreement, Project Agreement and other documents like Minutes of Negotiations, the Project Appraisal Document, and the Project Implementation Plan.
- (ii) Whether goods, works and services financed have been procured in accordance with the

- relevant financing agreements, as mentioned above.
- (iii) Whether all necessary supporting documents, records and accounts have been kept in respect of all project expenditures; clear linkages exist between the books of account and the project financial statements prepared.
 - (iv) Whether the project accounts have been prepared in accordance with consistently applied accounting policies laid down in the Financial Management Manual.
 - (v) Whether the management has conducted a physical verification of fixed assets during the financial year and major discrepancies, if any, have been adjusted in books. The auditor may undertake physical verification of fixed assets, as deemed necessary, as per the auditing standards.

7.3 AUDIT

The compiled Audit Report for the project expenditure as a whole for each financial year has to be submitted to the World Bank by 30th September of the next financial year. This certificate is to be issued by the concerned statutory auditors. There will be two categories of institutions to be considered for audit arrangements:

1. ICAR Deemed Universities.
2. State Agricultural Universities.

In respect of Category 1, considering the statutory requirement of the Government of India, the audit will be done entirely by the Comptroller and Auditor-General. Periodic sensitization as well as training sessions to the financial and administrative staff will be done for smooth and quality audit.

In respect of Category 2, the audit is required to be done by the Statutory Auditors, viz. State Accountant General/Local Fund Auditor. However, to facilitate and speed-up, in case due to any reason it is not possible to get the audit completed by them, it may be got conducted by firm of Chartered Accountant. For this purpose, ICAR/PIU will short list the 'A' category firms of Chartered Accountants empanelled with Comptroller and Auditor-General, zone-wise and permit the participating units (AUs & DUs) to choose from the short-listed firms. The selection of 'A' category firms is to ensure the quality of audit. The chosen firm will audit the accounts of all the

institutions located in the zone and provide the audit report. To ensure quality, the chosen Chartered Accountant firms will be given orientation on the requirements and reporting of the audit so that uniformity and quality are ensured.

The Audited Annual Financial Statements so received would be compiled in Project Implementation Unit by an independent firm of Chartered Accountant appointed by PIU, NAHEP. Terms of Reference for the Comptroller and Auditor-General and the private firm of Chartered Accountants will be agreed. Project Implementation Unit with the help of a private firm of Chartered Accountant, from the roster of North Zone (maintained by Project Implementation Unit) will compile the audit observations and send a single report to the Bank. The Compiled Annual Project financial statement, duly audited, will be submitted to the Bank within 6 months of the end of each financial year.

- (i) The compiled Audit Utilization Report for the project expenditure as a whole for each financial year has to be submitted to the World Bank by 30th September of the next financial year. This certificate is to be issued by the concerned statutory auditors.
- (ii) The responsibility of getting the accounts audited and submission of the Audit Utilization report at the end of each financial year to the PIU by the due dates as per the dates so fixed by PIU keeping in view (i) above will lie with the individual implementing agencies under the overall responsibility of the participating units (AUs & DUs).
- (iii) To ensure the uniformity of application of Audit standards and quality of audit procedures by each category of auditors, the Audit Certificate to be furnished by the SAUs should be uniform, and the sub-projects have to ensure this.
- (iv) Audit is conducted to see that the individual expenditures included in the Statement of Expenditure are fully supported by documentation retained by the implementing units, the expenditures are properly authorized and eligible under the loan/credit agreements and the expenditures are properly accounted.
- (v) The observance of the World Bank procedure will be mandatory so as to ensure that there are no audit disallowances.
- (vi) If an audit disallowance, the expenditure so disallowed shall have to be borne by the implementing unit from its own budget and the resultant balance will have to be refunded to the PIU-NAHEP immediately after the conduct of audit.
- (vii) The format for preparation of Audit Utilization Certificate (AUC) is given in **Appendix X**.

(viii) The expenditure on audit fee towards getting the audit of the project through external Auditors may be met from the provision under 'Institutional Charges' sanctioned under various sub-projects.

7.4 INTERNAL AUDIT

The internal audit will also be an important element and each implementing agency will get the same carried out, as per the schedule and by the agency (reputed Audit firm of Chartered Accountants) notified by the Project Implementation Unit. The internal auditor will assess the operation of the Project's Financial Management System, including a review of internal control mechanism. This will assist the PIU to identify issues and take corrective actions in timely manner. The institutions where internal audit would be conducted, will be decided by the PIU based on magnitude of expenditure and risks perceived. Some of the checks expected to be carried out during internal audit are:

- (i) Whether project funds are being spent for purposes intended in accordance with the Grant agreement.
- (ii) whether project specific Bank account has been opened and the same has been registered with PFMS. Whether all transactions for the Project are happening through this Bank account.
- (iii) all the records, viz. Cash Book, Expenditure Registers, Assets Register, Vouchers, Files etc. are being properly maintained;
- (iv) bank re-conciliation is up-to-date and advances are being adjusted on regular basis;
- (v) expenditure is incurred in consonance with the sanction and is not in excess of funds released;
- (vi) there is no diversion of funds and no re-appropriation done at their level;
- (vii) Financial reporting to PIU as based on up-to-date accounts maintained for the Project
- (viii) Procurement Guidelines of the World Bank is being followed for all procurements

7.5 REVIEW BY THE WORLD BANK

The World Bank may conduct sample check of transactions during missions and procurement reviews.

7.6 DISBURSEMENT

The total project cost is US \$ 165 million. Of this, the portion financed by the World Bank is US\$ 82.50 million. The funds for the project will be budgeted for in ICAR's budget, including counterpart funds, as an identifiable single-head budget item each year.

The Government of India would make the funds available to ICAR through Ministry of Agriculture & Farmer's Welfare as Grant-in-aid. ICAR will then pass on funds to the bank account of Project Management Unit of NAHEP. Disbursements from the loan would be made in the traditional system of reimbursement with full documentation based on IUFRs. Compiled quarterly claims will be submitted by Project Implementation Unit to the World Bank for reimbursement. A uniform 50% disbursement rate across all eligible expenditure as agreed with the World Bank will be reimbursed to Government of India

7.7 UPKEEP OF RECORDS

All the documents relating to NAHEP expenditure will have to be kept in proper condition by the partners up to 5 years after the completion of the project.

CHAPTER: 8

FINANCIAL MANAGEMENT SYSTEM

8.1 SEPARATE BANK ACCOUNT

As per the World Bank requirement, a separate bank account (Integrated with PFMS Portal) is to be operated for monetary transactions under NAHEP. Each implementing agency is to open only one bank account for all the NAHEP projects. Government has made PFMS mandatory to centrally monitor the expenditure in the government schemes. Hence, the expenditure is to be booked using Expenditure, Advances & Transfer (EAT) module of PFMS in order to facilitate GOI to monitor and analyze expenditure incurred by the spending units under each of the Government Schemes.

The Funds to Implementing units will be remitted under the Scheme Code 3555 (National Agricultural Higher Education Project) through PFMS Portal. For the Scheme code 3555 (NAHEP), 3 components have been made in the PFMS Portal .ie. (A) Grant-in-aid General, (B) Grant-in-aid Salary, (C) Grant-in-aid Capital. It is also instructed to compliance of PFMS, EAT (Expenditure, Advance & Transfer) Module component wise booking are to be adhered to.

8.2 BANK RECONCILIATION STATEMENT

Each implementing agency will prepare the Bank reconciliation statement every month after verifying the transaction from the bank statement and send this BR Statement to PIU-NAHEP by the 15th of every following month.

8.3 FINANCIAL GOVERNANCE

- (i) Inspection at periodic intervals will be carried out by Project Implementation Unit to monitor the financial management of the implementing agencies.
- (ii) Funds will be utilized for the bonafide/intended purpose using the prescribed norms and procedures of Government of India/Bank and will not be diverted to any other schemes/heads etc.
- (iii) Expenditure will be kept within the approved budgetary allocation.

- (iv) All basic records, viz. cashbook, cheque register, counter foils of cheques, grant register, project-wise and sub-head-wise expenditure control register, assets register etc. will be maintained.
- (vi) All Contractual advances shall be adjusted as per the terms and conditions of the contracts.
- (vii) All procurements will be made following World Bank guidelines/procedures.
- (viii) Revenue/interest generated if any, during the project period will be refunded to PIU at the close of financial year.
- (ix) Incurring of the expenditure within the sanctioned budget is required to be ensured. Any expenditure in excess will be liable to be disallowed.
- (x) Any re-appropriation of funds from one head to other will not be normally permissible. However, in exceptional cases such re-appropriation may be allowed with the approval of the PIU, NAHEP.
- (xi) The mechanism for distribution and accounting of the royalty will be worked out separately.
- (xii) If an implementing agency defaults and withdraws in between, all the funds so received by the member will be required to be refunded to the PIU, NAHEP, along with the highest rate of penal interest of the bank prevailing at that time.
- (xiii) The database of the assets acquired out of the project fund shall be maintained by the Implementing Units in terms of Rule 229 of GFR 2017 in the format prescribed by the Department of Expenditure, Ministry of Finance and this shall not be disposed of during the project period without obtaining the prior approval of the authority which sanctioned the funds. (Rule 230 of GFR-2017). A final decision on their retention or disposal shall be taken by the NAHEP/ICAR in terms of Rule 233 of GFR-2017.
- (xiii) All the vouchers/records/files relating to NAHEP expenditure will have to be kept in proper condition by the partners up to 5 years after the completion of the project.
- (xiv) Adequate financial/administrative staff shall be provided by the Implementing Units to its financial/administrative wings from inception so as to ensure proper maintenance of records and timely submission of reports and returns as required by the PIU. As far as possible, the staff deputed for the work relating to maintenance of project accounts should be well versed with accounting system and preferably acquainted with externally-aided projects of the World Bank or other bilateral/multilateral donor agencies.
- (xv) The staff should not be changed/transferred at frequent intervals unless and until required

- to be done on administrative grounds but with information to PIU-NAHEP.
- (xvi) For assisting in the finance and accounts work of NAHEP, provision shall be made in project proposal for hiring of the skilled-staff under contractual services. The hiring of the manpower will be through service contractor who shall be selected adopting the World Bank guidelines. It will be ensured by the implementing agencies that such hiring will not create any permanent liability on the part of ICAR. In no case, ICAR will be responsible for any such liability.

APPENDICES

APPENDIX: I

PROFORMA FOR FUND REQUIREMENT AT THE TIME OF SUBMISSION OF PROJECT

(Please see Chapter 4)

1. Name of the implementing unit/institution :
2. Name of the Project/Sub-project :
3. Proposed Duration of the project (years/months) :
4. Proposed date of commencement :
5. Proposed date of completion :

S. No.	Heads of Expenditure	Year 1	Year 2	Year 3	Year 4	Total
A.	Goods & Equipment					
	Equipment, Plant & Machinery					
	Office Equipment					
	Laboratory Equipment					
	Furniture & Fixtures					
	Computers & Peripherals					
	Books & Journals					
B.	Civil Works					
	Minor repair & renovation work					
	Sub-total (A+B)					
C.	Human Capacity Building					
	National Level Training					
	International Level Training					
	Short visits/Seminars					
	Meetings & Workshops					
D.	Consultancy					
	National Level Consultancies					
E.	Recurrent Cost					
	Travel expenses					
	Contractual Services					
	Operational Costs					
	Institutional charges					
	Sub-total (C+D+E+F)					
	Grand Total					

APPENDIX II
PROFORMA OF FUNDS REQUISITION
MONTH/QUARTER/YEAR ENDING.....
(Please see para 5.5[v] Chapter 5)

Name of the Unit :
 Name of the sub-project :
 Financial Year :
 Instalment No. : I/II

- | | |
|--|-------|
| 1. Approved annual budget amount | : |
| (a) Capital expenditures (Head-wise) | : Rs. |
| (b) Revenue expenditures (Head-wise) | : Rs. |
| 2. First instalment of the revenue expenditures received | : Rs. |
| 3. First annual instalment amount utilized | : Rs. |
| 4. Amount of first annual instalment unspent if any* | : Rs. |
| 5. Approved amount of 2 nd annual instalment | : Rs. |
| 6. Less first annual unspent amount if any (point 4) | : Rs. |
| 7. Add extra amount** (over and above budgeted amount), if any that is needed | : Rs. |
| 8. Amount to be paid under 2 nd annual instalment | : Rs. |
| 9. Amount to be paid under capital expenditure head | : Rs. |
| 10. Total expenditure (item 8) + capital expenditure (item 9) | : Rs. |

Date: _____ (Name and signature of requisitor)
 Place: _____

* Proper reasons/justification for unspent amount will be given here below
 ** *Approval of the competent authority to be attached*

FOR THE USE OF LEADER OF UNIT

Recommended for release for

(a) Capital expenditures (Head-wise)	: Rs.
(b) Revenue expenditures (Head-wise)	: Rs.

(Signature of the leader of Unit)

FOR USE OF PIU/ICAR

Date of receipt of the requisition	:
Amount requisitioned (Head-wise)	: Rs.
Amount disbursed (Head-wise)	: Rs.
Difference between amount requisitioned and disbursed if any	: Rs.
Reasons for difference	:
Date of amount disbursed	:

(Signature of the concerned)

APPENDIX III

(Please see para 6.3[ix])

Receipts & Payments for the month/quarter/year ending _____

Name of the Project: _____

Name of the Component: _____

Name of the Implementing Centre: _____ (In Rupees)

S. No.	Head of Account	Opening Balance	Receipts during	Expenditure During	Closing Balance
A.	Goods & Equipment				
	Equipment/Plant /Machinery				
	Office Equipment				
	Laboratory Equipment				
	Furniture & Fixtures				
	Computers & peripherals (Hardware & Software)				
	Books & Journals				
B.	Civil Works				
	Minor repairs & renovation works				
	Sub-total (A+B)				
C.	Human Capacity Building				
	National Training				
	International Training				
	Short Visits/ Seminars				
	Meetings & Workshops				
D.	Consultancy				
	National Level Consultancies				
E.	Recurrent Cost				
	Pay & Allowances				
	Travel expenses				
	Contractual Services (RA/SRF/ System Analyst /Programmer)				
	Operational Costs				
	Sub-total (C+D+E)				
	Grand Total (A+B+C+D+E)				

Head of the Institution

Finance & Accounts Officer

APPENDIX IVA
(Please see para 6.3[ix])

Release and Expenditure under Component 1A(IDP)/1B(CAAST) (Please strike off which is not applicable)

Statement of Grants received from PIU- NAHEP and Expenditure incurred by the Implementing Centre for the month/quarter/year ending _____

Name of the Participating University/ Implementing Centre: _____
(In Rupees)

S. No.	Project Code & Component	Name of the Project	Opening Balance	Receipts from PIU-NAHEP	Total (Receipts)(4+5)	Expenditure Under						(B) Civil Works	Sub-total (A+B) (Capital)
						(A) Goods & Equipment							
						Equipment/Plant	Office Equipment	Laboratory Equipment	Furniture	Computer	Library Books & Journals		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
					0								0

(C) Human Capacity Building			(D) Consultancy	(E) Recurring Cost				Sub-Total (C+D+E) (Revenue)	Grand Total (Col. 14 + Col.23)	Amount refunded, if any	Closing Balance as on (Col. 6 - Col.24-col.25)
Inter-national	Short visits/Seminar	Meeting/Workshop	National Level	Travel Expenses	Contract Services	Operational cost	Institutional charges				
15	16	17	18	19	20	21	22	23	24	25	26
								0	0		0

Certified that expenditure of Rs..... (Rupees) as per the head-wise details above, has actually been incurred during the period from to.....
Under the project _____ Component: _____ at the implementing unit _____ of the NAHEP after completing all codal formalities and observing the World Bank established procedure/guidelines for the purpose for which grant was released and is well within the overall sanctioned budget of each sub-project.

Head of the Institution

Finance and Accounts Officer

APPENDIX IVB
(Please see para 6.3[ix])

Release and Expenditure under Component 1C(Innovation Grants)/Component 2 (Please strike off which is not applicable)

Statement of Grants received from PIU- NAHEP and Expenditure incurred by the Implementing Centre for the month/quarter/year ending _____

Name of the Participating University/Implementing Centre: _____
(In Rupees)

S. No.	Project Code & Component	Name of the Project	Opening Balance	Receipts from PIU-NAHEP	Total (Receipts)(4+5)	Expenditure Under						(B) Civil Works	Sub-total (A+B) (Capital)
						(A) Goods & Equipment							
						Equipment/Plant	Office Equipment	Laboratory Equipment	Furniture	Computer	Library Books & Journals		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
					0								0

(C)				(D)	(E)				Sub-Total (C+D+E) (Revenue)	Grand Total Col. 14 + Col.24	Amount refunded, if any	Closing Balance as on (Col. 6 - Col.25- col.26)
Human Capacity Building				Consultancy	Recurring Cost							
National level training	Inter-national	Short visits/ Seminar	Meeting/ Workshop	National Level	Travel Expenses	Contract Services	Operational cost	Institutional charges				
15	16	17	18	19	20	21	22	23	24	25	26	27
									0	0		0

Certified that expenditure of Rs..... (Rupees) as per the head-wise details above, has actually been incurred during the period from to.....
Under the project _____ Component: _____ at the implementing unit _____ of the NAHEP after completing all codal formalities and observing the World Bank established procedure/guidelines for the purpose for which grant was released and is well within the overall sanctioned budget of each sub-project.

Head of the Institution

Finance and Accounts Officer

APPENDIX: V

(Please see para 5.5[IV])

Summary of NAHEP Cash Book from..... To.....

Name of the Institute/Organization:

(In Rupees)

Sl. No.	Component	Opening balance as on	Funds received from PIU during	Total Col (3+4)	Expenditure incurred as Implementing Centre out of the amount shown in col. 5	Amount Refunded during	Closing Balance as on Col. (5) - (6+7)
1	2	3	4	5	6	7	8
A Project Funds							
1	Total of Component I						
2	Total of Component II						
3	Total of Component III						
	Sub - Total [A]						

B Others Items							
	Interest earned on Short Term						
5	Deposits						
6	Misc. receipts of the project, if any						
7	Others						
	Sub - Total [B]						
	Grand Total						

APPENDIX: VI
DETAILS OF REFUNDS

Details of Refunds made to PIU during the year: _____
(In Rupees)

S. No.	Project Code & Component No.	Name of the Project	Name of the Implementing Unit	Amount Refunded	Mode of Refunded	Particulars of Refund (UTR number, Bank name & Branch, IFSC code) and Date on which refunded	Remarks
	TOTAL						

Head of the Institution

Finance and Accounts Officer

APPENDIX: VII

Appendix I: Receipts and Payments Accounts

National Agricultural Higher Education Project

Receipts and Payments Account for the year ended 31st March..... (In Rupees)

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
I. Opening balances:			I. Expenses:		
(a) Cash in hand			(a) Establishment		
(b) Bank balances			(b) Administrative		
In Current Accounts			(c) Research		
In Deposit Accounts			II Payments against funds for various		
In Saving Accounts			projects		
II. Grants Received			III Investments and Deposits		
III. Donations and contributions			(a) Out of earmarked funds		
IV. Income on Investments from			(b) Out of own funds		
(a) Earmarked funds			IV Expenditure on Fixed Assets and capital		
(b) Own funds			(a) Purchase of Fixed Assets		
V. Interest Received			(b) Expenditure on Capital Work-in-		
(a) on Bank Deposits			V Repayment of un- utilized		
(b) S.T.D			grants/Loans/ Borrowings		
VI. Deposits and Advances			VI Deposits and Advances		
VII. Other Income			VII Other Payments		
VIII. Loans and Borrowings			(a) Releases to SAUs		
IX. Misc. Receipts			(b) Remittance to ICAR Institutes		
(Interest & other income received from			VIII Closing Balances		
NAHEP units)			(a) Cash in hand		
			(b) Bank balances		
			In Current Accounts		
			In Deposit Accounts		
			In Saving Accounts		
			c) In Transit		
Total			Total		

APPENDIX VIII

Income and Expenditure Accounts National Agricultural Higher Education Project

Income and Expenditure Account under NAHEP for the year ended 31st March.....

(*Amount in Rs.)

A. Income	*Schedule	Current year	Previous Year
Income from Sales/Services	8		
Grants in aid / subsidies	9		
Fees/subscriptions	10		
Income from Investments	11		
Income from Royalty, Publications	12		
Interest earned	13		
Other Income	14		
Prior Period Income	15		
Total (A)			
B. Expenditure			
Establishment expenses	16		
Research & Operational expenses	17		
Administrative expenses	18		
Grants and subsidies	19		
Miscellaneous expenses	20		
Prior Period expenditure	21		
Total (B)			
Balance being surplus / (Deficit) carried to corpus / Capital Fund			

*Submission along Schedules.

APPENDIX: IX

Balance sheet as on 31 March

National Agricultural Higher Education Project

Balance Sheet as on 31st March.....

(Amount Rs.)

	*Schedule	Current Year	Previous Year
Corpus/Capital Fund and Liabilities			
Capital Fund	1		
Reserve	2		
Earmarked / Endowment Funds	3		
Current Liabilities & Provisions	4		
Total			
Assets			
Fixed Assets	5		
Investments – Earmarked / Endowment Funds	6		
Current Assets, Loans & Advances	7		
Total			
Significant Accounting Policies (Appendix-XIV)	22		
Contingent liabilities & Notes to Accounts (-do-)	23		

*Submission along Schedules.

APPENDIX:X

Audit Utilization Certificate for ICAR grants under NAHEP for the year.....

1. Certified that the expenditure has been authenticated on the basis of Annual Accounts and other relevant documents presented by _____ for the purpose.
 2. Certified that an amount of Rs. _____ (Rupees _____) has been received under NAHEP during the Year _____
 3. Certified that Rs. _____ (Rs. _____) remaining unspent at the end of previous year was allowed to be brought forward for utilization during the year _____
 4. Certified that Rs _____ (Rs. _____) was earned on account of revenue of the NAHEP sub-project(s) including interest on bank balance / FDRs.
 5. Certified that out of total available funds Rs. _____ (Rs. _____) as shown in _____ under NAHEP, Rs. _____ (Rs. _____) was utilized for the purpose for which it was sanctioned. It is also certified that the expenditure admitted has been incurred on approved items only after fulfilling the terms and conditions of sanction & other codal formalities and observance of procedure / guidelines prescribed by the World Bank / PIU-NAHEP
 6. Certified that excess expenditure of Rs. _____ (Rs. _____) incurred over and above the sanctioned budget has been met by re-appropriation of savings under the remaining heads with the approval of the competent authority. (*Appendix-xi*). Further, an excess expenditure of not covered by the re-appropriation as shown may be disallowed.
 7. Certified that the opening balance of each sub-project as on _____ agree with the closing balance on _____ as per the AUC for the year _____
-

8. A copy of Audit Report on the accounts of NAHEP for the year _____ (up to _____)
is also enclosed.

9. The UC as per the Form GFR 12-A is also enclosed.

Comptroller/Finance Officer/Director/Head of Institution

Signature with seal of the
Chartered Accountant/Statutory Auditors

**GFR 12 – A**

[[See Rule 238 (1)]]

**FORM OF UTILIZATION CERTIFICATE
FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANIZATION**

UTILIZATION CERTIFICATE FOR THE YEAR..... in respect
of recurring/non-recurring
GRANTS-IN-AID/SALARIES/CREATION OF CAPITAL ASSETS

1. Name of the Scheme.....
2. Whether recurring or non-recurring grants.....
3. Grants position at the beginning of the Financial year
 - (i) Cash in Hand/Bank
 - (ii) Unadjusted advances
 - (iii) Total
4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances of Grants received years [figure as at Sl. No. 3 (iii)]	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year			Total Available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)
			Sanction No. (i)	Date (ii)	Amount (iii)			
1	2	3	4			5	6	7

Component wise utilization of grants:

Grant-in-aid- General	Grant-in-aid- Salary	Grant-in-aid-creation of capital assets	Total

Details of grants position at the end of the year

- (i) Cash in Hand/Bank
- (ii) Unadjusted Advances
- (iii) Total

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned:

- (i) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements/accounts.
- (ii) There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. & the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (iii) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- (iv) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (v) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (vi) The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (vii) It has been ensured that the physical and financial performance under..... (name of the scheme has been according to the requirements, as prescribed in the guidelines issued by Govt. of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure – I duly enclosed.
- (viii) The utilization of the fund resulted in outcomes given at Annexure – II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries is enclosed at Annexure –II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Date:

Place:

Signature

Signature

Name.....

Name.....

Chief Finance Officer

Head of the Organisation

(Head of the Finance)

(Strike out inapplicable terms)

Appendix: XII

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
NATIONAL AGRICULTURAL HIGHER EDUCATION PROJECT
KRISHI ANUSANDHAN BHAWAN – II, PUSA, NEW DELHI**

F. No. 1(14)/2018 NAHEP

Dated : 16.02.2018

OFFICE ORDER

The Project Monitoring Committee, NAHEP, has been pleased to delegate the following powers to the National Director, National Agricultural Higher Education Project, ICAR with immediate effect:

Sl. No.	Nature of Power	Extent of Power
1.	Grant of special pay to LDC/UDC/Assistant/ project staff appointed to perform the duties of Cashier	Full powers subject to the provisions in FR and SR and other conditions laid down by the Government of India, Ministry of Finance and rates prescribed for the purpose from time to time.
2.	Power to require a medical certificate of fitness before return from leave.	Full, if he is empowered to grant leave.
3.	Power to sanction Causal Leave.	Full.
4.	Power to sanction Earned Leave	Full power to grant leave including special disability leave. The exercise of this power will be subject to observance of all relevant rules of Government of India/ Council in this regard.
5.	Power to extend leave	Full powers, provided the original leave was sanctioned by the National Director, and the employee on his return will be under his administrative control.
6.	Power to decide the shortest of 2 or more routes (SR 30 (b)).	Full powers for journeys within their jurisdiction.
7.	Power to allow mileage allowance to be calculated by a route other than the shortest or cheapest.	Full power for journeys within their jurisdiction, provided that the selection of such route is in the interest of the Council. TA by longer route is not admissible in cases where the journey cannot be

		performed by the shortest route due to non-availability of reserved accommodation of the entitled class by that route. This power shall be exercised as per the extant rules of Government of India/ ICAR.
8.	Power to sanction travel by air.	Full powers as equivalent to the DDG, ICAR. This power may be exercised in respect of the officers of the grade for whom the general permission is given and subject to entitlements under TA Rules and SR and various instructions issued by ICAR and Min. Of Finance/Govt. of India.
9.	Power sanction of refund of cancellation charges on air/rail ticket (including himself).	Full, subject to the conditions mentioned in Government of India / Ministry of Finance/ ICAR.
10.	Power to decide whether a particular absence is absence of duty (SR 62).	Full powers.
11.	Power to sponsor candidate for short-term training course and count the period spent on training as duty.	Full, for project staff.
12.	Power to make rules for the guidance of controlling officer [SR 195 (e)].	Full powers.
13.	Power to accept a certificate signed by any registered medical practitioner as evidence of the fitness of end employee of non-gazetted status to return to duty (SR 213).	Full powers.
14.	Power to grant maternity/paternity leave (SR 267).	Full powers for the project staff.
15.	Power to grant hospital leave (SR 269).	Full powers for the project staff.
16.	Power to permit the calculation of joining time by a route other than that which travellers ordinarily use (SR 296).	Full powers for the project staff.
17.	Power to extend joining time on certain conditions within a maximum of 30 days (SR 302)	Full powers for the project staff, subject to GoI Leave Rules.
18.	Power to sanction tour programme (within India) and counter-signature of TA bills	Full powers for all including self.

19.	Power to sanction reimbursement of cancellation charges on unused railway tickets.	Full powers.
20.	Authorization a Council employee to proceed on duty to any part of India	Full powers.
21.	Power to incur contingent expenditure such as Conveyance hire, vehicle hiring, Electricity gas and water charges, Telephone charges, Purchase and repairs of furniture and fixtures, Freight charges, Demurrage/ charges, Maintenance & upkeep/ repairs of motor vehicle, Posts and telegraphs charges including, etc. , Printing and binding , Purchase of books, periodicals and officials publications, Purchase and repairs to office equipments such as , computers (including peripherals like printers, scanners, photocopiers) etc. refrigerators, hot cases/ ovens/ water coolers/ purifiers, etc..	Full powers, subject to observance of general guidelines of procurement of the Project / GFR 2017.
22.	Annual Contracts for upkeep and maintenance of office equipments including computers and peripherals etc.	Full powers.
23.	Local purchase of stationary stores, consumables, rubber stamps, office seals etc.	Full powers subject to observance of general procurement Rules of the project/ GFR 2017
24.	Reimbursement of Telephone charges	Full powers, subject to the eligibility of the officials as per extant ICAR orders.
25.	Legal charges for Law suits to which Council's is a party, Fees to barristers, pleaders arbitrators	Full powers, subject to the provision as per extant ICAR orders in this regard.
26.	Advertisement charges	Full powers.
27.	Petty works repairs	Full powers, subject to budget provision in project
28.	Declaration and disposal of obsolete surplus and unserviceable store	Full powers, subject to observance of extant ICAR rules.
29.	Writing off losses	Up to Rs 10,000 for losses of stores not due to theft, fraud or negligence, Rs 2,500 in other cases.

30.	Power to sanction honorarium to Project officials	Full power up to a maximum of Rs 5000 in each case subject to observance of ICAR/ Government of India instructions issued in this regard.
31.	Power to declare any Group 'A' or Group 'B' Officer to be Head of an Officer for the purpose of relevant Rules or Drawing and Disbursing Officer vide Rule 10-A of DFP Rules.	Full powers. It is not permissible to declare more than one officer as Head of Office in r/o same establishments unless the two establishments are distinctly separate from one another.
32.	Expenditure on entertainment and light refreshment.	Full powers, subject to observance of financial limits prescribed for catering items by Ministry of Finance / ICAR under relevant office orders.
33.	Grant of permanent advances/cash imprest	Full powers, subject to the procedure for regulating cash imprest circulated through relevant ICAR rules as amended/ supplemented from time to time.
34.	To execute contracts, deeds and other instruments for and on behalf of the ICAR	Full powers for the project activities.
35.	Form of surety bond to be executed by a Council servant handling cash, stores etc. acceptance thereof.	Full powers, subject to the procedure for regulating cash imprest circulated through relevant ICAR rules as amended/ supplemented from time to time.
36.	Grants of advance of pay and TA on transfer	Full powers, subject to the observance of extant ICAR rules.
37.	Grant of advance in connection with tours.	Full powers, subject to the observance of extant ICAR rules.
38.	Grant of advance in connection with leave travel concession.	Full powers, subject to the observance of extant ICAR rules.
39.	Advance to employees for various department purposes.	To the extent the National Director is competent to sanction expenditure.
40.	Advance payment to Firms with whom annual contracts for servicing of air conditioners, water coolers, computers and other equipments etc. are entered into.	Full powers, subject to the extent the National Director is competent to sanction such expenditure.
41.	Reimbursement of medical expenses as admissible under Central Service (Medical attendance) Rules, 1944 including	Full powers, Project Director will exercise the powers of Controlling Officer/ Head of Department in respect of Officers/ staff under his

	counter signature of medical bills.	administrative control for the purpose of Central Services (Medical attendance) Rules, 1944, as applicable to the Council's employees. Project Director can countersign his own medical bills provided the claim is covered by rules and orders on the subject. As regard reimbursement of medical expenses in relaxation of Medical attendance rules, he may not exercise the power in his own case.
42.	Grant of Leave Travel Concession.	Full powers as of Head of Department/ Controlling officer for the purpose of application of Leave Travel Concession Rules to Officers / Staff under his administrative control except himself.
43.	Permission to officers to attend conferences/ seminars/ workshops/ trainings etc. connected with the project activities.	Full Powers.
44.	Grant of overtime allowance.	Full powers, subject to conditions laid by the Government of India/ ICAR from time to time and subject to budgetary limits.
45.	Maintenance of Electronic computers and accessories.	Full Powers.
46.	Approval for holding of workshop, symposia, conferences, meetings and sanction of expenditure to be incurred	Full powers for the project activities subject to availability of sanctioned budget provision and the economy instructions of the Government of India / Council issued from time to time.
47.	Sanction for serving of refreshment, working lunch, dinner at meetings, workshops, seminars, symposia etc.	Full Powers within the approved limit of ICAR/ Government of India instructions issued from time to time.
48.	Contractual appointments /arrangements	Full powers subject to sanction of such posts in the project.
49.	Engaging Research Associate/Research Fellows on contract basis	Full powers subject to sanction of such posts in the project.
50.	Engaging Chartered Accountant/Firm of CA(s) as Auditor to audit project accounts and sanction for payment	Full powers.

	of remuneration.	
51.	Sanction for hiring of Consultants/ Consultancy agencies for implementation of NAHEP.	Full powers, subject to observance of the Procurement Guidelines of the World Bank.
52.	Nomination of employees for training in India.	Full Powers.
53.	Installation of new telephone connection.	Full powers as per ICAR norms.
54.	Sanction of TA/DA to non-official members coming for various meetings of the project.	Full powers subject to prescribed rules/ orders/ guidelines issued by ICAR
55.	Civil works including renovation and remodelling.	Full powers for the approved works
56.	The power to incur expenditure for serving of mineral water in workshops/seminars and important official meetings.	Full powers
57.	Participation in exhibition and demonstrations of project activity.	Full powers
58.	Re-appropriation of funds.	Full powers subject to guidelines under DFP rules 1978 (Except salary and TA grant) within the approved budget of each project

The above delegation of powers are subject to the condition that the exercise of such delegated powers would be subject to the Government of India/Council's instructions/orders issued from time to time and also as per the World Bank guidelines, wherever applicable.


(KUMAR RAJESH)
Under Secretary, NAHEP

Appendix XIII A (FOR PIU)
National Agricultural Higher Education Project
Summary Releases and Expenditures

Interim Unaudited Financial Report for the Quarter _____

(Rs. in
Lakhs)

	Openin g Balance	Amount Released during the quarter	Expenditur e Incurred during the quarter	Closing Balance	Releases during Current Financia l Year	Expenditur e during Current Financial Year	Cumulativ e Releases	Cumulative expenditure s
	(a)	(b)	(c)	(d) =(a) +(b) - (c)	(e)	(f)	(g)	(h)
Component IA								
Component 1B								
Component 1C								
Component 2								
Project Management								
Total								
Reimbursable expenditure								

Date _____

Signature _____

APPENDIX:XIII B

National Agricultural Higher Education Project

Details of Releases and Expenditures in Component IA -IDP

Interim Unaudited Financial Report for the Quarter....

Serial No.	Call	Project Code	Name of the Project	Name of the University	Opening Balance	Amount Released during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFMS	Releases during current Financial Year	Expenditures during Current Financial Year	Cumulative Releases	Cumulative expenditures
					(a)	(b)	(c)	(d) =(a) +(b) -(c)	(e)	(f)	(g)	(h)	(i)
1	I												
				Sub-total									
2	I												
				Sub-total									
3	I												
				Sub-total									
4	I												
5	I												
6	I												
7	I												
8	I												
				Sub total Call :- I									
	II												
1													
2													
				Sub total Call :- II									
				Grand Total									

Note: Out of a total of **XX** no of units to which funds have been released **XX** no of units have reported expenditures upto June XXX. The remaining

Date _____

Signature : _____

APPENDIX:XIIC

National Agricultural Higher Education Project

Details of Releases and Expenditures in Component IB-CAAST

Interim Unaudited Financial Report for the Quarter.....

(In Rupees)													
Serial No.	Call	Project Code	Name of the Project	Name of the University	Opening Balance	Amount Released during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFMS	Releases during current Financial Year	Expenditures during Current Financial Year	Cumulative Releases	Cumulative expenditures
					(a)	(b)	(c)	(d) =(a) +(b) -(c)	(e)	(f)	(g)	(h)	(i)
1	I												
				Sub-total									
2	I												
				Sub-total									
3	I												
4	I												
5	I												
6	I												
7	I												
8	I												
				Sub total Call :- I									
	II												
1													
2													
				Sub total Call :- II									
				Grand Total									

Note: Out of a total of **XX** no of units to which funds have been released **XX** no of units have reported expenditures upto June XXX. The remaining

Date _____

Signature: _____

APPENDIX:XIID

National Agricultural Higher Education Project

Details of Releases and Expenditures in Component IC-IG

Interim Unaudited Financial Report for the Quarter.....

(In Rupees)														
Serial No.	Call	Project Code	Name of the Project	Name of the University	Partners	Opening Balance	Amount Released during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFMS	Releases during current Financial Year	Expenditures during Current Financial Year	Cumulative Releases	Cumulative expenditures
						(a)	(b)	(c)	(d)=(a)+(b)-(c)	(e)	(f)	(g)	(h)	(i)
1	I													
				Sub-total										
2	I													
				Sub-total										
3	I													
				Sub Total										
4	I													
5	I													
6	I													
7	I													
8	I													
				Sub total Call :- I										
	II													
1														
2														
				Sub total Call :- II										
				Grand Total										

Note: Out of a total of **XX** no of units to which funds have been released **XX** no of units have reported expenditures upto June XXX. The remaining **XX** no of

Date _____

Signature: _____

APPENDIX: XIII E

National Agricultural Higher Education Project

Details of Releases and Expenditures in Component 2

Interim Unaudited Financial Report for the Quarter.....

(In Rupees)

Serial No.	Call	Project Code	Name of the Project	Name of the University	Partners	Opening Balance	Amount Released during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFMS	Releases during current Financial Year	Expenditures during Current Financial Year	Cumulative Releases	Cumulative expenditures
						(a)	(b)	(c)	(d) =(a) +(b) -(c)	(e)	(f)	(g)	(h)	(i)
1	I													
				Sub-total										
2	I													
				Sub-total										
3	I													
				Sub Total										
4	I													
5	I													
6	I													
7	I													
8	I													
				Sub total Call :- I										
	II													
1														
2														
				Sub total Call :- II										
				Grand Total										

Note: Out of a total of **XX** no of units to which funds have been released **XX** no of units have reported expenditures upto June XXX. The remaining **XX** no of

Date _____

Signature: _____

Appendix:XIII F

National Agricultural Higher Education Project

Details of Grant Received from PIU-NAHEP and Expenditures incurred as Participating Unit/Implementing centre in r/o Component IA(IDP) /Component IB(CAAST)

Interim Unaudited Financial Report(IUFR) for the Quarter Ending _____

													(In Rupees)
Serial No.	Call	Project Code	Name of the Project	Name of the University	Opening Balance	Amount Received from PIU during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFM S	Fund Received during current Financial Year	Expenditures during Current Financial Year	Cumulative Fund Received	Cumulative expenditures
					(a)	(b)	(c)	(d) = (a) + (b) - (c)	(e)	(f)	(g)	(h)	(i)
1	I												
				Sub Total									
				Grand Total									

Date

Signature:

Appendix:XIII G

Name of the Participating University/Implementing Centre															
National Agricultural Higher Education Project															
Details of Grant Received from PIU-NAHEP and Expenditures incurred as Participating Unit/Implementing centre in r/o Component IC(Innovation Grant)/Component 2															
Interim Unaudited Financial Report(IUFR) for the Quarter Ending _____															
Serial No.	Call	Project Code	Name of the Project	Name of the University	Partners	Opening Balance	Amount Received from PIU during the quarter	Expenditure during the quarter	Closing Balance	Closing Balance as per PFM S	Fund Received during current Financial Year	Expenditures during Current Financial Year	Cumulative Fund Received	Cumulative expenditures	(In Rupees)
						(a)	(b)	(c)	(d) =(a) +(b) - (c)	(e)	(f)	(g)	(h)	(i)	
1	I								0						
				Sub-total											
				Grand Total											

Date

Signature:

Appendix-XIV

SCHEDULE 22: SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Accounts:

The Accounts are prepared under the historical cost convention unless otherwise stated and generally on the accrual method of accounting.

2. Revenue Recognition

(A.) The following items are accounted for on accrual basis while recognizing revenue;

- i. Pension and Leave Salary contribution-on raising demand
- ii. Interest on investments –on accrued basis.
- iii. Interest on loan to staff- on accorded basis each year base on the diminishing balance method.

(B.) The following items of income are recognized on collection/receipt-

- Sale of publications/journals/information services.
 - Water & electricity charges.
 - Application fees.
 - Sale proceeds of farm produce fruits & vegetables
 - Sale proceeds of scrap, unserviceable stores/empties.
 - Sale of Tender papers.
 - Sale of application forms.
 - Telephone charges.
 - Guest House charges.
 - Registration fees.
 - Interest on Bank Account.
-

(C.) Insurance of vehicles against third party risks is accounted for on cash basis.

3. Fixed Assets and Depreciation

- 3.1 Fixed assets except progeny of Livestock are stated at cost of acquisition including inward freight, duties and taxes and incidental and direct expenses related to acquisition, installation, commissioning.
- 3.2 Progeny of Livestock are set up as assets when they are born by assigning values. Based on expenditure incurred on prenatal and post natal care of the mother and enhanced till their attaining particular ages, by the expenditure on their upkeep and feed. These items of expenditure are capitalised as the value of progeny, by credit to capital reserve.
- 3.3 Fixed assets are valued at cost of acquisition or construction or at manufacturing cost (in case of own manufactured /fabricated assets) in the year of capitalisation less accumulated depreciation (except freehold land and livestock). Depreciation on fixed assets for the year is provided on straight line method as per Companies act, at the following rates: *(Revised as approved by the Governing Body of ICAR in its 236th meeting held on 23.2.2016)*

Item	Rate of Depreciation
Buildings, Tanks & Ponds	2.00%
Roads, Bridge, Sewerage & Drainage	5.00%
Electrical installations and equipment	10.00%
Plant & Machinery	6.00%
Vehicle & Vessels	15.00%
Office equipment	10.00%

Computers/Peripherals/accessories	20.00%
Furniture & fixtures	10.00%
Audio Visual Equipment	10.00%
Laboratory apparatus and Scientific equipment	10.00%
Library books	10.00%
Tube wells	20.00%

3.4 All Fixed Assets other than Land and Buildings, the depreciated value of which at the beginning of the year is Rs. 10000 or less; and all Fixed Assets, other than Land & Buildings purchased in the year for a sum of less than Rs. 10000 each, are depreciated at the rate of 100% retaining a residual value for accounting control.

3.5 Full depreciation is provided on additions during the year.

3.6 No depreciation is provided on Land and Livestock.

3.7 Amortization of Leasehold Land

Land leased for 99 yrs. or more, may be taken to the head 'Leasehold land', and those leased for shorter periods may be amortized over the lease period mentioned in the lease deed. For example, if the land has been given on lease for a term of 7 years, it should appear as 'Leasehold land" and 1/7th of that should be shown in the deprecation column for 7 years till it becomes zero, unless in the meanwhile there is any change in the term or conditions of the lease. *(Revised as approved by the Governing Body of ICAR in its 236th meeting held on 23.2.2016)*

4 Stocks:

Stocks of stores, spare parts, laboratory chemicals, glassware, consumables, and other inventory items are valued at cost.

- 5 Animals used in research are treated as expenditure on cash basis whenever they are purchased. If however, they are held in large numbers and issued for research as and when necessary, they will be classified as Inventory.
- 6 Retirement benefits
The pension, gratuity and leave encashment are provided in the books of account based on cash basis.
- 7 Investments (Head quarters only)
All Long-Term Investments are valued at cost except in case of permanent diminution in their value for which necessary provision is made. Current investments are valued at the lower of cost and fair/market value.
- 8 Earmarked funds -welfare fund:
This represents the allocation of a specific percentage of the intellectual fee levied against and recovered from sponsored research projects, consultancy projects, and technical services. The fund is utilized for grants to families of deceased employees, Ex-gratia payments to employees/scholarships/hostel subsidy/cash awards and subsidy for books. The balance in the fund is invested and the income from the investment is added to the fund.
- 9 Investment of earmarked funds interest income accrued on such investments:
To the extent not immediately required for expenditure, the amounts available against such funds are invested in approved securities, debentures and bonds or deposited for fixed terms with banks, leaving the balance in current bank accounts.
Interest received, accrued and due and accrued but not due on such investments, are added to the respective funds and not treated as income of the council.
- 10 Government grants
10.1 Government grants of the nature of contribution towards capital expenditure (to the extent utilized in the year) are treated as of Capital Fund.
-

10.2 Government grants for meeting the revenue expenditure are treated as income of the year in which they are realized, except that they will be treated as accrued income where sanctions have been issued before the last day of the year and there is reasonable certainty of collection and realization.

10.3 Unutilized government grants are treated as funds to be carried forward and refunded, as per government directions and exhibited as a Liability.

10.4 Grants from AP Cess fund:

The Ministry of Agriculture has authorized to draw from the AP Cess fund, monies required for utilisation against approved schemes, as and when necessary, the limit in the annual budget. The drawals take place against a Letter of Credit established by the Ministry of Agriculture with the State of India in favour of Department of Agricultural Research and Education (DARE).

To the extent utilised for schemes in Headquarters and the Institutes and for financial assistance to scientific societies, the receipts against this grant are treated as income in the Income and Expenditure Account. To the extent it is utilised for capital expenditure as part of the schemes, it is transferred to the Capital Fund. The unutilised grants from AP Cess fund at the end of the year, pertaining to ongoing schemes are carried forward as a Liability as at the end of the year and for utilization in the subsequent years. Unspent balance of terminated AP Cess schemes and Revolving Fund recoveries from ICAR institutes, SAUs, NGOs are remitted to in the same financial year or in the next financial year.

11 Revolving Funds:

11.1 Revolving fund loans are granted to ICAR institutes, State Agricultural Universities and NGOs from the AP Cess funds, to enable them to undertake schemes for generation of income, and are exhibited under Current Assets Loans & Advances, till their repayment in installments. The advances given to ICAR institutes which appear under the same head in the ICAR Headquarters account and as a liability under the head 'Current Liabilities and Provisions in the institutes' accounts get set off during consolidation of accounts for ICAR as a whole. The repayment of the advances in installments by the institutes as well as SAUs & NGOs is watched through the Headquarters' accounts in which the

advances appear under the head Current Assets, Loans & Advances -b. Loans & Advances -Revolving Fund advances to Institutes. Recoveries of such advances along with balances in terminated AP Cess schemes are remitted to the Govt. of India.

11.2 The revenue expenditure incurred out of Revolving Fund schemes as well as the income derived from such schemes by the ICAR institutes are accounted for under the respective financial heads.

12 Sponsored Projects, Consultancy Projects and Grant-in-aid Projects -Receipts and Disbursements:

In respect of ongoing sponsored projects and consultancy projects, the amounts received from sponsors/clients are credited to the head "Current Liabilities -Other Liabilities -Receipts against ongoing sponsored/consultancy projects." As and when expenditure is incurred/advances are paid against such projects, entries are passed for credit to overhead recoveries, intellectual fees etc. by debit to the concerned project account under the head "Assets -Current Assets -Loans and Advances -a) Current assets -sundry debtors -Payments' against ongoing sponsored projects1 advances against sponsored projects", through Bank account (payments made), and through Journal entries (crediting Overhead Recovery Account, Intellectual fee etc). Simultaneously, after determining the shares of the Council, welfare fund and the scientific and other staff, these heads are credited by debit to Overhead Recovery account and Intellectual fee account. The share of Intellectual fee pertaining to the Council is treated as income in the Income and Expenditure Account. Overhead Recoveries and Equipment Usage Recoveries are treated as abatement of revenue expenditure for the year.

At the end of the year where the expenditure on Sponsored scheme booked under 'Sundry Debtors' is less than the Receipts (Opening Balance + Receipts during the year) for the scheme (under the head 'Current liabilities'), the figure under Sundry Debtors will be set off against the figures in Liabilities side in respect of that scheme and the net figure will be shown under Current Liabilities in the Balance Sheet. In respect of schemes, where the expenditure is more than the Receipts (Opening Balance + Receipts during the year) for the scheme, the figure in the liabilities side will be set off against the figures on the Assets side and the net amount shown as recoverable from the Sponsors under

Current Assets -Sundry Debtors in the Balance Sheet.

- 13 Expenditure on interest and finance charges incurred, which is not material when compared to totality, is grouped under miscellaneous expenses.

SCHEDULE 23: CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS (201 -1)

1. ICAR adopted the Accrual System of Accounting and the Standard formats for presentation of the Annual Financial Statements from the financial year 2002-2003.
2. Details of Contingent Liabilities are as under :

(Amount in lakhs)

Details of Contingent Liabilities		Current Year	Previous Year
1	Contingent Liabilities (Court Cases, PIL etc,)		
2	Letters of credit opened by the bank on behalf of the Council		
3	Estimated value of Contracts remaining to be executed on capital Account and not provided for (Net of Advances) (Capital Commitments)		
	TOTAL		