

Manual

on

Infrastructure

Directorate of Infrastructure
Central Board of Direct Taxes
Department of Revenue
Ministry of Finance
Government of India



सत्यमेव जयते

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भारत सरकार

GOVERNMENT OF INDIA

वित्त मंत्रालय / राजस्व विभाग

MINISTRY OF FINANCE/ DEPARTMENT OF REVENUE

केन्द्रीय प्रत्यक्ष कर बोर्ड

CENTRAL BOARD OF DIRECT TAXES

नार्थ ब्लॉक, नई दिल्ली - ११०००१

NORTH BLOCK, NEW DELHI - 110001

Dated 27th September, 2012

MESSAGE

With a paradigm shift in taxation in India, Direct Taxes are now the major source of revenue of the Central Government. It is the vision of the Income Tax Department to partner in the nation building process through progressive tax policy, efficient and effective administrative and improved voluntary compliance. A tax payer friendly service delivery mechanism provided by a motivated and enthused workforce is one of the keys to achieve this vision.

As the Apex Body of the Income Tax Department, Central Board of Direct Taxes would like to facilitate the achievement of the targeted goals of the Department by providing proper infrastructure in offices as well as adequate residential accommodation for our officers and staff members.

Under Results Framework Document (RFD), the DGIT (Logistics) has taken a commendable initiative of compiling and consolidating various instructions/circulars etc. issued by Government of India on matters related to infrastructure. I am convinced that this Manual would assist officers and staff members in appropriately dealing with infrastructure proposals and will help in reducing the time consumed in their preparation and subsequent approvals.

I acknowledge and sincerely appreciate the efforts put in by the officers of the Directorate of Infrastructure in compiling this first edition of Infrastructure Manual for our Department.

(Dr. Poonam Kishore Saxena)

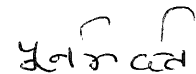
PREFACE

It is my pleasure to bring forth the first edition of this compendium containing various guidelines/instructions/circulars issued by Government of India on issues relating to Infrastructure. An attempt has been made to compile these guidelines/instructions/circulars in the form of an Infrastructure Manual.

Over a period of time the increase in volume & complexity of work with emphasis on Tax Payer Services has resulted in severe strain on the existing physical infrastructure of the Department spread over 530 locations in about 750 buildings across India. It has accordingly become imperative for the officers and staff in the field to have an in depth knowledge of the instructions/ circulars/ procedures pertaining to purchase of land, construction of office and residential buildings, hiring and purchase of ready built accommodation and repair and maintenance office/residential buildings. In this backdrop, the Infrastructure Manual will act as a comprehensive guide in the preparation of self-contained infrastructure proposals by the field formations resulting in speedier processing and grant of approval by the Competent Authority.

I look forward to valuable suggestions from the officers and staff of the Department for further improvement in the future editions of this Manual. I also take this opportunity to place on record my sincere appreciation of the contribution made by the officers and staff of the Directorate of Infrastructure in preparation of this Manual. For the convenience of the field formations, the Infrastructure Manual is being uploaded on the website of the Department i.e. www.irsofficersonline.gov.in.

28.09.2012


(Poonam Dutt)
Director General of Income Tax (Logistics)

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INTRODUCTION

The number of assesses, revenue collection and the consequent volume of work of the Income Tax Department has grown exponentially with the growth in GDP. The availability and expansion of infrastructure could not keep pace with the growth of the Department as reflected in the increase of number of assesses and the revenue collection. Over a period of time it led to serious infrastructure bottlenecks in the smooth functioning of Income Tax Department.

The Task Force on Direct & Indirect Taxes set up by the Ministry of Finance and Company Affairs under the Chairmanship of Dr. Vijay Kelkar, commented adversely on the state of infrastructure in the Income-tax Department in its report on Direct Taxes. The Task Force recommended that a study group be set up by the CBDT to assess the situation and recommend ways and means to improve it. CBDT constituted a three-member Task Force on Infrastructure vide its order dated 08.11.2002 for this purpose. The Report of the TFI was presented before CBDT in June 2003. The Task Force noted that the requirements of the department had greatly increased over the past decade. Manifold increase in the number of tax payers was putting pressure on physical resources as well as on expenditure budget. Further, there had been a conscious attempt to introduce a modern, technology-intensive tax administration. Greater use of modern technology necessitated re-engineering of business processes, re-deployment of man-power, up-gradation of skills of the work-force and their intensive training. The layout of offices which was geared to functioning in a manual environment was not found suitable in the present context. While the demand on the existing infrastructure has greatly increased, augmentation of the infrastructure has lagged behind. The TFI suggested several measures to make good the gap in infrastructure. Many of the recommendations of the TFI were accepted by the Board.

It is against this backdrop that the Directorate of Infrastructure under the Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance was created vide Gazette Notification dated 21st Nov. of 2005 under F.No.A-11013/9/2001-AD-VIII. The Directorate has been given mandate to function as a nodal authority for receiving, examining and processing of infrastructure related projects/proposals from the field authorities. In turn, the Directorate would place the projects/proposals before CBDT/Ministry for approval as appropriate.

The tasks of the Directorate of Infrastructure among others include, examination and processing of proposals for purchase and disposal of land and building, construction and purchase of office and residence buildings, repair and maintenance of departmental buildings, and, securing approvals for such proposals; examination and consolidation of budget for purchase of land and buildings, construction and repair and maintenance of buildings; examination of proposals, for hiring of office and/or residence; framing and interpretation of rules regarding allotment of residential accommodation in the departmental pool of the Income Tax Department; etc. In a short period of time since it became functional, the Directorate of Infrastructure has provided impetus to development of infrastructure in the Income Tax Department. The positive impact is being felt by the members of the Department across India.

In the course of processing infrastructure proposals, in the Directorate it was observed that infrastructure related proposals received from field formations were often premature, incomplete and not as per norms. Such proposals resulted in delays in examination,

processing and final approvals. The shortcomings in the proposals reflected a lack of awareness regarding guidelines, policies and instructions etc. issued by Government of India related to infrastructure proposals in the field formations. To bridge the information gap, the Directorate of Infrastructure embarked upon the task of compiling and consolidating various guide lines, instructions and policies of Ministry/Government of India on infrastructure related issues in an Infrastructure Manual. The Infrastructure Manual is a result of this exercise.

While preparing the Manual, utmost care has been taken to include all extant policies, instructions, guidelines, rules etc. of the Ministry/Government of India. Nevertheless, it will be advisable that the field formations exercise due diligence in preparing their infrastructure proposals before forwarding the same to this Directorate so that they are compliant with all the instructions of Ministry/Government of India, issued from time to time.

It is hoped that this manual will help field formations in preparing and forwarding mature and complete infrastructure related proposals to the Directorate. The Directorate would welcome suggestions for improving the Manual.

Chapter – 1

Financial Powers in respect of Infrastructure Proposals

1.1. Financial powers in respect of various items of expenditure are governed by the Delegation of Financial Powers Rules, 1978 (herein after referred to as DFPR). Rule 5 of these Rules lays down that all financial powers not specifically delegated to any authority under these Rules, shall vest in the Union Ministry of Finance.

1.2 Financial Powers of the Ministries/Departments in respect of expenditure on Non-Plan Schemes/Projects

- (i) **Financial Power delegated to Chairman, CBDT:** The Competent Authority for sanction of infrastructure proposals up to Rs. 5 crore is Chairman, CBDT. The Authority has been delegated to Chairman, CBDT vide **O.M. No 15/6/2008- IFU – III** dated 6th June, 2008 (**Annexure-I**). Such proposals are required to be submitted for the administrative approval and financial sanction of the Chairman through Directorate of infrastructure and the Integrated Finance Unit of CBDT. Proposals requiring sanction of expenditure beyond the delegated powers of HoD and up to Rs. 2 crores will be approved by the Member concerned. (Authority: F.No.15/6/2008-IFU-III dated 22nd September, 2008) (**Annexure-II**)
- (ii) Proposals requiring sanction of expenditure beyond the delegated power of Chairman, CBDT are to be submitted for approval of Competent Authority as specified vide O.M. No. 1(9)/E.II(A)/07 dated 6th April 2010. (**Annexure-III**). The financial limits along with Appraising and Sanctioning Authority as laid down in the said OM are as follows:-

	Financial limits of plan scheme/project	Appraisal Forum	Competent Authority to approve the scheme
(a)	Up to Rs. 20 Crores	Ministry/Department concerned, in normal course	Secretary of Administrative Ministry
(b)	Beyond Rs. 20 Crores upto Rs. 50 Crores	Standing Finance Committee of the Department concerned under the Chairmanship of Secretary with Financial Adviser and Joint Secretary/Director of the concerned Division as members with provision for inviting representative from any other Department that the Secretary/Financial Adviser may suggest.	Minister-in-charge of Department i.e. MOS(R)

(c)	Beyond Rs. 50 Crores but less than Rs. 75 Crores	Standing Finance Committee of the Department concerned as at by above with representative of Department of Expenditure also as a Member.	Minister-in-charge of Department i.e. MOS(R).
(d)	Rs. 75 Crores and above but less than Rs. 150 Crores	Committee for Non-Plan Expenditure	Finance Minister
(e)	Rs. 150 Crores and above	Committee for Non-Plan Expenditure	Cabinet/CCEA

The procedure to be adopted for Non-plan schemes/projects costing more than 50 crores but up to Rs.75 crores has been specified in Department of Expenditure O.M. No.1(9)/E.II(A)/07 dated 13.04.2010 [**Annexure-III(a)**].

It has been decided, with the approval of the competent authority, that Chairpersons of CBDT, Director Generals of the respective Directorates and JSs(Admn.) of CBDT may be included as Members in the Appraisal Forums of Standing Finance Committee (SFC).

1.3 At the time of sanctioning of alterations/modifications in the estimates of the project subsequent to original sanction, the decision whether the scope of the scheme has not been substantially altered is to be taken by the Secretary of the Department. The following changes shall be deemed to constitute a substantial alternation in the scope of the scheme -

- (a) Any change that may lead to a change in the objectives of an approved scheme (which includes any material change in its physical scope).
- (b) Any change in the programmes through which the objectives of an approved scheme are to be achieved.
- (c) Any change in the pattern of resources including funds.

All decisions in this regard should be taken in consultation with the Integrated Financial Adviser attached to that Ministry/Department. [Authority: G.I, M.F., O.M. No. F.1 (10)-E. II (A)/75, dated the 13th July, 1976].

1.4 Under Rule 13 of the DFPR a Department of the Central Government may, by general or special orders, confer powers not exceeding those vested in the Department upon the Head of Department on any other Subordinate Authority in respect of any matter covered by these Rules subject to provisions contained therein. "Head of Department" (HoD) has been defined under Rule 3(f) of DFPR. As per this definition, "HoD" is as an authority specified in Schedule-I and includes such other authority or persons as the concerned Department in the Central Government may, by order, specify as the "Head of Department" (HoD).

1.5 In pursuance of DFPRs, the financial powers of Heads of Department of CBDT are reviewed from time to time by the Integrated Finance Unit (IFU) of the Department of

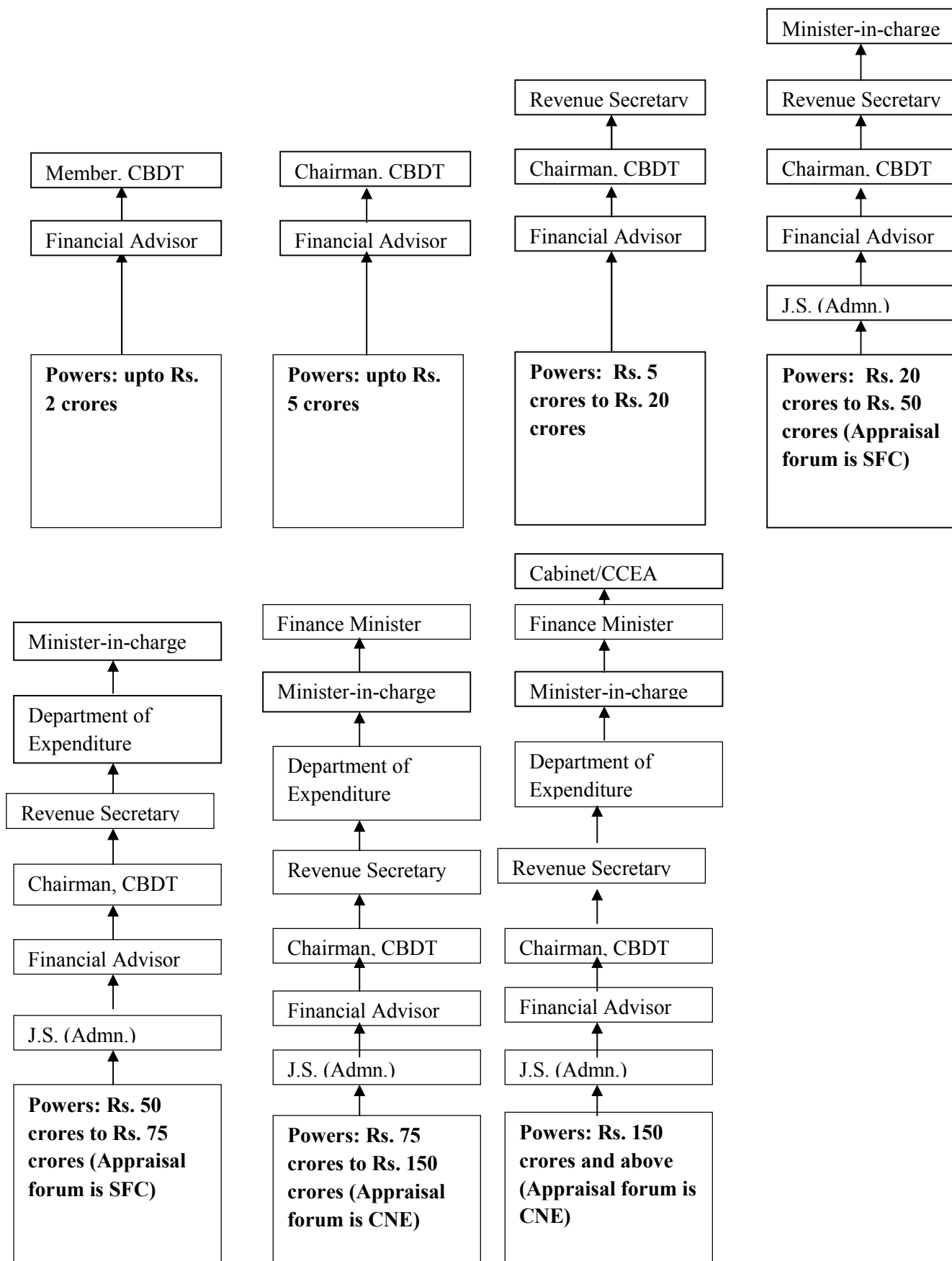
Revenue under the Ministry of Finance. The powers of HOD were last reviewed in the year 2011-12. The revised Delegation of Financial Powers has been issued by the IFU vide O.M. F. No. 15/6/2008-IFU-III dated 15th September, 2011(**Annexure-IV**). In exercise of the delegated financial powers in accordance with the said O.M., there is no requirement to refer the proposal to the Department/IFU except where the expenditure is in deviation of existing instructions. The provisions of GFRs and other instructions issued by Competent Authorities such as Department of Expenditure, Budget Division, CVC and DGS&D have to be followed by the “HoD” in exercise of the Delegated Financial Powers. The expenditure against the delegated powers is subject to availability of funds with the HoD under the subject head.

1.6 Extract of delegated powers of Head of Department in respect of infrastructure proposals: The relevant extract of the O.M. dated 15th September 2011 delegating financial powers to “HoD” in respect of infrastructure is as listed below:

S.No.	Item of Expenditure	Financial Powers (In Rs.)
(i)	Repair and maintenance work in buildings owned by the Department. (Minor Works)	Rs. 30 lakhs per annum. Provisions of GFRs 2005 will apply.
(ii)	Provision of DG set	Rs. 15 lakhs per annum per building for each HOD for purchase of DG (Diesel Generating) set subject to GFRs 2005. Works Manual and guidelines for essential and non-essential loads for DG Sets. [Financial Powers have been revised from Rs. 5 lakhs to Rs. 7 lakhs vide F.No. 15/6/2008-IFU.III dated 16 th September, 2008]
(iii)	Repair and maintenance work in hired buildings.	A total of Rs.50,000/- in a year, non-recurring. Provisions of GFRs 2005 will apply.
(iv)	Hiring of office accommodation	Rs. 3 lakhs per month for 13 major Cities (A-I and A) & Rs.1.5 lakhs per month for other cities. Note: These powers are subject to non-availability certificate from the Directorate of Estates and /or the Central Public Works Department (CPWD), Fair Rent Certificate (FRC) from the CPWD, adherence to GFRs 2005, admissibility of space norms as prescribed and relevant instructions on this item issued from time to time. Any deviation from norms including referred to the Ministry. Hiring should be recommended by a Hiring Committee duly constituted by the HOD. Note: The classification of any city in the A-I and A categories for 13 major cities would be the same as is the classification for HRA.
(v)	Original works (through the CPWD)	Rs. 10 lakhs in each case. Provision of GFRs

	on Departments land and building. (Only in cases where funds are provided by the Ministry of Urban Development {MOUD}). The power shall not be exercised for purchase of land/building.	2005 will apply. Government of India's decision under Rule 10 of DFPRs on New Services/New original works beyond Rs. 10 lakhs require reporting to the Parliament and beyond Rs. 50 lakhs, requires prior approval of the Parliament. Budget provisions should be available under the grant provided by MOUD.
(vi)	Fixture, Furniture (Purchase & Repair)	Full Powers.
(vii)	Municipal Rates and Taxes	Full Powers.

Flow Chart in respect of Financial Powers of Ministries/Departments concerning sanction of expenditure on non plan Schemes/Projects



Chapter – 2

Purchase of Land

2.1 The first step towards construction of either office building or residential quarters is the purchase of land. Land for these purposes can be acquired from Government of India (Ministry of Urban Development), State Government, Local Authority, Public Sector Undertaking or even a Private Party. However, preference should be given to purchase/acquisition of land from Central Government/State Government agencies such as MOUD/the Directorate of Estates/the Central Public Works Department (CPWD)/Municipal Corporations/Local Development authorities/Public Sector Undertaking (PSUs) etc. in terms of Guidelines for purchase of land and ready built office/residential accommodation by CBDT issued vide F.No. 181(10)/2000/Ad.VIII(DT) dated 29.5.2000/727 (**Annexure-V**).

While purchasing land, the end use must be kept in focus. Due care should be taken that the land proposed to be used for construction of the office building is suitable from the point of view of location, connectivity by public transport, accessibility for taxpayer and officials of the Department, approach roads and other facilities etc for smooth functioning of the office. In case of land meant for residential purpose, factors such as, distance from the local Income Tax Office, school, banks, market etc and availability of social infrastructure also become pertinent. The land should bear clear title, should be unencumbered and comply with all relevant Central and State Laws and Rules.

2.2 The first step for preparing a proposal for purchase of land is to determine the space requirements as per norms. Norms for calculation of space requirements have been laid down by the Government in respect of both office space as well residential quarters.

(I) Norms in respect of office space:-

(i) **Space entitlement for Gazetted and Non-Gazetted officials:** The scales of office space for various categories of officials of the Income Tax Department have been laid down by the Government of India in O.M. No. 26/19/65-ACC.II(3) dated 20/12/1965 of Ministry of Works and Housing. (**Annexure-VI**). The space requirement may be calculated on the basis of norms as specified below:-

<i>Designation</i>	<i>Area</i>	<i>Presently the designation means</i>
Commissioners of Income Tax	23 Sq. mts.	Chief Commissioner of Income Tax/Commissioner of Income Tax
Inspecting Assistant Commissioner	23 Sq. mts.	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
Income Tax Officers	18 Sq. mts.	Income Tax Officer/Asstt. Commissioner of Income Tax /Dy. Commissioner of Income

		Tax
Inspectors	11 Sq. mts.	
Other non-gazetted staff excluding Group 'D'	3.5 Sq. mts.	

(ii) The requirements of space for the Income Tax Department are typical. To take care of these typical needs a special Committee was appointed under the chairmanship of Shri H.R Laroya, Chief Architect, CPWD, New Delhi. The mandate of the Committee was to study and recommend the special requirements and specifications for Department of Revenue buildings. The Committee's Report (**Annexure-VII**) was submitted in 1981 and was accepted with certain modifications. The recommendations of the Committee were with certain modifications were notified vide O.M. No. 6/16/89-WI (Director General) dated 31 July 1986, issued by Director(Works), Directorate General of Works, CPWD, New Delhi (**Annexure-VIII**). For the purpose of assessing the requirement of special components, the offices were divided into four categories as given below:

<i>Category of Building</i>	<i>Highest Rank Officer</i>	<i>Presently this means</i>
I	Income Tax Officer	Dy. Commissioner of Income Tax/Asstt. Commissioner of Income Tax/Income Tax Officer
II	IAC	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
III	Commissioner of Income Tax	Commissioner of Income Tax/Chief Commissioner of Income Tax
IV	Multi-Commissioner charges – three or more Commissioners	3 or more Commissioner of Income Tax/Chief Commissioners of Income Tax

The space requirement for various special components depending upon the Category of the Building are to be calculated on the basis of the recommendations of the Laroya Committee as mentioned below:

<i>Sl. No.</i>	<i>Special Component</i>	<i>Carpet Area (Sq. mt) for category</i>				<i>Remarks</i>
		<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	
1	Entrance Hall with	33	66	88	110	

	Reception, Waiting etc.					
2	Public Relations Unit	---	---	---	---	As per requirement
3	Conference Room	---	22	44	44	
4	Strong Room	---	22	33	33	
5	Record Room 25% of the area for current record, 30% of the area for gazetted and non-gazetted staff for old records	---	---	---	---	
6	Counter area for forms receipt	11	16.50	22	44	
7	Waiting Lounge on each floor	11	11	22	33	
8	Stores for forms and stationary	11	16.50	22	44	Provision for inbuilt shelves may be made
9	Telephone Exchange/Telecom	---	22	22	22	
10	Internal Audit Party Room	11	11	22	33	
11	Visiting Officer's Room	---	---	22	44	
12	In service Training Room	---	---	22	44	
13	Guests Room	---	Suites 2 No. Dorm for 2 person	Suites- 4 No. Dorm for 4 person	Suites- 4 No. Dorm for 4 person	Dorm – Dormitory
14	Guard Room with dormitory facility for 8 persons	---	22	22	22	
15	Library	---	11	22	44	

16	Rest Room for ladies	11	11	16.50	22	
17	Recreation Room	---	22	33	44	
18	Canteen	11	11	33	88	This provision to be coordinated with Director of Canteens. Space may be split up at convenient floor levels.
19	Cooperative Stores	---	11	22	22	
20	Bank & Post Office	---	---	---	---	As per requirement
21	Space for Staff Association	---	---	16.50	33	
22	Bar Room	---	11	22	33	
23	Covered parking for Head of the Department	---	---	1 No. car space		As per requirement
24	Garages for Departmental Vehicles	---	1	2	4	

From the above charts it can be seen that the area for most components is fixed once the category of building is decided based on the rank of the senior most officer at the station. Only items at sl. No. 2, 5, 20, 23 and 24 are to be determined.

The space calculation may be made in accordance with the above norms in the manner listed below:

- (A) Space for officers and staff may be worked out as per (i) above.
- (B) Space for Records may be calculated at 55 percent of the total space required for the sanctioned strength of Gazetted and Non-Gazetted officers and staff.
- (C) Space for special components may be calculated as per (ii) above.
- (D) In addition to the above, space calculation should factor in requirement for 'Aayakar Seva Kendra' (ASK) as the Department is mandated to set up ASK in all its buildings as a part of the 'Sevottam' initiative of Government of India. The norms of space approved by CBDT in this regard are to be calculated on the basis of the number of nodes required. (Letter no. 10/2/2012-AP/DOMS/986 dated 1st August, 2012 of Directorate of Organisation and Management Services refers. **Annexure -IX**). Depending on the number of nodes, the space to be provided is as follows:

Approved requirements of space for ASK locations		
S.No.	Number of nodes	Requirement of space (In sq.ft.)
1.	Location having 2 nodes	500
2.	Location having 3 nodes	600
3.	Location having 4 nodes	700
4.	Location having 5 nodes	1000
5.	Location having 6 to 10 nodes	1400
6.	Location having 11 to 15 nodes	2000
7.	Location having 16 to 25 nodes	2800

(iii) Space for work stations for computer room if any, server room, parking etc, may also be included with adequate reason to justify the requirement and calculation.

(iv) Requirement of office space for ITAT authorities may be considered in accordance with O.M F.No.181/44/72.Admn.VIII dated 9.8.1973. **(Annexure-X)**.

(v) In determining the requirement of office space, the space for common circulation areas such as corridors, bathrooms, stairs, lifts etc. should not be included as the same is to be calculated by the CPWD to arrive at the requirement of the total built-up area.

The carpet area for office is the sum of carpet area required for officers and staff, records, and carpet area required for special components. To this, 15% is added for future expansion. From the area arrived at after adding 15%, an economy cut of 10% is to be affected to arrive at the final requirement of carpet area of office space.

The above calculations are summarized as under:-

Office space requirement as per norms	(A)
Add: Space for records	(B) = 55% of (A)
Special components	(C)
Space for ASK	(D)
Total requirement	(E) = (A) + (B) + (C) +(D)
Add: 15% for future expansion	(F) = 15% of (E)
Less: 10% economy cut	(G) = 10% of [(F) + (E)]
Net requirement	(H) = (E) + (F) – (G)
Less: Space already available	(I)
Net shortage	(H) – (I)

(II) Norms for residential accommodation:-

(i) The satisfaction ratio norms in respect of various types of residential accommodation have been prescribed in Ministry of Finance in OM NO.101/18/93-Ad.VIII(DT) dated 20.10.93 **(Annexure-XI)**. As per the O.M. the satisfaction ratio for various types of accommodation should be as under:-

Type	Existing		Revised	
	Other Places	Metropolitan Cities	Other Places	Metropolitan/Capital Cities
I	20%	20%	20%	40%
II	20%	20%	40%	50%
III	50%	50%	60%	60%
IV & above	80%	80%	80%	80%

Construction proposals for residential accommodation are to be prepared keeping these satisfaction ratios in sight. While determining the number of quarters to be constructed, the number of houses available in the Departmental pool, the houses available in General pool and the willingness of officers and staff to occupy the quarters has to be taken into account.

(ii) Subsequent to the notifications of 6th Pay Commission Report the classification of types of residential accommodation has been modified on the basis of Grade Pay vide Directorate of Estates Notification dated 21.8.2009 (**Annexure-XII**).

<i>Type</i>	<i>Grade Pay</i>
I	Rs. 1,300, Rs. 1,400, Rs. 1,600, Rs. 1,650 and Rs. 1,800
II	Rs. 1,900, Rs. 2,000, Rs. 2,400 and Rs. 2,800
III	Rs. 4,200, Rs. 4,600 and Rs. 4,800
IV	Rs. 5,400 to Rs. 6,600
IV (Spl.)	Rs. 6,600
V-A (D-II)	Rs. 7,600 and Rs. 8,000
V-B (D-I)	Rs. 8,700 and Rs. 8,900
VI-A(C-II)	Rs. 10,000
VI-B(C-I)	Rs. 67,000 to Rs. 74,999
VII	Rs. 75,000 to Rs. 79,999
VIII	Rs. 80,000 and above

In proposals for acquisition of land for construction of residential quarters, the classification of type of residential quarters as per the Grade Pay as specified in DOE's OM dated 21.8.2009 should be taken into consideration while working out the requirement of quarters. However, it should be borne in mind that in case of Type I, the O.M. is applicable only for allotment of the existing type-I quarters. No proposals for construction of new type-I quarters should be made and new construction should be only of Type II and above.

(iii) While sending proposals for residential quarters, the shortage of quarters should be worked out as per the proforma in the following table:-

<i>S. No</i>	<i>Type of Quarter</i>	<i>No. of eligible persons for that type*</i>	<i>Satisfaction Level (%)</i>	<i>No. of Quarters occupied</i>	<i>No. of quarters occupied from general pool</i>	<i>No. of Quarters available</i>	<i>No. of Quarters under construction/ proposed construction</i>	<i>Shortage of Quarters</i>
(1)	(2)	(3)	(4)	(5) = (3) X (4)	(6)	(7)	(8)	(9) = (5) – (6) – (7) – (8)
1	II							
2	III							
3	IV							
4	V							
5	VI							

(iv) The no. of persons who are eligible for a particular type of quarters is to be calculated on the basis of sanctioned strength at the station and the grade pay of officers and staff.

(v) The Department should calculate the number and type of residential quarters only. The size of the quarters and built-up area for these quarters is to be calculated by the CPWD.

(vi) Though satisfaction norms have been fixed for determining the number of residential quarters required, the demand for residential quarters may vary at different stations. Hence, it is essential that the demand for various categories of houses is ascertained from amongst the eligible staff to arrive at the actual demand for residential quarters and details thereof should be incorporated in the proposals. The proposed number of quarters may be restricted to either the satisfaction ratio or the actual demand, whichever is less. A report on the basis of the demand ascertained should be prepared in the following table:

REPORT SHOWING THE WILLINGNESS/NON-WILLINGNESS OF THE OFFICERS/STAFF FOR GOVT. ACCOMMODATION AT.....(Specify the Station)

Name of the office:.....

S.No.	Name of the officer	Designation	Grade pay/basic pay	Type of quarter for which eligible	Whether willing to occupy govt. accommodation	Signature of the officer

SUMMARY OF THE REPORT OF WILLINGNESS

S.No.	Type of quarter	No. of officers eligible	No. of officers willing to occupy the govt. accommodation	No. of officers not-willing to occupy the govt. accommodation
1	I			
2	II			
3	III			
4	IV			
5	IV (Spl.)			
6	V-A (D-II)			
7	V-B (D-I)			
8	VI-A (C-II)			
9	VI-B (C-I)			
10	VII			
11	VIII			

Notwithstanding the above stipulation, the demand for housing is not static and may change as the postings of officers and staff are subject to transfers. Therefore, while arriving at the requirement of residential quarters, other relevant factors such as number of houses owned by the staff at the station, duration of posting in a particular station, availability of cheaper private accommodation on rent etc, and other local factors which may affect the demand for government accommodation should also be taken into consideration. The endeavour should be to ascertain the actual demand to avoid a situation of construction of residential quarters of which several remain unoccupied.

(III) It should be borne in mind that the requirement of land is not be calculated by the Department. Only the requirement of office space and the number and type of residential quarters should be conveyed to the CPWD, who shall thereafter, determine the area of land to be acquired.

2.3 Purchase of land from Govt./Govt. Bodies

The requirement of carpet area for office accommodation and residential quarters (Nos./Type) should be conveyed to CPWD. On the basis of requirement, CPWD will ascertain the minimum requirement of land and issue a Minimum Requirement of Land Certificate. After ascertaining the minimum requirement of land from CPWD, a suitable plot of land has to be identified. The possibility of acquiring land from Government of India, State Government, Local Authorities, Development Authorities, Avas Vikas Parishads or PSUs should be explored before private bodies are approached. In case of acquisition from State Government, Local Authorities or PSUs, a certificate of non-availability of Central Government land/building is necessary. A certificate of cost reasonableness from CPWD is also to be obtained. A certificate regarding feasibility/suitability for construction on the designated piece of land from CPWD is also essential. In land acquisition, preference is to be given to free hold land. However where free hold land is not available, leasehold land may be acquired only on long term lease.

The custodian of all land belonging to the Central Government is the Ministry of Urban Development. The Procedure followed by the Ministry of Urban Development for

allotment of land on perpetual leasehold basis is available on the website of the Ministry at <http://ldo.nic.in/contents.htm>

2.4 **Submission of proposal**

CBDT had undertaken an exercise to review the infrastructural issues of the Department and the remedial steps required and issued a Letter F.NO.208/2/2000. Ad.VIII(DT) dated 8th May 2000 to the field detailing the steps to be taken for addressing these issues (**Annexure-XIII**). These Guidelines supplemented by later instructions may be taken into consideration while submitting proposals for approval. Upon completion of all the requirements, and obtaining necessary certificates from the CPWD, a comprehensive proposal giving detailed justification for purchase/acquisition of land, along with required documents should be forwarded to the Directorate of Infrastructure. For speedy examination and processing of such proposals, check-lists have been devised in consultation with IFU. The checklist should be filled up and sent along with the proposal. (**Annexure-XIV-XIV(a)**). If required, the SFC/CNE Memorandum (as applicable) should also accompany the proposal as discussed in following para-2.6. In preparing the checklist and working out the space requirement, norms discussed in the foregoing paras are to be strictly adhered to.

2.5 **Recommendation/forwarding of the proposal by jurisdictional Chief Commissioner**

The proposals for acquisition of land are to be submitted to Infrastructure Directorate only through the jurisdictional Chief Commissioner. If necessary, the CCITs office shall call for the requisite details/documents from the concerned Commissioners before sending the proposal to this Directorate. While recommending/forwarding the proposal, the Chief Commissioner's office should take care to examine and endorse that there is adequate and proper justifications for the proposals. The Chief Commissioner's office should also verify that the proposal is being submitted in the prescribed format alongwith checklist and requisite documents. Incomplete proposals are liable to be returned without taking any action thereon.

2.6 Proposals involving (i) expenditure over Rs. 20 crores but less than Rs. 75 crores and (ii) proposals involving expenditure more than Rs.75 crores should be accompanied by a Memorandum for Standing Finance Committee (SFC) & Memorandum for Committee on Non-Plan Expenditure (CNE) respectively. The formats for the CNE and SFC Memorandum have been prescribed by the Department of Expenditure and may be used appropriately to submit the proposals for consideration. [**Annexure –XV(a), XV(b)**]. In addition, information regarding disaster management concerns specified in Department of Expenditure O.M. No.1(9)/(E).II(A)/2007 dated 14.07.2009. [**Annexure-XV(c)**] are to be incorporated in the CNE Memo. The financial limits specified for SFC/CNE are for the composite project and under no circumstances a proposal should be split so as to avoid appraisal/approval by the Competent Authority. Ministries/Departments have been advised by the Department of Expenditure not to incur any expenditure on account of investment in land and building unless schemes/projects are appraised/approved by the Competent Authority (**Annexure-III**).

2.7 **Shortcomings/deficiencies observed in land proposals**

A list of common shortcomings/deficiencies generally observed in the infrastructure proposals submitted has been prepared in the Directorate of Infrastructure the field

(**Annexure-XVI(a)**).. General guidelines for preparing proposals for acquisition of land and have also been prepared. (**Annexure-XVI(b)**). The list and the guidelines may be kept in mind to avoid delays in processing in proposals.

2.8 Major documents/details required

A list of basic documents & details required has been enumerated by the Directorate to facilitate the preparation of proposals. (**Annexure-XVII**).

2.9 Classification of ‘works’ expenditure under proper Head of Account

The proper Budget Head etc. along with details of availability of the Budget should be mentioned in the proposal as per OM bearing F.No.DIT (Infra.)Head of account/32/2012-13 dated 16.08.2012 (**Annexure-XVIII**).

2.10 All the relevant provisions of General Financial Rules (GFRs), Delegation of Financial Powers Rules (DFPRs) and various instructions issued by CVC etc. should also be scrupulously followed while preparing the proposals. The following GFRs/DFPFs are relevant for the land proposals.

S.No.	Rule No.	Applicable Rules	Other relevant provisions/instructions
1	28	GFRs	Annexure-XIX(a) & (b)
2	278	GFRs	Annexure-XIX(a) & (b)
3	279 (1) to (5)	GFRs	Appendix-11 to Rule 279(4) & 279(5) Annexure-XIX(a) & (c)
4	Rule 13	DFPRs	S.No.8 of Annexure to Schedule V to Rule 13 Annexure-XIX(d)

2.11 The various steps involved in the land proposals have been summarised in the Flow Chart at the end of the chapter.

Purchase of land from Private Parties

If suitable land is not available with the Govt./Govt. Bodies etc, acquiring of land from private parties may be considered. In case of purchase from private parties, a tender notice should be given in both local as well as national newspapers giving all the requirements (space required location, technical specifications, time frame etc.). The facilities offered as part of Government housings are clearly laid down and whether acquired privately or otherwise, should conform or approximate to these rules. This requirement should form part of the bid documents. In addition, since the offers may vary depending on facilities offered by the bidder, the appropriate authority before issuing the bid document can finalize financial weights to them to ensure a degree of uniformity in evaluation. These weights should be clearly defined in the bid document itself to provide much needed transparency.

The tender process should follow a two-bid system, namely, techno-commercial and financial/price bids. In the first instance, techno-commercial bids should be opened, analyzed and discussed. This work should be carried out by a committee which should also include a Technical Member from the CPWD or any GOI/State Government/Public Sector Agency

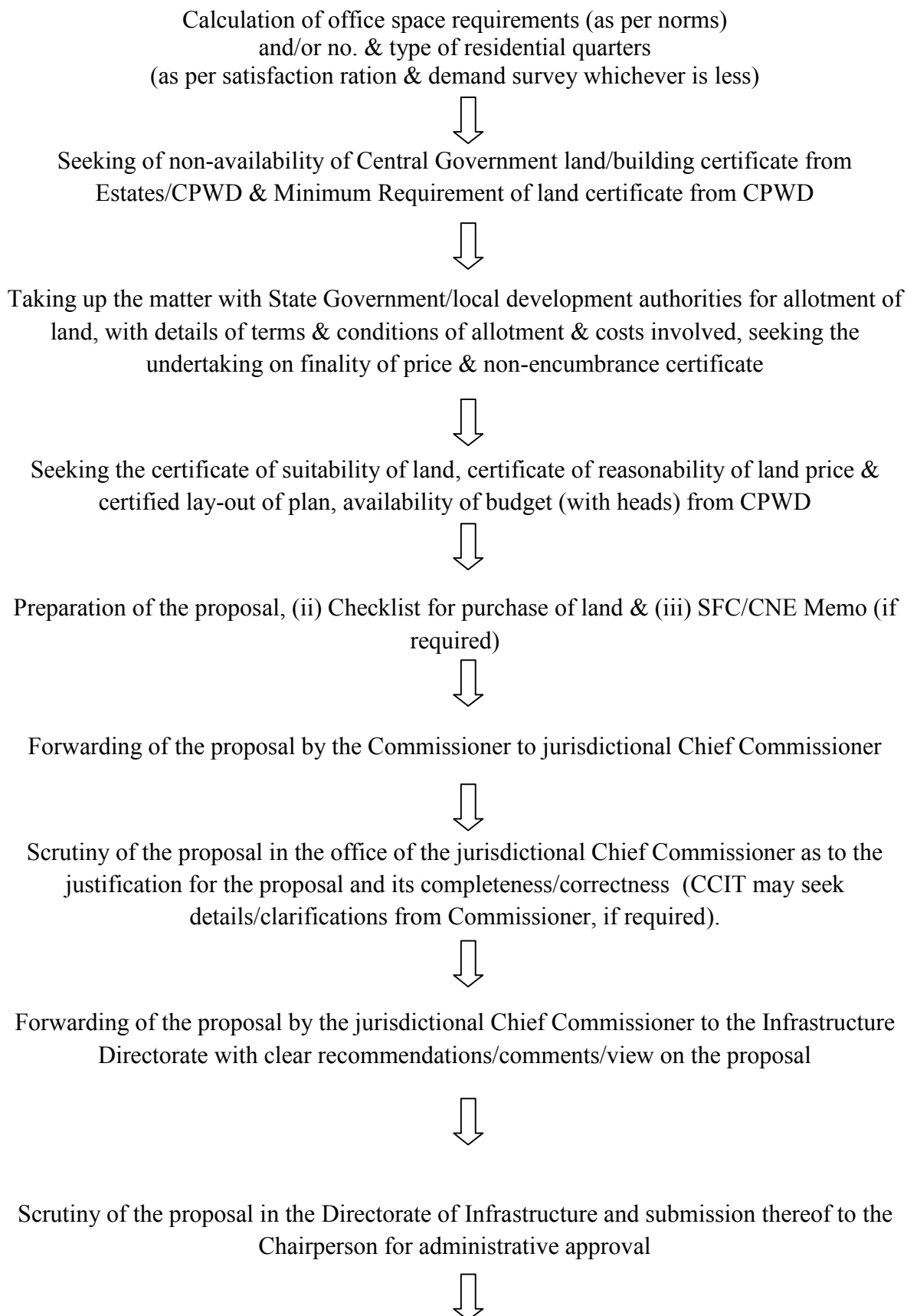
having expertise in the matter. The factors which are acceptable and common may be retained and other factors requiring modification to make them comparable/acceptable be discussed with the bidders. The bidders, whose bids have been finally found acceptable on technical and utility consideration, can be apprised of the revised requirements and may be permitted to revise their financial bids in a limited time frame. Thereafter the financial bids can be opened, compared and the lowest bid (L-1) be arrived at. This exercise is required to be conducted by the Chief Commissioner of Income Tax before the proposal is referred to the Board.

The Board after examination of the proposal in consultation with FA (Finance) shall set up a Price Negotiation Committee, to conduct the negotiations with the lowest tenderer as indicated by the Chief Commissioner of Income Tax. The Price Negotiation Committee should comprise of JS (Admn.), CBDT, FA (Finance), the concerned Chief Commissioner of Income Tax (Convener) and a Technical Member (see detailed guidelines issued for the purpose vide F.No.181(10)/2000/Ad.VIII dated 29.5.2000 at **Annexure –V**).

In case, the acquisition is proposed to be done from non government agency, a certificate regarding non availability of government land from CPWD is also required to be obtained.

After completing all the formalities as mentioned above and after obtaining necessary certificates from CPWD, a comprehensive proposal giving justification for purchase of land, details of the land/documentary details from the agency from which the land is purchased and the cost at which the land is proposed to be purchased should be prepared and forwarded to the Directorate of Infrastructure.

Flow Chart for Land proposals



Examination of proposal by Financial Advisor (Finance) for concurrence and submission to the Chairman/Revenue Secretary etc for financial sanction (wherever required)



Approval of SFC/CNE, if proposal involves expenditure beyond 20 crores.



Issue of Sanction Order by AD.VIII(DT) Section of CBDT.



Return of the proposal file to Infrastructure Directorate

Chapter – 3

Construction of Building (Office/Residential)

3.1 After the purchase of land, the next stage in a proposal is construction of office building and/or residential quarters. Administrative approval and financial sanction for construction is required before commencement of construction. Administrative approval and financial sanction of the competent authority must be obtained for construction as soon as possession of land has been taken. The proposal for administrative approval and financial sanction of construction requires a number of steps to be taken :-

(i) The first step is to request the agency entrusted with execution of the work (herein after referred to as the construction agency) e.g. CPWD etc. to prepare the drawings as per the Department's requirement and laid down norms. The total requirement of the office/residential accommodation based on sanctioned strength of the office should be communicated to the construction agency. The construction agency should also be informed of all the special components notified for the Department on the recommendations of the Laroya Committee. Due care should be taken to include generators, air conditioners, cabling work for all office related works such as computers, telephones, electricals, fire-alarms etc. The space required for setting up of ASK should also be included. Specific requirements prescribed by the Directorate of System, if any, should also be included at this stage to avoid any additional work on this account subsequently.

When approving the drawing prepared by the construction agency, it should be ensured that the specifications spelt out by the Department have been incorporated. This will facilitate preparation of accurate estimates by the construction agency. It is advisable that specifications/features proposed to be incorporated in the building are frozen at the time of preparation of the estimates to eschew time/cost over-runs later.

3.2 Proposals for construction of office buildings should be framed in accordance with the specified norms. The space entitlement for officers and staff, approved special components, and other space requirements have been discussed in detail in Chapter 2 Sub-Section 2.2(I). Although the discussion in Chapter -2 is with regard to calculation of space for purchase of land, the norms laid down in the Annexures referred to in Chapter -2, particularly **Annexures VI to X** are equally applicable to proposal for construction. Similarly the requirements for residential quarters are spelt out in Chapter-2, Sub-Section 2.2(II). Proposals should be framed in accordance with the laid down norms to ensure their early approval. The extant approved Norms are recapitulated below:-

(I) Norms in respect of office space:-

(i) **Space entitlement for Gazetted and Non-Gazetted officials:** The office space requirement for various categories of officials of the Income Tax Department may be calculated as per Norms specified in Government of India O.M. No. 26/19/65-ACC.II(3) dated 20/12/1965 of Ministry of Works and Housing. (**Annexure-VI**) which are as follows:-

Designation	Area	Presently the designation means
Commissioners of Income Tax	23 Sq. mts.	Chief Commissioner of Income Tax/Commissioner of Income Tax
Inspecting Assistant Commissioner	23 Sq. mts.	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
Income Tax Officers	18 Sq. mts.	Income Tax Officer/Asstt. Commissioner of Income Tax /Dy. Commissioner of Income Tax
Inspectors	11 Sq. mts.	
Other non-gazetted staff excluding Group 'D'	3.5 Sq. mts.	

(ii) The requirement of space for special components must be calculated in accordance with the recommendations of the Laroya Committee (**Annexure-VII**), and O.M. No. 6/16/89-WI (Director General) dated 31 July 1986, issued by Director(Works), Directorate General of Works, CPWD, New Delhi (**Annexure-VIII**). For the purpose of assessing the requirement of special components, the category of office may be decided in accordance with the classification given below:

Category of Building	Highest Rank Officer	Presently this means
I	Income Tax Officer	Dy. Commissioner of Income Tax/Asstt. Commissioner of Income Tax/Income Tax Officer
II	IAC	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
III	Commissioner of Income Tax	Commissioner of Income Tax/Chief Commissioner of Income Tax

IV	Multi-Commissioner charges – three or more Commissioners	3 or more Commissioners of Income Tax/Chief Commissioners of Income Tax
----	--	---

The space requirement for various special components depending upon the Category of the Building may thereafter be calculated as below on the basis of the recommendations of the Laroya Committee:

Sl. No.	Special Component	Carpet Area (Sq. mt) for category				Remarks
		I	II	III	IV	
1	Entrance Hall with Reception, Waiting etc.	33	66	88	110	
2	Public Relations Unit	---	---	---	---	As per requirement
3	Conference Room	---	22	44	44	
4	Strong Room	---	22	33	33	
5	Record Room 25% of the area for current record, 30% of the area for gazetted and non-gazetted staff for old records	---	---	---	---	
6	Counter area for forms receipt	11	16.50	22	44	
7	Waiting Lounge on each floor	11	11	22	33	
8	Stores for forms and stationary	11	16.50	22	44	Provision for inbuilt shelves may be made
9	Telephone	---	22	22	22	

	Exchange/Telecom					
10	Internal Audit Party Room	11	11	22	33	
11	Visiting Officer's Room	---	---	22	44	
12	In service Training Room	---	---	22	44	
13	Guests Room	---	Suites 2 No. Dorm for 2 person	Suites-4 No. Dorm for 4 person	Suites-4 No. Dorm for 4 person	Dorm – Dormitory
14	Guard Room with dormitory facility for 8 persons	---	22	22	22	
15	Library	---	11	22	44	
16	Rest Room for ladies	11	11	16.50	22	
17	Recreation Room	---	22	33	44	
18	Canteen	11	11	33	88	This provision to be coordinated with Director of Canteens. Space may be split up at convenient floor levels.
19	Cooperative Stores	---	11	22	22	
20	Bank & Post Office	---	---	---	---	As per requirement
21	Space for Staff Association	---	---	16.50	33	

22	Bar Room	---	11	22	33	
23	Covered parking for Head of the Department	---	---	1 No. car space		As per requirement
24	Garages for Departmental Vehicles	---	1	2	4	

From the above chart, it can be seen that the area for most components is fixed once the category of building is decided based on the rank of the senior most officer at the station. Only items at sl. No. 2, 5, 20, 23 and 24 are to be determined.

The space calculation may be made in accordance with the above norms in the manner listed below:

- (A) Space for officers and staff may be worked out as per (i) above.
- (B) Space for Records may be calculated at 55 percent of the total space required for the sanctioned strength of Gazetted and Non-Gazetted officers and staff.
- (C) Space for special components may be calculated as per (ii) above.
- (D) In addition to the above, space may be calculated for 'Aayakar Seva Kendra' (ASK) in accordance with the norms laid down by CBDT (**Annexure -IX**). Depending on the number of nodes, the space to be provided is as follows:

Approved requirements of space for ASK locations		
S.No.	Number of nodes	Requirement of space (In sq.ft.)
1.	Location having 2 nodes	500
2.	Location having 3 nodes	600
3.	Location having 4 nodes	700
4.	Location having 5 nodes	1000
5.	Location having 6 to 10 nodes	1400
6.	Location having 11 to 15 nodes	2000
7.	Location having 16 to 25 nodes	2800

(ii) Space for work stations for computer room if any, server room, parking etc, may also be included with adequate reason to justify the requirement and calculation.

(iii) Requirement of office space for ITAT authorities may be considered in accordance with O.M F.No.181/44/72.Admn.VIII dated 9.8.1973. **(Annexure-X)**.

(iv) In determining the requirement of office space, the space for common circulation areas such as corridors, bathrooms, stairs, lifts etc. should not be included as the same is calculated by the CPWD to arrive at the requirement of the total built-up area.

(II) Norms for residential accommodation:-

(i) The satisfaction ratios in respect of various types of accommodation has been prescribed by the Ministry of Finance in OM NO.101/18/93-Ad.VIII(DT) dated 20.10.93 **(Annexure-XI)**. As per the O.M., the satisfaction ratio for various types of accommodation should be as under:-

Type	Existing		Revised	
	Other Places	Metropolitan Cities	Other Places	Metropolitan/Capital Cities
I	20%	20%	20%	40%
II	20%	20%	40%	50%
III	50%	50%	60%	60%
IV & above	80%	80%	80%	80%

Construction proposals for residential accommodation are to be prepared keeping these satisfaction ratios in view. While determining the number of quarters to be constructed, the number of houses available in the Departmental pool, the houses available in General pool and the willingness of officers and staff to occupy the quarters has to be taken into account.

(ii) The modified classification of types of residential accommodation on the basis of Grade Pay after Notification of the 6th Pay Commission is as follows **(Annexure-XII):-**

Type	Grade Pay
I	Rs. 1,300, Rs. 1,400, Rs. 1,600, Rs. 1,650 and Rs. 1,800
II	Rs. 1,900, Rs. 2,000, Rs. 2,400 and Rs. 2,800
III	Rs. 4,200, Rs. 4,600 and Rs. 4,800
IV	Rs. 5,400 to Rs. 6,600
IV (Spl.)	Rs. 6,600

V-A (D-II)	Rs. 7,600 and Rs. 8,000
V-B (D-I)	Rs. 8,700 and Rs. 8,900
VI-A(C-II)	Rs. 10,000
VI-B(C-I)	Rs. 67,000 to Rs. 74,999
VII	Rs. 75,000 to Rs. 79,999
VIII	Rs. 80,000 and above

When submitting proposals for acquisition of land for construction of residential quarters, the classification of type of residential quarters as per the Grade Pay as specified in DOE's OM dated 21.8.2009 should be taken into consideration for working out the requirement of quarters. However, it should be kept in mind that in case of Type I, the O.M. is applicable only for allotment of the existing type-I quarters. No proposals for construction of new type-I quarters should be made and new construction should be only of Type II and above. The shortage of quarters should be worked out as per the proforma in the following table:-

<i>Sl. No.</i>	<i>Type of Quarter</i>	<i>No. of eligible persons for that type*</i>	<i>Satisfaction Level (%)</i>	<i>No. of Quarters occupied</i>	<i>No. of quarters occupied from general pool</i>	<i>No. of Quarters available</i>	<i>No. of Quarters under construction/ proposed construction</i>	<i>Shortage of Quarters</i>
(1)	(2)	(3)	(4)	(5) = (3) X (4)	(6)	(7)	(8)	(9) = (5) - (6) - (7) - (8)
1	II							
2	III							
3	IV							
4	V							
5	VI							

(iv) The no. of persons who are eligible for a particular type of quarter is to be calculated on the basis of sanctioned strength at the station and the grade pay of officers and staff.

(v) The Department should calculate the number and type of residential quarters only. The size of the quarters and built-up area for these quarters is to be calculated by the CPWD.

(vi) Though satisfaction norms have been fixed for determining the number of residential quarters required, the demand for residential quarters may vary at different stations. Hence, it

is essential to ascertain the actual demand from amongst the eligible officers and staff in various categories beforehand. The details of demand for quarters should be incorporated in the proposals. The proposed number of quarters may be restricted to either the satisfaction ratio or the actual demand, whichever is less. A report on the basis of the demand ascertained should be prepared in the following table:

REPORT SHOWING THE WILLINGNESS/NON-WILLINGNESS OF THE OFFICERS/STAFF FOR GOVT. ACCOMMODATION AT.....(Specify the Station)

Name of the office:.....

S.No.	Name of the officer	Designation	Grade pay/basic pay	Type of quarter for which eligible	Whether willing to occupy govt. accommodation	Signature of the officer

SUMMARY OF THE REPORT OF WILLINGNESS

S.No.	Type of quarter	No. of eligible officers	No. of officers willing to occupy the govt. accommodation	No. of officers not-willing to occupy the govt. accommodation
1	I			
2	II			
3	III			
4	IV			
5	IV (Spl.)			
6	V-A (D-II)			
7	V-B (D-I)			
8	VI-A (C-II)			

9	VI-B (C-I)			
10	VII			
11	VIII			

3.3 Checklists for preparing proposals for administrative approval/financial sanction for construction of office building, residential quarters, and construction of guest house and checklist construction of boundary wall have been standardized in consultation with IFU and are at **Annexure XX-XX(a)-XX(c)**. The checklists should invariably be filled and submitted along with the proposals. The information sought is common for both office and residence construction proposals except for 7, additional items of information in case of residence construction. These items are separately indicated in the checklist.

(C) Other Information: In addition to the information specified in the checklist, the following details may also be furnished

(I) General Information:

1. Present arrangement concerning office accommodation, whether hired or owned and the space available in it.
2. What is the maximum permissible space that can be constructed on the available land? (Information to be obtained from the CPWD).
3. Details of land to be used for each unit i.e. office, residential quarters, guest house, should be provided separately (information to be obtained from the CPWD).
4. It needs to be confirmed/certified that requirements projected are the minimum and are as per applicable norms. (Information to be obtained from the CPWD).
5. It has to be ensured that the materials used in the construction are energy efficient.(Information to be obtained from the CPWD).
6. It needs to be confirmed that the cost estimates and the schedule of completion for the project are firm and realistic and there will be no additionalities at a later date.(Information to be obtained from the CPWD).
7. Whether all approvals required from local agencies have been obtained?

(II) Information related to construction of Guest House: (Checklist at **Annexure-XX(b))**

1. Actual necessity/justification for construction of a guest house.
2. Whether any other arrangement i.e. rooms in private hotels/rent free accommodation on per night basis at that station is available to the Department.
3. Recurring expenses for construction of the guest house.
4. Running expenses of the guest house.
5. Arrangement regarding cleaning and general housekeeping etc., of the guest house.
6. Budget Head under which the expenditure for construction of the guest house shall be accounted.

3.4 **GENERAL FINANCIAL RULES (GFR):** For construction of office or residence, it is pertinent to refer to Chapter-5 of GFR, 2005. The GFR are available on the website of the Department of Expenditure and are available on the URL http://finmin.nic.in/the_ministry/dept_expenditure/acts_codes/GFR2005.pdf. To facilitate the Heads of Departments, Chapter -5 of the GFR is reproduced in this Manual and placed as **Appendix I**.

For easy reference the relevant GFR provisions are reproduced below:-

Rule 126

- (1) *A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees ten Lakhs after following due procedure indicated in Rule 132.*
- (2) *A Ministry or Department, may, at its discretion, assign repair works estimated to cost above Rupees thirty Lakhs and original works of any value to any Public Works Organization, such as Central Public Works Department (CPWD), State Public Works Divisions, other Central Government organizations authorized to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organization(BRO), etc. Public Sector Undertakings set up by the Central or State Government to carry out civil or electrical works or any other Central/State Government Organization/PSU which may be notified by the Ministry of Urban Development after evaluating their financial strength and technical competence.*
- (3) *A Ministry or Department may also execute works of the nature and values mentioned at Rule 126(2) through a well reputed and technically competent organization, other than Public Works Organizations as defined in Rule 126(2), after consultation with Ministry of Urban Development. While considering the proposals of the Ministries/Departments as a part of the consultation process, Ministry of Urban Development would take into consideration the financial strength and technical competence of the proposed executing agency, the available capacity of CPWD to take up such works and other features such as adherence to authorized norms/scales of accommodation in the design, use of appropriate Plinth Area Rates for estimates, etc. While executing such works, the Ministry/Department would also follow the provisions of the other Rules in Chapter-5 of GFR, 2005.*
- (4) *The consultation with Ministry of Urban Development referred to in Rule 126(3) would not be necessary if the work is executed through the Ministry's/Department's own civil construction agencies as in the case of Ministries of Railways, Defence, Environment and Forests, Information and Broadcasting and Departments of Posts, Space etc.*

3.5 Other facilities, features and requirements

- (I) **Air Conditioners:** Regarding provision for Air Conditioners in an office building the recommendation of the Laroya Committee, accepted by the Government with certain modifications, as mentioned below, should be strictly followed.

Recommendations of the Laroya Committee

- (a) Structural provisions for air-conditioners at a later date are to be provided in office buildings as per MOUD No.110015/76-WI dated 14.10.1981 in different cases, the same may also be applicable for Central Revenue buildings under category III/IV.
- (b) Wherever climate conditions make it functionally efficient and economical; the provision of centralized cooling/heating systems (in preference to large number of individual room coolers/heaters) is recommended for valid technical and financial reasons. Necessary provision for centralized cooling/heating systems has to be made at the construction stage itself so as to get the best possible advantage of the system.

Acceptance of the recommendations of the Laroya Committee with modifications

The Laroya Committee recommended structural provisions for air-conditioning in all new office buildings for the Income Tax and Central Excise Department and also the provision for centralized cooling/heating systems at the construction stage itself wherever climatic conditions make it functionally efficient and economical. It has been decided that the structural provision for air conditioning in new office buildings for the Department of Revenue will be considered separately for each building and decision taken on merits. Similarly, the provision for centralized cooling and heating systems would also be considered and decided on merits, for each building.

- (II) The Ministry of Finance has emphasized the implementation and adherence to Green Rating for Integrated Habitat Assessment (GRIHA) notified by Ministry of New and Renewable Energy for Government owned buildings as per letter D.O. No.31/18/2008/UICA (ST) dated 27.01.2010. (Communicated vide Ministry of Finance letter F.No.K-12017/9/2010-So/Coord. dated 15 March 2010.) Due care should be taken to ensure that the proposal complies with GRIHA. For further information about GRIHA kindly visit www.grihaindia.org.
- (III) The guidelines issued by Ministry of Social Justice and Empowerment have made it mandatory that “All the Government Department/Public Sector Undertakings should earmark adequate funds to make their public utility buildings, including the rented offices, barrier free to ensure proper accessibility to persons with disabilities”. The design of the building should therefore ensure barrier free access for persons with special needs.
- (IV) If a building accommodates more than one office, then the space for essential components such as canteen, entrance hall, library, parking, Guest House, Conference Hall etc. are to be shared by all the offices keeping in view land constraints and rationalization of expenditure.
- (V) It is desirable to seek both administrative approval and financial sanction together to avoid delay and duplicity of work. Request for separate administrative approval should be made only in cases where due to peculiar requirements of tendering etc administrative approval is required beforehand. In such cases too an approximate cost (to be obtained from the CPWD) needs to be submitted to decide the competency/appraising forum for the proposal.

- (VI) In case of any deviation from the norms in the proposal, a full justification needs to be provided.
- (VII) Items which are not applicable should be clearly marked as “Not Applicable”.
- (VIII) Complete information should be provided against each item. Proposals which do not contain complete information as discussed earlier, will not be considered by the Directorate of Infrastructure and will be returned without any further action.

3.6 Construction of Boundary Wall: It is desirable that the proposal for administrative approval and financial sanction for construction of the boundary wall be moved simultaneously with that for construction of the building to save time and effort. The combined proposal for both requesting for administrative approval and expenditure sanction should be sent alongwith Preliminary Estimates, drawings/designs of the proposed building, layout, floor-wise sectional plan along-with three dimensional artistic impression, highlighting the architectural finesse, elevations and interior layout etc. It is at this stage that delays normally occur and to minimize these, close liaison with the CPWD must be maintained. It must be ensured that the design submitted by the CPWD is acceptable and in conformity with basic principles like induction of latest technology, adoption of best practices, aesthetic factors, senior-citizen/disabled friendly building, environment friendly, energy efficient i.e. green building norms etc. Special attention has to be paid by the Department towards construction of a modern, state-of- the-art building with all quality features. A comprehensive proposal for administrative approval and expenditure sanction should be forwarded only after satisfying that all the conditions as discussed above have been complied with. Separate proposal for construction of boundary wall may be submitted only in cases of encroachment on Departmental land pending approval of construction of building. [Checklist at **Annexure-XX(c)**]

3.7 Recommendation/forwarding of the proposal by jurisdictional Chief Commissioner of Income Tax: The proposal should be recommended and forwarded by the Chief Commissioner of Income Tax after ensuring that adequate and proper justification for the proposal exists. The Chief Commissioner of Income Tax should also verify that the proposal has been thoroughly scrutinized and a complete, self-contained proposal is being submitted in the prescribed proper format along-with checklist and requisite documents. Specific and lucid recommendation of the Chief Commissioner of income Tax is necessary for consideration of the proposal by the competent authority. Incomplete proposals lead to avoidable delays in commencement of the project and are liable to be returned.

3.8 Common deficiencies noticed in the proposals

- (a) Proposals are received without the checklist prescribed by IFU/Ministry.
- (b) The proposed area of construction is not in conformity with the prescribed norms. The requirement of space for construction is to be arrived at on the basis of the present sanctioned strength of staff.
- (c) If a number of offices are to be accommodated in one building, then the space for essential components such as canteen, library, entrance hall, parking etc., has to be shared. In many cases it is not being done and proposals are returned as incomplete.

- (d) Additional floor is proposed to be built on the basis of future requirement on grounds such as impending restructuring etc. The same is not permissible as the Ministry/IFU does not regard it as a proper basis for superfluous construction.
- (e) Certificate of non encumbrance from the concerned authority is not enclosed.
- (f) Availability of sufficient funds in the budget for the proposed expenditure on construction is not intimated.
- (g) Worksheet depicting calculation of space requirement is not enclosed.
- (h) Copy of Ministry's Sanction letter is not enclosed.
- (i) Where there is a time gap between taking possession of the land and initiating the proposal for construction, a full justification for such a delay has to be furnished.
- (j) The correct Budget Head under which the expenditure has to be debited is not mentioned or is incorrectly mentioned.
- (k) Running expense/recurring expense/expense on housekeeping etc. are not mentioned in proposals for construction of guest house. Full and elaborate justification for construction of guest house is not provided. Budget Head, under which the expense on construction of the guest house is to be booked, is generally not mentioned.
- (l) Full justification for construction of the boundary wall is not provided. Explanation as to why the same was not included in the estimate for construction of the main building is not provided.
- (m) Revenue collection for the last three years is not provided.
- (n) Ground plan/out lay of the building proposed to be constructed is not enclosed.

3.9 Common observations by the IFU in Infrastructure proposals

- (a) Proposed area of the office building is more than the requirement.
- (b) Where the budget is not available, how is the expenditure on construction proposed to be met?
- (c) Encumbrance certificate issued by the local authority is outdated and hence invalid. A fresh valid certificate is required.
- (d) Cost-benefit analysis of hire vs construction has not been provided.
- (e) Reasons for delay in initiating the proposal have not been provided.
- (f) The proposal should be sent for approval in the next financial year as the present financial year is likely to be over soon and the construction is not likely to be completed in the current financial year.
- (g) Full justification for construction of a guest house has not been provided.
- (h) Construction of more than one conference hall unless properly justified with facts and figures is superfluous.
- (i) Construction of auditorium may not be necessary as one large conference hall will meet the requirement. Proper justification with facts and figures justifying the need for an auditorium in an office complex is necessary.
- (j) Is there any financial implication in demolition (in case of demolition of old/dilapidated buildings)? Whether the same can be met by disposing off the materials salvaged after demolition?

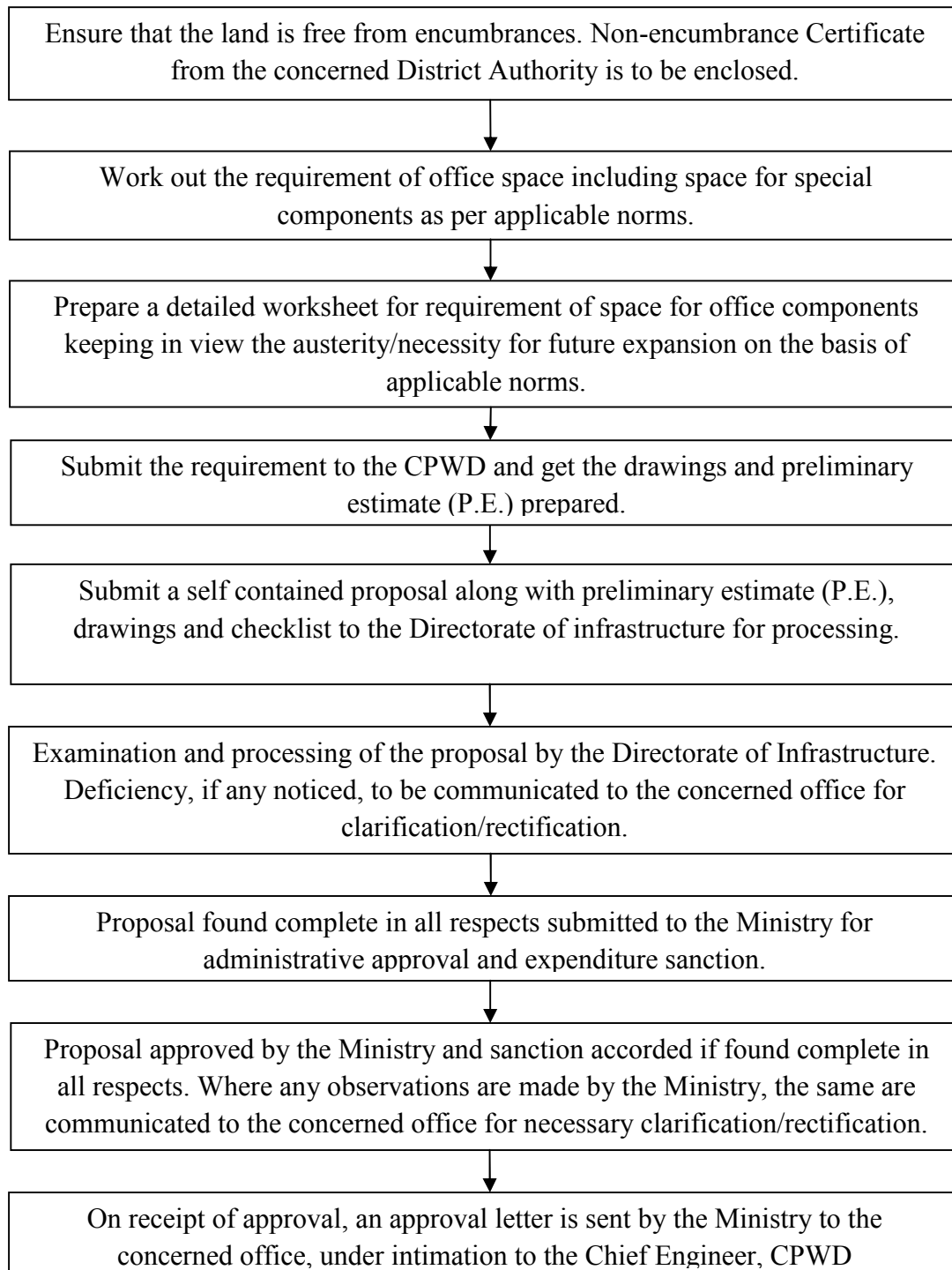
3.10 The Department of Expenditure has prepared a 'Manual on Policies and Procedures for Procurement of Works' to serve as generic guidelines. The Manual is available on URL http://finmin.nic.in/the_ministry/dept_expenditure/acts_codes/Structure%20CP%20WG.pdf. To facilitate the ease of reference, it has been made a part of this Manual and is placed as **Appendix II**.

3.11 Some common terms used

- (i) **Carpet Area** – It refers to the total usable area within the four walls of a building/apartment. In other words it refers to the area for which a carpet can be laid if required by the owner.
- (ii) **Plinth Area** – It refers to the entire carpet area alongwith thickness of the internal and external walls and columns.
- (iii) **Super Built up Area** – It refers to the plinth area of a building/apartment as added by balconies and other common areas such as corridors, staircase, lift room, motor room and other circulation areas etc.
- (iv) **FSI** – Floor Space Index (If an office has 1000 sq. metre of land and if permissible FSI is 1.6 then the total area inclusive of all the floors will be admissible upto 1600 sq. metres (i.e. 1000×1.6). For example, if the ground coverage is 40% , then construction can be done only on 400 sq. metres of land and accordingly four floors each of 400 sq. metres can be constructed covering a total area of 1600 sq. metres.

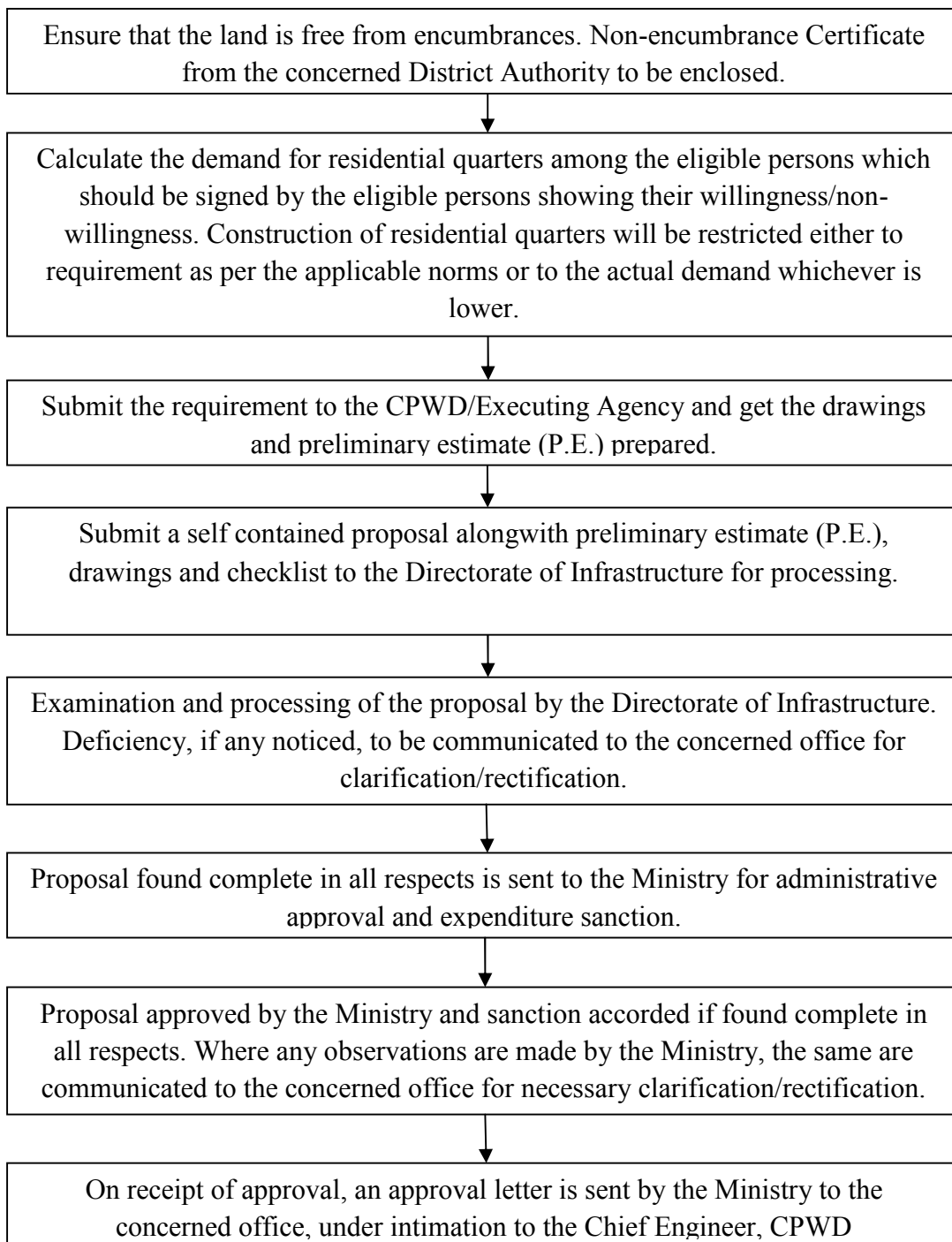
Flow Chart

Construction of Office Building



Flow Chart

Construction of Residential Building



Chapter - 4

Purchase of Ready Built Office and Residential Accommodation

4.1 Besides constructing office/residences, the Department can address the shortage of office/residential space by purchasing ready built office/residence. The process of construction, starting from purchase of land till execution and completion of the project is time taking and often results in escalation of cost of construction. Cost escalation entails revision of the financial sanction already accorded by the Ministry for the project. Funds for purchase of land as well as construction are mostly provided in the budget of MOUD in the relevant year. Even in cases where proposals are expeditiously cleared and construction progresses smoothly, it generally takes 2-3 years for the accommodation to be actually available. In all cases availability and utilization of funds has to be ensured so that there is neither shortage nor under utilization of funds. Also in certain places suitable land may not be available. In such situations it is expedient to purchase ready built accommodation as per prescribed norms.

4.2 There are a few pre-requisites when resorting to purchase of ready built office and residential accommodation. The office building proposed to be purchased should be centrally located with easy accessibility to the tax payers, by public as well as by own transport. Common facilities like parking, lifts, generators, adequate natural lighting, fire fighting facilities, water storage facilities, public conveniences, provision for drinking water, disabled friendly access to the building with adequate facilities for senior citizens must be considered when purchasing ready built office. Similarly, ready built residential accommodation should be well located preferably in the residential area of the town/ city, well connected by public transport, should not be very far from the office and in the vicinity of appropriate social infrastructure. The building should be harmonious with the surroundings and should have adequate ventilation, proper natural light, internal roads, proper water distribution lines, storm water drain etc.

4.3 Guidelines have been framed for purchase of ready built office as well as residence. These Guidelines have been referred to earlier in Chapter 2 (**Annexure V**). Before exploring the option of purchase from private sources, the possibility of availability of office/residential space with the Central/State Government/Municipal Corporations/local bodies has to be exhausted. The guidelines are elaborated below:

(A) Purchase of ready-built accommodation from Housing Boards of State Government, Organizations or Local Bodies

1. Requirement of office/ residential accommodation may be projected on the basis of norms circulated by the Board (Refer relevant portions of Chapters 2 and 3 for calculation of office space requirement and number and types of residential quarters).
2. The construction quality should conform to specifications of CPWD. It should be certified by CPWD/other Government agencies or PSUs having expertise in the field.
3. The design should be subjected to detailed check by competent engineers.
4. As far as possible, the construction should be on free hold land.
5. If the accommodation proposed to be acquired is part of a building complex, the Department should ensure that all the portions proposed to be acquired are to be indicated in detail in the sale agreement.

6. The Department should obtain a structural soundness certificate and valuation of reasonableness of cost from competent engineers e.g. from CPWD/Valuation Cell of I.T. Department etc.
7. Norms for maintenance of building may be adhered to even in case of outright purchase.
8. A cost benefit analysis comparing construction to purchase of ready built premises should be carried out.

(B) Purchase of ready-built accommodation from private builders

1. Requirement of office/ residential accommodation may be projected on the basis of norms circulated by the Board (Relevant paragraphs of Chapter 2 and 3 may be referred).
2. The land should be freehold. If it is leasehold land, the same should ideally be for not less than 99 years.
3. The property should be without any encumbrances and should have a clear legal title.
4. An open advertisement may be issued in leading newspapers calling for offers from vendors/builders for ready-built accommodation in a two bid system, namely inviting techno-commercial and financial bids separately.
5. The offers received from the builders should be evaluated by a Committee constituted by the concerned Chief Commissioner of Income Tax. The Committee should invariably include a technical expert CPWD. If CPWD expert is not available, a technical personnel from Valuation Cell may be associated for tendering technical advice. In case of non-availability of both, any expert from an agency of Government of India/State Government/ Public sector undertaking specializing in this field may be included in the Committee. Short-listing of the properties should be done on the basis of the criteria advertised and the applicable instructions in force.
6. While examining the offers of the bidders, the Committee should take into consideration the experience of the builder in the field, location of the land and local restrictions in force (the restrictions imposed by local authorities like Corporation or Municipal bodies) with regard to construction and FAR/FSI permissible etc and detailed building bye-laws of the local authority etc.
7. Plinth area for various types of flats have been specified in Ministry of Urban Development OM dated 25th August 1987. The requirement of space may be worked out in consultation with the local CPWD. Chief Commissioner of Income Tax should follow the norms prescribed by the Ministry of Urban Development while issuing the advertisement and evaluating the offers.
8. The Guidelines at **Annexure V** may be followed after short listing the offers.
9. If the total cost of the proposed acquisition is more than Rs.20 crores, appraisal of the proposal would be done by SFC and if the proposal is more than Rs. 75 crores, the same will have to be placed before the Committee for Non-plan expenditure.
10. An agreement drawn for purchase of the office/residential accommodation from a vendor should be drawn in a manner that it safeguards the interests of the Government and lump sum contract should be avoided.
11. The builder should transfer the property to the Department immediately after the initial payment of the first installment.
12. While purchasing an accommodation, it should be ensured that the basic amenities have been provided so that the Department does not incur extra expenditure on these.

13. The Department should obtain a structural soundness certificate and valuation of reasonableness of cost from competent engineers e.g. from CPWD/ Valuation Cell of I.T. Department etc.
14. The short listed offers along with the recommendations of the concerned Chief Commissioner of Income Tax should be forwarded to the Board for consideration.

4.4 A checklist of elements to be met for purchase of ready built office building has been prepared keeping in view the requirements and observations of IFU in the proposals processed by the Directorate. **(Annexure-XXI – XXI(a))**

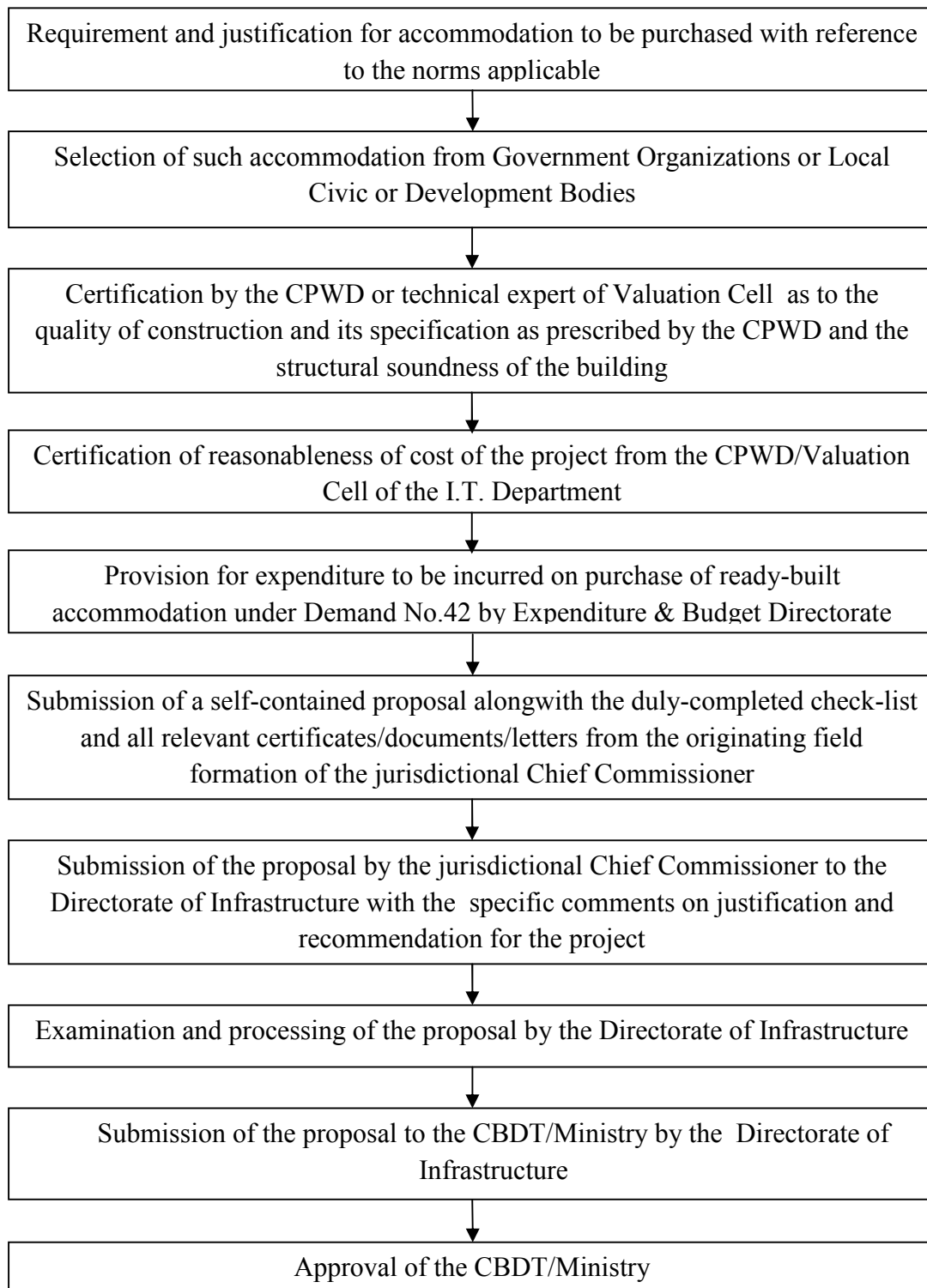
4.5 Refusal of CPWD to issue cost reasonableness certificate and structural soundness certificate

As per O.M. No. 6/6/95-WI(DG) dated 24th July 1996 of Director General(Works), CPWD, in cases of acquisition of ready built office/residential accommodation, Chief Engineers are mandated to give valuation report and also a certificate in respect of general suitability of property from technical angle. Instances of denial of such certificate by local CPWD, may be referred to Director General (Works). If the matter remains unresolved, valuers of Appropriate Authority or Engineers of Valuation Cell of the Department may be requested to give such certificates.

Structural soundness certificate may be obtained from the architects and design engineers who have designed the building if they are of repute or can be obtained from experts from technical institutions or engineers of the Valuation cell.

Flow Chart

Proposals for purchase of Ready-built Office/Residential Accommodation



Chapter – 5

Hiring of Accommodation on Lease/Rental basis

The Government has laid down specific norms for hiring of office premises. It is necessary that these norms are strictly adhered to when proposals are framed for hiring of accommodation.

5.1 Officers competent to Hire:

The Heads of Departments (HODs) under the control of CBDT can hire new office accommodation under Rule-13(2) of the Delegation of Financial Power Rules (DFPR), 1978. The financial limit has been set at Rs.3,00,000/- per month in 13 major cities (A-1 & A class cities) and 1,50,000/- per month in respect of the other cities vide Department of Revenue O.M. dated 15.09.2011 (refer to **Annexure-IV**) subject to conditions stipulated in CBDT's F.No.181/10/2001-Ad VIII (DT) dated 15.10.2001(**Annexure-XXII**).

As per Government of India's decision No.2 appearing below Rule-13(2) of DFPRs (**Annexure-XXIII**), whenever, powers are delegated to any authority under DFPRs, that authority is deemed to be competent to exercise those powers in respect of similar past cases also. The term 'past cases' here means cases which have not been finalized until the date of the said delegation, although it occurred prior to that date.

The IFU has clarified that in exercise of the powers by HoD, the monetary ceilings laid down in respect of class of cities have to be taken as monetary ceilings in each case i.e. separately in each case of hiring. In view of the spirit of GFRs, the hiring shall not be split to avoid the necessity for obtaining the sanction of higher authorities required in connection with the expenditure on hiring and its relation to the existing ceiling.

Department of Expenditure has specified the classification of cities in O.M. No.2(21)/E.II(B)/2004 with reference to grant of HRA and CCA to Central Government employees (**Annexue XXIV**). The same classification of cities is relevant for the purposes of hiring of office premises.

Administrative approval and expenditure sanction will invariably have to be obtained from the Ministry through the Directorate of Infrastructure in those cases of hiring where:

- (i) Monthly rental exceeds the monetary ceiling prescribed in O.M. dated 15th September 2011 (**Annexure IV**), or
- (ii) HODs find it difficult to implement the mandatory requirement/conditions contained in the instructions issued by the Ministry, IFU, the Budget Division, CVC & DG S&D etc

5.2 Premises which can be hired:

Office accommodation can be hired after obtaining a certificate from the Directorate of Estates/Estates office that no Government accommodation is available for the Department at that station. No accommodation hired originally for office shall be converted into office cum residence or office-cum-guesthouse as per instructions F. No. 181/10/2001-Ad.VIII(DT) dated 15.10.2001 (**Annexure-XXII**).

5.3 Procedure for Hiring of accommodation on Lease/Rental Basis

(a) Advertisement in Print Media /Calling for Tenders:

CVC has laid down the procedure to be followed when hiring accommodation in O.M. dated 8th July 1999 (**Annexure-XXV**). While hiring new office premises on lease/rent basis an advertisement must be placed in the local as well as national newspapers with maximum circulation in the area to ensure maximum participation in the tendering process. In addition to the print media, advertisement may also be placed on the Departmental website for wide publicity.

The advertisement must mention the salient features of the premise required such as area, approximate location and other terms & conditions. Tenders shall be invited in a two bid system, viz technical and financial bids separately. The technical bid should be opened first and suitability of the accommodation, terms and conditions offered, specifications and other liabilities likely to emerge out of the hiring should be assessed. The market rate for the areas at which the property is available shall be assessed before opening the financial bid. The most suitable property offered by the lowest bidder should be short-listed keeping in view all the terms and conditions as advertised.

It has been clarified by CVC in O.M. dated 8th Sept.1999 (**Annexure-XXVI**), that the press advertisement is not necessary in the case of office accommodation at monthly rent up to Rs.100,000/- in metro towns of Delhi, Mumbai, Calcutta Chennai. For other places advertisement is not necessary where the monthly rent is up to Rs.50000/- . CVC has further clarified in O.M. No.6DD-5-CTE-6 dated 21st February 2000 that exemption from advertisements will also apply to transactions in PSU or Government and Public Financial Institution (**Annexure XXVII**).

(b) Assessment of Reasonable Rent relating to the building proposed to be taken on Lease by the Department by the CPWD Hiring Committee.

The Guidelines on assessment of reasonable rent have been enumerated in Director General of Works CPWD's O.M. F.No.8/1/2002-W.II[DGW] dated 24th May, 2004 (**Annexure-XXVIII**) and O.M. of even No. dated 30.06.2004 (**Annexure-XXIX**). The O.M. 30.06.2004 has substituted Para 10 & 11 of O.M. dated 24.05.2004. The assessment of reasonable rent is done by a Hiring Committee of the CPWD which is the Competent Authority to issue the Rent reasonableness certificate (RRC) also called Fair Rent Certificate (FRC). The Hiring Committee is required to associate a representative of the hiring Department. The reasonable rent shall be relevant to a date as specified by the Hiring Department. The Department will send a proposal to

CPWD for assessment of rent for the short listed premises. The rent assessed by the Hiring Committee will be according to the following two methods:

- (i) On the basis of recognized principles of valuation, and
- (ii) On the basis of prevailing market rent.

The reasonable rent is intimated to the hiring department as per model format as per **Annexure-I** or **Annexure-II** of the O.M. dated 24th May, 2004 (**refer to Annexure-XXVIII**). However, it shall be the responsibility of the hiring Department to settle the issue of subsequent changes in municipal taxes right in the beginning through a mutual agreement with the owner.

(c) Rent Negotiation with Landlord & Fixation of Rent

The RRC contains two rates which provide a range considered to be reasonable for the premises. The hiring department has to take the final decision regarding the rate of rent, keeping in view the two figures of rent indicated in the RRC, the needs of the Department and availability of accommodation in the locality. Normally, the lower rate between the two is adopted for this purpose, if the landlord agrees to the proposed rent. The range of rent given by Hiring Committee is only advisory and aspects such as negotiations with the owner for settlement of mutually acceptable rent, budget provisions etc. are the responsibility of the hiring Department. The Chief Commissioners of Income Tax are advised to constitute a Rent Negotiation Committee (RNC) comprising of officers of appropriate level of seniority to negotiate with the landlords and forward their recommendations for consideration of the Competent Authority.

(d) Period of Lease and format of Lease Deed.

The period of lease should mandatorily be for a maximum of three years. A lease deed between the Department (lessee) and the owners of private buildings (lessor) to be taken on lease for office purposes should be entered into according to the format of the Standard Lease Agreement (SLA), prescribed by the Directorate of Estates in O.M. No.16011/1/2000-Pol III dated 01.10.1999 (**Annexure-XXX**). It is important that all efforts should be made to either terminate or renew an existing lease agreement before its expiry.

The Directorate of Estates has clarified that in case any departure from Standard Lease Agreement becomes inescapable, the administrative Ministry may consult the Ministry of Law before making any modification to the Standard Lease Agreement (SLA) (O.M. dated 03.09.2001) (**Annexure-XXXI**).

5.4 Hiring of New Office-Need for restraint

The department has incurred huge expenditure on networking of the existing office buildings for creating LAN/WAN for the TAXNET project. Therefore, the Board has directed that Chief Commissioner of Income Tax/CIT may exercise restraint and not dehire/hire rented premises or open additional offices in a routine manner vide Vide F. No. HW/NW/1/8/2007-08/DIT(S)/IV-22071 dated 28.2.2008(**Annexure-XXXII**).

5.5 Approval of CBDT

Cases where approval of CBDT/Ministry for hiring is required have been specified in 5.1 above. The field office should send the proposal through jurisdictional Chief Commissioner of Income Tax. On receipt of such proposal the Chief Commissioner of Income Tax should satisfy himself of the correctness and justification of the proposal particularly with reference to the accommodation available in already existing owned/hired office space at the station. A certificate to this effect must invariably be enclosed with the proposal. A self contained proposal enclosing the relevant check list and necessary documents may be sent to the Directorate of Infrastructure for obtaining A/A & F/S of the Competent Authority. Checklist for initial hiring and rent revision have been prepared in consultation with the IFU [Annexure XXXIII – XXXIII (a)]. To avoid delay in processing the proposal, complete information as per checklist for initial hiring and for rent revision as the case may be, should be sent at one time.

5.6 The format of the proposal is given below:-

Format of proposal for Hiring of Office Accommodation.

1. Description of Proposal
 - Name of station
 - Name of building proposed to be hired, its address & location
 - Name(s) and address(s) of the landlord(s)
 - Area (Plinth/covered, carpet)
 - Whether parking space is available
 - Other facilities provided, to the building's tenants
2. Details of Carpet Area required as per norms
 - Carpet Area available in owned & hired building to be shown separately for that station.
 - Carpet area required as per norms applicable
 - Shortage of space in terms of Carpet Area
 - Justification for hiring of premises identified
3. Fair Rent Certificate/Rent Reasonableness Certificate
 - FRC/RRC should be as per prevailing guidelines (DG Works OM dated 24.05.2004)
 - Rate of rent must be specified, in the certificate
 - The FRC/RRC must clearly mention details including carpet area/plinth area/ covered area; full address of the premises proposed to be hired; name of the owner of the building; date from which the rent assessed is effective; period of hiring; facilities such as air-conditioning, modular work-station and furniture & liabilities of the hiring Department and landlord for payment of municipal tax and any other tax; regular repairs and maintenance of the premises; maintenance of common areas of the

building including power back-up; charges for any special fittings etc., if any provided by the landlord; and charges for electricity and water consumed.

4. Recommendation of CIT / Chief Commissioner of Income Tax regarding acceptance of the proposed rent has to be clearly spelt out.
5. Consent letter accepting the rate of rent proposed and recommended by the Commissioner/Chief Commissioner along with the fact of inclusion/exclusion of municipal tax & any other tax payable, repairs and maintenance charges for the proposed space and the common areas of the premises, charges for power back-up, air-conditioning, modular workstation and furniture & fittings etc., if any provided by the landlord, period of lease, terms and conditions incorporated in the CPWD's RRC/FRC etc. all have to be obtained in writing from the landlord.
6. Draft SLA in the format prescribed under the Directorate of Estates' O.M.F.No.16011/1/2000-Pol.III dated 03.09.2001 (**Annexure-XXX**) duly signed by the landlord is to be obtained from the landlord as token of having agreed to the terms and conditions of the lease stipulated therein.
7. The following documents may be enclosed with the proposal to avoid delay in processing;
 - (a) non-availability certificate for office accommodation at that station to be obtained from the Directorate of Estates/the CPWD as the case may be.
 - (b) FRC/RRC
 - (c) newspaper clippings of the advertisement inviting tenders,
 - (d) evaluation sheets of technical and financial bids received,
 - (e) synopsis of the negotiation between the Rent negotiation Committee and the landlord,
 - (f) consent letter of the building owner,
 - (g) draft SLA in the prescribed pro forma duly signed by the landlord,
 - (h) proof evidencing the rent being paid by any other Central/ State Government Departments in and around the proposed location,
 - (i) statement of all immovable assets (land & building) (both owned and hired) at the station
 - (j) work sheet of space entitlement.

5.7 Common deficiencies observed in proposals for hiring:

Listed below are some common deficiencies noted while processing the proposal for hiring of office accommodation. Due care may be exercised to avoid these deficiencies for expeditious approval of the proposal.

- (i) Check-list prescribed by IFU supported by relevant documents is not submitted along with the proposals.
- (ii) The Rent Reasonability Certificates issued by the CPWD accompanying the proposals is not relevant for the period for which hiring/revision of rent is proposed.

- (iii) Standard Lease Agreement (SLA) as prescribed by MOUD is not enclosed along with the proposals.
- (iv) The SLA is not in prescribed format or not executed before rent is paid to the landlord.
- (v) Copy of the current Lease Agreement for the period of lease prior to the proposed period in case of continued hiring is not enclosed with the proposals.
- (vi) The proposal is not accompanied with statement of buildings owned and/or hired at the station, or details of the existing office space and its utilisation in order to justify fresh hiring/continuity of hiring.
- (vii) The work-sheet of space entitlement vis-à-vis strength as per norms is not enclosed with the proposals.
- (viii) Newspaper clippings of the advertisement and evaluation sheet of the hiring Committee of the Commissionerates/Directorates of the financial and technical bids are not submitted along with the proposals.
- (ix) Copy of non-availability of office accommodation from the CPWD and/or Directorate of Estates in that station is not enclosed with the hiring proposal.
- (x) The proposal should contain the consent letter obtained from the landlord (s) duly dated and signed by the owners of the premises proposed to be hired. Such a letter should contain amount of rent demanded / sought to be revised, period of lease, the fact of acceptance of the terms and the conditions of RRCs/FRCs and that of the SLA. In case the landlord agrees to pay municipal tax and any other tax payable, repair and maintenance charges for the proposed space and the common areas of the premises, charges of power back-up, air-conditionings, modular work station and furniture & fittings etc. the same should be incorporated in the landlord's consent letter.
- (xi) The proposals should be accompanied by copies of all previous sanction letters issued by the Ministry in respect of previous as well as current hiring/renewal of hiring.
- (xii) In order to justify that the proposed rent is reasonable, the proposal for hiring should be accompanied by proof evidencing the rent being paid by other Central/State Govt. Departments in the vicinity/same locality.
- (xiii) Financial implication is not correctly projected in the proposal.
- (xiv) The actual area of office space mentioned in the RRCs should be the same as that mentioned elsewhere in the proposal as well as in the consent letter from the landlord.
- (xv) Justification for hiring in preference to construction of the Department's own building/purchase of ready-built office accommodation should be furnished with the proposal.

- (xvi) The proposal for continued hiring/revision of rent should be initiated before the expiry of the existing lease/current hiring period in order to avoid undue delay in processing the proposal.
- (xviii) Proposals should be routed through the jurisdictional Chief Commissioners of Income Tax.

Chapter - 6

Rent Revision

The rent of any premises taken on long lease is required to be revised from time to time depending upon the terms and conditions of the initial lease agreement. The Directorate of Estates has devised a Standard Lease Agreement (SLA) incorporating therein the rent enhancement clause which envisages an increase in rent not exceeding 8% per annum after expiry of the lease period of 3 years. The format of the SLA was circulated by the Directorate of Estates vide O.M. No.16011(3)/82-Pol.III dated 1.10.1999 (**Annexure-XXX**). Subsequently it was amended under the Directorate of Estates' O.M. 16011/1/2000-Pol.III dated 3.9.2001 (**Annexure-XXXI**) to minimize instances of dispute/litigation. The procedure for continuation of hiring of leased premises at the same rate, or at altered rates should be initiated at least 6 months before the expiry date of original/current hiring agreement/deed. Ministry of urban Development does not permit any blanket amendment in the SLA to be executed. If any need arises, suggested amendments can be considered only with the concurrence of MOUD (Directorate of Estates) and Ministry of law on a case to case basis. Effort should be made to avoid such an eventuality as the process of consultation is cumbersome and time consuming.

6.1 Competent Authority for Rent Revision:

The IT Department has hired office buildings at various places in the country from Private persons/Organizations/PSUs/Local Bodies etc. The rent is revised periodically on the basis of extant instructions and guidelines of the Directorate of Estates, Ministry of Urban Development, CVC, and CBDT etc.

The Heads of Department under the control of CBDT can hire/revise the rent of office accommodation under Rule 13(2) of DFPR, 1978 up to the revised financial limit of Rs.3,00,000/- per month in the 13 major A-1 and A class cities and Rs. 1,50,000/- per month in respect of the other cities as per the Department of Revenue O.M. dated 15.09.2011 (**refer to Annexure-IV**) subject to the conditions stipulated in CBDT's letter F.No.181/10/2001-Ad.VIII(DT) dated 15.10.2001 (refer to **Annexure-XXII**). Further, it should be ensured that the conditions stipulated in the existing instructions of the Ministry on the subject, provisions of GFRs and other instructions issued by Directorate of Estates, Ministry of Urban Development, Department of Expenditure, and other competent authorities i.e. CVC are complied with etc.

Cases where the proposed rent after revision exceeds the financial limits of the HoD, the rent revision proposals should be submitted to the Board for sanction through the Directorate of Infrastructure. Department of Expenditure has re-classified cities and towns for the purposes of HRA/CCA to Central Government employees. the list of A-1 & A class cities is as per Annexure-II attached to the O.M.No.2(21)/E.II(B)/2004 dated 18.11.2004 (**Annexure-XXIV**). This classification is relevant for the purpose of limits for rent fixation/revision. From time to time classification of cities/towns has been amended. The relevant classification should be seen while framing the proposal.

Administrative approval and expenditure sanction will invariably have to be obtained from the Ministry through Directorate of Infrastructure in those cases of revision of rent (i)

where the monthly rental outgo (revised) exceeds the monetary ceiling prescribed in the delegated financial power of the HoD, or (ii) where HODs find it difficult to implement the mandatory requirements/conditions contained in the instructions issued by the Ministry, IFU, Budget Division and CVC etc.

When seeking approval of the Board, a self contained proposal along with relevant check list (**Annexure-XXXIII-XXXIII(a)**) should be prepared by the field formation and sent to the jurisdictional Chief Commissioner of income Tax of income Tax. On receipt of such proposal, the Chief Commissioner of income Tax of Income Tax should thoroughly scrutinize the proposal to ensure that justification for the proposal exists particularly with reference to the requirement of space keeping in view the existing owned/ hired office accommodation at the location. The jurisdictional Chief Commissioner of income Tax should thereafter submit a complete, self-contained proposal in proper format along with the relevant checklist and requisite documents to the Directorate of Infrastructure for obtaining administrative approval and expenditure sanction of the Ministry/IFU.

6.2 Procedure for Rent Revision:

(a) The rent revision of hired office premises is to be done as per the revised guidelines of Directorate General of Works, CPWD, as circulated vide their O.M. No. 8/1/2002-WII (DGW) dated 24.05.2004 and its further modification vide O.M. dated 30.06.2004 (refer to **Annexure-XXVIII & XXIX** respectively).

These guidelines clearly state that:

(i) The date from which rent is to be assessed and also the period for which the assessed rent shall remain effective, shall be decided by the hiring Department and hence no such period shall be indicated in the Rent Reasonableness Certificate (RRC or FRC).

(ii) Reasonable rent shall be assessed according to two alternate methods – (a) Recognized Principle of Valuation & (b) Prevailing Market Rent. Rent Reasonableness Certificate shall be issued strictly as per modified model formats (Annexure-I & II) attached to the aforesaid O.M. dated 24.5.2004 (**Annexure-XXVIII**).

(iii) The hiring Department will nominate a representative of appropriate seniority as member of the Hiring Committee of CPWD who will be associated with the said Committee's work in market surveys/enquiries for collecting relevant data.

(iv) It shall be the responsibility of the hiring Department to settle the issue of subsequent changes in municipal taxes right in the beginning through a mutual agreement with the owner as the CPWD shall not entertain any request for revision of rent on account of subsequent increase/decrease in municipal taxes, if any after the RRC is issued.

(v) The range of rent in RRC given by the CPWD Hiring Committee is only an advisory and all other aspects such as adhoc percentage increase, negotiations with the landlord for settlement of mutually agreeable rent, budget provisions etc. do not fall under the purview of the Hiring Committee but are the responsibility of the Hiring Department.

In view of the O.Ms., of Ministry of Urban Development, the Chief Commissioner of income Tax of Income Tax/HODs are advised to constitute a Rent Negotiation Committee comprising officers of appropriate level of seniority to negotiate with the landlords and forward their recommendations for consideration of the competent authority.

(b) Procedure after 01.10.1999: The revision of rent is subject to the terms and conditions set out in the SLA as prescribed vide Directorate of Estates O.M. No. 16011(3)/82-Pol.III dated 1.10.1999 (**Annexure-XXX**) and subsequently, amended under the Directorate of Estates O.M. 16011/1/2000-Pol-III dated 3.9.2001 (**Annexure-XXXI**). The Standard Lease Agreement was revised with a view to removing the legal anomalies and inconsistencies coming in the way of the Government securing private buildings on lease. Vide these two O.Ms., the existing format of Standard Lease Agreement was revised and a maximum 8% per annum increase in rent (on straight line method) was prescribed after expiry of lease period of three years.

The Internal Financial Unit (IFU) Department of Revenue has issued an O.M. No.507/IFU-III/103 dated 7th October, 2003 after obtaining clarification from Ministry of Urban Development regarding re-assessment of rent of premises hired by offices under the Department of Revenue (**Annexure-XXXIV**). The OM may be referred to while processing matters of rent revision.

Clause 3 of SLA circulated vide Directorate of Estate O.M. dated 01.10.1999 (**Annexure- XXX**) puts a cap of maximum 8% increase per annum after 3 years on the basic rent.

Further, if the reasonable rent as per the RRC is less than 8% increase per annum then the proposed rent should be as per the RRC.

The municipal taxes component of the proposed rent may be as per the actual payable where the rent assessed under the RRC is exclusive of municipal tax. Normally the rent fixed under the RRC is inclusive of municipal tax. The negotiated rent recommended by the Rent Negotiation Committee alongwith the written acceptance of negotiated rent by the landlord may then be forwarded for the consideration of the Competent Authority for rent revision.

The Lease Deed should be entered into for a period of three years in the modified SLA format prescribed by the DOE by OMs dated 01.10.99 & 03.09.2001 (**Annexures XXX & XXXI** respectively). If the owner/landlord(s) does not accept any of the conditions of the SLA then the hiring Department has to seek the opinion of Ministry of Law/Ministry of Urban Development through Directorate of Infrastructure before finalizing the lease agreement with the owner of the building.

(c) The HOD should review the status of immovable assets/accommodation at that station and initiate the process of hiring the already leased premises at least 6 months before the date of expiry of original hiring period.

The first step is to verify of rent reasonability for extended period. After following the established procedure, the rent for the extended period should be determined as per established parameters and instructions of the competent authority. An agreement for hiring the premises for a further period may be executed.

6.3 Procedure before 01.10.1999

(a) Before 01.10.1999, on an application made by the landlord for revision of rent, the matter was referred to CPWD/Hiring Committee for their recommendation. The CPWD/Hiring Committee on their part would furnish a Fair Rent Certificate (FRC) on the basis of guidelines laid down in O.M. No.21/8/85-WI(DG) dated 13.06.1985. This FRC contained two rates based on

- (a) recognized principles of valuation, and
- (b) prevailing market rent, which provided a range considered to be reasonable.

The hiring department would take the final decision regarding the rate keeping in view the two figures of rent indicated in the FRC, their own needs and availability of accommodation in the locality. Normally, the lower rate between the two was adopted for this purpose. The revision of rent was applicable for a period of five years. The revision of rent in respect of buildings taken on rent was to be allowed after the expiry of a period of five years or from the date a formal request is made by the landlord, whichever is later. In cases in which lease agreement as per the format existing prior to the issue of O.M. dated 1.10.1999 has been signed, the reassessment of rent is to be initiated only after such a request is received from the landlord and the revised rent may be allowed from the date of receipt of request or from the date from which revision is due, whichever is later.

(b) Procedure to be adopted in a case where the revision of rent is due prior to 01.10.99 and the landlord has also applied for a revision before that date but the matter is decided after 01.10.99 by HOD/CBDT.

The retrospective operation of OM dated 01.10.99 (**Annexure-XXX**) is not permitted. The 8% per annum increase cap would be applicable w.e.f. 01.10.1999 and not prior to that date. In view of these clarifications cases where rent revision was due prior to 01.10.99 may be dealt with in accordance with the earlier provisions without subjecting them to the cap of 8% per annum increase. Reference may also be made to **Annexure XXXIV** in this regard.

6.4 Periodicity of rent revision

The periodicity of rent revision has been clarified in the O.Ms. issued by the Directorate of Estates. The period applicable in different cases are summarized below.

- (a) Cases where standard lease agreement as per the modified format given along with OM dated 01.10.99 as amended by OM dated 03.09.2001 has been signed with the landlord, then in such cases rent revision is to be done after every three years, irrespective of whether or not request from the landlord(s) for revision of rent has been received.
- (b) In cases where lease agreement as per the format existing before the issue of O.M. dated 01.10.99 has been signed, the reassessment of rent is to be initiated only after such a request is received from landlord and the revised rent may be allowed from the date of receipt of request or from the date from which revision is due-which ever is later.

- (c) Even after issue of the SLA format under OM dated 01.10.99, assessment/reassessment of rent of buildings hired by the Central Government Departments continues to be done by the CPWD Hiring Committees; and
- (d) Irrespective of the format of the lease agreement signed between the Government Department and the landlord, all the terms and conditions of that agreement are to be adhered to by both the parties till the expiry of the term mentioned therein. At the time of renewal of the lease, the SLA format in vogue has to be signed.

Chapter – 7

Repairs & Maintenance

Repair and maintenance of existing office and residential buildings is critical for optimal utilization of available infrastructure. As in the case of acquisition of land and/or building, sanction by a Competent Authority is necessary prior to incurring of any expenditure from the Government's account on repair and maintenance. Proposals for repair and maintenance work of existing departmental buildings where approval of an authority higher than HoD is mandated by DFPR should be routed through the Directorate of Infrastructure.

7.1 Works under GFR 2005

Chapter 5 of the General Financial Rules, 2005 lays down the Rules for execution of works for Government Departments. These Rules are to be followed for executing both original works and repair works. The classification of works as 'Original Works' or 'Repair Works' is laid down in Chapter 5 of the General Financial Rules, 2005. The Rules define the 'Original Works', 'Repair Works', 'Administrative Control' and 'Powers to Sanction Works' as under -

'Original Works' means all new constructions, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodeling or replacement.

'Repair works' means works undertaken to maintain building and fixtures. (Rule 123 of the GFR 2005)

'Administrative control' of works includes:-

- (i) assumption of full responsibility for construction, maintenance and upkeep;
- (ii) proper utilization of buildings and allied works;
- (iii) provision of funds for execution of these functions. (Rule 124 of the GFR 2005)

Powers to sanction works:-

The powers delegated to various subordinate authorities to accord administrative approval, sanction expenditure and re-appropriate funds for works are regulated by the "Delegation of Financial Powers Rules, 1978", and other orders contained in the respective departmental regulations. (Rule 125 of the GFR 2005)

7.2 'Works' under Rule 126 of GFR, 2005

Rule 126 of GFR 2005 gives the authority to a Ministry/Department to execute works. The Rule, as amended by the Ministry of Finance, Department of Expenditure under OM NO.15(1)/E-II(A)/2010 dated 20th August, 2010 (**Annexure-XXXV**) prescribes the monetary limits and the procedure for executing the works as below:

i) Works upto Rs. Thirty lakhs

A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees thirty Lakhs after following due procedure indicated in **Rule 132**.

ii) Works more than Rs. Thirty lakhs

A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees thirty lakhs and original works to any Public Works Organisation, such as Central Public Works Department (CPWD), State Public Works Divisions, other Central Government organizations authorized to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organization (BRO) etc., Public Sector Undertakings set up by the Central or State Government to carry out civil or electrical works or any other Central/State Govt. organization/PSU which may be notified by the Ministry of Urban Development after evaluating their financial strength and technical competence.

(iii) Works under Rule 126(2) of GFR 2005

A Ministry or Department may also assign works of the nature and values mentioned at **Rule 126(2)** through a well reputed and technically competent organization, other than Public Works Organizations as defined in **Rule 126(2)**, after consultation with Ministry of Urban Development. While considering the proposals of the Ministries/Departmental as a Part of the consultation process, Ministry of Urban Development would take into consideration the financial strength and technical competence of the proposed executing agency, the available capacity of CPWD to take up such works and other features such as adherence to authorized norms/scales of accommodation in the design, use of appropriate plinth area rates for estimates etc.

7.3 Delegation of Powers to HODs

Works falling with certain prescribed monetary limits can be executed with the approval of the HoD. The powers of HODs as per OM dated 15th September, 2011 of Department of Revenue, Ministry of Finance (**Annexure – IV**) are as follows:

- a) Power of HoD in respect of Original work through on Departmental land and building in cases where funds are provided by MoUD is up to Rs. 10 lakhs in each case.
- b) Powers of HODs in respect of repair and maintenance work through CPWD in buildings owned by the Department is Rs. 30 Lakh per annum. Provisions of GFR 2005 will also apply
- c) Powers of HODs in respect of repair and maintenance work in hired office buildings is total of Rs. 50,000/- in a year, non recurring. Provision of GFR 2005 will also apply.

NOTE: such expenditure (as at 'c' above) may be incurred only if the landlord refuses to meet the expenses himself and Government should have the right to

remove any installation material added to the building at the time of vacating/releasing the building.

- d) Proposals for original works and repair and maintenance exceeding the powers of HOD have to be referred to the Board for prior approval & sanction through the Directorate of Infrastructure.

7.4 Procedure for execution of works (Rule 132 of GFR 2005)

The procedure laid down Rule 132 of GFR is to be followed for repair and maintenance works also. The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements is as under:

- (i) Preparation of detailed design and estimates is the first step in obtaining sanction for works.
- (ii) No work should be undertaken by before grant of Administrative Approval and Expenditure Sanction by the Competent Authority on the basis of estimates framed.
- (iii) Open tenders have to be called for works costing between Rupees five lakhs and ten lakhs.
- (iv) Limited tenders are to be called for works costing less than Rupees five lakhs.
- (v) Execution of a Contract Agreement or award of work must be done before commencement of the work.
- (vi) Final payment for work is to be made only on receipt of personal certificate of the officer in-charge of execution of the work in the format given below:

“I, Executing Officer of (Name of the work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is upto the standards followed in the Industry”.

7.5 Estimate of Works

Chief Commissioner of Income Tax should ensure that cost estimates by the executing agency such as the CPWD submitted with the proposal are not out dated to avoid escalation in cost of work. To the extent possible, a certificate that there shall be no enhancement in estimates at the time of execution of the work may be obtained from the executing agency.

7.6 Budget for repair works: So far as expenditure towards repair works in the Government buildings constructed and maintained by the CPWD is concerned, the expenditure should be met from the grant of MOUD under Demand No.101 - for residential and Demand No.102- Public Works for office buildings. In case of repair works executed through agencies other than CPWD, the budget will have to be provided in the grant of Department of Revenue under Demand No. 42.

While forwarding the proposal to the Directorate of Infrastructure, the availability of funds in the budget to incur the proposed expenditure, under the respective Head of Accounts and Demand for Grants must also be mentioned. If the funds are not available, then the proposal submitted must contain an explanation as to how the proposed expenditure is to be met.

For original works and repair works entrusted to a 'Public Works Organization' as defined in **Rule 126(2)**, the administrative approval and expenditure sanction is granted and funds allotted by the Ministry/IFU. The Public Works Organization is then required to execute the work entrusted to it in accordance with the rules and procedures prescribed for that organization including the CPWD.

The CPWD has clarified through 'Office Memorandum' F.No. 18/29/97-W.1(DGW) dated 17.8.2005 (**Annexure-XXXVI**), that the CPWD shall make payment to meet the expenditure on maintenance of bulk services like Electricity/Water consumption charges in respect of General Pool Office buildings only and for common facilities in respect of General Pool Residential Complexes. However, in respect of the residential/non-residential properties belonging to other individual Ministries/ Departments, the payment of the following shall be their responsibility.

- (a) Lease charges.
- (b) Water and electricity consumption charges for all services including street lighting, running of tube wells, sewerage pumps and other installations.
- (c) Running charges of generators including cost of P.O.I. operational charges and minor/major repairs etc.
- (d) Any other service charges to be paid to local Municipal Authorities.

In recent times specified Electrical & Mechanical Services like standby DG sets, UPS system, Central AC Plant, Security system, Audio visual system etc are installed. For operation, maintenance and repair of such systems, funds have to be provided by the Department after submission of estimates by the competent CPWD unit.

It has been further clarified under O.M. F.No.18/29/97-WI(DG) 1161 dated 15.9.2008 (**Annexure-XXXVII**), that in respect of residential and non Residential building complexes belonging to the Department, other than those in the General Pool, the arrangement of funds for operation and maintenance of the following services shall also be the responsibility of concerned Ministries/Departments:

- (a) Sub-station
- (b) Lifts
- (c) Fire Fighting & Fire Alarm System and
- (d) Any other specialized services

For operation, maintenance and repairs of such items, funds will be provided by the respective client departments on submission of the estimates by the concerned CPWD units.

7.7 Submission of proposals: It is desirable that proposal sent to CBBT for seeking A/A & F/S of the Competent Authority for repair & maintenance is complete in all respects to avoid delays in approval. To facilitate expeditious approvals of the proposal, the following information should be submitted under the signature of the Head of the Department :-

1. (a) Date of acquisition or completion of construction of the building and
- (b) Total cost of acquisition or construction of the building

2. The agency which constructed the office/residential building or the agency from which the ready built office/residential building had been purchased.
3. The status of utilization i.e. whether the building is fully used for office or residential purpose.
 - (a) In case of office building whether the entire building is being used. If not, the reasons thereof.
 - (b) In case of residential quarters/flats, details of types of flats and the number of flats under occupation.
 - (c) If not occupied fully, the reasons thereof and the plan of the Department to utilize the unoccupied quarters.
4. Whether the repair and maintenance estimates are of recurring nature or one time special repair nature or both
 - (a) If the repair and maintenance estimates are of regular nature then the previous financial year's estimates and approval for the same items may be indicated.
 - (b) If the repair and maintenance estimates are of special nature then the details of last such special repair and maintenance work undertaken and approval may be indicated.
 - (c) The number of such special repair and maintenance works undertaken after taking possession of the building, or on completion of construction or after purchase, may be indicated.
6.
 - (a) Certification from the CPWD that only those items of repair and maintenance (whether one time repairs of special nature or regular/annual repair) have been included in the estimates which are permissible in general pool office or residential accommodation of similar types.
 - (b) If the agency is other than the CPWD, whether GFR provisions have been followed in its engagement and the certification as required in item 6(a) above has been provided.
7. Whether the items of regular or one time special repair fall within the liability of the agency which constructed the building or from which the building had been purchased. If yes, whether that agency has been contacted for this repair work/expenditure with details of discussions with the agency.
8. The availability of budget along with the Demand number, Major heads, etc from which this expenditure will be booked.
9. Date of the estimates and the total amount involved.
10. The time to be taken by the executing agency for completion of repair and maintenance work for which the estimates has been sent.

11. Whether the HOD/Commissioner and the users of the building are satisfied with the quality of repair/maintenance work of the agency undertaken by it in the past.
12. All annual repair and maintenance proposals are to be received in the first quarter of the financial year and if received late, the reasons there for.

7.10 Common shortcomings in submission of proposals by field formations

A list of the common deficiencies noticed in submission of the proposals for repair & maintenance has been prepared. Due care may be exercised to avoid such shortcomings to ensure smooth and early approval.

1. The proposals are not routed through the Chief Commissioner of Income Tax.
2. The proposal is not self contained and does not include adequate justification or is not submitted after proper scrutiny.
3. Proposals are submitted in a routine manner. The details are not submitted or are not in prescribed format / not complete and are not signed by the Competent Officer of the Department. The estimates prepared by CPWD are simply forwarded.
4. CPWD estimates are not submitted or these are very old.
5. Time for completion of the project is not indicated.
6. Different items of work in the same premises taken up simultaneously are not clubbed into a single proposal but submitted as separate proposals.
7. The proposals involving financial implications within the powers of the HoD are submitted for consideration of CBDT.
8. Provisioning/ availability of the Budget is not indicated or the grant of budget is requested from Directorate of Infrastructure which is not entrusted with the work of allocation of funds.
9. Either the Budget Heads are not indicated or are not correctly mentioned.
10. The proposals are sent very late hence the work cannot be completed in the same financial year resulting into problems of re-validation etc.
11. The proposals already submitted and under process at different levels but the same items of work are again included in other fresh proposals without mentioning full facts.
12. Each proposal must be treated separately and self contained. New proposals should not be added/ included in the earlier one.

Chapter - 8

D.G. (Diesel Generator) Sets

8.1 Powers of HODs in respect of purchase of D.G. Sets

Each HOD under the CBDT has been conferred with Delegated Powers for purchase, installation and maintenance of D.G. (Diesel Generator) Sets. This Power is subject to the availability of budget with each HOD under the appropriate Budget Head. Vide OM No. 15/6/2008-IFU III dated 15.09.2011 (**Annexure-IV**), the powers for purchase, installation and maintenance of D.G. Sets have been delegated to each of the HOD up to the Financial Limit of Rs.15 lakh per annum per building. This Delegation is however subject to the following:-

- (i) Only “essential” load will be taken into account while arriving at the required capacity of the D.G. Set for any particular office, by the CPWD.
- (ii) The purchase, installation and maintenance of the D.G. Sets will be done by following the provisions of GFRs 2005.

8.2 Submission of proposals

(A) Proposals for D.G. Sets with estimates exceeding the powers of HOD (i.e. Rs.15 lakhs per annum per building) have to be referred to the Board for requisite administrative approval and financial sanction. While sending the proposal the following issues need to be taken into consideration:

- (i) All proposals for D.G. Sets proposed to be installed in the office buildings/residences to provide power back up for essential loads should be forwarded to Directorate of Infrastructure for obtaining necessary sanction. However proposals relating to provision/installation of the DG sets, required for the communication rooms should be forwarded to DIT (Systems).
- (ii) The capacity of D.G. Set would vary according to the number of users in the building whereas it would be standard 10 KVA D.G. Set for communication room.
- (iii) The provision for running & maintenance expenses of the generators should be made in the budget by the HOD concerned.

(B). It is desirable that a complete and comprehensive proposal is sent to the CBDT. Incomplete proposals delay the process of the approvals due to avoidable correspondence to remove the deficiencies. To avoid unnecessary delays, the consolidated proposal for D.G. Sets must include a mention of the exact financial implication. The proposal for D.G. Set should be accompanied by certificate issued by Chief Commissioner of Income Tax/HOD regarding justification/necessity of the proposal. The proposal should also include Preliminary cost estimates of each D.G. Set at each site/station as framed by the CPWD. If the PE for D.G. Set has been obtained from CPWD then budget availability with CPWD for the proposed work should also be ascertained. The rates quoted in the proposal should be as

per DGS & D rates. It should include working of essential load requirement of each D.G. Set at each site/station framed by the CPWD. As per the existing norms, D.G. Sets are provided to cater to essential load only such as all lifts, booster pumps, submarine pumps, computers, lights, ceiling fans, exhaust fans and water coolers etc., 20% of the printers and 50% of photo state/Xerox machine etc. The load of air conditioners is to be excluded. The proposal should specifically mention whether any D.G. set is available at the site/station or not and if it is available, then the capacity of the existing D.G. Set and how is it proposed to be utilized should also be mentioned. A certificate of essentiality by CPWD is also to be obtained for provision of D.G. Sets. Another certificate has to be obtained from the CPWD/Executing Agency to the effect that estimate have been prepared keeping in view of the applicable guidelines for installation, maintenance etc. of D.G. Sets.

8.3 Check List

While sending a proposal for D.G. Set, it must be ensured that the information required as per the Check List given below is completely filled in:-

1. Location/Premises for which the proposal for provision/maintenance of DG set etc is proposed.
2. A certificate of essentiality by CPWD for provision of D.G. Sets.
3. Age and repair worthiness of the existing DG set:
4. Specifications of the new D.G. Set:
 - a. Capacity of the D.G. Set.
 - b. Whether D.G. Set required for Communication Room.
5. Details of Preliminary Cost estimates of the proposed D.G. Set at each site/station framed by the CPWD.
6. Whether the rates quoted in the proposal are as per DGS & D rates.
7. The availability of funds in the Budget along with the Demand Number, Major Heads, Object Head, etc from which the expenditure will be booked:
8. (viii)Date of preparation of the estimate and the total amount involved:
9. Whether the HOD/Commissioner is satisfied about the essentiality of the requirement of the D.G. Set at that station:

Chapter – 9

Furniture and Fixtures

9.1 The Chief Commissioner of income Tax of Income Tax proposing to construct or acquire a ready built office space should take care to provide for furniture, furnishing and fixtures in the new office building. As mentioned in Chapter 1, under Rule 13 of the DFPR a Department of the Central Government may, by general or special orders, confer powers not exceeding those vested in the Department upon the Head of Department on any other Subordinate Authority in respect of any matter covered by these Rules subject to provisions contained therein. “Head of Department” (HoD) has been defined under Rule 3(f) of DFPR as an authority specified in Schedule-I and includes such other authority or persons as the concerned Department in the Central Government may, by order, specify as the Head of Department (HoD).

9.2 In pursuance of DFPRs, the financial powers of Heads of Department of CBDT are reviewed from time to time by the Integrated Finance Unit (IFU) of the Department of Revenue under the Ministry of Finance. The powers of HOD were last reviewed in the year 2011-12. The revised delegation of financial powers was issued by the IFU vide O.M. F. No. 15/6/2008-IFU-III dated 15th September, 2011(**Annexure-IV**). There is no requirement to refer the proposal to the Department/IFU in exercise of the delegated financial powers in accordance with the said O.M., except where the expenditure is in deviation of existing instructions. However, the provisions of GFRs and other instructions issued by Competent Authorities such as Department of Expenditure, Budget Division, CVC and DGS&D have to be followed. The expenditure against the delegated powers is subject to availability of funds with the HoD under the subject head.

9.3 Chief Commissioner of income Tax of Income Tax/Head of Department have been given full powers for incurring expenditure on items of fixtures and furniture (purchase and repair) in O.M. dated 15.09.2011. In case of purchase of fixtures and furniture for new office premises, the Chief Commissioner of income Tax of income Tax forwarding the proposal can also obtain the sanction of the Competent Authority along with the proposal for construction or purchase of ready built office premises. In such cases the expenditure on fixtures and furniture will be capitalized.

Though the Chief Commissioner of income Tax of income Tax have full powers for incurring expenditure on items of fixtures and furniture, this power should be exercised with caution as such purchase will have to met from the Head of Expenditure - Office Expenses. For all new projects it is advisable to include the proposal for fixtures and furniture in the SFC/CNE note for approval of the appropriate Competent Authority. The advantage of inclusion of expenditure on fixtures and furniture in the project cost is twofold. One, the expenditure will be met out Capital Outlay, secondly, the cost and time of the execution of the work will be fixed.

9.4 The OM dated 15.09.2011 (supra) delegating financial powers to the Heads of the Department specifies the items of expenditure and power extends to the particular specified items only. Non-description of an item of expenditure, therefore, should not be assumed as residual delegated power. Head of the Department does not have power to incur expenditure on items not described in the Order delegating financial powers. There are certain items

which may be within the monetary limits of “HOD” but powers to incur expenditure on such items have not been delegated in the Order under Delegation of Financial Power to Heads of Department. The items in respect of which financial powers have not been delegated to HODs are as under:

- i. Refrigerators
- ii. TV
- iii. VCR
- iv. Vacuum Cleaner
- v. Washing machines
- vi. Cellular Phones
- vii. Cordless Phones
- viii. Projectors
- ix. Pagers

The items in respect of which financial powers have not been delegated to the Heads of Departments, under the DFPRs, 1978, should not be purchased by any officer. All proposals for purchase of items in respect of which powers have not been delegated must be referred to the Board for prior approval and only on receipt of Board’s approval, such items, should be purchased. **[Ref: F.No. 182/5/2005-AdVIII (DT) dt. 20.03.2006 (Annexure-XXXVIII)].**

9.5 In respect of certain items of expenditure pertaining to office, the Head of the Department has been vested with full powers for incurring expenditure. These items of expenditure are as follows:-

- i. Electric, Gas and Water Charges.
- ii. Freight and demurrage/Wharf age Charges.
- iii. Hire of office furniture, fans, heaters, coolers, clocks, call bells etc.
- iv. All office equipments including typewriters, electronic typewriters, dedicated word processors, intercom equipments, calculators, electronic stencil cutters, Dictaphones, tape recorders, photo copiers, copying machines, franking machine, filling and indexing system etc.

9.6 Expenditure pertaining to item of purchase and hiring of vehicles has been separately dealt with in the OM dated 15.09.2011 (supra). Due care should be taken to ensure that exercise of powers to incur expenditure on motor vehicles is in accordance with the Delegation of Financial Power to Heads of Department.

Chapter – 10

Budgeting and Payment of Taxes and Levies

10.1 Budget is the Annual Financial Statement of all transactions of the Government of India, including estimated receipts and expenditure during the year for which the statement is prepared as well as for the ensuing year. It is a critical exercise to ensure that organizational requirements are met and the activities of the Government are carried out smoothly. The commencement of Budget process takes place with the issue of the Budget Circular, normally in the month of September each year. The Budget Circular is issued with the purpose of providing guidance in framing Revised Estimates for the current year and the Budget Estimates for the ensuing financial year, under Capital and Revenue Account. This circular gives detailed instructions on the preparation of estimates of various types of receipts and expenditure, including the formats and statements in which the estimates are required to be furnished to the Directorate of Expenditure Budget. All the Budgetary Authorities should adopt hands-on approach in projecting the budget requirement under Capital Account with adequate justification. It should be borne in mind that projections at BE stage is mandatory for any expenditure under capital outlay. After this stage, it is almost impossible to get additional funds at any stage.

The estimates of the current financial year, which are based on the actual transactions recorded till the time of their preparation and the transaction anticipated for the rest of the year, are termed as “Revised Estimate”. The estimates for the ensuing financial year are termed as “Budget Estimates/Schedule of Demands”. Budgeting for infrastructure creation and maintenance can be classified in the following items:

- (i) Purchase of land;
- (ii) Capital outlay for office building works;
- (iii) Capital outlay for housing works;
- (iv) Capital outlay for acquisition of ready built accommodation
 - (a) Office,
 - (b) Housing; and
- (v) Repairs and maintenance of existing Housing/Offices.

Expenditure on purchase/acquisition of land for office or residential buildings, construction of office/residential building, acquisition of ready built office or residential accommodation, repairs and maintenance can be met out of Grants for Department of Revenue and/or Ministry of Urban Development. The relevant Grants and Heads of expenditure have been described in O.M F. No.DIT(infra)/Head of Accounts/32/2012-13 dated 16th August 2012 (**Annexure XVIII**). When forwarding proposals for repairs, maintenance and construction of office and residential buildings to the Board, the correct budget heads must invariably be mentioned to avoid delay in approval of proposals.

10.2 **Budgeting by Department of Revenue : Grant No. 42**

The budgeting in respect of the following items of work can be met by seeking Budget under Grant No. 42 of the Department of Revenue, Ministry of Finance. The Heads of account under which funds for infrastructure projects are to be sought if it is proposed to meet the expenditure from the Grant of Department of Revenue are:

Item of expenditure	Object Head	Major Head
Construction /Acquisition of Office Accommodation	Major Works	4059-Capital Outlay on Public Works.
Construction/ Acquisition of Residential Accommodation	Major Works	4216-Capital Outlay on Housing.
Repairs/Maintenance of Departmental Office Building	Minor Works	2020-Collection of Taxes on Income & Expenditure
Repairs/Maintenance of Departmental Residential Building	Minor Works	2020-Collection of Taxes on Income & Expenditure

If the Chief Commissioner of Income Tax proposes to meet expenditure on the above mentioned items of works from the Grant of the Department of Revenue, the funds should be sought at the time of preparing the Budget Estimates by reflecting the proposed expenditure in the format prescribed by the Directorate of Expenditure. The requirement of funds should be projected when the proposed project is likely to be approved by the Competent Authority. It must be ensured that funds are requested for, on the basis of concrete proposals and no funds remain unspent. Budget provision should not be sought at the stage of moving proposal unless the Chief Commissioner of Income Tax office is sure that the Budget will be utilized within the year for which it has been sought. Unspent Budget leads to audit objections and has been commented upon adversely by the Public Accounts Committee and the Standing Committee on Finance. At the same time it has to be borne in mind that no 'New Instrument' can be sanctioned unless a Budget provision has been sought and granted in the Budget Estimates.

10.3 **Budgeting by Ministry of Urban Development**

Notwithstanding the foregoing paragraph, in practice the expenditure on the items mentioned at S. No. (i), to (v) of para 10.1 for the Income Tax Department is largely being met from the Grant of Ministry of Urban Development (MoUD). CPWD under MoUD is a critical organization for all infrastructure related works of Government Departments as spelt out in Chapter 5 of the General Financial Rules. It is entrusted among others, with the task of

assessing the requirements of space, the suitability of land/building and its fair value, construction/maintenance of office/residential buildings of Central Government Departments including Income Tax Department. Hence co-ordination with the local CPWD authorities is critical in both creation and maintenance of infrastructure. The relevant Demand for Grants and the item of expenditure in case of Ministry of Urban Development are as listed below:

Demand No.101-Department of Urban Development

Item of expenditure	Description	Major Head
Construction /Acquisition of land/ Building for Residential Accommodation	Finance (Revenue), Major Works	4216-Capital Outlay on Housing
Repairs/Maintenance of Departmental Residential Building	Minor Works	2216-Housing

Demand No.102-Public Works

Item of expenditure	Description	Major Head
Capital Outlay on Public Works	Finance (Revenue), Major Works	4059-Capital Outlay on Public Works
Repairs/Maintenance of Departmental Office Buildings	Minor Works	2059-Public Works

10.4 **Preparation of Budget for projects executed through CPWD:** The field formation of CPWD in consultation with the field formation of the client department, in this case, the Income Tax Department arrives at estimates of funds required for construction/maintenance for the current fiscal year. The client department has the responsibility of projecting the likely expenditure in the ensuing year which would in turn depend upon current appreciation of projects to be executed and their specific status in terms of likelihood of sanction from the competent authority. Budget Estimates (including Revised Estimates) for works etc. are prepared in the form prescribed by the Ministry of Urban Development. Proposals for Revised Estimates for current year and Budget estimates for ensuing year in respect of Revenue Section (Works) in Demand for Public Works and Demand for Housing and Urban Development can be categorized as follows:

(A) New construction projects or purchase of land

- (i) The schedules to be prepared must incorporate new construction projects to be executed by the Central Public Works Department under Heads mentioned in the foregoing Paragraph 10.3.
- (ii) No outlay for civil works (residential and non-residential buildings) should be proposed before land is actually made available and requirements of the buildings have been finalized by the administrative Ministry concerned.

(iii) The new works proposals, after complying with the above requirements, are sent by the concerned Chief Engineer to the Director General (Works) by the 31st August, every year. (With this in perspective, it is clear that proposals for new works must be finalized and sent to the Directorate of Infrastructure sufficiently in advance of this time limit).

(iv) The Director General (Works) scrutinizes the proposals and forwards his findings to the Ministry of Urban Development by 30th September, of every year.

(v) The Ministry of Urban Development thereafter, convenes a meeting of the Works Priority Board. The recommendations of the Works Priority Board would form the basis for preparing the Annual Plan proposals/Budget Estimates of the next financial year.

(vi) Simultaneously, Income Tax Department will need to take steps towards issue of administrative approvals and expenditure sanctions for the new works for which non-plan outlays have been cleared by the Works Priority Board. Processing at this stage is done by the Directorate of Infrastructure. The necessary sanctions are to be obtained keeping the timeline for inclusion in the Budget Estimates of the forthcoming year in view.

(vii) The schedules are to be prepared for (i) Projects where Expenditure Sanctions have already been issued (Part A) and (ii) Projects where Expenditure Sanctions have not so far been issued, but where need for the work has been approved in principle by the competent authority (Part B). Separate statements for Plan-Residential, Non-Plan Residential, Plan non-Residential and Non-Plan Non-Residential works are to be prepared for each part, the works being grouped zone-wise for each category. The Ministries/Departments may give preference to the works where land is already available. Where provision proposed is for only purchase of land, the total cost of the project (cost of land, construction and machinery, if any) may be indicated in consultation with the CPWD so as to clearly establish whether the provisions of “New Service/New Instrument of Service” are attracted. All works may be arranged in order of their priority.

(viii) Purchase of land for construction of office and residential buildings is to be provided separately under the relevant Demands. Provisions are also to be proposed separately for Residential and non-Residential works under the major Heads and these are not to be clubbed together as a single item.

(B) Works in progress

The Revised Estimates for current year and Budget Estimates for ensuing year in respect of capital works in progress under Demand for Public Works and Demand for Housing and Urban Development are to be prepared giving the following details for the works under each Chief Engineer separately:-

- (i) Name and location of the work.
- (ii) Estimated cost of the work.

- (iii) Expenditure incurred upto March of the previous year.
- (iv) Budget Estimates for current year.
- (v) Expenditure incurred upto the given month of current year.
- (vi) Revised requirements during the current year.
- (vii) Detailed reasons for variations, if any, between (iv) and (vi).
- (viii) Totals of (iii) and (vi).
- (ix) Requirements for the ensuing year.
- (x) Reasons for variations, if any between (vi) and (ix).
- (xi) Stage of completion of work at the end of the given month of the current year.

10.5 **Supplementary demands:** The Budget Division of Department of Economic Affairs has laid down the Guidelines on Financial Limits to be observed in determining the cases relating to 'New Service/New Instrument of Service in O.M. No F.1 (23)-B(AC)/2005 dated 25th May 2006 and O.M. No. F.1(5)-B(AC)/2011 dated 21.05.2012. (**Annexure – XXXIX**). Accordingly, expenditure for which no provision has been made in the original Budget Estimates for the current year cannot normally be incurred. If either owing to (i) an unforeseen emergency, or (ii) under-estimating or insufficient allowance for factors leading to the increase in expenditure, excess expenditure on a particular item of the budget estimate is inevitable, action may be taken for submission of an application for allotment of additional funds by re-appropriation or supplementary grant, where it is not possible to get funds by re-appropriation. The Supplementary demands are presented before the Parliament in 3 batches usually the Monsoon session, Winter session & Budget session.

10.6 **Supplementary Grant:** When savings are not available or re-appropriation is not possible, it must be seen whether special economies can be effected under other sub-heads. If this also is not possible, it will have to be considered whether the expenditure can be postponed, or whether an application for a supplementary grant should be made. Normally an application for supplementary grant is not entertained unless the anticipated excess is due to a cause beyond the control of the authority concerned, and the funds cannot be found by legitimate postponement of expenditure for which provision already exists.

The supplementary estimates may arise in spite of every care taken to include in the budget all possible payments that will have to be made during the financial year owing to one or more of the following causes:-

- (i) Preparation of annual estimates some months before the commencement of the financial year,
- (ii) Fluctuating nature of the services,
- (iii) Change(s) of policy or programmes that may occur during the year,
- (iv) Under unforeseen circumstances, and
- (v) Expenditure upon some New Service not contemplated in the Annual Financial Statement of the year.

As has already been elaborated in Chapter-3, Rule 126(4) of the GFR allows handing over the construction work to any Public Works Organisation other than CPWD subject to the discretion of the Ministry. In such a situation, the funds are allocated under M.H. 4059 or 4216, for office accommodation or residential accommodation respectively as the case may be out of Demand No. 42-DT (Acquisition of ready built accommodation).

10.7 **Projection for Provision of Funds:** The provision for funds should be projected only when the specific project has reached an advanced stage of examination in the IFU, making it most likely to be approved by Competent Authority. Hence the Department and the CPWD have the twin responsibility of ensuring that timing of funds projection is such that neither this provision should remain unspent nor should the project suffer because of lack of provision of funds in Budget. At times it's easier said than done, but additional level of examination and analysis of projects would help in avoiding over/under budgeting. Over budgeting means that funds provided in the budget remain unspent because of:-

- i) delay in sanction
- ii) delay in execution

The Standing Finance Committee of Parliament examines all such cases of over budgeting and department has been upbraided by the Members for non-utilization of funds. The Committee Members generally take very serious view of such cases without proper explanation substantiated by facts. As such this aspect needs to be well understood by all levels of officials engaged in the process of budgeting.

The availability of budget under the respective Head of Accounts and Demand for Grants has to be ensured while forwarding the proposal to the Board. Projection of Demand for each proposal should invariably be incorporated while sending the Budget Estimate or Revised Estimate as the case may be when expenditure is proposed to be met from the Grant of Department of Revenue.

For projects proposed to be executed through the Budgetary Grant of MoUD, close coordination may be maintained with CPWD to ensure proper budgeting and availability of funds.

10.8 **Liability to pay Government Levies and Taxes:** The payment of Government Levies and Taxes by the Department has come in for Audit Objections and has been adversely commented upon by the PAC and the Standing Committee on Finance. It is therefore useful to bear in mind the Provision of the Constitution of India in this regard. Article 285 of the Constitution exempts the Union Government from payment of State Taxes.

Article 285. Exemption of property of the Union from State taxation:

(1) The property of the Union shall, save in so far as Parliament may by law otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State.

(2) Nothing in clause (1) shall, until Parliament by law otherwise provides, prevent any authority within a State from levying any tax on any property of the Union to which such property was immediately before the commencement of this Constitution liable or treated as liable, so long as that tax continues to be levied in that State.

Clause (1) of this Article declares that the property of the Union shall be exempt from all taxes imposed by a State or any authority within a State. The words "any authority within a state" will include local bodies like corporations, municipalities, district boards, cantonment boards or panchayats. The exemption under Clause (1) is subject to the exception in Clause

(2) where such property was subjected to a tax by a State or any authority within the State immediately before the commencement of the Constitution. The nature and type of tax and the property on which the tax was being levied prior to the commencement of the Constitution must be the same as also the local authority must be of the same state to which it belonged before the commencement of the Constitution.

While negotiating purchase of land and or ready built accommodation the above Constitutional provision may be kept in mind. In most of the cases purchase of land is made either from the State authorities or local bodies. Therefore, while negotiating the above provision may be brought to their notice. The fact that this negotiation has already been done with the concerned authority should be clearly mentioned in the proposal sent to the Directorate. This will help in expediting the approval of the proposal. It will also prevent avoidable surrender of fund provided on account of such taxes payable State or any other authority within a State.

10.9 Liability to pay service charges by the Central Government Departments to Urban Local Bodies: The Ministry of Urban Development has issued an O.M. vide F.No.N-11026-26-2003-UCD dated 15.12.2009 clarifying the liability of the Central Government Department towards payment of service charge to Urban Government Bodies (**Annexure-XXXX**). The O.M. has been issued following judgement of Hon'ble Supreme Court. The O.M. may be strictly followed in matters relating to payment of service charges to Urban Local Bodies.

CHAPTER – 11

NOTE FOR STANDING FINANCE COMMITTEE/ COMMITTEE FOR NON-PLAN EXPENDITURE

11.1 As has already been detailed in para 1.2 of Chapter I relating to Financial Powers in respect of works, proposals which involve financial implication of more than 10 crore but less than Rs. 75 crore are to be appraised by the Standing Finance Committee (SFC) while those that entail implications above Rs. 75 crore are to be appraised by Committee for Non-Plan Expenditure (CNE). In such cases while processing the case for approval of the Competent Authority, the Directorate of Infrastructure prepares a Memorandum for appraisal by the respective Appraising Authority.

11.2 It may be mentioned here that Memorandum for appraisal by the Competent Authority is a comprehensive document incorporating various aspects of the proposal including description, object, justification, cost benefit analysis, non-recurring and recurring financial implications etc. The cost estimates have to be elaborated along with the schedule of programme and the description in which the scheme is proposed to be executed. In some cases where the proposal involves signing of any Agreement or Memorandum of Understanding, the Ministry of Law might also be required to be consulted. The body of the Memorandum is to be supported by all relevant Annexures including three dimensional views, side elevation, floor-wise drawings, walkthrough CD etc. in case of proposals for construction /acquisition of buildings. The Memorandum so prepared is a comprehensive document justifying the project and specifying the points on which decisions/sanctions of the Competent Authority are required.

11.3 The formats of the Memorandum for seeking the approval of the Standing Financial Committee are prescribed by Department of Expenditure. The formats are given at the end of the Chapter. All proposals requiring approval of the SFC/CNE have to invariably be submitted in the prescribed format. The Note should be appropriately captioned as ‘Memorandum for Standing Finance Committee for proposals involving new service or new instrument of service in terms of instructions issued by Budget Division or expansion of existing service over Rs. 20 crore and less than Rs. 75 crores (non-recurring)’ or ‘Memorandum for Committee for Non-plan Expenditure for proposals involving new service or new instrument of service in terms of instructions issued by Budget Division or expansion of existing service over Rs. 75 crore (non-recurring)’, as the case may be.

11.4 The typing impression should be legible and clear in all pages. All paragraphs and sub-paragraphs of the Notes are to be appropriately numbered. Bullets, arrows and other similar markings are not to be used as a replacement for paragraphs or sub-paragraphs.

The note should be so structured as to be complete in itself and include paragraphs on introduction, background, proposal, justification, financial implications, and approval required. All pages of the Note, including the annexes, appendices etc. should carry continuous page numbers. The fact that Appendices/ Annexes/ Annexures are attached with the note should be indicated in the main note and also duly referenced wherever these are referred to for the first time. Only relevant papers are to be annexed with the Note. Unrelated papers/ annexures should not to be attached. It should be indicated in the Note that the proposals made therein has received the requisite administrative approval.

11.5 Special attention must be paid to the quality of drafting. The note while being brief should bring out all relevant details and no material fact should remain unstated. The main note should be self-contained, lucid, and straight forward and contain only the relevant details. All acronyms/ abbreviations used in the text of a note must be expanded when the term is first used in the note. Its full form, with the acronym/ abbreviation given in brackets should be given. Acronyms that are not commonly used are to be avoided. The note should have a brief introduction that succinctly brings out the essence of the proposal in three-four sentences, followed by a brief background, the details of the proposal, its financial implications, details of appraisal, if any carried out by the financial institutions etc., details about Appendices/Annexures attached and approval required etc.

11.6 **Format of Memorandum for SFC:** The format of Memorandum for Standing Financial Committee for proposals involving new service or new instrument of service in terms of instructions issued by Budget Division or expansion of existing service over Rs. 20 crore and less than Rs. 75 crores (Non-recurring) is given at **Annexure-XV (a)**.

11.7 **Format of Memorandum for CNE:** The format of Memorandum for Committee for Non-plan Expenditure for proposals involving new service or new instrument of service in terms of instructions issued by Budget Division or expansion of existing service over Rs. 75 crore (Non-recurring) is given at **Annexure-XV (b)**.

Chapter – 12

Allotment of Departmental Pool Quarters

12.1 Allotment, etc. of Departmental Pool accommodation in the Income Tax Department is governed by the Department of Revenue and Company Law Allotment Rules, 1964. These Rules are based on the Allotment Rules of the General Pool Accommodation framed by the Directorate of Estates, Ministry of Urban Development. The Rules are placed at **Appendix III** of this Manual.

12.2 Sometimes officers request retention of Government accommodation following their transfer to a different station. Such cases are to be dealt with at par with the Rules applicable in case of General Pool accommodation. On transfer from one station to another, an officer can retain the allotted General Pool accommodation for a period of two months on payment of normal licence fee and for a further period of six months on payment of double the normal licence fee. No further extension/retention of General Pool accommodation is permitted. However, where an officer is posted back to the same station within a period of four months, beyond the permissible limit of eight months, the allotment may be regularized on payment of double the normal licence fee for the intervening period (Directorate of Estate, Ministry of Urban Development's O.M. No.12035/21/95-Pol-II dated 31/07/2000 **Annexure XXXXI**) The Allotment Rules of General Pool accommodation permit relaxation of these limits. However such Relaxation can only be granted by the Government for reasons to be recorded in writing. The Government in the case of general Pool accommodation is the Cabinet Committee on Accommodation.

12.3 In case of Departmental Pool accommodation, the cases of retention of accommodation must be dealt with in accordance with the Department of Revenue and Company Law Allotment Rules, 1964. In the normal course, an officer may retain the accommodation on normal rent for a maximum of two months on transfer [Sub-Rule (2) of S.R.-317-p-12]. However, the Head of the Department (Chief Commissioner of Income Tax) concerned may, on being satisfied about the genuineness of the grounds, permit the officer to retain the accommodation on payment of twice the standard rent for a period not exceeding six months beyond the normally allowed period of two months as mentioned above [Proviso to SR-317-P-21]. No further extension of retention of Departmental Pool accommodation is envisaged in the Rules. Retention beyond the period of two plus eight months is liable to payment of penal/market rent. However, S.R.317-P-25 empowers the Government to relax all or any provisions of the Rules in the case of any officer or residence or class of officers or class of residences. In such cases the reasons for relaxation are to be recorded in writing. The Government here means the Central Government and in case of the Income Tax Department the Competent Authority is the Finance Minister. Hence cases of retention beyond the period of eight months will have to be put up for consideration and approval of the Finance Minister and extension if allowed will entail payment of market rent by the allottee.

12.4 On the basis of Directorate of Estate, Ministry of Urban Development's O.M. No.12035/21/95-Pol-II dated 31/07/2000 it was decided that where an officer is posted back to the same station within a period of four months, beyond the permissible limit of eight months, the allotment may be regularized on payment of double the normal licence fee for the intervening period.

12.5 In past, a number of cases have come up to the CBDT for relaxation of Rules for extension/retention/regularization of Department Pool Accommodation allotted to the officers, who were under orders of transfer from one station to another. Vide letter File No.187/4/2000-Ad.VIII(DT) /587 dated 05.05.2000 [**Annexure-XXXXII (a)**] it was clarified that in case of a transfer, further retention beyond the permissible period of 8 months will not be allowed. These instructions have been reiterated in O.M. F.No.DIT(Infra.)/RET-15/Policy/2004-818 dated 24.08.2006 [**Annexure-XXXXII (b)**] and it was clarified that “no further retention of the house beyond the period of two months at normal rent and further six months at double the normal rent permissible by the Head of the Department as per sub-rule (2) of S.R.-317-P-12 and proviso to S.R.-317-P-21 respectively would be allowed by the CBDT. The officers retaining the house beyond this period shall be charged market rent as per rules”. The applicable Rules have been restated again in the Directorate of Infrastructure O.M. F.No.DIT(Inf.)/Unit-II/RET-15/Policy/2011-12/1980 dated 14.02.2012 to address any confusion regarding retention of accommodation beyond a period of eight months [**Annexure XXXXII (c)**].

12.6 All cases for allotment and retention of Departmental Pool residences must be dealt with strictly in accordance with the Department of Revenue and Company Law Allotment Rules, 1964. Cases of retention of accommodation may be dealt with in accordance with S.R.-317-P-12 and Proviso to S.R.-317-P-21 and clarifications and instructions issued by the Board, the latest being O.M. dated 14.02.2012. Where the officer is posted back to the same station within four months beyond the permissible limit of eight months, the allotment may be regularized on payment of double the normal licence fee for the intervening period.

**F.No.15/6/2008- IFU – III
Government of India
Ministry of Finance
Department of Revenue**

New Delhi, the 6th June, 2008

OFFICE MEMORANDUM

Subject: Review of existing levels of consideration and approval of expenditure proposals – routing of files through Integrated Finance Unit in CBDT and CBEC.

Ref: O.M. No.15/16/2005-IFU-III dated 3rd January, 2008 (Copy attached).

With the approval of the competent authority following procedure is prescribed for sanction of expenditure in CBDT and CBEC.

- (a) Proposals requiring sanction of expenditure beyond HoD powers as prescribed vide O.M. No.15.6.2008-IFU-III(EC) dated 6th June, 2008 and upto Rs. 2 crore will be routed through JS (Admn)/Member concerned to Financial Adviser for consideration and approval.
- (b) Proposals requiring sanction of expenditure beyond Rs. 2 crore and upto Rs. 5 crore will be routed through the JS (Admn)/Member concerned, Financial Adviser to the Chairperson of the Board for approval.
- (c) Proposal requiring sanction of expenditure beyond Rs.5 crore and upto Rs.10 crore will be routed through the concerned JS (Admn), Member concerned, Chairman and Financial Adviser for obtaining the approval of the Revenue Secretary*.

(*All single tender/proprietary contracts and contracts for technical collaboration and consultancy services irrespective of the value will be submitted to Revenue Secretary for consideration/approval).

2. The above changes in the level of consideration and disposal of expenditure proposals may be intimated to all the concerned in CBDT, CBEC and other organizations.

3. Irrespective of the amount of expenditure involved, the existing scheme of levels of approval shall continue where specific approval of Revenue Secretary/Finance Minister is required as per existing instructions e.g. foreign visit proposals etc.

-Sd-

(M. Deena Dayalan)

Joint Secretary & Financial Adviser (Finance)

To:

- (i) Chairman, CBDT
- (ii) Chairman, CBEC
- (iii) AS (Revenue)
- (iv) Joint Secretary (Revenue)
- (v) Joint Secretary (Admn), CBDT
- (vi) Joint Secretary (Admn), CBEC
- (vii) Director (Finance-DT)
- (viii) Director (Finance-EC)

(ix) Under Secretaries/SOs in IFU.

Annexure-II

**F.No.15/6/2008- IFU – III
Government of India
Ministry of Finance
Department of Revenue**

New Delhi, the 22nd September, 2008

OFFICE MEMORANDUM

Subject: Review of existing levels of consideration and approval of expenditure proposals – routing of files through Integrated Finance Unit in CBDT and CBEC.

Reference is invited to IFU's O.M. of even number dated 6th June, 2008 on the subject mentioned above. With the approval of the competent authority, it has been decided to modify the procedure prescribed for sanction of expenditure in respect of CBDT and CBEC upto Rs.2 crore (in so far as it relates to the Heads of Accounts for which CBDT & CBEC are the Controlling Officers), as under:-

“Proposals requiring sanction of expenditure beyond HOD's power as prescribed vide O.M. F.No.15/6/2008-IFU-III(EC), dated 6th June, 2008, upto Rs.2 crore will be approved by the Member concerned of CBDT/CBEC after obtaining concurrence of IFU. All such cases will be referred to IFU by the respective J.S's (Admn)/CBEC/CBDT.”

2. This modification may be brought to the notice of all concerned in CBDT, CBEC and field formations.

-Sd-

(M. Deena Dayalan)

Joint Secretary & Financial Adviser (Finance)

To:

- (i) Chairman, CBDT
- (ii) Chairman, CBEC
- (ii) AS (Revenue)
- (iii) Joint Secretary (Revenue)
- (iv) Joint Secretary (Admn), CBDT
- (v) Joint Secretary (Admn), CBEC
- (vi) Director (Finance-DT)
- (vii) Director (Finance-EC)
- (viii) CCAs (CBDT)/CBEC-for conducting of Internal Audit for all cases following revised delegation.
- (ix) Under Secretaries/SOs in IFU.

**No.1(9)/E-II(A)/07
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch

New Delhi, the 6th April, 2010

OFFICE MEMORANDUM

Sub: Enhancement in the Financial Powers of Ministries Departments with regard to expenditure on Non-Plan Schemes/Projects.

The undersigned is directed to refer to this Ministry's OM No. 1(9)/E.II(A)/2007 dated 28th January, 2008 on the subject cited above. In the light of the revision of the threshold for proposals to be placed before the Cabinet/CCEA. It has been decided to revise the financial limits for appraisal and approval of Non-Plan Schemes/Projects by competent authorities. Accordingly, the Government of India Decision (4) (B) below Rule (8) of the Delegation of Financial Powers Rules, 1978 has been substituted as per the amendment enclosed.

2. Further, approval of the Finance Ministry shall not be required to sanction excess expenditure over the original estimates of a sanctioned Non-Plan scheme project up to ten percent or rupees ten crores, whichever is less, unless the scheme or project has been substantially altered.

3. Hindi version of the Office Memorandum will follow.

Sd/-

**(Madhulika P. Sukul)
Joint Secretary to the Govt. of India**

Encl: As above.

To

- (i) All Ministries/Departments of Government of India.**
- (ii) All FAs.**

AMENDMENT TO THE DELEGATION OF FINANCIAL POWERS RULES, 1978

Rule 18 **Government of India Decision NO. 4(B)**

Substitute the following for the Government of India's decision 4B) below Rule 18 of the Delegation of Financial Powers Rules, 1978 –

4(B) Sanction of Non-Plan Expenditure –

(a) A Committee on Non-Plan Expenditure (CNE) has been constituted with Secretary, Department of Expenditure as Chairman and the following members:

- (i) Secretary, Planning Commission
- (ii) Secretary of the Department concerned.

(b) CNE will serve as an appraisal forum and the following types of cases shall require submission to the Committee on Non-Plan Expenditure-

- (i) All Non-Plan proposals involving expenditure of over Rs.75.00 crore recurring or non-recurring, on a new service or for expansion of existing services.
- (ii) Any other Non-Plan proposal which a Department may like to be considered in the CNE.

(c) No item of Non-Plan expenditure will be referred to the EFC/PIB. Procedure for submission of cases to the CNE will be the same as for submission of proposals to EFC and PIB. The Integrated Finance of the concerned Department shall function as the Secretariat for the CNE.

(d) A Department of the Central Government with the Integrated Finance Scheme, may exercise power to sanction Non-Plan Expenditure on schemes in the manner mentioned below subject to the condition that (i) No Non-Plan post will be created and (ii) No autonomous institution will be set-up. The powers will continue to be governed by procedural and other instructions issued by Government from time to time, e.g. General Economy Instructions.

Sl.No.	Financial limits of plan scheme/project	Appraisal Forum	Competent Authority to approve the scheme
(a)	Up to Rs. 20 Crores	Ministry/Department concerned, in normal course	Secretary of Administrative Ministry
(b)	Beyond Rs. 20 Crores upto Rs. 50 Crores	Standing Finance Committee of the Department concerned under the Chairmanship of Secretary with Financial Adviser and Joint Secretary/Director of the concerned Division as members with provision for inviting representative from any other Department that the Secretary/Financial Adviser	Minister-in-charge of Administrative Ministry/Department

		may suggest.	
(c)	Beyond Rs. 50 Crores but less than Rs. 75 Crores	Standing Finance Committee of the Department concerned as at by above with representative of Department of Expenditure also as a Member.	Minister-in-charge of Ministry/Department
(d)	Rs. 75 Crores and above but less than Rs. 150 Crores	Committee for Non-Plan Expenditure	Minister-in-charge of Ministry/Department
(e)	Rs. 150 Crores and above but less than Rs.300 crore	Committee for Non-Plan Expenditure	Minister-in-charge of Ministry/Department and Minister of Finance
(f)	Rs. 300 crore and above	Committee for Non-Plan Expenditure	Cabinet/CCEA
(g)	Proposals for new autonomous organizations irrespective of outlay	Committee for Non-Plan Expenditure	Cabinet/CCEA

* The financial limits specified are for the composite project and under no circumstances, shall a proposal be split (e.g. land acquisition for project site and construction activities thereon) so as to avoid appraisal/approval by the Competent Authority. Therefore, Ministries/Departments are advised not to incur any expenditure on account of investment in land and building unless schemes/projects are appraised/approved by the Competent Authority.

**No.1(9)/E.II(A)/07
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch**

New Delhi, the 13th April, 2010

OFFICE MEMORANDUM

Sub:- Enhancement in the Financial Powers of Ministries/Departments with regard to expenditure on Non-Plan Schemes/Projects – Procedure for cases of value beyond Rs.50 crore but upto Rs.75 crore.

Attention is invited to this Department's OM of even no. Dated 6th April, 2010 on the subject of 'Enhancement in the Financial Powers of Ministries/Departments with regard to expenditure on Non-Plan Schemes/Projects'.

2. The following procedure may be followed by administrative Ministries/Departments for Non-Plan Schemes/Projects of estimated cost beyond Rs.50 crore but upto Rs.75 crore in regard to appraisal by the Standing Finance Committee (SFC) of the Ministry/Department to be chaired by the administrative Secretary with a representative of the Department of Expenditure as a member:

- (a) The Departments/Ministries may send their proposal on the format prescribed for CNE Memo, on file to this Department for comments.
- (b) The comments of this Department may be addressed in the final SFC Memo.
- (c) Thereafter, a meeting of the SFC may be convened for which the Department of Expenditure may be asked to nominate a representative.
- (d) The approved Minutes of the meeting may be circulated to all the Members.
- (e) Subsequently, approval of the Competent Financial Authority (the Minister-in-charge of Ministry/Department, in this case), may be obtained.

3. This issues with the approval of Secretary (Expenditure).

4. Hindi version will follow.

-Sd-

(S. Krishnamoorthi)
Under Secretary to the Govt. of India
Ph: 23095634

To

- (i) All Ministries/Departments of Government of India
- (ii) All FAs

F.No.15/6/2008- IFU – III
Government of India
Ministry of Finance
Department of Revenue
Integrated Finance Unit

New Delhi, the 15th September, 2011

OFFICE MEMORANDUM

Subject: Delegation of Financial Powers to Heads of Departments of Department of Revenue, CBDT and CBEC – reg.

The delegation of financial powers to Heads of Departments (HoDs) of CBDT and CBEC has been reviewed by the Integrated Finance Unit (IFU) of Department of Revenue. Based on, inter-alia, proposals received from CBDT & CBEC, the revised delegation, duly approved by the competent authority under Rule-13 of the Delegation of Financial Powers Rules, 1978, has been compiled as per Annexure.

2. For exercising the delegated financial powers, as mentioned in the enclosed Annexure, there is no necessity to refer the proposals to the Department/IFU except where proposals are not in consonance with the existing instructions. The provisions of GFRs and other instructions issued by the Department of Expenditure and other competent authorities i.e. CVC and DGS&D etc. shall be followed. The expenditure against these delegations is subject to availability of the Funds with the HoDs.

3. The revised delegation, which is applicable with immediate effect, may be circulated to all HoDs.

-Sd-
(H. Pradeep Rao)
Joint Secretary & Financial Adviser (Finance)

To:

- (i) Chairman, CBDT
- (ii) Chairman, CBEC
- (iii) Joint Secretary (Revenue)
- (iv) Joint Secretary (Admn), CBDT
- (v) Joint Secretary (Admn), CBEC

Copy to:

- (i) Pr. CCA, CBDT
- (ii) Pr. CCA, CBEC
- (iii) CCA (Finance), D/o Revenue

**DELEGATION OF FINANCIAL POWERS TO HEADS OF DEPARTMENTS (HoDs) OF
CBDT, CBEC AND DEPARTMENT OF REVENUE
(Ref: O.M. NO.F.15/6/2008-IFU dated 15.09.2011)**

Note 1: The instructions issued by Department of Expenditure vide their O.M. No.7(1)/E.Coord/2001 dated 11th July, 2011 and other item-wise or general instructions, as issued from time to time by Department of Expenditure, Budget Division, Department of Revenue, CBDT, CBEC and other competent authorities, shall apply while exercising the delegation in respective items.

Note2: The General Financial Rules, 2005 (effective from 01.07.2005) and the Delegation of Financial Powers Rules, 1978, as amended up to the date of issue of this compilation, shall apply in respect of each of these stated items.

Note 3: Regarding the position on the available delegation of HODs on various items, after issue of Department of Expenditure's Notification NO.1(11)/E.11.A/2003 dated 16.9.2003, it is clarified that with the issue of this Notification, the Departments have been authorized to decide the extent of financial powers which they can delegate to their HoDs in the matter of contingent expenditure and miscellaneous expenditure, subject to fiscal codes and procedures and limits being within budgetary allocations. Accordingly, the HoDs of CBDT, CBEC and Department of Revenue will continue to have the same delegation as prevailing before the issue of above notification dated 16.9.2003 unless powers are specifically enhanced under the items in the enclosed compilation.

Note 4: For exercising delegated financial powers as mentioned in the enclosed compilation, there is no necessity to refer the proposals to Department/IFU, except where the proposals are not in consonance with the existing instructions.

Note 5: All proposals beyond delegated powers of HoDs are to be invariably referred to the Ministry/Department for consideration/approval.

**DELEGATION OF FINANCIAL POWERS TO THE HEADS OF THE DEPARTMENTS OF
DEPARTMENT OF REVENUE, CBDT & CBEC
(Ref: O.M. F.No. 15/6/2008-IFU-III (EC) dated 15.09.2011)**

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
(A)	(B)	(C)
1.	Write of losses	
	i. Loss of revenue or irrecoverable loans and advances.	The details of powers available to Chief Commissioners/Director Generals and Commissioners/Directors in all these three sub-heads may be seen in Schedule-VII of DFPRs.
	ii. Deficiencies and depreciation in the value of stores (other than motor vehicle included in the stock and other accounts.	
	iii. Irrecoverable loss of stores or of public money.	
2.	Contingent expenditure	
2.1	Bicycle	Full Powers.
2.2	Conveyance hire charges	Powers delegated under DFPRs will be applicable. The position of allocation of financial powers to HoDs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue.
2.3	Electric, gas and water charges	Full Powers.
2.4	Fixtures, furniture (purchase & repair)	Full Powers.
2.5	Freight and demurrage/ Wharfage charges	Full Powers.
2.6	Hire of office furniture, fans, heaters, coolers, clocks, call bells etc.	Full Powers.
2.7	Legal charges	Powers delegated under DFPRs will be applicable. The position of allocation of financial powers to HoDs (along with restrictions, conditions etc.) from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue.

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
2.8	<p>Motor vehicles</p> <p>i. Additional purchase or additional hiring of vehicles (on regular basis)</p> <p>ii. Replacement hiring in lieu of regularly (mature) condemned vehicle.</p> <p>iii. Replacement hiring in lieu of pre-maturely condemned vehicle.</p> <p>iv. Replacement purchase in lieu of mature or premature condemned vehicle</p> <p>v. Maintenance, upkeep and repairs of vehicles.</p> <p>vi. Mature and pre-mature condemnation of vehicles.</p> <p>vii. Hiring of vehicles in connection with search and seizure operations.</p>	<p>i. No powers.</p> <p>ii. Full powers subject to GFRs 2005 and instructions issued from time to time.</p> <p>iii. No powers.</p> <p>iv. There is general ban imposed by Department of Expenditure vide O.M. No.7(1)/E-Coord/2011 dated 11.07.2011 on purchase of vehicles and, therefore, proposals for purchase are to be referred to the Department.</p> <p>v. Full powers.</p> <p>vi. Full powers for mature condemnation. The Department has to be approached for premature condemnation.</p> <p>vii. The offices headed by ITO/AC/DC can hire vehicles for survey, search and seizure operations as and when required subject to availability of budget and monitoring by the concerned HoD. In case of Survey, the concerned Joint CIT/Addl.CIT would be competent to hire, subject to ex-post-facto approval by the HoD.</p>
2.9	Municipal rates and taxes	Full powers.

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
2.10	Repair and maintenance work in buildings owned by the Department. (Minor Works)	Rs.30 lakh, Provision of GFR 2005 will apply.
2.11	Provision of DG set	Rs.15 lakh per annum per building for each HOD for purchase of DG (Diesel Generating) set, subject to GFRs 2005, Works Manual and guidelines for essential and non-essential loads for DG Sets.
2.12	Repair and alterations to hired and requisitioned buildings.	A total of Rs.50,000/- in a year, non-recurring. Provision of GFRs 2005 will apply.
2.13	Original works (through CPWD) on Department land and buildings. (Only in cases where funds are provided by MOUD). The power will not be used for purchase of land/building.	Rs.10 lakh in each case. Provisions of GFRs 2005 will apply. Government of India decision below Rule 10 of DFPRs on New Service/New Instrument of Service shall apply. All original works beyond Rs.10 lakh required reporting to Parliament and beyond Rs.50 lakhs, requires prior approval of Parliament. Budget provision should be available under the grant provided by MoUD.
2.14	Computers	<ul style="list-style-type: none"> i. Site preparation of computers/installation – Rs.5 lakh/year. ii. Maintenance of site for Computers – Rs.5 lakh/year. iii. AMC of Computers (Hardware) excluding sites Rs.10 lakh /year (non PSU) & full powers in case of PSU. iv. Training in computers in India Rs.5 lakh / year in consultation with respective Systems Wing of CBDT & CBEC. v. Purchase / procurement of PCs / Hardware – Rs.15 lakh / year. vi. Software development and website related expenditure Rs.2 lakh per year for Systems wing and Training Institutes of CBEC & CBDT. For Training Institutes the software should be developed in consultation with the respective System wing.

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
		Note: The above powers are subject to relevant instructions on these items issued from time to time
2.15	Hiring of office accommodation	Rs.3 lakh per month for 13 major Cities (A-1 and A) & Rs.1.5 lakh per month for other cities. Note: These powers are subject to non-availability certificate from Directorate of Estates and / or CPWD, Fair Rent Certificate from CPWD, observance of GFRs 2005, admissibility of space norms as prescribed and also subject to relevant instructions on this item issued from time to time. Any deviation from norms including acceptance of single offer should be referred to the Ministry. Hiring should be recommended by a Hiring Committee duly constituted by the HoD.
2.16	Postal & Telegraph charges	Full powers to incur expenditure on this item subject to following the existing government instructions. Through e-governance activities, electronic mode is to be increasingly adopted.
2.17	Printing and binding	i. Full powers to HoDs in case of printing is done in Government Press or through Directorate of Printing. ii. Rs.1 lakh per annum through private party including cost of paper and binding following GFRs 2005 provisions and Govt. instructions on the subject.
2.18	Publications	Full powers
2.19	Repairs to and removal of machinery (where expenditure is not of capital nature)	Full powers
2.20	Rewards fees, bonus etc. (other than those granted under service rules)	The position of allocation of financial powers to HoDs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
		16.09.2003 will continue.
2.21	Staff paid from contingencies	Full powers (only for casual engagement for short duration).
2.22	Purchase of stationery	Upto Rs.10 lakhs per annum. Govt's economy instructions & GFRs 2005 provisions are to be followed in procurement and inventory management. HoDs have to ensure that there is no wasteful expenditure.
2.23	Stores	Full Powers
2.24	Supply of uniforms etc.	Full Powers
2.25	Telephone charges	Full Powers
2.26	Tents and camp furniture	The position of allocation of financial powers to HoDs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue.
2.27	All office equipments including typewriters, electronic typewriters, dedicated word processors, intercom equipments, calculators, electronic stencil cutters, Dictaphones, tape recorders, photo copiers, copying machine, franking machine, filing and indexing systems etc.	Full Powers
2.28	Department and inter-departmental meetings, conferences, seminars, receptions and workshops	The position of allocation of financial powers to HoDs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue. OM No.7(2)/E.Coord/03 dated 25.03.2004 of Department of Expenditure shall apply. Limit of Rs.15/- per head for serving refreshments / working lunch which start in the forenoon and continue beyond lunch time. The holding of meetings, conferences, seminars, workshops, etc. in hotels should be avoided.
2.29	Medical advance to eligible employees under CS(MA) Rules	Upto Rs.2 lakhs, subject to instructions of Ministry of Health issued from time to time.
2.30	Expenditure on visit of Parliament Committee	The guidelines of Ministry of Parliamentary Affairs (Circulated by D/O Revenue (Parliament Cell) vide Dy. No.906/2005-Parl Dated 13.07.2005) provides for the manner of incurring of such expenditure and also that such expenses will be borne from the grants

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
		of Secretariat of Lok Sabha / Rajya Sabha.
3.	Other items of contingent expenditure	Recurring – Rs.1,00,000/- per annum in each case. Non-recurring Rs.1,00,000,- in each case.
4.	Miscellaneous Expenditure	Recurring - Rs.10,000/- per annum in each case. None-recurring -Rs.20,000/- in each case.
5.	Advertising & Publicity by CBDT & CBEC	<p>i. For approved Publicity Plan. Both the Boards will prepare their quarterly publicity plan and obtain the approval of Finance Minister. The Director (PRPP&OL) in CBEC are delegated full powers to incur expenditure in connection with such approved publicity plan within the budgetary allocations, subject to the condition that expenditure would be incurred through DAVP/Prasar Bharati (for Doordarhan and AIR)/NFDC (for wed-based publicity and TVC) at the approved rates, fulfillment of economy instructions and following the provisions of GFRs. Wherever DAVP/PB/NFDC rates are not available, the respective HoDs would follow the provisions of GFRs 2005 and other instructions issued from time time.</p> <p>ii. For isolated advertising other Publicity requirements not Covered under Quarterly Plan: The DIT(PRPP&OL) in CBDT and Commissioner (DP&PR) in CBEC are delegated financial powers upto Rs.50 lakh per annum for incurring expenditure on isolated advertising and publicity to be undertaken. Proposal beyond this limit should be sent to Financial Advertiser for concurrence.</p> <p>iii. Delegation to HoDs: All other HoDs of CBEC/CBDT are delegated powers upto Rs.1 lakh per annum, subject to the condition that the expenditure will be incurred by following the relevant instructions and guidelines on the subject.</p>
6.	Incurring expenditure on implementation of court orders	Heads of Departments (HoDs) are delegated financial powers upto Rs.20,000/- in each case (Non-recurring) on implementation of judicial orders.
7.	Outsourcing of services	Rs.30 lakh per annum to the HoDs.

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HoDs of CBDT, CBEC and D/O Revenue
		<p>Provisions of GFRs, 2005 in this regard shall apply. It is to be ensured that there is no liability on Govt. towards permanent employment to the personnel engaged by the service providers. NO outsourcing should be resorted:</p> <p>(i) to augment manpowers against the abolished posts,</p> <p>(ii) meet the services like security and cleaning while the sanctioned strength in these cadres are already on roll and drawing regular salaries and allowances.</p> <p>(iii) to augment posts at Gr.'C' and above level.</p>
8.	AMC payment of X-ray baggage inspection systems in CBEC	Once the rates and terms and conditions are approved by Department, release of advance and balance payments may be made by Commissioner (Logistics) CBEC subject to the observance of terms and conditions.

Sd/-
(Praveen M. Khanooja)
Director (Finance)
Department of Revenue
15.09.2011

**NEERAJ VINAY BANSAL
DIRECTOR (HQRS.)**

**F. No. 181(10)/2000/Ad.VIII(DT)
29/5/2000/727**

To,
All Chief Commissioner/Commissioners

Sir/Madam

Subject:- Guidelines for purchase of land and ready built office/residential accommodation by CBDT.

The Department has been receiving proposals for purchase of land, ready built flats and office accommodation from private sources. In all these cases the practice has been to conduct negotiations with private bodies and arrive at the most cost effective proposal and, thereafter, secure the approval of the competent authority. Since the various offers received are not exactly comparable as the accommodation has many other features apart from the cost, the Negotiation Committee has been having a look at all the proposals received and negotiating with them.

2. However, the Central Vigilance Commission has issued the instructions dated 18th November 1998 which indicate that post tender negotiations are banned with immediate effect except in the case of negotiations with L-I (i.e. lowest tenderer). Accordingly, the Central Board of Direct Taxes took up the matter with the CVC and following guidelines are being issued for the purchase of land, ready built flats and office accommodation from private owners:-

- i) While going in for purchase of land, ready built flats or office accommodation, the Commissioner initially should explore the possibility of availability with the State Government/Municipal Corporation/Local Development Authority (e.g. DDA, MICD, MHADA etc.). Only if these agencies are not able to provide land/accommodation, the acquisition from private sources should be considered.
- ii) For purchase of land, ready built flats or office accommodation, the Commissioner should give the tender notice both in the local as well as national newspapers giving all the requirements (space required, location, technical specifications, time frame etc.). The facilities offered as a part of Government housings are clearly laid down and whether acquired privately or otherwise, should conform or approximate to these rules. This requirement should form part of the bid documents. In addition, since the offers may vary depending on facilities offered by the builder, the appropriate authority can, before issuing the bid document, finalise financial weights to them to ensure a degree of uniformity in evaluation. These weights should be clearly defined in the bid document itself to provide much needed transparency.
- iii) The tenders should be invited for a two-bid system, namely, techno-commercial and financial/price bids. In the first instance on techno-commercial bids should be opened, analysed and discussed. This work should be carried out by a committee which should also include a Technical Member from the CPWD or any GOI/State Government/Public Sector Agency having expertise in the matter. The factors which are acceptable and common may be retained and other factor requiring modification to make them comparable/acceptable be

discussed with the bidders. The major factors/parameters that are normally required to be considered have been identified as under:-

- (a) Location;
- (b) Quality of construction, finish and fixtures;
- (c) Quantum of open ground available;
- (d) Distance from facilities such as schools, hospitals, market and transport;
- (e) Availability of recreation facilities;
- (f) Availability and quality of common facilities like lifts, generators, adequate lighting in the campus/compound and parking;
- (g) Terms of payment (having a bearing on the total cost);
- (h) Time-frame for taking possession of the accommodation.

The above list is indicative and the Commissioner can include other parameters if necessary. The bidders, whose bids have been finally found acceptable on technical and utility consideration, can be apprised of the revised requirements and may be permitted to revise their financial bids in a limited time frame.

- i) Thereafter the financial bids can be opened, compared and the lowest bid (L-I) be arrived at. This exercise is required to be conducted by the Chief Commissioner of Income Tax before the proposal is referred to the Board.
- ii) The Board after examination of the proposal in consultation with FA (Finance) shall set up a Price Negotiation Committee, to conduct the negotiations with the lowest tenderer as indicated by the Chief Commissioner of Income Tax. The Price Negotiation Committee should comprise of JS (Admn.), CBDT, FA (Finance), the concerned Chief Commissioner of Income Tax (Convener) and a Technical Member.

All the proposals regarding purchase of land and ready-built offices/residential accommodation from the private bodies from now onwards shall be as per the guidelines indicated above.

Thanking you,

Yours faithfully,

Sd/-
(NEERAJ VINAY BANSAL)

Copy of O.M. No. 26/19/65-Acc.II (3), dated the 20th December, 1965 from the Ministry of Works and Housing to the Ministry of Finance (Department of Revenue), New Delhi.

Subject: - Scales of office accommodation laid down under the austerity standards for officers of Income-Tax Department and Central Excise and Customs Department on change over to Metric system.

The undersigned is directed to refer to this Ministry's Memorandum No. (i) 5711-WIT/52, dated 22.7.1952 (ii) WII-95(26)/53 dated 30.11.1953 and (iii) Letter No. EE/26 (69)/56, dated 17.6.53 (copy enclosed for ready reference) and to say that the scales of office accommodation for various categories of the officers mentioned therein have been revised in rationalised metric Unit as under:-

I. Income Tax Department.

1. Commissioner of Income Tax	23.00 sq. meters
2. Assistant Commissioner	23.00 sq. meters
3. Income-tax Officers	18.00 sq. meters
4. Inspectors	11.00 sq. meters
5. Non-gazetted staff (excluding Inspectors)	3.5 sq. meters
6. Records	25% the area for non-gazetted Staff (excluding Inspectors)

II. Central Excise and Customs Department (Gazetted)

<i>Customs Personnel</i>	<i>Central Excise Personnel</i>	<i>Scale of Accommodation</i>
1. Collector & Deputy Collector	Collector & Deputy Collector	23.0 Sq meters
2. Assistant Collector	Assistant Collector	18.0 Sq. meters
3.	Non- gazetted Deputy Superintendent (Executive)	14.5 meters
4. Prevent ice Inspector Prevent ice Officer Assistant Prevent ice Inspector, Appraiser Examiner	Inspector	11.0 sq. meters
5. Draughtsman	Draughtsman	23.0 Sq. meters
6. Records	Records	25% of the area for

- | | | |
|--|----------------|--|
| 7. Supervisors of the Central Excise Department as hold an Independent charge of a Customs House at Sub-posts. | Gazetted staff | (excluding inspectors and equivalent categories of staff mentioned against item above. |
|--|----------------|--|

Sd/-
(B. M. Lal)
Under Secretary to the Govt. of India

REPORT OF LAROYA COMMITTEE

COMPOSITION OF THE COMMITTEE & TERMS OF REFERENCES

On request of the Ministry of Finance, Department of Revenue, the Director General of Works, Central Public works Department in a meeting held on 24/08/1981 appointed a Committee to study and recommend special requirements and specifications for Revenue Buildings all over India which may serve as guidelines for designing such Building. (refer latter at annexure 'F').

The Committee was constituted of following members:-

Central Public Work Department

S/Shri

1. H.R. LaRoya, Chief Architect, Nirman Bhawan, New Delhi. (Chairman)
2. Chief Engineer (Northern Zone), Shri A. Sankaran upto 17/02/1983 and Shri S. S. Kaimal 22/02/1983 onwards, R. K. Puram, New Delhi.
3. Chief Engineer (Design), represented by Shri N. Vembu, Superintending Engineer, Central Design Organisation, Nirman Bhawan, New Delhi.
4. R. Natarajan, Chief Engineer (Electrical) 1, Vidayut Bhawan Shankar Market, New Delhi.
5. A. K. Das Gupta, Senior Architect (Northern Zone) VII, R. K. Puram, New Delhi
6. M. V. Korgaonkar, Architect (Secretary), SA (H&TP) II Unit, Nirman Bhawan, New Delhi.

Ministry of Works and Housing

7. A. K. Saxena, Assistant Financial advisor (Works), Finance Division, Nirman Bhawan, New Delhi.

Ministry of Finance

8. T. Jacob, Secretary, Central Board of Direct Taxes, Ex-officio Director, Department of Revenue, North Block, New Delhi.
9. P.P. Singh, D.F.A (E.C), Department of Revenue.
10. R. Luikham, Director (Finance), Department of Revenue, New Delhi.
11. I. K. Kakkar, Deputy Director, Directorate of Inspection, Central Excise and Custom Department
12. D. Rehman, Deputy Director, DOMS (IT) Aivane-Ghalib, Mata Sundari Raod, New Delhi.
13. R. K. Sanger, Under Secretary, Department of Revenue, Central Board of Central Excise and Custom, North Block, New Delhi.

2.1 Terms of Reference

- 2.1.1 To examine, evaluate and recommend norms for special requirements of the Income Tax and Central Excise Department and to increase the existing insufficient space and to add special requirements then provided by the government.
- 2.1.2 To provide guidelines for structural module for planning of revenue buildings.
- 2.1.3 To Standardise specifications and finishes for common areas in revenue buildings.

Deliberations of the Committees

- 3.1 The Committee held number of sittings at New Delhi during which it examined the norms laid down by the government to meet special requirements and specification of revenue buildings.
- 3.2 The Committee also visited two buildings in New Delhi for on-the-spot study, namely, Central Revenue Building and Mayur Bhawan and had detailed discussion with Shri Shaikh Abdulah, the than Director of Inspection (RS&PR) and now Director Genoral (Inspection), Mayur Bhawan, Shri Julka, Collector, Custom, Shri Har Govind, Chief Commissioner, Income Tax, Delhi Charge and Commissioner of Income Tax and Collector of Custom at Jaipur (by Chairman). The representative of Directorate of Estates was also associated with deliberations of the Committee.
- 3.3 The information/date was obtained from the user departments and plans, specifications and comments from Chief Engineer and Senior Architects of the various Zones. The Senior architects in particular were requested offer specific comments on the performance of the existing building designed for Revenue departments.
- 3.4 The departments were requested to identify their additional special requirements and offer comments on the special requirements already provided where revision to desirable.
- 3.5 Statistics/data/charts supplied by the client departments, Senior Architects, Chief Engineers of Central Public Works Department and the observations of the Committee members during on-the-spot study of buildings were closely examined and evaluation/assessments of the special requirement and specifications were made so as to evolve the principles for new norms and standards.
- 3.6 The Committee decided to assess and work out the space norms on the basis of objective analysis of the functional utilisation and actual utilisation of various spaces and overall performance of the existing buildings. Also the Committee visualized the set of requirements and officers to head the functional unit/office on the basis of existing organisational set up in the revenue departments. With a view to Identify general and special requirements and lay down rationally area norms the buildings are divided into four categories (refer table I and II).

Existing norms and sterilized of space for special requirements (refer annexures A and B.

i)	Conference	82 to 44 Sq. mts.
ii)	Visitors' Room	44 Sq. m
iii)	Reception/ Security Staff	11 sq. m.
iv)	Cantoon/Tiffin	0.093 Sq. m.
v)	Telephone Exchange	22 Sq.M.
vi)	Class room	44 Sq. m. Max
vii)	Library	0.093 Sq. m for 25 books.
viii)	Old record	0.093 Sq. m for 20 files.
ix)	Futures expansion	10% of total requirements

RECOMMENDATIONS

It is recommended that there should be separate plot each for Income Tax and Central Excise and Custom Departments.

This will facilitate their smooth functioning since each of the departments has to carry separate functions and deal with different sets of people.

It was noted that a concept of separate public block like an O.P.D block in hospital complex can be accepted with a view to segregate dealings with public from routine transactions. Areas like recreation room, toilets, space for water coolers, ladies rest room etc. can be compactly grouped together in separate core. It was also envisaged that public relations unit with enquiry and form distribution counters, tax payers' assistance booths, telephone exchange, public working and display area and could be planned in another core.

Spacious circulation space in lobby areas is suggested. Main corridor with may be kept minimum 2.5 meters clear. However, it is suggested that as far as possible the area/wings should be so planned that they may come separately under three categories namely (a) Heavy public dealing (b) moderate (c) not dealing with public. In view of the heavy construction expenditure involved wider corridor with can be considered only for category of blocks under (a) above. Even here the with may be kept as less as required any 2.3 M. While planning, it can also be insure that the offices heavy public dealing are invariably located on lower floors. Similarly, locations of areas like canteen etc. may be so located that use of life is restricted to minimum.

Specification for the strong room and malkhans should be decided by the Department as per the requirements.

6.1 Lighting and heating/cooling system.

- 6.1.1 Standby generating set of required capacity may be provide wherever considered necessary for meeting essential lighting and power requirements for lifts, pumps etc.
- 6.1.2 Coiling fan points may be provided in waiting areas, corridors and life lobbies etc. so that the ceiling fans may be provided depending upon the requirements. Use of pedestal and table fens in corridors/public areas should be discouraged to eliminate risk of electric shock, mishandling of the electrical equipments etc.
- 6.1.3 It was felt necessary to provide enough illumination in office areas i.e. upto 300 Lux. Provision of fluorescent lighting is, therefore, essential. Preferable the depth of room should not be more than 8 meters in order to avail natural light and ventilation.
- 6.2.1 Structural provisions for air-conditioning at a later date are to be provided in office buildings as per Ministry of Works and Housing No. 110015/76_WI dated 14.10.1981 in different cases, the same may also be applicable for Central Revenue buildings under category III/IV.
- 6.2.2 Wherever climatic conditions make it functionally efficient and economical; the provision of centralized cooling/heating systems (in preference to large number of individual room coolers/heaters) is recommended for valid technical and financial reasons. Necessary provision

for centralized cooling/heating systems has to be made at construction stage only to get best possible advantage of the system.

- 6.2.3 Storage type water coolers should be provided at least one on each floor. The number of water coolers may be decided as per IS No. 1475-78. Their location in the building should be pre-determined at the planning stage so that water supply, power supply and drainage arrangements are properly made during construction as to keep the surrounding space of the water cooler neat and clean.

7.1 OTHER FUNCTIONAL REQUIREMENTS

Provision of space for bank/post office is recommended for category TV buildings.

Transit quarters accommodation including drawing, dining and kitchen within office complex is recommended (refer table II).

It was mentioned that Internal Audit parties and staff of the A.G's office keep on visiting the revenue offices almost throughout the year. One room for each party is recommended as indicated in table II.

As regards to current and old records of the two departments, it was considered that the existing norm of 25% of the area for non-gazetted staff (excluding Inspectors) is inadequate. It is, therefore, recommended to provide 25% of the area for current record and 30% of the area for old record for gazetted and non-gazetted staff. While referring to government circulars (refer Annexures A & B), the Committee observed that there is no consistency while setting space norms for records storage. One circular has recommended 25% of area to be allocated for records while another has calculated it 1 sq. ft. for 20 recorded files. Committee illegible to bring consultancy in these norms.

However, committee members expressed that need for employment of modern techniques including electronic systems with optimum use of limited available space by proper classification and timely weeding and storage of records. A feasibility and workability of stacking the office records on the lines of closed stack arrangement of books in big libraries could be examined in consultation with the Chief Architect of Central P.W.D.

It has been observed that during the period between the date of sanction of the project and its completion, the department is expanded with the result that space falls short. The Committee felt that 15% extra area may be provided to cover the expansion of the department during the period of construction and later.

Regarding provision of examination halls. Committee suggested that since it is an occasional requirement same may be met by hiring the accommodation as per present practice.

Committee suggested suitable rest room with kitchenette and toilet for two chowkidars in view of the nature of their duties (see table II).

As estimated the numbers of visitors to income tax officers/superintendents per day works out to be 15. However, it was resolved that a space for 12 persons for four Income Tax Officers/ Superintendents may be approved at the rate of three visitors per officer at an appointed time. An ideal sitting arrangement is suggested in sketch at annexure 'E' In addition,

if necessary a suitable waiting lounge for the visitors may be provided at one or two places on each floor.

Sufficient open parking may be provided in the complex to meet the requirements.

SPECIFICATIONS.

- 8.1 As regards to specifications, Committee did not feel it necessary to suggest any major changes in the present practice. However, it was emphasized that the toilet flooring should be provided in kota stone and dado in glazed files upto minimum 1.20 meters high.
- 8.1.2 The toilets should have the half stall type urinals, automatic flushing inclining mirror, wash basin, soap box and towel ring.
- 8.1.3 Proportion of European and Indian type water closets (WCs) may be kept at 1:1. It was mentioned that the recommendation of the panel appointed by Director General of Works regarding leakages in toilets in public buildings may be kept in view for detailed guidelines *.
- 8.2 The top finishing of the built – in reception counter may be provided in sunmica/kota stone. The floor finish in the important rooms may be provided with marble mosaic flooring and rest of the areas in cement concrete flooring.

* Report of the Committee regarding leakages in WCs and toilets in hospitals and public buildings suggesting remedial measures for avoiding unhygienic conditions and rusting of reinforcement by C.P.W.D., Ministry of Works and Housing, New Delhi 1980.

- 8.3 It was observed that vertical expansion at later stage creates problems with structural frame and also hampers day to day office working. Therefore, the Committee favoured vertical expansion of the building at one time and horizontal expansion should be phased out. However, it was suggested to keep, structural provision for addition of one floor in critical cases.

9.1 **STRUCTURAL MODULE**

Structural module is one the important factors which influences the planning of the office building. The efficiency and economy is very much linked with it. The evolution of the suitable grid plan had to be consistent with the architectural requirements. Grid plan should be so designed that size and grouping of the units can be adoptable to meet varying needs and interior changes. Location of corridors and passages should be well coordinated with various spaces. It should be further coordinated with location, type and also of partitions to be Used. A flexibility of spaces has to be maintained since expanding offices always undergo various organizational changes. It is, therefore, not advisable to indicate permanent partitions in the architectural drawings.

- 9.2 The exact module of structural grid is linked with the shape of the building to suit the site condition, requirements of the building etc. It is not possible to lay a rigid specific grid for any building since the factors like earthquake, zones, soil characteristics, number of storeyes etc. shall influence the grid. It may not be desirable to workout and stick to particular grid size for various reasons. The approach shall be only to arrive at a reasonable/practicable grid during planning stage to unsure that it is economical. However, as per the prevailing office norms laid

down by Ministry of Works and Housing, carpet areas allowed to general pool office workers according to their pay scales are 3.5, 5.5, 11, 14.5, 18.00, 23.00 sq. mts. Therefore, grid evolved should be capable of accommodating these norms in the best possible way. The study and experience reveals that 6.40m x 6.40 x 6.40 or 6.70m x 6.70m may be acceptable and workable grids wherein 3.5 Mts. becomes a basic unit. Thus, the multiple of this unit can be the room dimension which could be worked out on the basis of the amount of the space required for the individual office worker. Introduction of movable partitions with interlocking arrangement may be an ideal proposition. The furniture design layout with storage facility should be intergraded thoughtfully with architectural planning. It is also suggested to use standardized furniture and other equipment so far as size, design and finishes are concerned. This will help in smooth work, flow, better space management and elegant look to office area.

CONCLUSION

- 10.1 It is absolutely essential to evolve a proper system and get periodical feedback from the various agencies responsible for designs and construction of the building, maintenance of various services in the building complex and user department. Secondly, it is advisable to involve the architect right from the site selection processing upto handing over of the building. In fact, architects responsibility may not be limited for preparation of architectural designs, working details and supervision but he continues to be a very close associate and advisor to client at every decision with a view to ensure the execution of work as per the architectural concept. It is necessary for the client at every decision with a view to ensure the execution of work as per the architectural concept. It is necessary for the client department to take the help of the designer to understand the architectural concept and drawings before they put their seal of approval. The norms and guidelines finalized on basis of this report should be institutionalised by suitable directives by both Central Boards of Direct Taxes and Excise and Custom. Any deviation from these directives could only be done with explicit approval of concerned authority.

As regards to addition/alteration in the existing buildings of the departments, the Committee recommended that same should be done with concurrence of Senior Architect and Superintending Engineer/Chief Engineer of the respective Zone, with a view to maintain proper architectural control of the building/complex.

TABLE – I

(Para – 3.6)

<i>Category of Building</i>			<i>Department Designation/Unit</i>
I	Income Tax		Central Excise & Custom
	(1)	ITO	Superintendent (Reg.)
II		IAC	Asstt. Collector
III	(1)	C.I.T.	Collector
			Central Excise & Custom
IV	(1)	Multi Commission	Multi Collector Charges three or more
		Charges three or more	Collectors.
		commission	

TABLE – II (Para 7.5)**Norms and Standards of Various Special Components of Income Tax and Central Excise and Customs Buildings**

	<i>Special Component</i> <i>2</i>	<i>I</i> <i>3</i>	<i>II</i> <i>4</i>	<i>III</i> <i>5</i>	<i>IV</i> <i>6</i>	<i>Remarks</i> <i>7</i>
A	INCOME TAX BUILDING	16.50	16.50	16.50	16.50	
1.	Entrance hall with reception, waiting etc.	33	66	88	110	
2	Public relations unit.	-----	-----	-----	-----	As per requirement
3	Waiting Space attached to head of the office.	7	11	14	14	
4	Visitors waiting for					
	a) 4 ITOs	11	11	11	11	
	b) I.A.C.	-----	11	11	11	
	c) Commissioner	-----	-----	11	11	
5	Conference Room	-----	22	44	44	
6	Strong Room	-----	22	33	33	
7	Record room 25% of the area for current record, 30% of the area for old record for gazetted and non-gazetted staff.	-----	-----	-----	-----	
8	Counter area for forms receipt.	11	16.50	22	44	
9	Waiting lounge on each floor	11	11	22	33	
10	Stores for forms and stationary.	11	16.50	22	44	Provisions for built in shelves may be made
11	Telephone Exchange/Telecom.	-----	22	22	22	
12	A.G.'s Staff Room.	-----	-----	16.50	22	
13	Internal Audit Party Room	11	11	22	33	
14	Visiting Officer's Room	-----	-----	22	44	
15	In-service training Room	-----	-----	22	44	
16	Guests' Room	-----	Suites 2 No	Suites 4 No	Suites 4 No	
		-----	Dorm itory for 2 perso- ns	Dormit ory for 4 perso- ns	Dormi tory for 4 perso - ns	
17	Guard room with dormitory facility for 8 persons.	-----	22	22	22	
18	Chowkidar's Rest Room	16.50	16.50	16.50	16.50	Attached with

						kitchenette and toilette
19	Library	-----	11	22	44	
20	Rest Room for ladies	11	11	16.50	22	
21	Recreation Room	-----	22	33	44	
22	Canteen	11	11	33	88	This provision to be coordinated with Director of Canteen space may be split up at convenient floor levels.
23	Co-operative Stores	-----	11	22	22	
24	Bank & Post Office	-----	-----	-----	-----	As per requirement
25	Space for Staff Associations	-----	-----	16.50	33	
26	Bar Room	-----	11	22	33	
27	Covered parking for Head of the Departments.	-----	-----	1 No. car space		As per requirement
28	Garages for departmental vehicles.	-----	1	2	4	

B CENTRAL EXCISE AND CUSTOM BUILDINGS

1	Entrance Hall with Reception Waiting etc.	33	66	88	110	
2	Public Relations Unit	-----	-----	-----	-----	As per requirement
3	Waiting Space attached to head of the office	7	11	14	14	
4	Visitors					
	a) 4 Superintended	11	11	11	11	
	b) Asstt. Collector	-----	11	11	11	
	c) Dy. Collector/ Collector	-----	-----	11	11	
5	Conference Room	-----	22	44	44	
6	Strong Room	-----	22	33	33	
7	Record room 25% of the area for current record, 30% of the area for old record for gazetted and non-gazetted staff	-----	-----	-----	-----	
8	Telecommunication Centre					
	a) Telephone Exchange	-----	22	22	22	
	b) Wireless Control	-----	55	66	66	
9	Waiting lounge on each floor	11	11	22	33	
10	Stores for Forms and Stationery	11	16.50	22	44	Provision for built in slaves may be made
11	Visiting Officer's Room	-----	-----	22	44	
12	In Service Training Room	-----	-----	22	44	

13	Guest's Room	-----	Suite 2 Nos. Dorm itory Room for 2 perso- ns	Suite 4 Nos. Dormit ory Room for 4 perso- ns	Suite 4 Nos. Dormi tory Room for 4 perso- ns	
14	Malkhana for confiscated goods	16.50	33	66	66	May be located separately outside the campus
15	Covered shed for confiscated vehicles (outside city limits)	-----	5	10 Nos. each	20 Nos. each	
16	Sales shop for confiscated goods	-----	-----	22	22 each	
17	Interrogation Cell	-----	11	11	11	
18	Guard Room with Dormitory Facilities for 8 persons	-----	22	22	22	
19	Chowkidar's Rest Room	16.50	16.50	16.50	16.50	Attached toilette
20	Library	-----	11	22	44	
21	Rest Room for Ladies	11	11	16.50	22	
22	Recreation Room	-----	22	33	44	This provision to be coordinate with Director of Canteen
23	Canteen	11	11	33	88	Space may be split up for convenient floor level
24	Co-operative Store	-----	11	22	22	
25	Bank and Post Office	-----	-----	-----	-----	As per requirement
26	Staff Association Room	-----	-----	16.50	33	
27	Garage for Head of Department.	-----	-----	1 No. car space	-----	As per requirement
28	Garages for Departmental Vehicles	-----	2	6	8	
29	A. G's Staff Room	-----	-----	16.50	22	
30	Internal Audit Party Room	11	11	22	33	
31	Bar Room	-----	11	22	33	

No.6/16/89-WI(Director General)
Government of India
Directorate General of Works
Central Public Works Department
Nirman Bhawan, New Delhi

Dated the 31/07/1986

OFFICE MEMORANDUM

Subject: Special requirement and specifications for Buildings of Income Tax and Central Excise and Customs Department.

In a meeting convened by the Director General (Works) on 24/08/1981 to review the works of Income tax, Central Excise Departments and attended by the representatives of these departments, it was decided to appoint a Committee to recommend norms for Revenue Buildings taking into consideration their special requirements.

Accordingly a committee was constituted with Sh. H.R. Laroya, the then Chief Architect, CPWD as Chairman and with members from CPWD, Ministry of Urban Development and Ministry of Finance. A report of the Committee is enclosed.

The Government has since accepted the recommendations of the Committee as given in paras 5 to 7 and table 11 of its report, with certain modifications, which are as under:

- (i) In para 5.1 of the report, the committee has recommended construction of separate buildings for Income Tax and Central Excise Department. However, in similar cities where strength of the officers of these two Departments is not large, Common buildings should be provided.
- (ii) In para 5.3 of its report, the Committee has recommended that the main corridor width be kept minimum 2.5 meters clear. It has been decided that the width of the corridors should be planned keeping in view the recommendations of the committee on Plan Projects. There will, however, be no limitations in this respect and the width of the corridors should be planned in such a manner that the overall efficiency of space utilization is done in the best possible manner.
- (iii) In paras 6.2.1 and 6.22 the Committee has recommended structural provisions for air-conditioning in all new office buildings for the Income Tax and Central Excise Department and also the provision for centralized cooling/heating systems at construction stage only wherever climatic conditions make it functionally efficient and economical. It has now been decided that the structural provision for A/C in new office buildings for the Department of Revenue will be considered separately for each buildings and decision taken on merits. Similarly, the provision for centralized cooling and heating systems would also be considered and decided on merits for each building.
- (iv) In para 7.3 of its report, the Committee has recommended provision of separate area for AG's office staff in addition to area earmarked for internal audit party. This has not been accepted.
- (v) In para 7.7 of its report, the Committee has recommended providing of rest room

with kitchen centre for chowkidars in office buildings of the Income Tax and Central Excise Department. This may not be necessary. However, if the Chowkidars in Income Tax and Central Excise Department are required to work round the clock, they may provided with separate quarters which may constructed a reasonable distance from the office buildings.

- (vi) In para 8.1 of its reports, the Committee has suggested Kota stone flooring in the toilets. This can be with marble stone.
- (vii) In table II of the report, the Committee has recommended the norms and standards of various special components of the Income Tax and Central Excise buildings, since suitable provisions under the head waiting lounge on each floor as at item, 9 of the table has been suggested by the Committee. The provisions suggested in items 3 and 4 under the heads waiting space attached to head of office and 'visitors' waiting ITO, IAC and CIT are considered too liberal. It has therefore, been decided that in view of the sufficient provision for the purpose having been proposed at item 9, the provisions suggested at items 3 and 4 may be deleted. Other provisions suggested in table II may be adopted for Income Tax and Central Excise buildings.

In so far as allotment of general pool office accommodation under the control of the Directorate of Estates is concerned, this would be in accordance with the orders issued by the Ministry and that Directorate.

All the Chief Engineers/Chief Architects/Additional Chief Architects may keep the above recommendations with the modifications as mentioned above in mind while formulating proposals for construction of office buildings for the Department of Revenue and instruct the Senior Architects under them accordingly.

This memo issues with approval of the Ministry of Urban Development.

-Sd-
(A.K.Paul)
Director(Works)

F.No.10/2012-AP/DOMS/986

Government of India
Ministry of Finance, Department of Revenue
Directorate of Income-Tax
(Organisation & Management Services)
Level-5, East Block-2,
R.K. Puram, New Delhi-110066.
Tel.No.011-26197238
Fax No.011-26185607

Dated: 27th July,2012
1st Aug.

To,

The Director of Income-Tax(Infra-II)
A-Wing, Hudco Vishala Building,
14, Bhikaji Cama Place,
New Delhi.

Madam,

Subject: Norms for requirement of space for Aayakar Seva Kendra (ASK) being set up by the Department as part of the “Sevottam” Initiative of Government of India-reg.

Please refer to your office letter F.No.DIT(Infra./Unit-I/Infra Manual/2011-12/528 dated 5th July, 2012 on the above subject.

2. In this connection it is stated that last year 60 locations were covered for setting up of ASK in various buildings through-out the country. Following yardsticks were adopted for determining requirement of space for ASK:

Yardsticks for requirements of space for ASK locations		
S.No.	Number of nodes	Approx.requirement of space (In sq.ft.)
1.	Up to 5 nodes	1000
2.	T to 10 nodes	1400
3.	11 to 15 nodes	2000
4.	16 to 25 nodes	2800

These yardsticks were included in the SFC memorandum and the requirement of funds were worked out on the basis of above norms. The competent authority sanctioned funds on the basis of these norms.

3. However, in the current year the department is also in the process of setting up of 57 Aayakar Seva Kendras. While working out financial implication it was observed that there are many locations having requirement of nodes even less than 5. With a view to ensure optimum utilization of the resources, the above norms were reviewed and the following revised norms were suggested.

S.No.	Number of nodes	Approx.requirement of space (In sq.ft.)
1.	Locations having 2 Nodes	500
2.	Locations having 3 Nodes	600
3.	Locations having 4 Nodes	700
4.	Locations having 5 Nodes	1000 (As per SFC Memo)
5.	Locations having 6 to 10 nodes	1400 (As per SFC Memo)
6.	Locations having 11 to 15 nodes	2000 (As per SFC Memo)
7.	Locations having 16 to 25 nodes	2800 (As per SFC Memo)

4. On the basis of revised norms financial proposal for setting up of 57 Aayakar Seva Kendras was submitted to the competent authority through DGIT (Logistics) Chairman, CDBT and the funds were sanctioned on the basis of these norms.

5. As regards calculation of nodes, these nodes are determined on the basis of workload at each building where ASK is proposed to be set up. The broad basis on which the nodes are determined are given at Annexure-A.

This issue with the approval of DGIT (Logistics).

Yours faithfully,

-Sd-
(Meeta Nambiar)
Director of Income-Tax (O&MS)

Encl: as above.

Annexure-A

Basis of determining number of nodes at ASK Centres

1. The requirement of number of nodes at ASK centers is equal to the number of Front Desks plus the number of Back Desks. In additions one node is also required for the person manning Enquiry counter. Hence, it is important to work out the requirement of Front Desks and Back Desks at ASK Centres which would ultimately be the requirement of nodes. The basis of working out requirements for Front Desk and Back Desk are given below:

Requirement of Front Desk for Receipt of Dak/Return of Income

- a) There are approximately 200 working days in a year.
- b) One person manning Front Desk can receive 200 Dak OR returns of income in a day which works out to 40,000/- Dak or return per Front Desk per year.
- c) The work for Front Desk is not scattered evenly. Sometimes during the day there is a great rush and some times there are only few persons availing services at ASK. In view of this, for initial block of 20,000/- returns or dak, one Front Desk is absolutely necessary. For next three blocks of 30,000,40,000 and 50,000 one Front Desk for each of the block is required. These three blocks average full utilization of time for Front Desks.

Requirement of Back Desks for Receipt of Returns:

As for requirement of Back Desk is concerned, the basis for working out this requirements is different for Returns of Income and Dak as per Process Document, for receipt of returns, back desk has not much work except to generate RDR to distribute Returns of income to the respective assessing officers. Hence for functional necessity only one Back Desk is sufficient irrespective of the workload of receipt of return at ASK Centre.

Requirement of Back Desks for Receipt of Dak:

As per Process Document, Back Desk has to make some entries for the dak which is passed on to him by the Front Desk before the same is distributed to the respective AOs/Sections. As and when the workload of receipt of dak with Front dak increase, it has a bearing on Back Desk. Hence for initial block of upto 50,000 Dak, requirement of one back Desk is a functional necessity. For next two block of 40,000 and 50,000, one Back Desk for each of the block is required. After that for every block of 30,000, 40,000 and 50,000, one additional Back Desk is required. It is pertinent to mention here that the Back Desk is also responsible to handle dak received through post/courier/drop box for which he has to carry out both the functions i.e. functions of FD as well as functions of BD, as this dak is not routed through the Front Desk, required to make all entries in the system.

2. The workload for ASK for Receipt of Returns of income/Dak is determined on the following basis:

Workload for Receipt of Returns:

It has been the experience of the Department that 60 per cent of the Returns of Income are received in the months of March/July. The balance 40% returns of income are received in rest of the year. In any case to cater to the rush period of March/July, the department is already making alternative arrangements which would still continue. Hence the effective workload for receipt of returns for ASK centres remains only 40 per cent of the total returns received by all the assessing officers housed in the building where ASK is made functional.

Workload for Receipt of Dak:

Unlike returns of income, there is no rush period identified for dak. Hence the total dak received by all the assessing officers/other officers housed in the building where ASK is function is the effective workload.

3. On the above basis, following ready reckoner is prepared for working out requirement of nodes:

Requirement of Nodes for Receipt of Returns

Effective Workload	Requirement of Nodes	
	FD	BD
Upto 20,000 returns	1	1
Next 30,000 returns i.e. 50,000	2	1
Next 40,000 returns i.e. 90,000	3	1
Next 50,000 returns i.e. 1,40,000	4	1
Next 30,000 returns i.e. 1,70,000	5	1
Next 40,000 returns i.e. 2,10,000	6	1
Next 50,000 returns i.e. 2,60,000	7	1
And so on		

Requirement of Nodes for Receipt of Daks

Effective Workload	Requirement of Nodes	
	FD	BD
Upto 20,000 Dak	1	1
Next 30,000 dak i.e. 50,000	2	1
Next 40,000 dak i.e. 90,000	3	2
Next 50,000 dak i.e. 1,40,000	4	3

Next 30,000 dak i.e. 1,70,000	5	4
Next 40,000 dak i.e. 2,10,000	6	5
Next 50,000 dak i.e. 2,60,000	7	6
And so on		

Apart from the above, one additional node is required at each ASK Centre for “May I Help You” Centre.

**F.No.181/44/72-Admn.VIII
Government of India/Bharat Sarkar
Ministry of Finance/Vitta Mantratta
Department of Revenue**

New Delhi, the 9th August 1973

OFFICE MEMORANDUM

***Subject: Construction of office and residential accommodation for
Income Tax Department – Inclusion of the requirement of ITAT
Branches – Approval regarding.***

The undersigned is directed to refer to the Ministry of Law and Justice and Company Affairs U.O.NO.D.11011(4)/73-Admn.III(LA) dated 13.04.1973, on the above subject and to say that on the basis of decisions taken in the meeting held in the room of Sh. T.N. Chaudhary, Under Secretary, Department of Expenditure on 17.4.1973 (minutes of the meeting enclosed) which was also attended by the representatives of Ministry of Law that Ministry may issue instructions to the ITAT authorities that they should approach the concerned Commissioner of Income Tax for inclusion of their office requirement in their future construction programme. As decided, it would not be possible to include requirement of residential accommodation in out programme.

**Sd/-
(T. DUTT)**

Under Secretary to the Government of India

**Ministry of Law Justice and (Company) Affairs,
Department of Legal Affairs, New Delhi.**

F.No. 101/18/93-AD.VIII(DT)
Government of India
Ministry of Finance
Department of Revenue

New Delhi, the 20th October 1993

1. All Chief Commissioner of Income Tax
2. All Directors General of Income Tax (Investigation) including DGIT(Admn.)
3. Director General, NADT, Nagpur
4. All Director of Income Tax under CBDT
5. Commissioner of Income Tax, Nagpur, Shillong, Bhubaneswar

Subject: *Review of the prescribed norms for calculating the requirement of accommodation in different categories for CBDT Staff posted at various Income Tax Offices – reg.*

I am directed to say that the question of increase percentage satisfaction for residential accommodation in respect of Group 'C' and 'D' staff posted in the Income Tax Department under CBDT has been examined by the Board in consultation with the Financial Advisor (Finance). It has been decided that, in future, the percentage satisfaction for residential accommodation for various categories of staff will be as under:

Type	Other Places	Existing in Metropolitan Cities	Other Places	Revised Metropolitan / Capital Cities
I	20%	20%	20%	40%
II	20%	20%	40%	50%
III	50%	50%	60%	60%
IV & above	80%	80%	80%	80%

The above position may please be taken into consideration while furnishing any such proposal in future.

Receipt of this letter may please be acknowledged.

Yours faithfully,

Sd/-
(HARBANS SINGH)
Under Secretary to the Government of India.

Forwarded for information to IFU-II

(Directorate of Estates)

NOTIFICATION

New Delhi, the 21st August, 2009

G.S.R. 128 – In pursuance of the provisions of rule 45 of the Fundamental Rules, the President hereby makes the following rules further to amend the Allotment of Government Residences (General Pool in Delhi) Rules, 1963, namely:

1. Short title and commencement –

- (1) These rules may be called the Allotment of Government Residences (General Pool in Delhi) Amendment Rules, 2009.
- (2) They shall come into force from the date of publication in the Official Gazette.

2. Substitution of new Supplementary Rules for Supplementary Rules-317-B-5: In the Allotment of Government Residences (General Pool in Delhi) Rules, 1963, for Supplementary Rule-317-B-5, the following Supplementary Rules shall be substituted, namely:

Classification of residences, S.R.317-B-5

- (1) Save as otherwise provided by these rules, an officer shall be eligible for allotment of residence of the type shown in column (1) of the Table below:

TABLE

Type of Residences	Grade Pay/Basic Pay
(1)	(2)
I	Rs.1,300, Rs.1,400, Rs.1,600, Rs.1,650 and Rs.1,800
II	Rs.1,900, Rs.2,000, Rs.2,400 and Rs.2,800
III	Rs.4,200, Rs.4,600 and Rs.4,800
IV	Rs.5,400 to Rs.6,600
IV(Spl.)	Rs.6,600
V-A(D-II)	Rs.7,600 and Rs.8,000
V-B(D-I)	Rs.8,700 and Rs.8,900
VI-A(C-II)	Rs.10,000
VI-B(C-I)	Rs.67,000 to Rs.74,999
VII	Rs.75,000 to Rs.79,999
VIII	Rs.80,000 and above

- (2) Save as otherwise provided by these rules, an officer shall be eligible for allotment of type of hostel accommodation as shown-in column-(1) of the Table below:

TABLE

Type of Residences	Grade Pay/Basic Pay
(1)	(2)
Single Suite (Without Kitchen)	Rs.4,200 and above
Single Suite (Without Kitchen)	Rs.4,200 and above
Double Suite	Rs.4,200 and above
Working Girl Hostel	All lady officers without limit of emolument shall be eligible

Explanation: For the removal of doubt it is hereby, clarified that:

- (a) the eligibility of an officer for Government accommodation shall be determined as per the Grade Pay of such officer in his present post held in the Government of India.
- (b) the date of priority in respect of lower type accommodation i.e. Type-I to Type-IV shall be the date of joining in the service of the Government of India.
- (c) the inter-se seniority for the higher type accommodation shall be considered on the basis of following principles, namely:
 - (i) firstly the Grade Pay of the officer;
 - (ii) secondly the priority date within the same Grade-Pay. In this case the priority date shall be the date from which the applicant continuously drawing his existing Grade Pay;
 - (iii) where the priority date of two or more officers is the same, the inter-se seniority of the officers shall be determined on the basis of the basic pay i.e. the officers who have a higher pay shall be senior in the waiting list;
 - (iv) where the priority date and the basic pay of two or more officers are the same, the earlier date of joining in the service of the Government of India shall be the next determining principle of inter-se seniority;
 - (v) where the priority date, basic pay and date of joining in the service of the Government of India of two or more officers are the same, the officer retiring earlier may be accorded higher priority over the officer retiring later.
- (d) the principle of determining the inter-se seniority of two or more officers as specified in sub-clause (ii) of clause (c) shall be implemented from the 1st January, 2010.
- (e) where Type-V and Type-VI accommodation has not been classified as Type V-A and Type V-B and Type VI-A and Type VI-B respectively, all the officers eligible for Type-V shall be grouped together and similarly those eligible for Type-VI shall also be grouped together,
- (f) in the case of Secretary to the Government of India and Additional Secretary to the Government of India, the date of joining in the Government of India at Delhi shall determine their inter-se seniority subject to condition that no junior batch officer of the same service shall get priority over his senior batch officer. Where the date of joining is the same, the date of retirement shall determine their inter-se seniority on the principle that the earlier date shall be given priority over the later date. Other than All India Services (AIS), the date of joining the Government of India, irrespective of the place of posting and service batch seniority shall determine the inter-se seniority.
- (g) officers entitled for Type-V and above accommodation shall also be eligible to apply for accommodation below their entitlement subject to the condition that such accommodation shall not be below Type-IV Spl. accommodation. However, the officers eligible for D-II and Type-IV Spl. shall also be eligible to apply.

(F.No. 12035/1/98-Policy-II)

R.N. YADAV
Dy. Director of Estates (Policy)

Foot Note: The principal rules were published in the Gazette of India, vide number S.O. 1330, dated the 6th May, 1963. The rules were re-printed in 1980 (Corrected up to October, 1979) and subsequently amended, vide number:

1. S.O.1607, dated the 24th April, 1982.
2. S.O.4202, dated the 18th December, 1982
3. G.S.R. 159, dated the February 1983
4. S.O.2085, dated the 1st May, 1985.
5. S.O.666, dated the 22nd February, 1986.
6. G.S.R.530, dated the 11th July, 1987.
7. G.S.R.796, dated the 24th October, 1987.
8. G.S.R.265, dated the 30th May, 1992.
9. G.S.R.150, dated the 26th March, 1994.
10. G.S.R.447, dated the 3rd September, 1994.
11. G.S.R.454, dated the 14th October, 1995.
12. G.S.R. 542, dated the 30th November, 1996.
13. G.S.R. 58(E), dated the 28th January, 1998.
14. G.S.R. 287(E), dated the 1st June, 1998.
15. G.S.R. 225, dated the 12th November, 1998.
16. G.S.R.239, dated the 21st July, 1999.
17. G.S.R.27, dated the 13th January, 2001.
18. G.S.R.346, dated the 23rd June, 2001.
19. G.S.R.528(E), dated the 13th July, 2001.
20. G.S.R.20, dated the 3rd February 2009.

JOINT SECRETARY (ADMN.)

F. No. 208/2/2000-Ad-VIII(DT)
 Government of India
 Ministry of Finance
 Department of Revenue

Dated 08th May, 2000

To

All Chief Commissioner of Income Tax Director
 General of Income Tax, NADT,
 Nagpur

Sir,

Subject:- Review of infrastructural problems of the department and remedial steps to be taken – regarding

After conducting a review of infrastructural problems of the department, I have been directed to draw your attention on the following areas of immediate concerns:-

1. Creation of centralized database giving requirements and shortage of office space and residential quarters

A strong need is being felt to create a central database of all immovable assets of the department. Also the data regarding shortage of office space and residential quarters at all India level is required for proper assessment of requirement of funds for long term planning and also to monitor the efforts being made to fulfill shortage of office space and residential quarters. Hence an annual report on the availability and shortage of immovable assets of the department as on 31st March of each year requires to be submitted by each charge for the creation of a central database. For this purpose pro-formats enclosed in the form of Table 1 to Table 5 need to be filled up giving information in respect of each station in the charge. Nature of information to be filled up in each table is being briefly described below:-

<i>Table No.</i>	<i>Description</i>	<i>Page No.</i>
Table 1	It contains information in respect of requirement (as per norms and shortage of office space at each station).	6
Table 2	It gives details of available space in various buildings at each station. It also gives hiring details in respect of hired buildings.	7
Table 3	It gives information in respect of total requirement of quarters of each Type and also shortage of quarters of each type for one station. This Table is to be prepared in respect of each station in charge.	8
Table 4	It gives number of available quarters of each type at all colonies in all 9 stations of the charge.	9
Table 5	It contains information in respect of land available at each station for Construction of office space and residential quarters and also the Details of proposed construction. The table will be useful for monitoring the utilization of land available at various stations.	10

These tables are placed as Annexure-I to the letter. You are requested to forward the duly filled in proformas by 31st May 2000.

2. Problems faced by CBDT in processing the proposals

Another problem being faced while processing the proposals is that at times incomplete proposals are being forwarded to CBDT for consideration. Dealing with incomplete proposals delays the finalization of the proposal as the correspondence done to remove the deficiencies takes considerable time.

Most of the time, the senior most officers at the station frames proposals in respect of a station. It is very necessary that the senior most officers at each station is conversant with the norms according to which proposals are framed and checklists, which give details of all workings and certificates which need to accompany a proposal.

To help the officers in framing the proposal a note (Annexure-II) has been attempted which incorporates various instructions for calculating the requirement of office space and residential quarters as per norms.

Also the following instructions and checklists, which are needed for purpose of formulating a proposal, are being enclosed with the letter.

<i>Annexure No.</i>	<i>Description</i>	<i>Page No.</i>
Annexure-III	Letter No. 101/18/93 –Ad-VIII-DT dated 20/10/93 of Department of Revenue giving satisfaction percentage of residential quarters of each type	15
Annexure-IV	Report of committee on specifications forwarded by letter No.32/7/81-CA dated 11/09/1981 of Architectural Wing of CPWD giving special specifications for officers of Income Tax Department	16-41
Annexure-V	O.M. No. 6/16/83-W1(Director General) dated 31/07/1986 of Director General(Works),CPWD approving the specifications given above with slight modifications forwarded by letter No. F. No. 181/27/81-AD VIII dated 16 th January, 1987 to all Chief Commissioners of Income Tax.	42-44
Annexure-VI	Checklist for proposal of purchase of land.	45-46
Annexure-VII	Check list for proposal of seeking Board's administrative approval for construction of office space and staff quarters.	47
Annexure VIII	Check list for proposal seeking Board's financial sanction for construction of office space and staff quarters.	48
Annexure IX	Check list of initial hiring /rent revision of Hired buildings	49
Annexure X	O.M. No. 17020(4)/-W-2 dated 25/08/1987 of Works Division, Ministry of Works and Housing giving revised plinth areas of residential accommodation.	50-52
Annexure XI	O.M. No. 181/44/72-Ad-VIII dated 09 th August 1973 of Department of Revenue	

<i>Annexure No.</i>	<i>Description</i>	<i>Page No.</i>
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Annexure-V	O.M. No. 6/16/83-WI(DG) dated 31/07/1986 of Director General(Works),CPWD approving the specifications given above with slight modifications forwarded by letter No. F. No. 181/27/81-AD.VIII dated 16 th January, 1987 to all Chief Commissioners of Income Tax.	42-44
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Annexure X	O.M. No. 17020(4)/-W-2 dated 25/08/1987 of works Division, Ministry of works and housing giving revised plinth areas of residential accommodation.	50-52
Annexure-XI	O.M. No. 12015/29/88 GKK dated 10 th October 1988 of Karmilk Aur Prashikshan Vibhag (DOPT) regarding opening of crèche/day-care centre in the office premises for woman employee.	53-54
Annexure-XII	O.M. No. 181/44/72-AD-VIII dated 09 th August 1973 of Department of Revenue and Insurance for inclusion of requirement of ITAT branches in the office accommodation of Income Tax Department.	55-56
Annexure-XIII	Planning note No. TP-518/64 dated 13/05/1966 (as revised on 01/09/1980) of Senior Architect and Abstract from the report of the panel on construction of community halls (Samaj Sadan) in Government Colonies.	57-61
Annexure-XIV	Letter No. F. No. 181/7/98-Ad VIII-DT dated 17 th June, 1998 giving guidelines for purchase of ready-built accommodation	62-64
	Guidelines for purchase of ready built accommodation	62-64
Annexure-XV	O.M. No. 06/06/1995 WI (DGH) dated 24 th July, 1996 of Director General (works), CPWD to Chief Engineers.	65
Annexure-XVI	CV's guidelines for evaluating proposals	66

Above mentioned annexures should be widely circulated to all officer who are at one stage or other associated with the framing of proposal. The officers then would be better equipped to formulate proposals complete in all respects.

3. Utilization of land available with the Department

Letter F. No. 210/5/99-AD VIII-DT dated 08/10/1999 was issued to various Chief Commissioners of Income Tax for reporting utilization of land purchased in various charges despite several reminders, details of utilization were not forwarded by some Chief Commissioners of Income

Tax. Further, it was seen that in most of the charges some lands are lying utilized for several years and no proposal for construction has been forwarded to the Board. At some places, construction has not been taken up in right earnest despite issue of administrative approval and expenditure sanction. It has been pointed out by Chief Commissioners of Income Tax that at times delay is caused by CPWD. However, Cs IT and other senior most officers at the station concerned should make every effort to vigorously follow up with CPWD for estimates and then for construction. It is also worth mentioning that in some charges, some Chief Commissioners of Income Tax and enthusiastic officers in their headquarters have given a much-needed momentum to the task of building infrastructure by proper follow up with CPWD.

It can be seen from the study of check lists that the requirements for purchase of land and for issue of A/A for construction of office space and residential quarters are almost the same. Hence, it would be better if both proposals are forwarded simultaneously so that they may be processed simultaneously.

4. Emphasis on proposal of Ready-built accommodation

One way of building infrastructure is by way of purchase of land from various local authorities and subsequent construction by CPWD. Funds for such purchase of land and construction are given from the budget of Ministry of Urban Affairs & Employment. But in this process, it takes at least 5 years for the accommodation to be available even if proposals are cleared expeditiously and construction progresses smoothly. Secondly, the availability of funds are provided in the budget of Ministry of Urban Affairs on the request of Chief Engineers, which include various proposals for construction according to their own priority. For solving the problem of shortage of office space and residential quarters in a short span of time, it is necessary that medium of purchase of ready-built accommodation may be used in as many cases as possible. Funds for purchase of ready -built accommodation are being provided in the budget of Ministry of Finance itself. Since 1995-96, owing to finalization of some big proposals in Delhi and Mumbai, substantial funds were utilized in Financial Year 1995-96 and Financial Year 1996-97. However, subsequently very few proposals of ready- built accommodation have been received by CBDT. As a result the provisions of funds which increased from Rs. 46.26 Crores in 1995-96 to Rs. 57.45 Crores in 1996-97 has again decreased to Rs. 34.88 Crores in 1997-98 and to Rs. 25.45 Crores in 1998-99.

It is true that processing of proposal of ready-built accommodation takes considerable time (six months to one year) but even then it is a much faster mode of acquisition of accommodation.

Various problems, which have been faced, by various Chief Commissioners of Income Tax and their possible solutions are being discussed below for guidance of all Chief Commissioners of Income Tax.

A. Complex process of finalization of proposal and large number of requirements for the proposal

The acquisition of ready-built accommodation may be from:

1. Housing Boards of State Government Organisation or Local Bodies.
2. Private Parties.

The checklists for both types of proposals were circulated vide letter F. No. 181/7/98-Ad.VIII-DT dated 17th June, 1998 and have been enclosed as Annexure-XIV.

It can be seen from the perusal of checklists that process of purchase of ready-built accommodation from Government Organisations is not very cumbersome and is in fact easier than construction of accommodation by CPWD.

In case of private builders, an advertisement is necessary. This advertisement should contain all the technical requirements like locality, area, specifications etc. that a proposal should cater to. At the time of advertisement, all parties may be asked to give the details of proposal in one sealed cover and cost of proposal in other sealed cover. First of all, sealed covers containing technical details of proposal may be opened before the Project Committee. These proposals may be scrutinized to select all proposal may be opened before the Project Committee. These proposals may be scrutinized to select all proposals, which qualify on all requirements specified in the advertisement.

Now in respect of these selected proposals, the other sealed covers containing details of cost may be opened by Project Committee. The proposal giving lowest cost (per Sq. feet of built up area) will be L- 1 proposal and as per CVC guidelines, negotiations can be done only with this party.

As can be observed from the above procedure that key to success in getting proposals as per our requirement and then comparing them successfully lies in incorporating all technical requirements in the advertisement and asking the parties to give cost of each element separately so that proposals can be compared on a uniform basis.

Once L-1 proposal is identified, negotiating team which usually also includes representative of CBDT and IFU negotiates with the party on the basis of cost in the cost reasonableness certificates and comparative costs of other proposals.

B. Refusal of CPWD to issue cost reasonableness certificate and structural soundness certificate

As per O.M. No. 6/6/95-WI(DG) dated 24th July 1996 of Director General(Works), CPWD, Chief Engineers were asked to give valuation report and also certificate in respect of general suitability of property from technical angle. The O.M. is being enclosed as Annexure-XV. However, many Chief Commissioners of Income Tax have reported that CPWD is not willing to give such certificates. In such cases, their refusals may be taken in the form of a letter. Reference may be made to Central Board of Direct Taxes in respect of such refusals so that the matter can be taken up with Director General(Works) for issue of appropriate instructions to the Chief Engineer. Even then if there are problems in obtaining the certificates, either valuers of Appropriate Authority or Engineers of Valuation Wing of the Department may be requested to give such certificates.

Structural soundness certificate may be obtained from the architects and design engineers who have designed the building if they are of repute. Structural soundness certificate may also be obtained from Engineers of the Valuation cell. If they are not available from these sources, Structural soundness certificates may also be obtained from Engineers of the Valuation Cell. If they are not available from these sources, Structural soundness certificates may also be obtained from recognized Educational Institutes.

5. Problems faced in budgeting exercise

Funds in respect of purchase of land and construction are provided in the budget of Ministry of Urban Affairs. It can be noted that expenditure sanction in respect of a proposal is usually provided only when it has been budgeted and finds a place in pink book. The budget of CPWD is compiled by Director General(Works) after incorporating the budget forwarded by Chief Engineers. Chief Engineers include various proposals in their budget depending upon whether preliminary estimates of the proposals have been made by them or not. CPWD prepares preliminary estimates only after Administrative Approval in respect of a proposal has been obtained from CBDT.

So, it is requested that administrative approval in respect of proposed constructions on unutilized lands may be obtained from the Board as expeditiously as possible. Also CPWD must be persuaded to prepare the preliminary estimates early as possible so that the Chief Engineers in their demands for grant may include' the proposals. Also Chief Engineers should be specifically requested to include as many proposals as possible in the budget estimates and revised estimates in the month of August and September. They may also be requested to allocate maximum funds for existing proposals for early completion of construction.

In respect of proposals of ready-built accommodation, budget estimates for the next financial year and revised estimates for the current financial year are finalized in the month of October. Hence proposals should at least reach negotiation stage by that time, so that it may included in the budget estimates of next financial year. If a proposal is included in the budget estimates at a very preliminary stage, proposal may not come through and it may result in lapse of funds, which adversely affect allocation of next year's budget.

Also it may be noted from the para (vi) of O.M. No. 6/6/95-WI(DF) dated 24th July 1996 of Director General (Works), CPWD (Annexure-XV) that funds for maintenance and repair will have to provided in the budget of concerned department in respect of maintenance of ready-built accommodation. So estimates for the next financial year should be obtained in advance or budget provision should be asked on the basis of past estimates in respect of maintenance and repair charges of ready- built accommodation.

It is requested that actions as suggested above may kindly be taken while submitting proposals with Central Board of Direct Taxes. Also expediting proposals with CPWD as suggested above will help then Department to effectively deal with the infrastructure problem and a concerted effort from the officers will go a long way in solving the infrastructure problem of the department.

Yours faithfully,

Sd/-

(Sandip Garg)

Under Secretary to Government of India

Encl.: Annexures I to XVI

Table 1 – Calculation of shortage of office space at each station in the charge

S. No.	Particulars	Unit	Station A	Station B	Station D	Station E	Station F	Station G	Station H
1	CCIT (sanctioned strength)	No.							
2	CIT (sanctioned strength)	No.							
3	Addl. CIT (sanctioned strength)	No.							
4	DCIT/ACIT (sanctioned strength)	No.							
5	ITO (sanctioned strength)	No.							
6	ITI (sanctioned strength)	No.							
7	Non-gazetted staff (excluding Gr. D & ITI) (do)	No.							
8	Carpet area required for manpower ⁽¹⁾	Sq.m.							
9.	Carpet area required for records (0.55xS.No.8)	Sq.m.							
10	Carpet area for special components ⁽²⁾	Sq.m.							
11	Total carpet area requirement (S.No. 8+9+10)	Sq.m.							
12	Add 15% of S. No.11)	Sq.m.							
13	Area req. considering future exp. (S.No 11+12)	Sq.m.							
14	Less 10% economy cut (10% of S.No 13)	Sq.m.							
15	Final requirement of carpet area (S.No. 13-14)	Sq.m.							

16	Total carpet area available in all buildings ⁽³⁾	Sq.m.							
17	Total carpet area under proposed construction ⁽⁴⁾	Sq.m.							
18	Total carpet area under proposed construction ⁽⁵⁾	Sq.m.							
19	Shortage of carpet area as (S.No. 15-16-17-18)	Sq.m.							
20	Available carpet area as % of final requirement	%							
21	Detail of action being taken to meet shortage								

Notes:-

1. Carpet area req. for manpower (sq.m.)= [S. No. (1)+ (2)+(3)] x 23+ [S. No. (4)+(5)]x18 + (S. No. (6)X11]+ (S. No.(7)x3.5]
2. Carpet area for special components has to be calculated for table 2 after adding areas for all buildings.
3. It will be calculated from table 2. Where accommodation in hired building is not satisfactory, it should be excluded from the calculation of total available area.
4. It will be calculated from table 5
5. It will be calculated from table 5

Table – 2 Working of carpet area required for special components, area available and hiring details

S. No.	Particulars	Building 'a' (1) of station A	Building 'b' of station A	Building 'b' of Station B	Building 'X' of Station C	Building 'Y' of station C	Building 'Z' of station D	Building 'n' of station E
Calculation of area for special components								
1	Complete address of building							
2	Category of Building ⁽²⁾							
3	No. of floors							
4	Area (in sq.m.) for public relation unit ⁽³⁾							
5	Area (in sq.m.) for guest room ⁽³⁾							
6	Area (in sq.m.) for bank & post-office ^(3o)							
7	Area (in sq.m.) for covered parking ⁽³⁾							
8	Area (in sq.m.) for garage ⁽³⁾							
9	Total area for special components ^(4o)							
Available area								
10	Available carpet area(in sq.m.) ⁽⁵⁾							
11	Available plinth area (in sq.							
12	Data (year) since occupied by Deptt.							
Hiring Details (in case in of hired building								
13	Initial date of hiring							
14	Present monthly rent							
15	Last date of revision of rent							
16	Sanction no. of last revision of rent							
17	Name of owner							
18	Is building fit for continued hiring?							

Notes

1 Complete postal address of the building should be given.

- 2 Category of bldg.- I (if headed by ITO/ACIT/DCIT), II (if headed by JCIT/Addl.CIT), III (if headed by CIT) and IV (if there are 3 or more CIT)
- 3 Area for special components is to be calculated in terms of O.M. No. 6/16/83-WI(DG) dated 31/07/86 of DG (Works) and report dated 11/09/81 of the Specifications Committee. Please refer Annexure-II of the letter for working out the same.
- 4 Area for special components for category I = $88 + [11 \times \text{S. No. (2)}] + [\text{S. No. 4 to 8}]$
 Area for special components for category II = $275 + [\text{S. No. (2)}] = [\text{S. No. 4 to 8}]$
 Area for special components for category III = $484 = [22 \times \text{S. No. (2)}] + [\text{S. No. 4 to 8}]$
 Area for special component for Category IV = $726 + [33 \times \text{S. No. (2)}] = (\text{S. No. 4 to 8})$
- 5 If figure of carpet area is not available, carpet area can be taken as 70% of the plinth area.

Table 3 – Table giving shortage of residential quarters of station A⁽¹⁾

S. No.	Type of quarter	Eligible persons for that type (No.)	Satisfaction level % ⁽²⁾	No. of qtrs. required	No. of Qtrs. Occupied from general pool	No. of qtrs. Available ⁽³⁾	No. of quarters Under constn. ⁽⁴⁾	No. of qtrs. Under proposed constn. ⁽⁴⁾	Shortage of quarters
(1)	(2)	(3)	(4)	(5)=(3)x(4)	(6)	(7)	(8)	(9)	(10)=(5)-(6)-(7)-(8)-(9)
1	I								
2	II								
3	III								
4	IV								
5	V								
6	VI								

Action taken to meet the shortage:-

Notes:-

1. Please give complete address of the colony if there is only colony at the station. If there are more colonies, table, 4 needs to be filled.
2. Satisfaction level % can be seen from Annexure-III. In short satisfaction level % for metros and capital cities are 40%, 50% 60% and 80% for Type-I, II, III and IV & above. For other cities, they are 20%, 40%, 60% and 80% for Type-I, II III and IV & above respectively.
3. If there are more than one colony at the station, table 4 needs to be filled and total may be given here.
4. These details are to be given from table 5.

Table 4 – Table giving available no. of quarters in each colony at the station									
S.No.	Particulars	Colony 'a' of station A	Colony 'b' of station A	Colony 'c' of station A	Colony 'm' of station G	Colony 'n' of station G	Colony 'x' of station K	Colony 'y' of station K	Colony 'x' of station K
1	Complete address								
2	Date since occupied								
3	No. of type I qtrs.								
4	No. of type II qtrs.								
5	No. of type III qtrs.								
6	No. of type IV qtrs.								
7	No. of type V qtrs.								
8	No. of type VI qtrs.								

Note:- This table needs to be filled in respect of stations where there is more than one income tax colony.

Table 5 – Table giving details of land where land is lying vacant or construction is in progress								
S.No.	Particulars	Land ‘a’ of station A	Land ‘c’ of station A	Land ‘c’ of station A	Land ‘g’ of station B	Land ‘h’ of station B	Land ‘x’ of station G	Land ‘y’ of station H
1	Complete address of land							
2.	Sanction no. for purchase of land							
3	Date of sanction							
4	Date of taking possession							
5	Area of land (in sq.m.)							
6	Land use-(office, residential, bothe)							
7	Proposed carpet area of office							
8	Proposed no. of type I quarters							
9	Proposed no. of type II quarters							
10	Proposed no. of type III quarters							
11	Proposed no. of type IV							
12	Proposed no. of type V quarters							
13	Proposed no. of type VI quarters							
14	FSI/FAR applicable to this land ⁽ⁱ⁾							
15	A/A for constn. of office obtained?							
16	Sanction no. of A/A-office const.							
17	E/S for constn. of office obtained?							
18	Sanction no. of E/S-office const.							
19	A/A for constn. of qtrs. obtained?							
20	Sanction no. of A/A-qtrs. constn.							
21	E/S for constn. of qtrs. obtained?							
22	Sanction no. of E/S – qtrs. constn.							
23	Whether any proposal for A/A or E/S is pending with the Board?							
24	Reference of such proposal							
25	If no proposal has been sent till date, please give detailed reasons							

26	Approx. % of constn. completed							
27	Steps being taken for sending proposal / expediting construction							

Note:- 1 FSI (Floor space index) gives the maximum ground coverage as % of area of land.
 FAR (Floor area ration) is the ratio of total covered area on all floors and area of land.

CALCULATION OF REQUIREMENT OF OFFICE SPACE AND RESIDENTIAL QUARTERS AS PER NORMS

It is apparent that Income Tax Department is not having adequate office space and residential quarters. The problem is very acute in some metropolitan charges. On the other hand we do not have enough proposals for acquisition of ready-built accommodation for which generous funds are available. Whatever proposals are received are processed slowly as the proposals are incomplete in various respects. Correspondence to remove deficiencies takes lot of time because of various levels involved. For effective formulation of proposals, it will be necessary to understand the working of requirement of office space and residential quarters as per norms.

It may be mentioned that the norms for calculation of requirement of office space for Government offices were established in 1977 vide O.M. No. 11015(@)/75-pol.IV Government of India, Ministry of Works & Housing, Directorate of Estate, New Delhi dated 8th June, 1977. These norms were for determining requirement of office space. Space requirement was specified according to the rank of the officer and staff 25% of the area was given for records and certain area was specified for special components viz. conference room, visitor room etc. (vide O.M. No. 11015(2)/75 Pol.IV Government of India dated 8th June, 1977). Provision of space according to these norms was found to be inadequate and a committee was formed in 1981 for considering the issue. Committee submitted its report in 1981 (report placed as annexure IV). Report of the committee was considered after taking views of DOMS and CPWD. Finally the norms special requirement were approved and O.M. No.6/16/83-WI(Director General) dated 31st July, 1986 of Director General(Works) was issued, which was forwarded to all Chief Commissioners of Income Tax vide letter No. 181/27/81-Ad-VIII dated 16th January, 1987. These are enclosed as Annexure V.

REQUIREMENT NORMS OF OFFICE SPACE/GUEST HOUSE

Government of India vide O.M. No. 26/19/65-ACC.II(3) dated 20/02/1965 from Ministry of Works and Housing had laid down special scales of office accommodation requirement of Income Tax Department as follows:

<i>Designation</i>	<i>Area</i>	<i>Presently the designation means</i>
Commissioners of Income Tax	23 Sq. mts.	Chief Commissioner of Income Tax/Commissioner of Income Tax
Inspecting Assistant Commissioner	23 Sq. mts.	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
Income Tax Officers	18 Sq. mts.	Income Tax Officer/Asstt. Commissioner of Income Tax /Dy. Commissioner of Income Tax
Inspectors	11 Sq. mts.	
Other non-gazette staff excluding Group 'D'	3.5 Sq. mts.	

As mentioned above, a special committee was formed which submitted its report in 1981 and laid down certain norms, the offices were divided into four categories as per details given below;

Category of Building	Highest Rank Officer	Presently this means
I	Income Tax Officer	Dy. Commissioner of Income Tax/Asstt. Commissioner of Income Tax/Income Tax Officer
II	IAC	Addl. Commissioner of Income Tax/Jt. Commissioner of Income Tax
III	Commissioner of Income Tax	Commissioner of Income Tax/Chief Commissioner of Income Tax
IV	Multi-Commissioner charges – three or more Commissioners	3 or more CsIT/Chief Commissioners of Income Tax

As per O.M. No. 6/16/83-WI(Director General) dated 31st July 1986, the following space requirements were specified for various special components as follows:-

Sl. No.	Special Component	Carpet Area (Sq. mt) for category				Remarks
		I	II	III	IV	
1	Entrance Hall with Reception, Waiting etc.	33	66	88	110	
2	Public Relations Unit	---	---	---	---	As per requirement
3	Conference Room	---	22	44	44	
4	Strong Room	---	22	33	33	
5	Record Room 25% of the area for current record, 30% of the area for gazetted and non-gazetted staff for old records	---	---	---	---	
6	Counter area for forms receipt	11	16.50	22	44	
7	Waiting Lounge on each floor	11	11	22	33	
8	Stores for forms and stationary	11	16.50	22	44	Provision for built in shelves may be made
9	Telephone Exchange/Telecom	---	22	22	22	
10	Internal Audit Party Room	11	11	22	33	
11	Visiting Officer's Room	---	---	22	44	
12	In service Training Room	---	---	22	44	
13	Guests Room	---	Suites- 2 No. Dorm	Suites- 4 No. Dorm	Suites- 4 No. Dorm	Dorm – Dormitory

			for 2 person	for 4 person	for 4 person	
14	Guard Room with dormitory facility for 8 persons	---	22	22	22	
15	Library	---	11	22	44	
16	Rest Room for ladies	11	11	22	44	
17	Recreation Room	---	22	33	44	
18	Canteen	11	11	33	88	This provision to be coordinated with Director of Canteens. Space may be split up at convenient floor levels.
19	Cooperative Stores	---	11	22	22	
20	Bank & Post Office	---	---	---	---	As per requirement
21	Space for Staff Association	---	---	16.50	33	
22	Bar Room	---	---	---	---	
23	Covered parking for Head of the Department	---	---	1 No. car space	1 no. car space	As per requirement
24	Garages for Departmental Vehicles	---	1	2	4	

It can be seen that area for most of components is fixed, once category of building is decided based on the ranking of senior most officer at the station. Only items at S. No. 2, 5, 7, 13, 20, 23 and 24 are to be determined as per requirement so the total carpets areas for special components of each category of building will be as follows:

Category	Area for special components for that category (in sq. mts.)
I	88 + No. of floors x 11 + area required for S. No. 2, 13, 20, 23 and 24 + area for records
II	275 + No. of floors x 11 + area required for S. No. 2, 13, 20, 23 and 24 + area for records
III	484 + No. of floors x 22 + area required for S. No. 2, 13, 20, 23 and 24 + area for records
IV	726 + No. of floors x 33 + area required for S. No. 2, 13, 20, 23 and 24 + area for records

Wherein area for records =55% of the area for gazette and non-gazette staff.

Then, carpet area for office is the sum of carpet area required for staff and carpet area required for special components.

In this area, 15% is added for future expansion. From the area so arrived at after adding 15%. 10% economy cut is effected to give final requirement of carpet area of office space.

At the time of calculation of office space, provision for crèche in term of O.M. No. 12015/29/88-GKK date 10th October, 1988 of Karmik Aur Prashikshan Vibhag of DOP&T (Annexure-XI) and office accommodation for ITAT in terms of O.M. No. 181/44/72-Ad.VIII dated 9th August, 1973 of Department of Revenue & Insurance (Annexure-XII) may also be included.

NORMS FOR RESIDENTIAL ACCOMMODATION

Similarly, it is seen that the norms for residential accommodation as decided in consultation with FA are as under:-

<i>Type</i>	<i>Existing</i>		<i>Revised</i>	
	<i>Other Places</i>	<i>Metropolitan</i>	<i>Other Places</i>	<i>Metropolitan/Capital Cities</i>
I	20%	20%	20%	40%
II	20%	20%	40%	50%
III	50%	50%	60%	60%
IV & above	80%	80%	80%	80%

It was communicated to all fields officers vide letter No. 101/18/93-AdVIII(DT) dated 20/10/1993 Government of India, Ministry of Finance, Department of Revenue. But it is seen that at large number of places the availability is much lower than the norms prescribed. Hence all the Chief Commissioner of Income Tax Charges are requested to work out shortages as per the norms and send proposal for meeting out the balance requirement at the earliest.

The plinth areas for various types of quarters were revised vide O.M. No.17020/2/86-W-2 dated 25th August 1987 of Work Division, Ministry of Works & Housing. This is placed as annexure-X. As per the O.M. Plinth areas of various types of quarters are as below:

REVISED SCALE OF PLINTH AREA

<i>Type</i>	<i>Pay Range</i>	<i>Area of Unit (Sq. Mt.)</i>	<i>Staircase/ Circulation (Sq. Mt.)</i>	<i>Sleeping out Balcony (Sq. Mt.)</i>	<i>Cycle/ Scooter Shed/ Garage (Sq. Mt.)</i>	<i>Total area of the unit (Sq. Mt.)</i>	<i>Remarks</i>
I(A)	Upto to Rs. 3049	33	5	7.45	2.5	48.95	Cycle shed 100%
II(B)	Rs. 3050-5499	45	5	7.45	2.5	59.95	Cycle shed 100%
II(C)	Rs. 5500-8499	55.75	5	7.45	4.2	72.4	Scooter Shed - 100%
IV(C)	Rs. 8500-11999	83.6	5.5	7.8	4.2	101.1	Scooter Shed-100%
V(E)	Rs.12000-18399 main unit	139.35	6	9.85	20.9	176.10	175% (Garage)
	Servant Quarters	18.60	4.50			23.10	
V1(E1)	Rs.18400 above main unit	198	6	11	20.9	235.9	100% (Garage)
	Servant Quarters	25.00	4.50	5.00		34.50	

While sending proposals for residential quarters, the shortage of quarters should be worked out as per the proforma in Table-III

<i>S. No.</i>	<i>Type of</i>	<i>No. of</i>	<i>Satisfaction</i>	<i>No. of</i>	<i>No. of</i>	<i>No. of</i>	<i>No. of Quarters</i>	<i>Shortage</i>
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	<i>Quarter</i>	<i>eligible persons for that type*</i>	<i>Level (%)</i>	<i>Quarters occupied</i>	<i>quarters occupied from general pool</i>	<i>Quarters available</i>	<i>under construction/ proposed construction</i>	<i>of Quarters</i>
-1	-2	-3	-4	(5) = (3) X (4)	-6	-7	8	(9) = (5) - (6) - (7) - (8)
1	I							
2	II							
3	III							
4	IV							
5	V							
6	VI							

*The no. of persons who are eligible for a particular type of quarters is to be calculated on the basis of actual strength and their basic pay.

In bigger colonies, proposals for Samaj Sadans (Community halls) may be forwarded in terms of planning note No. TP-518/64 dated 13/05/1966 (as revised on 01/09/1980) of Senior Architect and Abstract from the report of the panel on construction on community hall (Samaj Sadan) in Government colonies (Annexure-XIII).

Check List for acquisition/purchase of land for office building/Residential Quarters
(If submitted as a stand alone proposal)

Sl. No.	Particulars
1	Name of the Income Tax Office & Station
2	Detailed justification for proposal
3	Whether the proposal is for acquisition of land from GOI (MOUD), State Govt, Local Authority, PSU or Private Party (i) Area of the land (sq. mtrs) (ii) Location of land. (iii) Justification
4	Details of sanctioned strength at the station. Designation, basic pay of all Income Tax Officers at the station in question (excluding MTS for working Office space).
5	Requirement of total Office space (carpet area) (sq. mtrs) as per norms for all the Income Tax Offices in the station in question.
6	Availability of Office space at the station (sq. mtrs).
6(a)	In Government Buildings (i) Number of Buildings with carpet area of each building.
6(b)	In Hired Buildings (i) Number of buildings with carpet area of each building.
7	Shortage of Office space (carpet area) (sq. mtrs) after deducting the office space (carpet area) (sq. mtrs) available in Government building. (Where there is no intention to de-hire a hired building, its area shall be included in space available).
8	Whether any other plot of land is already available in possession of the Department at that station. If so, details like (i) Date of purchase, area (sq. mtrs) and its present use etc. (ii) Board's sanction Letter No. and date (iii) Date of possession of land
9	Encumbrances if any on land proposed to be purchased (enclose valid certificate from concerned District / Local Authority)
10	(i) F.S.I./F.A.R. applicable for the proposed land. (ii) Maximum number of storey that could be constructed as per local municipal bylaws or any other restrictions.
11	Mode of acquisition such as outright purchase or on lease basis etc.
12	In case of lease, details of lease tenure, ground rent / lease rent & terms & conditions of lease, cost of conversion to free hold, if so proposed, may be furnished.
13	Cost of acquisition of land including registration charges, stamp duty, etc.
14	Details of recurring costs, if any.
15	Non-construction fee and other charges payable for delay in construction, if any.

16	Period of validity of offer the time of submission of proposal to CBDT.
17	Whether there are any special conditions of sale? If so, whether any waiver is likely to be required to avoid future liabilities/disputes.
18	How will the land be kept free of encroachments? Whether construction of boundary wall/fencing is proposed?
19	Total amount of AA&FS being sought.
20	Cost benefit analysis for purchase of land vis-à-vis hiring of accommodation.
21	Cost reasonableness from CPWD.
22	Suitability / feasibility Certificate of CPWD.
23	Non-availability of Govt. land certificate from CPWD / MOUD / State Govt.
24	Why proposal for construction on the proposed land is not being submitted simultaneously and when the Dept plans to submit the same.
25	Revenue collection figures for last three years.
26	(i) Availability of Budget with CPWD (ii) If Grant no. 42 is proposed, (iii) Major / Minor Heads /Grant under which sanction required.

Additional information - Check List for purchase of land for residential quarters

Most items will be common with that of the checklist for purchase of land at Annexure-XIV. The items that are different are 4, 4a, 6, 7, 8, 9, 10, 30 and 36. In respect these serial Nos. information required is as specified below:

4	Details of sanctioned strength and working strength at the station, designation-wise and category of head wise as per basic pay. Worksheet to be attached.
4a	Result of demand survey (attach recent certificate of willingness to occupy signed by staff)
5	Requirement of residential accommodation worked out on the basis of sanctioned strength and satisfaction norms for all the staff of Income Tax Department in the station in question.
6	Availability of residential space in general pool and under Departmental pool (Space under construction and for already obtained shall also be taken in to account).
10	Shortage of residential space (carpet area) (sq. mtrs) after deducting the space (carpet area) available in Government building. Where there is no intention be included in space available.
30	Non-availability certificate from Estate Officer.

MEMORANDUM FOR STANDING FINANCIAL COMMITTEE FOR PROPOSALS INVOLVING NEW SERVICE OR NEW INSTRUMENT OF SERVICE IN TERMS OF INSTRUCTIONS ISSUED BY BUDGET DIVISION OR EXPANSION OF EXISTING SERVICE OVER RS. 20 CRORES AND LESS THAN RS.75 CRORES (NON-RECURRING).

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES**

New Delhi, dated

- 1. TITLE OF THE PROPOSAL/SCHEME:-**

- 1.2 DESCRIPTION OF THE PROPOSAL/SCHEME AND ITS OBJECTS:**

- 1.3 JUSTIFICATION FOR THE PROPOSAL/SCHEME AND WHAT ALTERNATIVES HAVE BEEN CONSIDERED.**

- 1.4 DESCRIPTION OF THE MANNER IN WHICH THE PROPOSAL/ SCHEME IS PROPOSED TO BE IMPLEMENTED SCHEME WILL BE EXECUTED**

- 1.5 SCHEDULE OF PROGRAM AND TARGET DATE OF COMPLETION**

- 2.1 FINANCIAL IMPLICATION OF THE PROPOSAL:-**

- 2.2 EXPENDITURE INVOLVED (RECURRING AND NON-RECURRING SEPARATELY) ITS BROAD DETAILS AND ITS YEAR-WISE PHASING.**

- 2.3 NATURE OF THE EXPENDITURE THAT IS DIRECTOR GRANTS-IN-AIDS/LOAN.**

- 2.4 COMPONENT OF GRANT, LOAN AND SUBSIDY, IF ANY IN THE TOTAL EXPENDITURE INVOLVED AND OTHER PROPOSED TERMS.**

- 3.1 BUDGET PROVISION IN THE CURRENT FINANCIAL YEAR IF NO BUDGET EXITS, HOW IS EXPENDITURE PROPOSED TO BE MET?**

- 3.2 WHETHER THE EXPENDITURE IS TO BE MET FROM EXTERNAL ASSISTANCE? IF SO TO WHAT EXTENT?**

- 4.1 NUMBER OF POSTS TO BE CRATED WITH SCALES OF PAY AND THE BASIS ADOPTED FOR STAFFING**

- 4.2 IF THE EXPENDITURE IS ON WORKS, THE BROAD DETAILS THEREOF AND THEIR JUSTIFICATION:**

- 4.3 REQUIREMENT OF STORES AND EQUIPMENT TOGETHER WITH JUSTIFICATION WITH COST.**

- 4.4 WHETHER THE EXPENDITURE IS A RESULT OF STATUTORY REQUIREMENT. IF SO, SPELL OUT THE REQUIREMENT.**

- 4.5 ECONOMIC IMPLICATIONS OF THE PROPOSAL, IF ANY.**

- 5.1 COMMENTS, IF ANY, OF THE OTHER MINISTRIES/ DEPARTMENTS WHICH MAY HAVE BEEN CONSUL TED.**

- 5.2 SUPPLEMENTARY INFORMATION, IF ANY.**

6. POINTS ON WHICH DECISION/SANCTIONS ARE REQUIRED.

**DIRECTOR OF INCOME TAX,
(INFRASTRUCTURE), CBDT,
NEW DELHI**

MEMORANDUM FOR COMMITTEE FOR NON-PLAN EXPENDITURE FOR PROPOSALS INVOLVING NEW SERVICE OR NEW INSTRUMENT OF SERVICE IN TERMS OF INSTRUCTIONS ISSUED BY BUDGET DIVISION OR EXPANSION OF EXISTING SERVICE OVER RS. 75 CRORES (NON-RECURRING).

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES**

New Delhi, dated

1. STATEMENT OF PROPOSAL

1.1 TITLE OF THE PROPOSAL/SCHEME:-

1.2 DESCRIPTION OF THE PROPOSAL/SCHEME AND ITS OBJECTS:

1.3 JUSTIFICATION FOR THE PROPOSAL/SCHEME AND WHAT ALTERNATIVES HAVE BEEN CONSIDERED.

1.4. DESCRIPTION OF THE MANNER IN WHICH THE PROPOSAL/ SCHEME IS PROPOSED TO BE IMPLEMENTED SCHEME WILL BE EXECUTED

1.5 SCHEDULE OF PROGRAM AND TARGET DATE OF COMPLETION

2.1 FINANCIAL IMPLICATION OF THE PROPOSAL:-

2.2 EXPENDITURE INVOLVED (RECURRING AND NON-RECURRING SEPARATELY) ITS BROAD DETAILS AND ITS YEAR-WISE PHASING.

- 2.3 NATURE OF THE EXPENDITURE THAT IS DIRECT OR GRANTS-IN AID/LOAN.**
- 2.4 COMPONENT OF GRANT, LOAN AND SUBSIDY, IF ANY IN THE TOTAL EXPENDITURE INVOLVED AND OTHER PROPOSED TERMS.**
- 3.1 BUDGET PROVISION IN THE CURRENT FINANCIAL YEAR IF NO BUDGET EXITS, HOW IS EXPENDITURE PROPOSED TO BE MET?**
- 3.2 WHETHER THE EXPENDITURE IS TO BE MET FROM EXTERNAL ASSISTANCE? IF SO TO WHAT EXTENT?**
- 4.1 NUMBER OF POSTS TO BE CREATED WITH SCALES OF PAY AND THE BASIS ADOPTED FOR STAFFING**
- 4.2 IF THE EXPENDITURE IS ON WORKS, THE BROAD DETAILS THEREOF AND THEIR JUSTIFICATION:**
- 4.3 REQUIREMENT OF STORES AND EQUIPMENT TOGETHER WITH JUSTIFICATION WITH COST.**
- 4.4 WHETHER THE EXPENDITURE IS A RESULT OF STATUTORY REQUIREMENT. IF SO, SPELL OUT THE REQUIREMENT.**
- 4.5 ECONOMIC IMPLICATIONS OF THE PROPOSAL, IF ANY.**
- 5.1 COMMENTS, IF ANY, OF THE OTHER MINISTRIES/ DEPARTMENTS WHICH MAY HAVE BEEN CONSULTED.**
- 5.2 SUPPLEMENTARY INFORMATION, IF ANY.**

6. POINTS ON WHICH DECISION/SANCTIONS ARE REQUIRED.

**DIRECTOR OF INCOME TAX,
(INFRASTRUCTURE), CBDT,
NEW DELHI**

No.1(9)/E.II(A)/2007
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch

New Delhi, the 14th July, 2009

OFFICE MEMORANDUM

Sub:- Revision in CNE memo format to address disaster management concerns.

The undersigned is directed to say that NDMA has proposed certain additions to the format of CNE memo to address disaster management concerns. After consideration of the proposal of the NDMA, it has been decided to revise the format of CNE memo to include disaster management concerns. The additional questions that would need to be addressed while framing the CNE memo are enclosed at Annexure. The set of questions may be treated as Para 2.11 of the CNE Memo.

2. Ministries/Departments are advised to attach a self-certification regarding the correctness of the response to these disaster management concerns.

-Sd-
(S. Krishnamoorthi)
Under Secretary to the Govt. of India
Tel: 23095634

To

- (i) All Ministries/Departments of India
- (ii) All FAs

Information Related to Disaster Management Concerns.

Does the project involve any creation/modification of structural/engineering assets including land reclamation or changes to existing land use plans? If yes, then the costs involved in prevention and mitigation of disaster(s) (natural and man-made) would need to be included fully in the project cost.

- a) What is the location of the project area? Reasons for selecting the site. Have possible alternatives sites been considered? Is the type of activity envisaged in the area compatible with the provisions of relevant NDMA Guidelines?
- b) Identify the possible risks and analyze the likelihood and impact from earthquakes, floods, cyclones and landslides due to the location of the project sites¹² as well as through secondary evidence.
- c) What are the land use directives, regulations applicable? List preventive measures enshrined in regulations which are to be complied with and confirm compliance.
- d) Based on the prioritization of risks, the mitigation measures being contemplated, both structural and non-structural. Confirmation that the implementation of the selected mitigation measures will not create new risks.
- e) Confirmation that the design and engineering of the structure has taken into consideration the National Building Code 2005³, the appropriate BIS Codes⁴ and the NDMA guidelines. Other sources such as Indian Road Congress Manual, Ministry of Road Transport, Highways and Shipping manual, Railway Board manual, Central Public Health Engineering Organisation (Ministry of Urban Development) manual, Central Electricity Authority manual and Central Water Commission manual etc may also be consulted where applicable.
- f) Has the cost of disaster treatment/mitigation measures been included in the overall Project cost?
- g) Also indicate that the whole process of risk assessment has been done based on available information and secondary evidence and the mitigation measure(s) are in conformity with the statutory and other regulatory requirements and are the most viable ones in the present circumstance.

¹ Please see the links natural disasters and manmade disasters on the NDMA website at <http://ndma.gov.in/wps/portal/NDMAPortal#> for details regarding risk zone maps, guidelines etc for each type of disaster. Please also see the questionnaires given for risk analysis for each type of natural disaster at the NDMA website.

² Please the website of Building Materials & Technology Promotion Council and specifically with respect to earthquakes at <http://www.bmtpc.org/eqtips/eqtips.htm>

³ Regarding the National Building Code of India 2005. Please see <http://www.bis.org.in/sf/nbc.htm> for further details.

⁴ Please see <http://www.bis.org.in/> for various BIS codes applicable.

**Common Shortcomings / deficiencies observed in the
Infrastructure Proposals:**

1. The proposals are forwarded to the Directorate without proper proforma.
2. The prescribed Check Lists not attached with the proposals.
3. Memorandum for Standing Finance Committee (SFC) and Memorandum for Committee on Non-Plan Expenditure (CNE) are not enclosed with the proposals involving (i) expenditure over 20 crores but less than 75 crores and (ii) Proposals involving expenditure beyond 75 crores.
4. Information regarding availability of Budget is not provided in the proposal / Checklist. Budget Heads are also not mentioned correctly.
5. In cases where the project is being executed by an agency other than CPWD, budget provisions is made under Demand No.42. The field formation should informed the Directorate well in advance in case they require fund under Demand No.42.
6. Proposals are not sent to the Directorate of Infrastructure. The Directorate of Infrastructure is the Nodal Agency for processing all the Infrastructural proposals, therefore, the proposal should be sent to the Directorate only.
7. The proposals are not self contained and do not incorporate all the relevant information leading to delays. All the columns of the proforma / checklist are not filled up properly.
8. In most of the cases information is received in a piecemeal manner. In some cases substantial changes are made over the time. It is advisable that in such cases a fresh proposal may be sent incorporating all the details. Replies in the case of a particular proposal should not be clubbed with any other ongoing proposal.
9. Replies to technical observations are general in nature. It should be ensured that wherever, a technical observation has been made, the reply should be specific not general in nature.
10. Documents enclosed are in local language. In case of the documents which are enclosed with the proposal are in any local language, authentic translation of the same should be enclosed.
11. Different units of measurement are given in the proposal. Care should be executed to use a uniform unit for sack of convenient.
12. Documents attached are not legible. It may be ensured that whatever documents are being attached with the proposal are legible.
13. Original P.E prepared by the executing agency is not enclosed or PE is forwarded without examination. Original PEs prepared by the executing agencies should be forwarded to the Directorate for processing.

14. In case the proposal is pending for a longer period, updated data regarding revenue collection, availability of budget, willingness of official / officers to occupy residential quarters, relevance of the PE in case substantial time has passed since its estimation, should be furnished.

Proposals for acquisition of land: Guidelines for preparing the proposals

1. Requirement of land

(i) In the proposals for acquisition of land received it is observed that in many cases, Chief Commissioners give their requirement of land to land owning agencies without calculating the office space requirements as per prescribed norms and types & nos. of residential quarters as per prescribed satisfaction norms. Thus, after receipt of proposal, lot of time is lost in correspondence between this Directorate & the Chief Commissioners which sometimes may lead to even cancellation of offer of sale. Therefore, before land requirement is conveyed to land owning agencies, the requirements of office space & residential quarters may be arrived at by the Chief Commissioners.

(ii) If a building accommodates more than one office, then the space for essential components such as Canteen, Entrance flail, Library, Parking, Guest House, Conference Hall etc. are to be shared by all the offices.

(iii) The above requirements may be conveyed to CPWD for issuance of Minimum Requirement of Land Certificate. Only after issue of the Certificate, land owning authorities should be approached for offer of land allotment as per the area mentioned in the Certificate.

2. Suitability of land

It is clarified that the Certificate of suitability of land is different from Certificate of minimum requirement of land. Apart from the appropriateness of size of plot for undertaking the proposed construction, the Certificate would include aspects such as topography, shape and other physical parameters of the plot, accessibility, availability of necessary civic infrastructure viz. water, electricity, sewerage etc. having a bearing on the suitability of the plot for the required construction. In cases where the certificate of suitability of land is issued subject to certain conditions (such as high tension wire passing through the land effecting optimum utilization of land), necessary remedial steps may be taken by Commissionerates before forwarding the proposal.

3. Assessment of requirement of Residential accommodation

Though satisfaction norms are fixed for calculation of requirement of residential quarters, the demand for residential quarters may vary at different stations. Hence, it is essential that a survey is carried out among the eligible staff to ascertain the actual demand for quarters and details thereof are incorporated in the proposals. The proposed no. of quarters may be restricted to satisfaction ratio or demand, whichever is less.

While arriving at the requirement of housing, factors such as availability of cheaper private accommodation on rent, no. of houses owned by the staff at the station, duration of posting in a particular station & other local factors which may affect the demand for government accommodation may also be taken into consideration. In nutshell, effort should be made to ascertain the actual demand to avoid a situation where quarters remain unoccupied.

4. Validity of offer

In many cases, the proposals are forwarded to the Directorate when either the validity of offer has already expired or is going to expire very soon. In such cases it may not be possible for the Directorate to process the proposals & seek A/A & E/S of the Ministry within short period, especially when the proposals are found incomplete/deficient. Thus, while forwarding the proposal & replying to the queries, it may be ensured that the offer of allotment of land is for a sufficient period otherwise extension of validity period should be sought before sending the proposals/ replies.

5. Terms & Conditions of Offer

The terms & conditions of offers to sell/ lease/ transfer etc. should be carefully studied and details such as mode of transfer, tenure & conditions of lease etc. may also be incorporated in the proposals. In case the department is not in a position to fulfill certain conditions, waiver should be sought from the concerned agencies to avoid future liabilities/disputes.

6. Furnishing of requisite documents/details

The basic details/documents required for processing the proposals have been summarized in the checklists prepared in consultation with the IFU. The details may be incorporated in the proposal at appropriate places & documents enclosed.

7. Post-acquisition

(i) Transfer of Title

On purchase of land, legal formalities pertaining to transfer of ownership or property in the name of department should be initiated & completed immediately & it must be ensured that the department gets a clear legal title. Documents such as registration deeds etc. pertaining to the acquisition of property should be kept safely & securely. The Chief Commissioners should get the conveyance deed legally vetted by the Branch Secretarial or the Ministry of Law before execution, where required.

(ii) Safety/Security of the property

On acquisition of land, immediate necessary action should be initiated for securing the land by way of construction of boundary wall etc./putting up Notice Boards etc. to avoid the risk of encroachment thereon.

(iii) Proposal for Construction

The proposal for construction of office building/residential quarters should be initiated on priority by the Chief Commissioners after acquisition of land.

List of documents required along with checklist prescribed for proposal for purchase of land.

1. Certificate of non-availability of Central Government land / Building issued by Estates / CPWD.
2. Minimum requirement of land Certificate from CPWD.
3. Suitability of land certificate from CPWD.
4. Non-Encumbrance Certificate form State Government.
5. Reasonableness of price certificate from MOUD / CPWD / State Government.
6. Undertaking from seller that the price is final & there shall be no enhancement in price either retrospectively or prospectively.
7. Letter of offer with terms and conditions from land owning agencies.
8. Layout plan of land certified by CPWD.

F. No.DIT(infra)/Head of Accounts/32/2012-13

**Government of India
Ministry of Finance
Department of Revenue**

New Delhi, the 16th August, 2012

OFFICE MEMORANDUM

Subject: - Classification of 'works' expenditure under proper Head of Account and Demand for Grants

It has been observed that proposals for repairs, maintenance and construction of office and residential buildings received by the Board do not correctly mention the budget heads resulting in avoidable delay in approval of proposals. The correct budget heads for the expenditure proposed to be met out of Grants for Department of Revenue and/or Ministry of Urban Development are as follows:

Demand No.42-Direct Taxes

Item of expenditure	Object Head	Major Head
Construction /Acquisition of Office Accommodation	Major Works	4059-Capital Outlay on Public Works.
Construction/ Acquisition of Residential Accommodation	Major Works	4216-Capital Outlay on Housing.
Repairs/Maintenance of Departmental Office Building	Minor Works	2020-Collection of Taxes on Income & Expenditure
Repairs/Maintenance of Departmental Residential Building	Minor Works	2020-Collection of Taxes on Income & Expenditure

Demand No.101-Department of Urban Development

Item of expenditure	Description	Major Head
Construction /Acquisition of land/ Building for Residential Accommodation	Finance (Revenue), Major Works	4216-Capital Outlay on Housing
Repairs/Maintenance of Departmental Residential Building	Minor Works	2216-Housing

Demand No.102-Public Works

Item of expenditure	Description	Major Head
Capital Outlay on Public Works	Finance (Revenue), Major Works	4059-Capital Outlay on Public Works
Repairs/Maintenance of Departmental Office Buildings	Minor Works	2059-Public Works

2. The expenditure towards Original Works in the Government Buildings constructed and maintained by CPWD should be met from the grant of 'Urban Development' and 'Public Works' for Residential and Office Building respectively. The Original Works have been defined in GFR 123 as all new constructions, additions and alterations to existing works, special repairs, remodelling etc.

3. The availability of budget under the respective Head of Accounts and Demand for Grants has to be ensured while forwarding the proposal to the Board. Projection of Demand for each proposal should invariably be incorporated while sending the Budget Estimate or Revised Estimate as the case may be when expenditure is proposed to be met from the Grant of Department of Revenue.

4. For projects proposed to be executed through the Budgetary Grant of MoUD, close coordination may be maintained with CPWD to ensure proper budgeting and availability of funds.

Sd/-
(V.K.Bakshi)
Director of Income Tax
(Infrastructure)-I
New Delhi.

To

All Heads of Department under CBDT, Department of Revenue

Copy to:

1. Director(Finance), CBDT
2. D.G.(Logistics), CBDT
3. DIT(Infrastructure)-I & II

General Financial Rules, 2005

Rule 28. Powers in regard to certain special matters:- Except in pursuance of the general delegation made by, or with the approval of the President, a subordinate authority shall not, without the previous consent of the Finance Ministry, issue an order which-

- (i) Involves any grant of land, or assignment of revenue, or concession, grant, lease or licence of mineral or forest rights, or rights to water power or any easement or privilege of such concessions, or
- (ii) Involves relinquishment of revenue in any way.

V. TRANSFER OF LAND AND BUILDING

Rule 278. Save as otherwise provided in any law, rule or order relating to the transfer of Government land, no land belonging to the Government shall be sold to a local authority, body or any person or institution without previous sanction of the Government.

Rule 279. Transfer of Land (1) Transfer of land from a Union Territory to the Central Government Department (i.e. Ministry or Department of the Union Government including Defence, Railway, and Posts and Telegraphs) or vice versa shall be on 'no profit-no loss' basis.

Rule 279(2): Transfer of Land from one Department of the Government (as defined in Rule 278) to another shall be on 'no profit-no loss' basis.

Rule 279(3): Transfer of building and superstructures on land vide above shall be at the present day cost minus depreciation of these structure(s) standing on the land. Valuation for this purpose shall be obtained from the Central Public Works Department at the time of transfer.

Rule 279(4): The allotment of land to, and recovery of cost of buildings from the Public Sector Undertakings shall be at 'market value' as defined in Paragraph-2 of Appendix-11

Rule 279(5): The transfer of land and building between the Union and State Governments shall be regulated by the provisions of Articles 294, 295, 298 and 299 of the Constitution and subsidiary instructions issued by the Union Government which are reproduced as Appendix-11.

**No.8(18)/EII(A)/2010
Government of India
Ministry of Finance
Department of Expenditure**

**North Block,
New Delhi, the 25th June, 2010**

OFFICE MEMORANDUM

Subject: Approval of Finance Ministry for Sale/ grant/assignment/allocation/disposal of Government assets or assets created from Government funds.

Ministries and Departments of the Government of India and autonomous bodies under their administrative control are custodians of assets and resources owned by the Government or created from Government funds. The General Financial Rules, 2005 (GFRs) in Rule 28 provides as follows:-

Powers in regard to certain special matters: Except in pursuance of the general delegation made by, or with the approval of the President, a subordinate authority shall not, without the previous consent of the Finance Ministry, issue an order which-

- (i) Involved any grant of land, or assignment of revenue, or concession, grant, lease or licence of mineral or forest rights, or rights to water power or any easement or privilege of such concessions, or
- (ii) Involves relinquishment of revenue in any way.”

2. Further, Rule 278 of GFRs in relation to Government land provides as follows:

“ Save as otherwise provided in any law, rule or order relating to the transfer of Government land, no land belonging to the Government shall be sold to a local authority, body or any person or institution without previous sanction of the Government”.

3. The aforementioned provisions of the GFRs are hereby reiterated for strict compliance. In addition, it may be ensured that express approval of the Finance Ministry is obtained for any sale/grant/assignment/allocation/or disposal in any form of Government assets or resources or assets/resources created from Government funds by autonomous bodies except when the transaction is pursuant to provisions of any law; approved policy; order, rule or regulation issued with the approval of the Finance Ministry. Such approval would not be required if the transaction is to be made as part of a scheme approved by the competent authority or is in the normal course of approved activities of autonomous bodies. This would also not apply to the disposal of surplus, obsolete or unserviceable goods as provided for in Rule 196 to 202 of GFRs.

4. These provisions may be brought to the notice of all concerned including Heads of autonomous bodies, for strict compliance.
5. This issues with the approval of Secretary (Expenditure).

Sd/-
(S.Krishnamoorthi)
Under Secretary to the Govt. of India

To

All the Ministries and Department
All Financial Advisers

APPENDIX-II

[See Rule 279.(4) and 279.(5)]

**TRANSFER OF LAND AND BUILDINGS BETWEEN
THE UNION AND STATE GOVERNMENTS**

1. These rules apply to the transfer of land and buildings between the Union and the State Governments and also to the surrender to the State Governments of land belonging to Railways.

The general position under Article 294 of the Constitution is that as from the commencement of the Constitution-

- (a) All property and assets which immediately before such commencement were vested in His Majesty for the purposes of the Government of the Dominion of India and all property and assets which immediately before such commencement were vested in His Majesty for the purpose of the Government of each Governor's Province, shall vest respectively in the Union and the corresponding State; and
- (b) All rights, liabilities and obligations of the Government of the Dominion of India and of the Government of each Governor's Province, whether arising out of any contract or otherwise, shall be the rights, liabilities and obligations respectively of the Government of India and the Government of each corresponding State.

Subject of any adjustment made or to be made by reason of the creation before the commencement of the construction of the Dominion of Pakistan or of the Province, of West Bengal, of West Punjab and East Punjab.

Article 294, as is evident, relates to succession to property, assets, rights, liabilities and obligations in certain cases only; Article 295 of the Constitution which relate to succession to property, assets, rights, liabilities and obligations in other cases, provides that-

(I) *As from the commencement of the Constitution:*

- (a) all property and assets which immediately before such commencement were vested in any Indian State corresponding to a State specified in Part-B of the First Schedule shall vest in the Union if specified in Part-B of the First Schedule shall vest in the Union if the purpose for which such property and assets were held immediately before such commencement will thereafter be purposes of the Union relating to any of the matters enumerated in the Union List; and
- (b) all rights, liabilities and obligations of the Government of any Indian State corresponding to a State specified in Part-B of the First Schedule, whether arising out of any contract or otherwise, shall be the rights, liabilities and obligations of the Union Government, if the purposes for which such rights were acquired or liabilities or obligations were incurred before such commencement will thereafter be purposes of the Union Government relating to any of the matters enumerated in the Union List"

subject to any agreement entered into in that behalf by the Union Government with the Government of that State.

(II) Subject as aforesaid, the Government of each State specified in Part 'B' of the First Schedule shall, as from the commencement of the Constitution, be the successor of the Government of the corresponding Indian State as regards all property and assets and all rights, liabilities and obligations, whether arising out of any contract or otherwise, other than those referred to in Clause (1).

All property and assets, which include land and buildings, and which vest in the State Government under Articles 294 and 295 of the Constitution or otherwise shall be at the disposal of the respective State Government, who will be at liberty to dispose them of by sale, mortgage, etc., and the proceeds thereof shall be credited to the revenues of the respective State Government.

From the commencement of the Constitution, the transfer of land between the Union and the State Government shall be regulated by mutual agreement except when they are acquired under some Act. The Union Government has laid down the following principles to be observed in regard to certain points

- (i) (a) When land belonging to a private party has to be acquired on behalf of the Union Government acquisition shall be at the expense of that Government.
- (b) In cases where the Union Government requires any land, which is in occupation of the State Government, to be transferred to them, the amount payable by the Union Government will ordinarily be the market value of the land and buildings if any, thereon.
- (c) The amount payable will include the capitalized value of land revenue assessable on the land when the transfer causes actual loss of land revenue to the State Government.
- (d) Solatium of 15 percent payable under the Land Acquisition Act will not apply to such transfers.

(ii) ***Land surplus to the requirements of the Union Government:-***

When the Union Government no longer required land in their possession, the Government of the State in which it is situated will be given the option of assuming possession of the whole or any portion thereof subject to the following conditions:-

- (a) The Union Government themselves shall be the judges of whether they require to retain any particular land or not;
- (b) If the State Government desire to assume possession of the land, the option to do so shall be exercised within six months of the date on which the Union Government signify their intention of surrendering the land;
- (c) The amount payable for the land will in all cases be its market value at the date of transfer;

- (d) When the State Government desire to assume possession of only a portion of the land surrendered, they shall be entitled to do so only if the value of the land as a whole is not materially reduced by the division; and
- (e) If the State Government do not desire to assume possession of any land on the foregoing terms, the Union Government will be free to dispose it of to a third party. Before, however, so disposing of the land, the Union Government will consult the State Government as to the levy of ground rent or assessment and the conditions, if any, subject to which it should be sold and they will, as far as possible, dispose of the land subject to the conditions which the State Government may desire to impose. The Union Government are not, however, bound to obtain the concurrence of the State Government in all cases, and in cases of disagreement the Union Government shall be the sole judge of the terms and conditions to be imposed.

(iii) *Determination of Dispute as to Titles*:- Disputes as to title between the Union Government and a State Government shall be determined by the Supreme Court.

(2) *Market value defined*:- Market value when applied to land may be defined as the price which the land would fetch if sold in the open market subject to the ground rent or assessment shown against it in the revenue registers, or, if no ground rent or assessment shown against it in the revenue registers, subject to a ground rent or assessment levied at the rate at which ground rent or assessment is actually being levied on similar lands in the neighborhood excluding all cases in which such similar lands in the neighborhood are held free of ground rent or assessment at favourable or unfavourable rates of ground rent or assessment. This is the market value which has to be credited or debited, as the case may be, in the case of all transactions between the State Government and the Union Government or between the Union Government and State Government or the Railways.

**Rule 13 of Delegation of Financial Powers Rules, 1978
(Relevant extracts)**

13, Powers of subordinate authorities

- (1) Subject to the provisions to these rules, the Department of the Central Government, Administrators and Heads of Departments shall, in relation to creation of permanent posts, creation of temporary posts, Appropriation and Re-appropriation, incurring of contingent expenditure, incurring of miscellaneous expenditure, and write-off of losses, have the powers respectively specified in Schedules II, III, IV, V, VI and VII.

SCHEDULE – V

**POWERS OF INCUDDING
CONTINGENT EXPENDITURE**

[See Rule 13]

NOTE 2- Subject to the rules, restriction or scales mentioned in Column (3) for the items specified in Column (1) of the Annexure to this Schedule, and also subject to the financial limit being in according with provisions of General Financial Rules, economy instruction issued by Finance Ministry, Fiscal Codes and procedures and the limit being within the budgetary allocation for the year, the Departments of the Central Government in the matter of contingent expenditure, shall, in consultation with the Financial Adviser of the Department concerned, have full powers for deciding the financial limit up to which they can delegate powers to Heads of Departments.

ANNEXURE TO SCHEDULE V

Sl.No. of Item (1)	Item of expenditure (2)	Rules, orders, restrictions or scales subject to which the expenditure shall be incurred (3)
8	Land	In all cases, except those mentioned below, the land required for Government use shall be acquired with the previous consent of the Ministry of Works and Housing or in accordance with such orders as that Ministry may issue, from time to time-

	<p>(a) The Ministry of Tourism and Civil Aviation or the Department of Communications may acquire land required for works under its control.</p> <p>(b) An Administrator may acquire land, provided that the cost thereof is included in a scheme and the total expenditure on the scheme is within the powers of sanction of the Administrator. Such acquisition shall be subject to the certification of local Public Works authorities that the requirements of land and the price proposed to be paid are reasonable.</p> <p>(c) Where a Department of the Central Government have, for the acquisition of land, been given a separate budget grant which is not controlled by the Ministry of Works and Housing, the land required by that Department for the use of Government may be acquired by them within the provisions approved for the purpose by the Finance Ministry after obtaining a certificate from the Central Public Works Department, that-</p> <ul style="list-style-type: none"> (i) There is no Central Government land available for the purposes; and (ii) The amount payable therefore is reasonable. <p>Provided that where the land is acquired through the local Revenue authorities, it shall not be necessary to obtain the certificate of reasonableness of the price of land from the Central Public Works Department.</p> <p>2(d) All purchases of land, either with or without building, proposed by any Department of Central Government from private party by negotiation, whether or not the Department has been given separate budget grant which is not controlled by the Ministry of Works and Housing for such purchase, the State Government shall be consulted at the initial stage and kept fully informed at all stages. The reasonableness of the price proposed to be paid for purchase of such land, with or without building, from a private party shall be got verified and certified as reasonable by an officer not below the rank of District Magistrate or District Collector, under whose jurisdiction such land is located. The reasonableness certificate to be accorded by such officer shall preferably indicate the reasons leading to their conclusion about the correctness of the price of land, with or without building.</p>
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Check list for proposal for construction of office building/residential quarters

Sl. No.	Particulars
I	General Information
1	Name of the Income Tax Office and Station.
2	Details of available land (in sq mt) (i) Area of the land. (ii) Location of land. (iii) Justification.
3	Encumbrances if any (enclose recent certificate from concerned District / Local Authority).
4	Date of Administrative Approval and Financial Sanction for the cost of land (copy of letter to be enclosed).
5	Date of possession of the land.
6	Present accommodation of the office (whether hired/owned) and space available.
7	Whether demolition of existing structures is involved? If so, have they outlived their economical life?
8	Details of sanctioned strength at the station. Category wise as on date. Worksheet to be attached.
9	Details of working strength at the station. (category wise as on date).
II	Calculation of space requirement as per prescribed norms and sanctioned strength
10	Requirement of total Office space (carpet area) (sq. mtrs) at the station worked out on the basis of sanctioned strength.
11	Availability of Office space (sq. mtrs) at the station.
11(a)	In Government Buildings (i) Number of Buildings with carpet area of the each building (sq. mtrs). (ii) Total carpet area (sq. mtrs).
11(b)	In Hired Buildings (i) Details of buildings with carpet area of each building (sq. mtr).
12	Shortage of Office space (carpet area) (sq. mtrs) after deducting the office space (carpet area) available in Government building. Where there is no intention to de-hire a hired building, its area shall be included in space available.
13	Deviation if any from the norms reasons thereof.
14	(i) F.S.I./F.A.R. applicable for the proposed building. (ii) Maximum number of storey that could be constructed as per local municipal bylaws or any other restrictions.
III	Examination of Estimates
15	Details of the agency which has prepared PE.
16	Whether original estimates or revised estimates.
17	If revised estimates then reasons thereof.
18	Whether PE provide the same office space for which prior A/A&F/S was obtained. If not, reasons for any deviation.

19	Whether estimates for both civil & electric work have been included.
20	Whether estimates for furniture & finishing have been considered.
21	Whether Energy saving equipments, provision for rain water harvesting, earthquake resistance measures, etc. have been considered.
22	Whether solar energy plant and rebate thereon have been considered.
23	Whether norms as per National Building Code have been adopted.
24	Suitability of design approved by CCIT.
25	Whether compound wall is provided.
26	Utilities, especially electricity supply/ water supply / storage.
27	Whether senior citizen / disabled / environment friendly features have been incorporated.
28	Whether proposed building is IT friendly.
29	Plan of building certified by HoD (drawing / layout plan of the building to be attached).
30	Date of completion as per estimate.
31	Whether approvals from local agencies have been obtained.
32	Reason for gap, if any, between taking possession of land and initiating proposal for construction.
IV	Examination of Financial implications
33	Non-construction fee and other charges payable for delay in construction, if any.
34	Cost of construction (PE) prepared by CPWD/ executing agency to be enclosed.
35	Total amount for which A/A&F/S is being sought.
36	Confirmation regarding non-escalation, with validity date / month of estimates.
37	Cost benefit analysis of construction vis-à-vis renting of accommodation.
38	(i) Availability of budget with CPWD/MoUD (ii) If Grant no 42 is proposed. (iii) Major / Minor Heads /Grant under which sanction required. (iv) Phasing of expenditure year-wise (to be confirmed from CPWD).
39	Period for which CPWD/executing agency responsible for repair & maintenance.
40	Revenue collection figures for last three Financial Years.

Note 1: When there is a combined proposal for purchase of land and construction thereon, it should also contain information specified in Annexure-XIV.

Additional information - Check list for construction of Residential quarters

Apart from common items in checklist XX(a), for construction of Residential quarters, the following additional information may be submitted:

1	Details of sanctioned strength at the station, designation-wise arranged category wise as per basic pay and prescribed level of satisfaction as on date. Worksheet to be attached
2	Result of demand survey (attach recent certificate of willingness to occupy signed by staff)
3	Requirement of total residential space (carpet area) (sq. mtrs) worked out on the basis of sanctioned strength, as per norms for all the staff of Income Tax Department in the station in question.
4	Availability of residential space (in sq. mtrs) in Govt buildings (general pool and under Departmental pool). [Space under construction and for which Board's A/A&F/S already obtained shall also be taken in to account.]
5	Shortage of residential space (carpet area) (sq. mtrs) after deducting the space (carpet area) available in Government building. Where there is no intention to de-hire a hired building, its area shall be included in space available.
6	Non-availability certificate of General Pool accommodation from Estate Officer
7	Whether PE is in accordance with standard specifications? Whether any non-admissible items have been included in the PE?

For combined proposal of purchase of land and construction thereon see Note 1

Additional information - Check list for construction of Guest House

Apart from the common items in the Checklist XX(a) for construction of office accommodation, the following additional information may be submitted:

Sl. No.	Particulars
1	Actual necessity/justification
2	Number of guest rooms already available at the station with ITD
3	Ease of availability of rooms in other Govt. guest houses/ within eligibility of officers in Hotels
4	Details of officers/officials alongwith names and reasons for their stay at the station in the past two years
5	Fixed and Recurring cost of construction of the guest house
6	Running expenses of the guest house
7	Proposed arrangement regarding housekeeping/maintenance of the guest house
8	Budget head under which construction is proposed and availability of funds

Check list for construction of Boundary Wall

(If submitted as a stand-alone proposal)

Sl. No.	Particulars
1	Name of the Income Tax Office and Station.
2	Details of available land (in sq mt) (i) Area of the land. (ii) Location of land. (iii) Distance from city centre. (iv) Availability of approach road / public transport.
3	Encumbrances if any (enclose recent certificate from concerned District / Local Authority).
4	Date of Administrative Approval and Financial Sanction for the cost of land (copy of letter to be enclosed).
5	Date of possession of the land
6	Reasons for time gap in construction of boundary wall, if any
7	Reasons for not proposing construction of boundary wall as part of the estimate for construction of office/residential premises
8	Progress in preparation of estimates/plans etc. of main building
9	Cost of construction (PE) prepared by CPWD to be enclosed.
10	Total amount for which A/A&F/S is being sought.
11	(i) Availability of Budget. (ii) Major / Minor Heads /Grant under which sanction required.
12	Date of completion as per estimate.

Check list for acquisition of ready built office building

Sl. No.	Particulars
1	Name of the Income Tax Office & Station
2	Detailed justification for proposal
3	Present accommodation of the office (whether hired/owned) and space available (carpet area in sq. mtrs.).
4	Whether the proposal is for acquisition of building from GOI (MOUD), State Govt, Local Authority, PSU or Private Party (i) Area of the building(sq. mtrs)
5	Details of sanctioned strength and working strength at the station. Designation, basic pay of all Officers/officials at the station in question (excluding MTS for working Office space).
6	Requirement of office space (carpet area in sq. mtrs) as per prescribed norms and sanctioned strength (Calculation sheet to be attached).
7	Availability of Office space (sq. mtrs) at the station [office space under construction and for which Board's A/A&F/S already obtained shall also be taken in to account].
7(a)	In Government Buildings (i) Number of Buildings. (ii) Total carpet area (sq. mtrs).
7(b)	In Hired Buildings (i) Details of buildings (ii) Total office space (carpet area) (sq. mtrs).
8	Shortage of Office space (carpet area) (sq. mtrs) after deducting the office space (carpet area) (sq. mtrs) available in Government building. Where there is no intention to de-hire a hired building, its area shall be included in space available.
9	Deviation if any from the norms reasons thereof.
10	Minimum requirement of area as assessed by the CPWD to meet the shortage of space (carpet in sq. mtrs).
11	Whether any plot of land is already available in possession of the Department at that station. If so, details like (i) Date of purchase, area (sq. mtrs) and its present use etc. (ii) Board's sanction Letter No. and date (iii) Date of possession of land (iv) Encumbrances if any on land (enclose certificate from concerned District / Local Authority)
12	Non-availability of Govt building certificate from CPWD / MOUD / State Govt.
13	Whether space offered is as per minimum requirement assessed by CPWD
14	Whether proposed building fulfills all local laws and terms & conditions of state Govt./local authorities.
15	Whether Suitability & Structural safety Certificate has been obtained from CPWD.
16	Whether expenditure on fixtures & furniture will be required additionally, if so, estimate thereof.
17	Whether Energy saving equipments, provision for rain water harvesting, earthquake resistance measures,etc. have been provided
18	Whether norms as per National Building Code have been adopted.
19	Whether compound wall, landscaping is provided

20	Utilities, especially electricity supply/ water supply / storage/ parking etc.
21	Whether senior citizen / disabled / environment friendly features are available
22	Whether proposed building is IT friendly
23	Plan of building (drawing / layout plan of the building to be attached).
30	Mode of acquisition such as outright purchase or on lease basis etc.
31	Details of (i) Lease rent / Ground Rent and any other one time (non-recurring) payments to local authority. (ii) Recurring payments, if any, to local authority.
32	Cost of conversion into free hold, if so proposed
33	Cost of acquisition of building including registration charges, stamp duty, ground rent etc.
34	Total amount for which A/A&F/S is being sought.
35	Cost benefit analysis of purchase vis- vis renting/construction of own building
36	Cost reasonableness certificate from CPWD
37	(i) Whether budget provision under grant no. 42 has been made for the F.Y. under consideration:- (ii) Major / Minor Heads /Grant under which sanction required. (iii) Phasing of expenditure year-wise, if applicable
38	Confirmation regarding non-escalation of cost, with validity of offer (date / month).
39	Revenue collection figures for last three years.
40	Additional information, if any.

Checklist for acquisition of ready built residential accommodation

Apart from common items in checklist XXI, for acquisition of ready built residential accommodation, the following additional information may be submitted:

1	Details of sanctioned and working strength at the station, designation-wise arranged category wise as per basic pay and prescribed level of satisfaction as on date. Worksheet to be attached
2	Result of demand survey (attach recent certificate of willingness to occupy signed by staff)
3	Requirement of total residential units in each category worked out on the basis of sanctioned strength, as per norms for all the officers/officials.
4	Availability of residential units in each category in Govt. buildings (departmental pool accommodation & general pool accommodation). [Space under construction and for which Board's A/A&F/S already obtained shall also be taken in to account.]
5	Shortage of residential units in each category.
6	Non-availability certificate of general pool accommodation from CPWD/Directorate of Estates.

F.No. 181/10/2001-AD.VIII(DT)
Government of India
Ministry of Finance
Department of Revenue

New Delhi, the 15th October 2001

To

All Chief Commissioners of Income Tax (Cadre Controlling)
Director General of Income Tax, NADT, Nagpur

Sub: Enhancement of financial powers to the Heads of Department under CBDT for hiring of accommodation and revision of rent of the buildings under hire for office use – Instructions regarding

Sir,

In supersession of existing instructions F.No.181/9/98-Ad.VIII(DT) dated 17th June 1998 on the above subject, the President is pleased under rule 13(2) of the Delegation of Financial Power Rules, 1978, to enhance the financial limits of all Heads of the Department under the control of Central Board of Direct Taxes in respect of to rent revision of the existing office accommodation and hiring of new office accommodation. The enhanced financial limits for hiring/ rent revision will be Rs.1,00,000/- (Rupees one lakh only) per month in the A-1 and A class cities of Delhi, Calcutta, Mumbai, Chennai, Hyderabad, Ahmedabad and Bangalore and Rs.60,000/- (Rupees Sixty thousand only) per month in respect of other cities. These powers will be exercised subject to the conditions stipulated as under: -

- a) The Directorate of Estate/ Estate's office has certified that no government accommodation is available for the Department for office use at that place.
- b) CVC's instruction OM F.No.6 DD-5-CTE-6 dated 8th July 1999 shall be strictly followed in respect of hiring of new office accommodation.
- c) Fixation of rent would be done so as not exceed the rent prescribed as per Fair Rent Certificate issued as per the instructions of DG(Works) in force and for three years' mandatory period (at present instructions in force are OM NO.8/1/99-WII(DGW)/Pt. dated 14th August 2001). The rent revised should also not exceed the maximum limits of increase in rent as specified in clause (3) of the Standard Lease Agreement (prescribed by OM NO.16011(3)/82-Pol.III dated 01.10.99 of Directorate of Estate).
- d) The area of accommodation is not in excess of the actual requirement calculated as per austerity standards and the sanctioned staff strength. The norms in this regard have been circulated by letter F.No.208/2/2000-Ad.VIII(DT) dated 8th May 2000.
- e) Lease deed should be entered in to for a period of three years in the format prescribed by Directorate of Estate (as per the instructions in force, standard lease agreement has been prescribed by OM NO.16011(3)/82-Pol.III dated 01.10.99 of Directorate of Estate).

- f) Accommodation shall be hired for office purpose only. No accommodation hired originally for office accommodation shall be converted in to office-cum-residence or office-cum-guesthouse.
- g) Payment of advance rent may not be allowed in any case.
- h) The rent is revised with effect from the date of completion of five years (in respect of cases where old lease deed is in force) and three years (when lease deed has been executed as per OM NO.16011(3)/82-Pol.III dated 01.10.99 of Directorate of Estate) mandatory period or the date of request from landlord for rent revision, whichever is later.
2. These instructions are being issued with concurrence of Financial Adviser (Finance) vide their Dy.No.F-3801/FA(F) dated 28.09.2001.

Yours faithfully,

Sd/-
(Neeraj Vinay Bansal)
Director (HQ), CBDT

Copy to:-

1. Chief Controller of Accounts
2. All Pay & Accounts Officer in the Commissionerate
3. IFU-III/ IFU(B&A)
4. I.W.S.U.
5. Sanction Folder

(Neeraj Vinay Bansal)
Director (HQ), CBDT

Encl:

1. Copy of CVC's instructions OM F.No.6 DD-5-CTE-6 dated 8th July 1999
2. Copy of DG(Works)'s OM F.No.8/1/99-WII(DGW)/Pt. dated 14th August 2001
3. Copy of Directorate of Estate's OM No.16011(3)/82-Pol.III dated 01.10.99.

GOVERNMENT OF INDIA'S DECISIONS

Exercising delegated powers in respect of “past cases”- Definition of “past cases”:- Whenever powers are delegated to any authority under these rules, that authority should be deemed to be competent to exercise those powers in respect of past cases also. The term “past cases” means a case which has not been finalized until the date of the said delegation, although it occurred prior to that date. On the other hand, expenditure already incurred by an authority in excess of its powers should be treated as irregular expenditure and should be regularized by the issue on an *ex post facto* sanction.

[G.I., M.F., O.M. No.F.1(3)-EII (A)-65, dated the 16th February, 1965.]

**No.2(21)/E.II.(B)/2004
Government of India
Ministry of Finance
Department of Expenditure**

New Delhi, dated the 18th November, 2004

OFFICE MEMORANDUM

Sub:- Re-classification of cities/towns on the basis of 2001 Census – grant of House Rent Allowance (HRA) and Compensatory (City) Allowance (CCA) to Central Government employees.

The undersigned is directed to refer to this Ministry's OM No.2(30)/E.II.(B)/97 dated 03.10.1997 relating to grant of Compensatory (City) Allowance and House Rent Commission whereby a list of cities/towns classified as 'A-1', 'A', 'B-1' and 'B-2' for the purpose of CCA was enclosed as Annexure-I and another list of cities/towns classified as 'A-1', 'A', 'B-1', 'B-2' and 'C' for the purpose of HRA was enclosed as Annexure-II. The matter relating to reclassification of cities/towns on the basis of census 2001 for the purposes of grant of HRA/CCA to Central Government employees has been considered by the Government.

2. the President is pleased to decide that in supersession of all the existing orders relating to classification of cities/towns shall now be re-classified as 'A-1', 'A', 'B-1' and 'B-2' for the purposes of CCA as enumerated in Annexure-I and as A-1', 'A', 'B-1', 'B-2' and 'C' class for the purpose of HRA as enumerated in Annexure-II to these orders.

3. The special orders relating to grant of HRA/CCA in localities as listed in para 3 of this Ministry's OM No.2(2)/E.II.(B)/93 dated 14.05.1993 shall continue to be applicable. The special orders issued vide OM No.2(10)/91-E.II.(B) dated 05.02.1998 for grant of HRA at 'B-2' class city rates within the municipal limits of Jammu city, OM No.2(30)/97-E.II.(B) dated 18.05.1998 relating to classification of Calcutta & Chennai as 'A-1' class for grant of HRA and OM No.2(3)/E.II.(B)/04 dated 01.03.2004 for classification of Goa, Port Blair and other areas of Andaman & Nicobar Island and Lakshadweep Group of Islands shall also continue to be applicable.

4. These orders shall take effect from 01.04.2004.

5. In their application to employees serving in the Indian Audit and Accounts department, these orders issue after consultation with the Comptroller and Auditor General of India.

6. Hindi version of this OM is attached.

**-Sd-
(N.P. Singh)**

Under Secretary to the Government of India

To

All ministries/Departments of Government of India as per standard distribution list etc.

Copy (with usual number of space copies) forwarded to C&AG, UPSC etc. as per standard distribution list.

ANNEXURE-I
To OM No.2 (21)/E-II (B)/2004
Dt.18.11.2004

LIST OF 'A-1', 'A', 'B-1' AND 'B2' CLASS CITIES WHERE COMPENSATORY (CITY) ALLOWANCE IS ADMISSIBLE TO CENTRAL GOVERNMENT EMPLOYEES

Name of State/U.T.	A-1	A	B-1	B-2
1.	2.	3.	4.	5.
Andhra Pradesh	Hyderabad (UA)		Vijayawada(UA), Visakhapatnam (UA)	Warangal(UA) Guntur
Assam	-	-		Guwahati (UA)
Bihar	-	-	Patna (UA)	
Chandigarh	-	-		Chandigarh
Chhatisgarh	-	-		Drug-Bhilai Nagar (UA) Raipur (UA)
		-		-
Delhi	Delhi (UA)			
Gujarat	-	Ahmadabad (UA) Surat (UA)	Rajkot(UA) Vadodara (UA)	Jamnagar (UA) Bhavnagar (UA)
Haryana	-	-	Faridabad	
Jammu & Kashmir	-	-		Srinagar (UA) Jammu (UA)
Jharkhand	-	-	Jamshedpur (UA) Dhanbad (UA)	
Karnataka	Bangalore (UA)	-	-	Belgaum (UA) Hubli- Dharward Mangalore (UA) Mysore (UA) Kozhikode (UA)

Kerala	-	-	Kochi (UA)	Thiruvanantha-puram (UA)
Madhya Pradesh	-	-	Jabalpur(UA) Bhopal(UA) (UA) Indore	Gwalior (UA)
Maharashtra	Greater Mumbai (UA)	Nagpur (UA) Pune (UA)	Nashik (UA)	Amravati, Aurangabad (UA) Bhiwandi(UA) Solapur Kolhapur(UA)
Orissa	-	-		Cuttack(UA) Bhubaneswar (UA)
Pondicherry				Pondicherry (UA)
Punjab	-	-	Amritsar (UA) Ludhiana	Jalandhar (UA)
Rajasthan	-	Jaipur		Bikaner Jodhpur Kota
Tamilnadu	Chennai (UA)		Coimbatore (UA) Madurai (UA)	Salem (UA) Tiruppur (UA) Tiruchirappalli (UA)
Uttaranchal	-	-	-	Dehradun (UA)
Uttar Pradesh	-	Lucknow (UA) Kanpur (UA)	Meerut (UA) Agra (UA) Allahabad (UA) Varanasi (UA)	Moradabad Ghaziabad Aligarh Bareilly (UA) Gorakhpur
West Bengal	Kolkatta (UA)	-	Asansol (UA)	-

ANNEXURE-II
to OM No.2 (21)/E-II (B)/2004
dt.18.11.2004

LIST OF 'A-1', 'A', 'B-1', 'B2' AND 'C' CLASS CITIES WHERE HOUSE RENT ALLOWANCE IS ADMISSIBLE TO CENTRAL GOVERNMENT EMPLOYEES

A-1	A	B-1	B-2	C. Class
1.	2.	3.	4.	5.
-	Hyderabad (UA)	Andhra Pradesh	Vijayawada (UA) Warangal (UA) Visakhapatnam (UA) Guntur	Adilabad (UA), Kagaznagar, Nirmal, Bellampalle, Mandamarri, Mancherial (UA), Nizamabad, Bodhan, Kamareddy, Ramagundam (UA), Jagtial, Koratla, Karimnagar (UA), Sircilla, Siddipet, Sangareddy, Tandur, Mahabubnagar (UA), Wanaparthy, Gadwal (UA), Bhongir, Suryapet (UA), Nalgonda (UA), Miryalaguda (UA), Khammam (UA), Palwancha, Kothagudem (UA), Sirkakulam (UA), Bobbili, Vizianagaram (UA), Anakapelle, Kakinada (UA), Rajahmundry (UA), Tuni, Samalkot, Pithapuram, Amalapuram, Tadepalligudem, Eluru (UA), Tanuku (UA), Bhimavarm (UA), Narasapur, Palacole (UA), Nuzvid, Gudivada, Machilipatnam, Sattenapalle, Vinukonda, Narasaraopet (UA), Chilakaluripet, Tenali, Ponnur, Ongole (UA), Markapur, Kandukur, Kavali (UA), Nellore (UA), Gudur (UA),

-	-		-	Cuddapah (UA), Proddatur, Rayachoti, Kurnool (UA), Yemmiganur, Adoni (UA), Nandyal (UA), Rayadurg, Guntakal, Tadpatri, Anantapur (UA), Dharmavaram, Kadiri, Hindupur, Tirupati (UA), Srikalahasti, Madanapalle (UA), Chittoor.
-	-	A&N Islands		Port Blair
		Assam	Guwahati (UA)	Dhubri, Bonngaigaon (UA), Nagaon (UA), Tezpur (UA), North Lakhimpur, Tinsukia (UA), Dibrugarh (UA), Sibsagar, Jorhat (UA), Diphu, Silchar (UA), Karimganj.
-	-	Bihar Patna (UA)		Bagaha, Bettiah, Motihari (UA), Sitamarhi (UA), Madhubani, Supaul, Araria, Kishanganj, Purnia (UA), Katihar (UA), Saharsa, Darbhanga, Muzaffarpur, Gopalganj, Siwan, Chapra, Hajipur, Samastipur (UA), Begusarai (UA), Bhagalpur (UA), Munger, Jamalpur, Lakhisarai, Bihar, Mokameh, Arrah, Buxer, Sasaram, Dehri, Jehanabad, Aurangabad, Gaya (UA), Nawada, Jamui.
		Chandigarh	Chandigarh	-

Delhi (UA)	Ahmedabad (UA) Surat (UA)	Chhatisgarh -	Durg-Bhilai Nagar (UA), Raipur (UA)	Chrimiri (UA), Ambikapur (UA), Rajgarh (UA), Korba, Bilaspur (UA), Rajnandgaon, Dalli- Rajhara (UA), Bhatapara, Dhamtari, Jagdalpur (UA).
		Delhi	-	-
		Goa		Panaji (UA), Mormugao (UA), Margao (UA)
	Ahmedabad (UA) Surat (UA)	Vadodara (UA)	Rajkot (UA) Bhavnagar (UA)	Anjar, Bhuj (UA), Gandhidham, Palanpur (UA), Deesa, Unjha, Visnagar (UA), Mahesana (UA), Kadi (UA), Himatnagar, Modasa, Kalol (UA), Gandhinagar, Viramgam, Dholka (UA), Dhrangadhra, Wadhwan (UA), Morvi (UA), Gondal (UA), Upleta, Dhoraji, Jetpur Navagadh, Jamnagar (UA), Porbandar (UA), Junagadh (UA), Keshod, Mangrol (UA), Veraval (UA), Botad, Palitana, Mahuva (UA), Anand (UA), Petlad, Khambhat (UA), Borsad, Nadiad (UA), Godhra (UA), Dohad (UA), Debhoi, Bharuch (UA), Anklesvar (UA), Bardoli, Navsari (UA), Bilimora (UA), Valsad (UA), Vapi.
	Haryana Faridabad		Panchkula Urban Estate, Ambala, Ambala (UA), Yamunanagar (UA),	

		Himachal Pradesh J&K	Srinagar (UA)	Thenesar (UA), Kaithal, Panipat (UA), Karnal (UA), Sonipat (UA), Narwana, Jind, Tohana, Fetehabad, Mandi-Dabwali, Sirsa, Hissar (UA), Hansi, Bhiwani, Rohtak (UA), Bahadurgarh (UA), Narnaul, Rewari, Gurgaon (UA), Palwal. Shimla (UA) Sopore (UA) , Baramula (UA), Anantnag (UA), Udhampur (UA), Jammu (UA)
	Bangalore (UA)	Jharkand Karnataka	Jamshedpur (UA) Ranchi (UA) Hubli-Dharwad, Mysore (UA)	Daltonganj, Ramgarh (UA), Hazaribag (UA), Saunda, Jhumri – Tilaiya, Giridih (UA), Deoghar (UA), Sahibganj, Dhanbad (UA), Phusro (UA), Bokaro Steel City (UA), Chaibasa Nipani, Gokak, Belgaum (UA), Jamkhandi, Rabkavi – Banhatti, Bagalkot, Ilkal, Bijapur (UA), Gulbarga (UA), Shahabad (UA), Yadgir, Basavakalyan, Bidar (UA), Raichur, Sindhur, Gangawati (UA)Koppal, Gadag-Betigeri, Dandeli, Karwar(UA), Sirsi(UA), Haveri, Ranibennur, Hospet, Bellary, Chitradurga(UA), Harihar(UA), Davanagere, Sagar,

				<p>Shimoga, Bhadravati, Udupi(UA), Chikmagalur, Sira, Tumkur, Tiptur, Chik Ballapur, Chintamani, Kolar, Rebertson Pet (UA), Dod Ballapur, Ramanagaram, Channapatna, Mandya, Hassan (UA), Mangalore(UA), Chamara janagar, Kollegal.</p>
		Kerala	Kochi (UA) Thiruvanantha- Puram(UA)	<p>Kasaragod(UA), Kanhangad(UA), Kannur(UA), Payyannur, Taliparamba, Vadakara(UA), Quilandy, Kozhikode(UA), Malappuram(UA) Tirur, Ponnani, Palakkad(UA), Kunnamkulam, Thrissur(UA), Kottayam(UA), Changanassery, Alappuzha(UA), Kayamkulam, Thiruvalla, Kollam(UA), Nedumangad, Neyyattinkara.</p>
		Madhya Pradesh	Indore(UA) Bhopal(UA)	<p>Gwalior(UA) Jabalpur(UA)</p> <p>Sheopur(UA), Morena, bhind, Dabra, Datia, Shivpuri, Guna, Ashoknagar, Tikamgarh, Chhatarpur(UA), Bina-Etawa(UA), Sagar(UA), Damoh(UA), Satna(UA), Rewa, Shahdol, Singrauli, Neemuch(UA), Mandsaur(UA), Jaora(UA), Ratlam(UA), Nagda, Ujjain(UA), Shajapur(UA), Dewas, Dhar, Pithampur, Mhow</p>

<p>Greater Mumbai (UA)</p>	<p>Nagpur (UA) Pune(UA)</p>	<p>Maharashtra Nashik (UA)</p>	<p>Amravati, Aurangabad (UA), Bhilwandi (UA), Solapur</p>	<p>Cantt. (UA), Khargone(UA), khandwa, Burhanpur, Basoda(UA), Vidisha, Sehore(UA), Betul(UA), Sarni, Harda(UA), Itarsi(UA), Hoshangabad, Murwara(Katni), Chhindwara(UA), Seoni, Balaghat(UA).</p> <p>Nandurbar, Shirpur- Warwade, Dhule, Chopda, Bhusawal(UA), Jalgaon, Amalner, Chalisgaon, Shegaon, Malkapur, Khamgaon, Buldana, Akola, Akot, Karanja, Washim, Anjangaon, Achalpur, Wardha, Hinganghat, Kamptee(UA), Bhandara, Gondiya, Bhadravati, Chandrapur, Ballarpur, Yavatmal(UA), Pusad, Wani, Nanded-Waghala, Hingoli, Basmath, Parbhani, Jalna, Malegaon, Manmad, Palghar, Vasai(UA), Vihar, Nalasopara, Panvel, Navi Mumbai, Khopoli, Lonavala, Baramati, Sangamner, Kopargaon, Shrirampur(UA), Ahmadnagar(UA), Bid, Parli, Ambejogai, Latur, Udgir, Osmanabad, Barshi, Pandharpur, Phaltan, Satara, Karad, Ratnagiri, Ichalkaranji(UA), Kolhapur(UA), Uran Islampur</p>
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-	-	Manipur	-	Sangli(UA)
		Mizoram		Imphal(UA)
-	-	Meghalaya	-	Aizawl
-	-	Nagaland	-	Tura, Shillong(UA)
				Dimapur, Kohima
	-	Orissa	Cuttak(UA) Bhubaneshwar (UA)	Bargarh, Brajarajnagar, Jharsguda, Sambalpur(UA), Raukela(UA), Barbil, Kendujhar, Baripada(UA), Baleshwar(UA), Bhadrak, Paradip, Dhenkanal, Jatani(UA), Puri, Brahmapur, Balangir, Bhawanipatna, Rayagada, Sunabeda, Jeypur
		Punjab		
		Ludhiana	Amritsar (UA) Jaladhar (UA)	Pathankot(UA), Gurdaspur(UA), Batala(UA), Taran- Taran, Kapurthala, Phagwara(UA), Hoshiarpur, S.A.S. Nagar(Mohali), Gobindgarh(UA), Khanna, Jagroan, Moga(UA), Firozpur, Firozpur Cantt. (CB), Fazilka, Abohar, Malout, Muktsar, Faridcot(UA), Kot Kapura, Bathinda, Mansa, Barnala, Malerkotla, Sangrur, Sunam(UA), Nabha, Patialia(UA), Rajpura Pondicherry Pondicherry, Karaikal.
		Pondicherry		

	Jaipur	Rajasthan	Bikaner Jhodhpur Kota (UA)	Ganganagar(UA), Suratgarh, Hanumangarh, Sardarshahar, Churu(UA), Ratangarh, Sujangarh, Jhunjhunun, Nawalgarh, Alwar(UA), Bharatpur(UA), Bari, Dhaulpur(UA), Hindaun, Karauli, Gangapur City(UA), Sawai Madhopur(UA), Dausa, Chomu, Fatehpur, Sikar(UA), Ladnu, Nagaur(UA), Makrana(UA), Kuchamancity, Jaisalmer, Balotra, Barmer, Pali, Kishangarh, Ajmer(UA), Beawar(UA), Tonk, Bundi, Bhilwara, Rajsamand, Udaipur, Banswara(UA), Chittaurgarh, Nimbahera, Baran.
	Chennai (UA)	Tamil Nadu	Salem(UA), Coimbatore (UA), Tiruchirappalli (UA), Madurai (UA)	Erode(UA), Bhavani(UA), Chengalpattu, Kancheepuram(UA), Vellore(UA), Gudiyatham(UA), Arakonam, Vaniyambadi(UA), Ambur, Tirupathur, Hosur, Krishnagiri, Dharmपुरi, Arani, Tiruvannamalai, Tindivanam, Viluppuram, Mettur, Attur, Tiruchengode, Namakkal, Gobi- Chettipalayam, Tiruppur(UA), Mettupalayam, Pollachi(UA), Udumalaipettai, Valparai, Palani,

				Dindigul, Karur(UA), Neyveli(UA), Panruti, Cuddalore, Chidambaram(UA), Virudhachalam, Mayiladuthurai, Nagapattinam, Thiruvavur, Mannargudi, Kumbakonam(UA), Thanjavur, Pattukkottai, Pudukkottai, Karaikkudi(UA), Bodinayakanur, Theni- Allinagaram, Kambam, Rajapalayam, Srivilliputhur, Sivakasi(UA), Virudhunagar, Aruppukkottai, Paramakudi, Ramanathapuram, Kovilpatti, Thoothukkudi(UA), Puliyankudi, Sankarankoil, Kadayanallur, Tenkasi, Tirunelveli(UA), Nagercoil.
		Tripura - Uttaranchal	-	Agartala
		Uttar Pradesh Meerut(UA) Agra(UA) Varanasi (UA)		Dehradun(UA), Rishikesh(UA), Haldwani cum Kathgodam(UA), Kashipur, Rudrapur, Roorkee(UA), Hardwar(UA)
	Lucknow (UA) Kanpur (UA)		Moradabad, Ghaziabad, Aligarh, Bareilly(UA), Allahabad (UA) Gorakhpur	Saharanpur, Gangoh, Deoband, Kairana, Shamli, Muzaffarnagar(UA), Khatauli, Kiratpur(UA), Najibabad, Bijnor(UA), Nagina, Sherkot,

				<p>Chandpur, Sambhal, Chandausi, Rampur, Amroha, Hasanpur, Mawana, Baraut, Modinagar(UA), Muradnagar, Loni, Behta, Hajipur, Pilkhuwa, Hapur, Noida, Dadri, Sikandrabad, Bulandshahar, Jahangirabad, Khurja, Hathras(UA), Mathura(UA), Vrindavan, Firozabad(UA), Shikohabad, Kasganj, Etah, Mainpuri(UA), Sahaswan, Ujhani, Budaum, Baheri, Faridpur, Pilibhit, Bisalpur, Tihar, Shahjahanpur(UA), Gola Gokarannath, Lakhimpur, Sitapur, Laharpur, Shahabad, Hardoi, Unnao, Gangaghat, Rae Bareli, Farrukhabad-cum-Fatehgarh(UA), Chhibramau, Kannauj, Etawah, Auraiya, Jalaun, Orai, Konch, Mauranipur, Jhansi(UA), Lalitpur, Rath, Mahoba, Banda(UA), Fatehpur, Bela Pratapgarh, Barabanki (UA), Faizabad (UA), Tanda, Sultanpur, Bahraich, Balrampur, Gonda, Basti, Deoria, Mubarakpur(UA), Azamgarh, Maunath Bhanjan, Ballia, Jaunpur, Ghazipur (UA), Mughalsarai(UA), Bhodahi, Mirzapur cum Vindhyachal, Orba, Renukoot(UA).</p>
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	Kolkata (UA)	West Bengal -	-	Siliguri, Darjiling(UA), Alipurduar(UA), Jalpaiguri, Koch Bihar(UA), Raiganj(UA), Islampur, Balurghat(UA), Gangarampur, English Bazar(UA), Baharampur(UA), Dhulain, Jangipur, Asansol(UA), Katwa(UA), Kalna(UA), Durgapur, Barddhaman, Nabadwip(UA), Birnagar(UA), Ranaghat(UA), Krishna Nagar(UA), Chakdaha(UA), Santipur, Habra(UA), Bangaon, Basirhat, Arambag, Bankura, Bishnupur, Puruliya, Kharagpur(UA), Ghatal, Medinipur, Jhargram, Haldia, Contai.
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NO. 6.D.D-5-C.T.E-6
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION
(C.T.E's ORGANISATION)

'SATARKATA BHAWAN'
Block-A, G.P.O. Complex, INA
New Delhi-110023.

Dated the 8th July, 1999

OFFICE MEMORANDUM

Subject:- Procedure for acquisition of accommodation on lease/rental basis etc.

Whenever new commercial/residential promises are to be acquired on lease/rent or otherwise, an advertisement in the local as well as national newspapers with maximum circulation in the area must be given. The advertisement should contain salient features like area of accommodation required approximate location and other terms and conditions to be quoted by the tender or. Preferably, tenders shall be invited by the two bid system viz. technical and financial: The technical bid shall be opened in the circumstance and suitability of the accommodation, terms and condition offered, specifications and other liabilities assessed. The market rate justification for the area at which property is available shall also be assessed, before opening the financial bid. These instructions shall be strictly followed.

-Sd-
(M.K. SINGAL)
CHIEF TECHNICAL EXAMINER

Copy to:

1. All C.V.Os/Ministries/Deptt./Banks/U.T.
2. All Chief Engineer, CPWD/DDA/Deptt. Telecom (Civil Wing)
.....(Civil Wing, NDMC/AIR & Civil Wing) MCD/MTNL.
3. The Department of personal & Training (Shri B. Thyagratana, Director), North Block, New Delhi.
4. The Central Bureau of Investigation (Shri N. Balachandran), Joint Director(P) North Block, New Delhi.

-Sd-
(M.K. SINGAL)
CHIEF TECHNICAL EXAMINER

**NO. GDD-5-CTE-G
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION
(C.T.E's ORGANISATION)**

**'SATARKATA BHAWAN'
Block-A, G.P.O. Complex, INA
New Delhi-110023.**

Dated the 8th Sept. 1999

OFFICE MEMORANDUM

Subject:- Procedure for acquisition of accommodation on lease/rental basis etc.

In partial modification of this office, office Memo of even number, dated 8.7.99, it is clarified that press advertisement is not upto necessary in case of office accommodation with monthly rent upto Rs. One lakh in metro towns of Delhi, Mumbai, Kolkata and Chennai. For other places advertisement is not necessary for monthly rent upto Rs.50,000/-. It is further clarified that no publicity is essential for the residential accommodation to be leased. It is also clarified that no advertisement is necessary in case of transactions between PSU to PSU Govt. to Govt. and Govt. to PSU.

;Sd-
(M.K. SINGAL)
CHIEF TECHNICAL EXAMINER

Copy to:

1. All C.V.Os/Ministries/Deptt./Banks/U.T.
2. All Chief Engineer, CPWD/DDA/Deptt. Telecom (Civil Wing)
Postal (Civil Wing, HDEC/AIR (Civil Wing)/HOD/MCD/MTNL, Railways
3. The Department of personal & Training (Shri B. Thyagatan, Director), North Block, New Delhi.
4. The Central Bureau by Investigation (Shri N. Balachandran), Joint Director(P) North Block, New Delhi.

**NO. 6DD-5-CTE-6
GOVERNMENT OF INDIA
CENTRAL VIGILANCE COMMISSION
(C.T.E's ORGANISATION)**

**'SATARKATA BHAWAN'
Block-A, G.P.O. Complex, INA
New Delhi-110023.**

Dt.21st February, 2000

OFFICE MEMORANDUM

Subject:- Procedure for acquisition of accommodation on lease/rental basis etc.

In continuation of this office memorandum of even number dated 08.09.1999. It is clarified that the transactions in the PSU or Government and Public Financial Institutions shall also be covered by the exemption from advertisements.

**-Sd-
(M.P. JUNEJA)
Chief Technical Examiner**

Copy to:

1. All C.V.Os/Ministries/Deptt./Banks/U.T.
2. 2 All Chief Engineer, CPWD/DDA/Deptt. Telecom (Civil Wing)
Postal (Civil Wing), NDMC/AIR (Civil Wing), MCD/MTN, Railways.
3. The Department of personal & Training (Sh. I.S. Chaturvedi, Dy. Secretary/Vig.), North Block, New Delhi.
4. The Central Bureau by Investigation (Shri N. Balachandran, Jt. Director(I) North Block, New Delhi.

INTERNAL DISTRIBUTION

5. The to CVC/PS to VC/Secretary/Addl.Secretary(HS)/Addl.(A),
Director, Coordination and All Branch Officers.

**-Sd-
(M.P. JUNEJA)
Chief Technical Examiner**

**GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF WORKS
CENTRAL PUBLIC WORKS DEPARTMENT
NIRMAN BHAWAN**

F.No.8/1/2002-W.II[DGW]

New Delhi, Dated 24th May, 2004

OFFICE MEMORANDUM

**Subject:- (1) Assessment/Re-assessment of reasonable rent relating to the buildings taken on lease by Central Government Departments.
(2) Authority to issue rent reasonableness certificate**

Guidelines on the subject were reviewed and modified last vide this Directorate's O.M. No. 8/1/99-WII [DGW] pt. Dated 14/24.8.2001. These guidelines have been further reviewed in the light of the reference received in the Directorate from some of the CPWD, Delhi PWD offices etc. seeking certain clarifications. Accordingly the matter has been considered in the Directorate afresh and modified guidelines are enclosed herewith.

Encl: Modified guidelines.

**[B.B. MAKKAR]
DIRECTOR [P&WA]**

To

1. All Ministries/Departments of Govt. of India.
2. ADG (B), ADG (NR), ADG(WR), ADG (SR), ADG(ER), ADG (Trg.), Engineer-in-Chief [Delhi-PWD).
3. All CEs (Civil)/CE(Vig.) in CPWD and Delhi PWD.
4. The Chief Controller of Accounts, Min. of UD&PA, New Delhi.
5. The Ministry of UD&PA (Works Division), New Delhi.
6. The Directorate of Estates Govt. of India, New Delhi.
7. Director (P&WA), PM, S&D CPWD, New Delhi.
8. All SEs/SEs (P&A)/Project Manager (Civil) in CPWD and Delhi PWD.
9. All EEs (Civil) in CPWD.
10. The EE (LF), Office of CE (NDZ-I).
11. M/s. Swamy Publishers (P) Ltd. Sandhya Mansions, 164, R.K. Mutt Road Raja Anna Melaipuram, P.B. No. 2468, Chennai-600028.
12. M/s. Nabhi Publishers, 101-A, Munshi Ram Building, P.B. No. 37, New Delhi.
13. Sanction File/Stock File.

SUMMARY

1. Reasonable rent shall be assessed according to two alternate methods—
(i) Recognized principle of valuation, and (ii) Prevailing market rent.
2. Land rate as per records of Appropriate Authorities or Valuation Cell of Income Tax Department shall take precedence over the land rate notified by local Revenue authorities.
3. In case of premises proposed to be hired being ready built property/space, the current composite cost of acquisition shall be taken as net value of the property without any further adjustment for depreciation according to its age or on account of under/over utilization of FAR, if any.
4. Rent shall be inclusive of Municipal Taxes but element of Municipal Taxes shall be indicated in the Certificate leaving the final decision to the Hiring Department whether to pay composite rent or reimburse municipal taxes to the owner separately or to pay the same directly to the local body.
5. The date from which the rent is to be assessed as also the period the assessed rent shall remain effective for, shall be decided by Hiring Department and hence no such period shall be indicated in the certificate.
6. In case the figure as per method (ii) referred to in para (1) above is lower, only this figure shall be intimated as reasonable rent. However, if the figure as per method (ii) works out to be higher, both the figures shall be intimated as a range of reasonable rent leaving the final decision to the Hiring Department to negotiate and settle the rent keeping in view this range. It shall be for the Hiring Department to see if the rent as assessed by CPWD is to be restricted to any specified limit in view of the terms and conditions of the existing lease agreement or due to any other relevant instructions issued by the Competent Authority.
7. Rent Reasonableness Certificate shall be issued strictly as per modified model formats, given in the enclosed Annexure-I & II.
8. Necessity for re-assessment of rent, for whatever reasons, whether during the currency of the lease agreement or after its expiry, and the effective date therefore shall be the date of receipt of the request of the owner or the date from which revision is due after expiry of existing lease agreement, whichever is later.
9. The Hiring Committee on account of subsequent increase/decrees in municipal taxes, if any, shall not entertain the request for revision of rent. It shall be for the hiring Dept to settled the same right in the beginning as to how subsequent changes shall dealt with.
10. All rent assessment cases shall be dealt by a Hiring Committee associating a representative of Hiring department, if the latter is so willing. Jurisdiction of a Hiring Committee shall also include satellite and twine cities/towns.

REVISED GUIDELINES

1. The reasonable rent shall be relevant to a date (referred to hereafter as ‘date of assessment’) as specified by the Hiring department. The relevant date in respect of reassessment of rent shall be the date of receipt of the request of the owner of the date from which the revision is due after expiry of existing leased agreement, whichever is later and rent shall be assessed according to the following two alternate methods –

- i) On the basis of recognized principles of valuation; and
- ii) On the basis of the prevailing market rent.

2. The hiring department while sending the proposal to CPWD for assessment of rent would also send the lowest three offers of rent received by them from the owners of the premises without disclosing the identity of owners. Owners will be marked as A,B & C and their offers would be mentioned against them.

3. The assessment of reasonable rent according to the recognized principles of valuation which represents reasonable annual return on the property shall be done in accordance with the method prescribed as hereunder:-

- i) Work out the depreciated cost of the building (D) as on the date of assessment. First of all reproduction cost of the building (C) shall be worked out as on the date of assessment, based on the ruling cost of the building construction in the locality. The depreciated cost shall accordingly be calculated taking the end residual value of the building as 6% of its reproduction cost and assuming a straight line valuation of depreciation depending on the age of the building (A) as on the date of assessment and its total serviceable life (A+R), where ‘R’ is residual life of the building as on the date of assessment which shall be worked out with due care and keeping in view the type of structure and specification adopted in its construction. In other words, $D = 0.94 \times C \times A / A + R$
- ii) Work out the land area appurtenant to the building (La) by taking into account the local bye-laws for permissible ground coverage and accordingly worked out the surplus land area (Ls) as $L - La$ where L= total land area.

For example, if the permissible ground coverage as per local bye-laws is ‘X’ % and the plinth area of the building at ground floor (i.e. actual ground coverage) is ‘Y’ sqm. $La = Y \times 1000 / X$ sqm, subject to the condition however, that if ‘La’ works out to be more than ‘L’, which might be the case if actual plinth area at ground floor is more than what is permissible according to the local bye-laws, the same shall be restricted to ‘L’. There would accordingly be no ‘Ls’ in such cases. In case, no local bye-laws exist in the locality, comparison shall be made with the general practice in the locality.

- iii) Ascertain the prevailing land rate in the locality.

Wherever land rates are available with Appropriate Authority or Valuation Cell of Income Tax Department, which could be considered as applicable to the localities in question, the same shall be considered as prevailing land rate. In case the relevant land rates are not available with the Appropriate Authority or Valuation Cell, rates as notified by Revenue authority shall be adopted.

Preferably authenticated documents or if the same are not made available by the concerned authorities, at least reference of such documents shall be kept on record in support of the land rate considered as prevailing in the locality.

- iv) Work out the cost of land area appurtenant to the building and that of the surplus land area as discussed in para 3(ii) above, separately.

While working out the cost of surplus land, care shall be taken that only that portion of the surplus land is taken into account which enhances utility of the property by way of improved access or parking facilities or any other such utilization, subject to the condition that the hiring department have made specific mention in their requisition that apart from the building, they also propose to take on lease the usable surplus land. Accordingly, this fact, as also the area of such surplus land shall be indicated clearly in the rent reasonableness certificate.

- v) Add the cost of the appurtenant land area to the depreciated cost of the building to find out the net value of the property.

If the building as a whole is not proposed to be hired the net value of the property shall be reduced accordingly keeping in view the built up area of the premises to be hired and total built-up area. Care shall be taken that if the areas of common utilities, such as staircase, toilets, corridors etc. are being or shall be used by more than one user on a particular floor or in a particular wing, only proportionate built up area of such common utilities is considered in working out the built up area of the premises to be hired.

- vi) Where the buildings or a part of the same as proposed to be hired have been acquired by the owner as ready built property/space, in which the cost of purchase is inclusive of the cost of land and thus represents the composite capital cost of the properties, the net value of the property shall be worked out as follows:

- (a) If authenticated information is available regarding acquisition and purchase price of the ready-built property proposed to be hired, the same shall be considered as net value of the property with due correction factor for appreciation/depreciation in it is market value during the intervening period, that is, from the date of its acquisition to the date of assessment.
- (b) In case the information as above is not available, composite capital cost i.e. net value of the property shall be worked out by comparing the same with the authenticated cost of similar properties/space preferably of those acquired by Government departments (Central/State) or Public Sector Undertakings (Central/State) in the vicinity or in the similar locality. If there are no such properties available, for comparison, cost of similar properties/space purchased by Public Sector Banks/private parties may also be considered for comparison subject to the condition that if the sale/purchase of such properties was within the purview of Appropriate Authority, the cost of acquisition shall be taken as what had been mentioned in the sale clearance issued by Appropriate Authority. The cost as ascertained in these cases too shall be modified by applying correction factor for appreciation /depreciation as described in para(a) above.

While comparing the cost as referred to above, due care shall also be taken to ascertain whether the properties under assessment and the one considered for comparison are nearly similar in terms of the location, distance from air/rail/bus terminal, access/approach facilities, set-backs parking facilities, general environment, specifications and other common utilities in the building like lifts, toilets etc., and if the same are not on equal footing, a careful assessment shall be made for suitable addition or subtraction, as the case may be. No adjustment shall however, be made for under or over utilization of the FAR in either case.

- (c) If the information as mentioned in para 3(vi) (a) or (b) above is not available, the net value of the property shall be worked out by following the same procedure as given in para 3(i) to (v) above.\
 - (d) In addition to working out the net value of the property in the manner as laid down in para 3(vi) (a)/(b) above , depreciated cost of the building portion (i.e. excluding land) shall also be worked out as per method laid down in para 3(i) above for the purpose of calculating the Sinking Fund Element as described in para 3(x) (c) below.
- vii) The annual rate of return on the net value of the property referred to in para 3(v)/(vi) above shall be worked out as follows:
 - a) In case of State Capitals as well as other cities/towns which qualify for City Compensatory Allowance 8% for non-residential use of the property and 7% for residential use.
 - b) In case of other places 7% for non-residential use of the property and 6% for residential use.
 - viii) For the surplus land within the compound of the property which would offer improve access and/or parking facilities etc., and to the extent the same is proposed to be taken on lease along with the building, the annual rate of return on the cost of the said surplus land, shall be taken as 7% in case of places mentioned in para (vii)(a) and 6% in case places mentioned in para (vii)(b) above, both for non-residential and residential use of the property.
 - ix) The net annual return on the property including surplus land, if any, shall be worked out by addition of the returns as worked out in para (vii)(a)/(b) and that in para (viii) above.
 - x) The following factors shall further be added to the figure as arrived at in para 3(ix) above to workout the gross annual return, i.e. reasonable rent per annum.
 - (a) Municipal tax (house/property tax) as per actuals. If actual figures are not available, municipal taxes shall be assessed based on the ratable value of the property in accordance with the relevant local/municipal by laws. If the building as whole is not proposed to be hired, the Municipal Tax shall be carefully worked out on pro-rata basis. The municipal tax component as assessed and considered in the certificate shall be clearly indicated in the Rent Reasonableness certificate to enable the Hiring department to decide on the manner in which the Municipal Tax Shall be paid (refer Model formats for rent reasonableness certificate at Annexure-I & II).
 - (b) Maintenance and repairs at the rate of 12% of the annual return on the property as arrived at in para 3(vii) (a)/(b) above. If any statutory provision exists in the areas binding the landlord to defray certain, minimum expenses on maintenance and repairs the same shall be duly accounted for.
 - (c) Provision for sinking fund to be ascertained by reference to standard sinking fund tables or alternatively to be calculated as per standard formula given below:

$$\text{Sinking fund co-efficient (K)} = (0.06)/(1+0.06)^r - 1$$

where r = assessed residual life of the building in years as referred to in para 3(i) above;

$$\text{Annual Provision for sinking fund} = (k) \times (D)$$

Where K = Sinking fund co-efficient as above.

D = Depreciated value of the building referred to in para 3(i) and (vi) (d) above.

4. The rent based on the prevailing market rent shall be ascertained by making inquiries preferably in respect of rented properties/spaces which have been taken on lease by Government Departments (Central/State) or Public Sector Undertakings (Central/State) in a comparable locality. If there are no such properties available for comparison, similar property/space hired by Public Sector Banks/private body may also be considered for comparison. The properties shall be compared on the basis of various parameters as mentioned in the second part of para 3(vi)(b) above and if the same are not comparable a careful assessment shall be made for suitable addition or subtraction as the case may be. It shall also be ensured that the factor for which land lord is responsible, like maintenance and repairs and Municipal Taxes in such cases as also the other relevant facilities, such as benefit of usable surplus land are on an even keel and if it not so, suitable adjustments shall be made accordingly. No adjustment shall however be made for under or over utilization of FAR in either case.

5. After working out the rents according to the two alternate methods as described in 3 & 4, above, the reasonable rent shall be intimated to the Hiring Department as under:

- a. If the rent based on the prevailing market rent is lower, only the rent based on the prevailing market rent shall be taken as reasonable rent and so intimated as per model format enclosed at Annexure-I.
- b. In case the rent based on the prevailing market rent happens to be higher, both the figures shall be intimated as a range of reasonable rent (as per model format enclosed at Annexure-II) leaving the final decision to the hiring Department to negotiate and settle the rent keeping this rang in view.
- c. There may be some exceptional situation (like in a very small town/kasba) where there is no rented building to be considered as basis for working out the prevailing market rent. In such cases the market rent may be worked out taking into consideration the rent prevailing in the nearby town and by giving due weightage (plus or minus) for relative importance of the town where the building is situated to that of the town adopted as basis for comparison.
- d. As the data collected and adopted for assessment of rent are relevant to a particular date and these are likely to undergo changes subsequently, the existing practice (although not so prescribed by this Directorate in the earlier guidelines issued on 24.6.99) of adding a clause in the Rent Reasonableness Certificate that the rent as certified shall hold good for 3/5 years or so, is not correct and shall be stopped forthwith.
- e. The rent shall be expressed in terms of per unit built up area or carpet area. Monthly rent may also be shown.

6. Re-assessment of rent of the existing leased building/space shall be treated as fresh assessment and shall be done according to the same method as discussed in the preceding paras. Necessity for re-assessment/revision of rent, whether during the currency of the Lease Agreement or after its expiry shall however be examined decided by the Hiring Department with due regard to the terms and conditions of the existing lease agreement and any other relevant instructions issued by the competent authority. The effective date of revision of rent shall be the date of receipt of the request of the honor or the date from which revision is due after the expiry of the existing lease agreement, whichever is later.

7. It shall be for the Hiring department to see if the rent as assessed/reassessed by the Hiring Committee is to be restricted to any particular limit in view of the terms and conditions of the existing lease agreement or due to any other relevant instructions issued by competent authority to this effect.

8. As prescribed in para 3(x)(a), the Municipal Tax component as accounted for in the rent shall be clearly indicated in the Rent Reasonableness Certificate. In view of the same, no request shall be entertained by Hiring Committee for re-assessment of rent on account of subsequent increase or decrease in municipal tax, if any. It shall accordingly be for the Hiring Department to settle it right in the beginning by a mutual agreement with the owner as to how such subsequent increase or decrease in municipal tax, if any. It shall dealt with

9. The rent assessment shall be done by a Hiring Committee with the composition as given below and the jurisdiction of the Committee for a particular City/town shall also include satellite and twin cities/towns, if any as illustrated in the sub-para (iv) below.

- i) DELHI:- The committee shall be headed by EE (LF), office of CE (NDZ)-I CPWD, Nirman Bhawan with an Assistant Director of Estate from Directorate of Estate and AFA (E), Finance Division, Ministry of Urban Development, Nirman Bhawan as members and certificate of reasonable rent shall accordingly be issued by EE (LF).
- ii) Other Cities/Towns where there is a Civil Circle:- The committee shall be headed by the Superintending Engineer, with the local Assistant Estate Manager of the Directorate of Estate and an Executive Engineer (Civil) co-opted by the Superintending Engineer as member and certificate of reasonable rent shall accordingly be issued by the Superintending Engineer as members and certificate of reasonable rent shall accordingly be issued by the Superintending Engineer as members and certificate of reasonable rent shall accordingly be issued by the Superintending Engineer.
In case there is no officer of the Directorate of Estate at the station, the Executive Engineer/Assistant Engineer doing the estate function shall be co-opted as a member. In case, there is no such estate function involved, the Superintending Engineer shall co-opt an executive Engineer or Assistant Engineer as the second member.

In case there are more than one Civil Circle at the same station, the concerned Chief Engineer shall nominate one of the Superintending Engineers to head the committee.

- iii) All other areas:- The Hiring Committee shall be headed by an Executive Engineer (Civil Division) under whose jurisdiction the building proposed to be hired stands. He will co-opt one Assistant Engineer(Civil) and one Junior Engineer (Civil) in the committee. If there are more than one Civil Division at the same station, the Superintending Engineer concerned shall nominate one of the Executive Engineers to head the Committee.

iv) As already mentioned above regarding jurisdiction of a Hiring Committee in the matter of satellite and twin cities/towns, the jurisdiction of Hiring Committee for Delhi shall include Ghaziabad, NOIDA, Greater NOIDA, Faridabad, Gurgaon. Similarly, jurisdiction of Hiring Committee for Mumbai, Kolkata and Hyderabad shall include Navi Mumbai, 24 Paragana and Secundrabad respectively and so on. If there is any doubt in regard to similar cases relating to other cities/towns, the concerned CE(C) shall be competent to take a decision.

10. If the Hiring Departments are willing, a representative to be nominated by them shall be associated in Market survey/enquiries for collecting relevant data. The head of the Hiring Committee shall accordingly make a reference to the Hiring Department before undertaking this exercise.

11. The rent calculations shall be an internal record of the Hiring Committee and shall not be furnished to the Hiring Department.

12. Cases already finalized on the basis of earlier orders shall not be reopened.

These issues with the approval of D.G.(W).

Encl:- Annexure I & II

Sd/-
(B.B. MAKKAR)
DIRECTOR(P&WA)

MODEL FORMAT FOR ISSUE OF RENT REASONABLENESS CERTIFICATE IF RENT ACCORDING TO THE PREVAILING MARKET RENT IS LESS THAN THAT AS PER RECOGNISED PRINCIPLES OF VALUATION

Certified that reasonable rent of the premises with description as _____ owned by _____ and proposed to be hired by/already under tenancy of (*) _____ has been assessed as per guidelines issued by _____ (name of the hiring Department)

Director General of Works, CPWD, vide No. 8/1/2000-W.II(DGW)Pt. dated 24th May, 2004 and the rent as effective from _____ works out to Rs. _____ (in words _____) per sq.ft. month of built up area. The monthly rent will be Rs. _____ (in words _____).

2. It shall be the responsibility of Hiring Department to see if the rent assessed as above is to be restricted to any particular limit in view of the terms and conditions of the existing lease agreement or any other relevant instructions issued by the competent authority to this effect...(**)

3. The rent as indicated above is inclusive of (i) Surplus usable land in the campus measuring _____ sqm. approximately to be utilized exclusively by the Hiring Department for parking purposes etc.(***): (ii) Regular repairs and maintenance of the premises; (iii) Municipal Tax (House/Property Tax), but exclusive of Water & Electricity charges payable to local body which shall be borne by the Hiring Department.

4. The Municipal Tax component included in the rent as indicated above is Rs. _____ (in words _____) per month. It shall be for the Hiring Department to settle the terms of payment of the rent to the owner with or without Municipal Tax by following any of the following alternatives:

- a. Pay only net rent first and reimburse municipal tax to the owner separately on submission of proof of actual payment.
- b. Pay only net rent to the owner and pay municipal tax directed to the local body.
- c. Pay composite rent.

5. As municipal tax component of the rent has already been spelt out above, no request shall be entertained by Hiring Committee for re-assessment of rent on account of subsequent increase or decrease in municipal tax, if any. It shall accordingly be for the Hiring Department to settle it right in the beginning by a mutual agreement as to how such subsequent increase or decrease in municipal tax, if any, shall be dealt with.

* Strike out which is not applicable

** Not relevant if it is not a case of periodical re-assessment/revision of rent

*** Strike out if the rent does not include element of surplus land.

MODEL FORMAT FOR ISSUE OF RENT REASONABLENESS CERTIFICATE IF RENT ACCORDING TO THE PREVAILING MARKET RENT IS MORE THAN THAT AS PER RECOGNISED PRINCIPLES OF VALUATION

Certified that reasonable rent of the premises with description as _____ owned by _____, and proposed to be hired by/already under tenancy of (*) _____ has been

(Name of the Hiring Department)

assessed as per guidelines issued by Directorate General of Works, CPWD, vide No. 8/1/2002-W.II(DGW)Pt. dated 24th May, 2004 and the rent as effective from _____ works out as under:-

- i) According to the recognised principle of valuation (i.e. on the basis of the present value of the property) Rs. _____ (in words _____) per month
- ii) According to the prevailing market rent Rs. _____ (in words _____) per sq.ft. per month of built up area. The monthly rent will be Rs. _____ (in word _____).

The two figures of rents as above shall be considered as a range of reasonable rent and it shall be for the Hiring Department to negotiate and settle the rent, keeping in view this range.

2. It shall also be the responsibility of the Hiring Department to see if the rent assessed as above is to be restricted to any particular limit in view of the terms and conditions of the existing lease agreement or any other relevant instructions issued by the competent authority to this effect.(**)

3. Both the figures of rents as, indicated above are inclusive of (i) Surplus usable land measuring _____ sqm. approximately in the campus to be utilized exclusively by the Hiring Department for parking purposes etc. (***) (ii) Regular repairs and maintenance of the premises; (iii) Municipal Tax(House/Property Tax), but exclusive of Water & electricity charges payable to local body which shall be borne by the Hiring Department.

4. The Municipal Tax component included in the rents as indicated above is Rs. _____ (in words _____) per month. It shall be for the Hiring Department to settle the terms of payment of the rent to the owner with or without Municipal Tax by any of the following alternatives:

- a) Pay only net rent first and reimburse municipal tax to the owner separately on submission of proof of actual payment.
- b) Pay only net rent to the owner and pay municipal tax directly to the local body.
- c) Pay composite rent.

5. As municipal tax component of the rent has already been spelt out above, no request shall be entertained by Hiring Committee for re-assessment of rent on account of subsequent increase or decrease in municipal tax, if any. It shall accordingly be for the Hiring Department to settle it right in the beginning by a mutual agreement as to how such subsequent increase or decrease in municipal tax, if any, shall be dealt with.

- * Strike out which is not applicable
- ** Not relevant if it is not a case of periodical re-assessment/revision of rent
- ***Strike out if the rent does not include element of surplus land

**GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF WORKS
CENTRAL PUBLIC WORKS DEPARTMENT
NIRMAN BHAWAN**

F.No.8/1/2002-W.II[DGW]

New Delhi, Dated 30th June, 2004

OFFICE MEMORANDUM

**Subject:- (1) Assessment/Re-assessment of reasonable rent relating to the buildings taken on lease by Central Government Departments.
(2) Authority to issue rent reasonableness certificate.**

Paragraphs 10 and 11 of this Directorate's O.M. of even number dated 24.5.2004 are substituted by the following-

“10. The hiring Department will nominate a representative of appropriate level to be a member of the Hiring Committee and associated with the said Committee's work in market survey/enquiries for collecting relevant data. The head of the Hiring Committee shall make a reference to the Hiring Department for such nomination before undertaking the exercise of assessment/re-assessment of rent.”

“11. While the rent calculations shall constitute part of the internal records of the Hiring Committee's deliberations, these will be available to the representative of the Hiring Department as a member of the Committee. The Hiring Department, if it so desires, can ascertain the details from its representative on the Hiring Committee. In view of this prior association of a representative of the Hiring Department with the Hiring Committee, there would be no need for back reference to the Hiring Committee on the matter of assessment/re-assessment of rent.

This issues with the approval of Director General (Works).

[B.B. MAKKAR]
DIRECTOR [P&WA]

To

1. All Ministries/Departments of Govt. of India.
2. ADG (B), ADG (NR), ADG(WR), ADG (SR), ADG(ER), ADG (Trg.), Engineer-in-Chief [Delhi-PWD).
3. All CEs (Civil)/CE(Vig.) in CPWD and Delhi PWD.
4. The Chief Controller of Accounts, Min. of UD&PA, New Delhi.
5. The Ministry of UD&PA (Works Division), New Delhi.
6. The Directorate of Estates Govt. of India, New Delhi.
7. Director (P&WA), PM, S&D CPWD, New Delhi.
8. All SEs/SEs (P&A)/Project Manager (Civil) in CPWD and Delhi PWD.
9. All EEs (Civil) in CPWD.
10. The EE (LF), Office of CE (NDZ-I).

11. M/s. Swamy Publishers (P) Ltd. Sandhya Mansions, 164, R.K. Mutt Road Raja Anna Melaipuram, P.B. No. 2468, Chennai-600028.
12. M/s. Nabhi Publishers, 101-A, Munshi Ram Building, P.B. No. 37, New Delhi.
13. Sanction File/Stock File.

**No. 16011(3)/82-Pol.III
Government of India
Directorate of Estates**

New Delhi, the 01/10/1999

OFFICE MEMORANDUM

***Sub: Reassessment of reasonable rent of private buildings hired
by the Central Government-***

The undersigned is directed to refer to the Directorate of Estate O. M. No. 16011(3)/82-Pol.III dated 18/03/1983 on the above subject and to say that the question of revision of the Standard Lease Agreement (Standard Lease Agreement) which is entered into by the Government with the owners of the private building taken on lease by the Government for office buildings taken on lease by the Government for office accommodation has been under examination in this Ministry (Directorate of Estates) in consultation with the Ministry of Law (Department of Legal Affairs) and the Ministry of Finance. With a view to removing the legal anomalies and inconsistencies coming in the way of Government securing private building on lease, it has been decided by the Government to revise the existing format of the Standard Lease Agreement (Standard Lease Agreement). The revised standard Lease Agreement (Standard Lease Agreement) format is enclosed herewith. In case any departure from Standard Lease Agreement becomes inescapable, the administrative Ministry may consult the Ministry of Law before making any modification to the Standard Lease Agreement.

Encl: As above.

Sd/-
(R. D. Sahay)
Addl. Director of Estate

To

1. All the Ministries/Departments of Government of India.
2. C & AG of India, New Delhi
3. Finance Division (W&E Unit), Ministry of Urban Development
4. Director General (Works), CPWD, New Delhi.

*Enclosures already sent vide Ministry's letter No. 207/16/2000-Ad.VIII(EC) dated 5.4.2000.

LEASE AGREEMENT

AN AGREEMENT MADE THIS _____ DAY OF _____ one thousand nine hundred and _____ between _____

_____ hereinafter called "The Lessor" (which expression shall include its successors and assigns, administrator, liquidators and receivers wherever the context of meaning shall so require or permit) of the one part AND the PRESIDENT OF INDIA (hereinafter referred as THE GOVERNMENT OF INDIA or Lessee) of the other part.

WHEREBY IT IS AGREED AND DECLARED AS FOLLOWS:

- I. In consideration of the rent hereinafter reserved and of the other conditions herein contained, the lessor agrees to let out and Lessee agree to take on lease the land hereditaments and premises know as _____ together with all buildings and erections, fixtures and fittings, standing and being thereon (hereinafter called "THE SAID PREMISES") more particularly described in SCHEDULE 'A'
2. The lease shall commence/shall be deemed to have been commenced* on the _____ day of _____ one thousand nine hundred and _____ and shall, subject to the terms hereof, continue for a term of _____ year with an option to extend the period of lease for a further terms as set out in Clause 14 thereof.
3. The Lessee shall, subject to the terms thereof, pay gross rent in monthly arrears for the said premises at the rate of Rs. _____ per month, which also includes a sum of Rs. _____ towards maintenance and taxes per month. In the event of the tenancy hereby created, being terminated as provided by these presents, the Lessee shall pay only a proportionate part of the rent for the fraction of the current month upto the date of such termination. The rate of rent hereby agreed is liable to revision during the period of lease or renewal, if any, of the lease after the expiry of the three years from the start of the lease or revision of the rent, provided that such revision shall not exceed 5% per annum (in case of residential accommodation) and 8% per annum (in case of non-residential accommodation) of the rent payable at the time of such revision, such rent being equivalent to gross rent reduced by the amount payable towards maintenance and tax.
4. The said premises shall be deemed to include the fixtures and fittings existing thereon as shown in Schedule 'B' and the Government of India shall upon the expiration of the term hereby created or any renewal thereof and subject to clause 11 hereof yield up the said premises including fixtures and fittings in as good a condition as received, fair wear and tear, damage by fire, act of god, riots or other civil commotion, enemy action and/or other causes not within the control of the Government of India excepted, PROVIDED THAT THE GOVERNMENT OF INDIA shall not be responsible for any structural damage which may occur to the same during the term hereby created or any renewal thereof.
5. The Government of India shall be entitled to use the said premises for any lawful purpose which is not detrimental to the interest of the land lord.
6. The Government of India shall have the right to sublet the whole or any part or part of the said premises but shall be responsible for the full payment of rent and the term of such sub-lease shall not exceed the period or lease or extension thereof, if any, as set out in Clause 2 hereinabove.

7. All existing and future rates, taxes including property tax, assessment charges and other out-going whatsoever of every description in respect of the said premises payable by the owner thereof shall be paid by the Lessor. The Lessor, however, shall be entitled to recover additional levies, paid on account of enhancement in taxes, from the Government of India and such recovery shall be proportionate to the amount of taxes payable during the pendency of the lease. In case the said premises is portion of a building subject to payment of tax as one entity, the liability of the Government of India in respect of payment of additional tax, unless there has been any addition to the constructed portion of such building, shall be in the same ratio as at the time of original letting. In case of some additional construction having been made by the Lessor, additional tax payable by the Government of India shall as determined by the Central Public Works Department of the Government of India. In case of default in payment of taxes etc. by the Lessor to the local bodies, it would be open for the Lessee to deduct such dues from the gross rent (including taxes) payable to the Lessor, and to pay the same directly to the real bodies. However, before making such deduction, the Lessee shall have to give a notice in writing, to the Lessor to show, within 15 days, that he is not in default in payment of taxes to the local bodies.

8. The Government of India shall pay all charges in respect of electric power, light and water used on the said premises during the continuance of these presents.

9. The Lessor shall execute necessary repairs usually made to premises in that locality as and may be specified by the Government of India in a notice in writing within such time as may be mentioned therein and if the Lessor fails to execute any repairs in pursuance of the notice, the Government of India may cause the repairs specified in the notice to be executed at the expense of the Lessor and the cost thereof may, without prejudice to any other mode of recovery, be deducted from the rent payable to the Lessor.

10. The Government of India may, at any time during the terms hereby created and any renewal thereof make such structural alterations to the existing buildings such as partitions, office fixtures and fittings as may be easily removable. PROVIDED ALWAYS THAT such installations or other works, fittings and fixtures, shall remain the property of the Government of India who shall be at liberty to remove and appropriate to itself, any or all of them at the expiration of the terms hereby created and any renewal thereof, provided further that the Government of India shall again hand over the said premises in the same condition as they were in at the commencement of these presents, fair wear and tear and damage by fire or other causes beyond the control of the Government of India excepted or at its option pay compensation in lieu thereof PROVIDED FURTHER that such compensation shall not exceed the value of the said premises on the date of the determination of these presents, if they had remained in the same structural state.

11. The Government of India shall be released from paying any rent in respect of the whole or any such part of the said premises as might be rendered uninhabitable by fire, riots or other civil commotion, enemy action and/or other causes, not within the control of the Government of India or acts of any Government or Municipal Authority and in such cases the rent payable hereunder shall be accordingly apportioned or at its option the Government of India shall have power to terminate these presents forthwith without prejudice to its rights to remove works, fittings, fixtures and machinery under Clause 10 hereof.

12. The Government of India shall not be liable for loss of profit or loss of goodwill arising from its occupation of the said premises or any amount of compensation in respect of the said premises other than the rent payable as aforesaid and the Lessor shall make no claim in respect thereof.

13. The Lessor agree with the Government of India that the latter paying the rent hereby reserved observing and performing the conditions and stipulations herein contained on the Government of India's part to be observed and performed shall peacefully hold and enjoy the said premises during the said terms and any renewal thereof without any interruption or disturbance from or by the Lessor or any person claiming by through or under them.

14. If the Government of India shall be desirous of taking a new lease of the said premises after the expiration of the term hereby granted the Lessor will renew the lease for a period mutually agreed upon between the Government of India and the Lessor, in accordance with the covenants, agreements and conditions as in the present agreement including the present covenant for renewal.

15. The Government of India shall be entitled to terminate the lease at any time by giving to the Lessor three months previous notice in writing of its intention to do so.

16. Any notice to be made or given to the Government of India under these present or in connection with the said premises shall be considered as duly given if sent by the **Lessor through** the post by registered letter addressed to the, on behalf of the Government of India, and any notice to be given the Lessor shall be considered as duly given if sent by the Lessee through the post by registered letter addressed to the Lessor at their last known place of abode. Any demand or notice sent by the post in either case shall be assumed to have been delivered in the usual course of post.

17. Should any dispute or difference arise out concerning the subject matter of these presents or interpretation of any covenant, clause or thing herein contain or otherwise arising out of this lease agreement, the same shall be referred for arbitrator to the Tribunal, having, Sole Arbitrator. At the time of making a request for reference of dispute to the arbitration, the claimant shall alongwith such request send a penal of five persons to the other party. The other party shall within 15 days of the receipt of such communication select one member of the panel to act as Sole Arbitrator. In case none in the proposed panel is acceptable to the other party, such other party shall within the above 15 days send another panel of five persons to claimant, and the claimant shall be entitled to nominate the Sole Arbitrator from among the panel sent by the opposite party. In case none of the members of this panel is acceptable to the claimant, the Sole Arbitrator shall be appointed by the Secretary, Department of Legal Affairs, Government of India, Delhi.

The provision of Arbitration and Conciliation Act, 1996 with any statutory modification thereof and rules framed there under shall be applicable to such arbitration proceedings which shall be held at _____. The arbitration proceedings shall be conducted in Hindi/English/_____*. The cost of the arbitration shall be borne as directed by the Arbitral Tribunal. For the purposes of this clause, the officer mentioned in clause 16 shall be authorized to act and nominate arbitrator on behalf of the Government of India.

18. This lease agreement has been executed in duplicate. One counter part of the lease agreement to be retained by the Lessee and the other by the Lessor.

THE SCHEDULE 'A' REFERRED TO ABOVE:

All that the _____ the _____ floor of the building known as _____ in the city of _____ which building bearing _____ Municipal No. _____ and is situated on plot/land bearing Survey Nos. _____ and is bounded on or towards East by _____ on or towards West by _____ on or towards North by _____ on or towards South by _____.

*Portions which are not applicable may be scored off at the time of filling up of the Standard Lease Agreement (SLA) formate.

THE SCHEDULE 'B' REFERRED TO ABOVE

Details of fixtures and fittings

IN WITNESS WHEREOF THE OFFICIAL SEAL OF _____ has been affixed in the manner hereinafter mentioned and the lease agreement has been signed for and on behalf of the President of India on the day and year first above written, by

(Signature)
For and on behalf of the President of India

In the presence of
Witnesses: 1.
2.

(Signature)
Name and Address of the Lessor

and by the Lessor in presence of
Witnesses: 1.
2.

(In case the Lessor is a Company, Firm or Society
Add:.....
For and on behalf of _____ having
authority to sign on behalf of the Lessor
vide resolution
dated _____ of _____)

**No. 16011/1/2000-Pol.III
Government of India
Directorate of Estates**

New Delhi, the 03rd September 2001

OFFICE MEMORANDUM

***Subject:- Reassessment of reasonable rent of private buildings
hired by the Central Government***

The undersigned is directed to refer to the Directorate of Estates O.M. No. 16011(3)/82-Pol.III dated 01/10/1999 on the subject cited above and to say that the Standard Lease Agreement (Standard Lease Agreement) which is entered into by the Government with the owners of the private buildings taken on lease by the Government for office accommodation has been modified in consultation with the Ministry of Law and Ministry of Finance. Amendment in the existing Standard Lease Agreement has been brought by adding provisos below Clause-14. The revised Standard Lease Agreement format is enclosed. It is, however emphasised that all efforts should be made to either terminate or renew the lease period before it expires and the cases requiring invoking the now incorporated provision should be resorted to only in exceptional cases treating it as an enabling provision.

Sd/-
(HARBANS SINGH)
Addl. Director of Estates

To

1. All Ministries/Departments of Government of India
2. C & AG of India, New Delhi.
3. Finance Division (W & E Unit), Ministry of Urban Development & Poverty Alleviation.
4. Director (P& WA), Director General (Works), CPWD.
5. Director General (Works), CPWD (WI & WII) Sections, Nirman Bhawan, New Delhi

LEASE AGREEMENT

AN AGREEMENT MADE THIS _____ DAY _____ OF One thousand nine
hundred and _____ between

_____ hereinafter called the Lessor (which expression shall include its successors assigns, administrator, liquidators and receivers, wherever the context of meaning shall so require or permit) of the one part AND the PRESIDENT OF INDIA (hereinafter referred as THE GOVERNMENT OF INDIA or Lessee) of the other part.

WHEREBY IT IS AGREED AND DECLARED AS FOLLOWS:-

1. In consideration of the rent hereinafter reserved and of the other conditions herein contained, the lessor agrees to let out and Lessee agrees to take on lease the land, hereditaments and premises known as _____ together with all buildings and erections, fixtures and fittings, standing and being thereon (hereinafter called "THE SAID PREMISES") more particularly described in SCHEDULE 'A'.

2. The lease shall commence/shall be deemed to have been commenced* on the _____ day of _____ one thousand nine hundred and _____ and shall, subject to the terms hereof, continue for a term of _____ year with and option to extend the period of lease for a further term as set out in Clause 14 hereof.

3. The Lessee shall, subject to the terms hereof, pay gross rent in monthly arrears for the said premises at the rate of Rs. _____ per month, which also includes a sum of Rs. _____ towards maintenance and taxes per month. In the event of the tenancy hereby created, being terminated as provided by these presents, the Lessee shall pay only a proportionate part of the rent for the fraction of the current month up to the date of such termination. The rate of rent hereby agreed is liable to revision during the period of lease or renewal, if any, of the lease after the expiry of the three years from the start of the lease or revision of the rent, provided that such revision shall not exceed 5% per annum (in case of residential accommodation) and 8% per annum (in case of non-residential accommodation) of the rent payable at the time of such revision, such rent being equivalent to gross rent reduced by the amount payable towards maintenance and tax.

4. The said premises shall be deemed to include the fixtures and fittings existing thereon as shown in Schedule 'B' and the Government of India shall upon the expiration of the term hereby created or any renewal thereof and subject to clause 11 hereof yield up the said premises including fixtures and fittings in as good a condition as received, fair wear and tear, damage by fire, act of god, riots or other civil commotion, enemy action and/or other causes not within the control of the Government of India excepted, PROVIDED THAT THE GOVERNMENT OF INDIA shall not be responsible for any structural damage which may occur to the same during the term hereby created or any renewal thereof.

5. The Government of India shall be entitled to use the said premises for any lawful purpose which is not detrimental to the interest of the land lord.

6. The Government of India shall have the right to sublet the whole or any part or parts of the said premises but shall be responsible for the full payment of rent and the term of such sub-lease shall not exceed the period of lease or extension thereof, if any, as set out in Clause 2 hereinabove.

7. All existing and future rates, taxes including property tax, assessment charges and other out-goings whatsoever of every description in respect of the said premises payable by the owner thereof, shall be paid by the Lessor. The Lessor, however, shall be entitled to recover additional levies, paid on account of enhancement in taxes, from the Government of India and such recovery shall be proportionate to the amount of taxes payable during the pendency lease. In case the said premises is portion of a building subject to payment of additional tax, unless there has been any addition to the constructed portion of such building, shall be in the same ratio as at the time of original letting. In case of some additional construction having been made by the Lessor, additional tax payable by the Government of India shall be as determined by the Central Public Works Department of the Government of India. In case of default in payment of taxes etc. by the Lessor to the local bodies, it would be open for the Lessee to deduct such dues from the gross rent (including taxes) payable to the lessor, and to pay the same directly to the local bodies. However, before making such deduction, the Lessee shall have to give a notice in writing, to the Lessor to show, within 15 days, that he is not in default in payment of taxes to the local bodies.

8. The Government of India shall pay all charges in respect of electric power, light and water used on the said premises during the continuance of these presents.

9. The Lessor shall execute necessary repairs usually made to premises in that locality as and may be specified by the Government of India in a notice in writing within such time as may be mentioned therein and if the Lessor fails to execute any repairs in pursuance of the notice, the Government of India may cause the repairs specified in the notice to be executed at the expense of the Lessor and the cost thereof may, without prejudice to any other mode of recovery, be deducted from the rent payable to the Lessor.

10. The Government of India may, at any time during the terms hereby created and any renewal thereof make such structural alterations to the existing buildings such as partitions, office fixtures and fittings as may be easily removable. **PROVIDED ALWAYS THAT** such installations or other works, fittings and fixtures shall remain the property of the Government of India who shall be at liberty to remove and appropriate to itself, any or all of them at the expiration of the terms hereby created and any renewal thereof provided further that the Government of India shall again hand over the said premises in the same condition as they were in at the commencement of these presents, fair wear and tear and damage by fire or other causes beyond the control of the Government of India excepted or at its option pay compensation in lieu thereof **PROVIDED FURTHER** that such compensation shall not exceed the value of the said premises on the date of the determination of these presents, if they had remained in the same structural state.

11. The Government of India shall be released from paying any rent in respect of the whole or any such part of the said premises as might be rendered uninhabitable by fire, riots or other civil commotion, enemy action and/or other causes not within the control of the Government of India or acts of any Government or Municipal Authority and in such cases the rent payable hereunder shall be accordingly apportioned, or at its option the Government of India shall have power to terminate these presents forthwith without prejudice to its rights to remove works, fittings, fixtures and machinery under Clause 10 hereof.

12. The Government of India shall not be liable for loss of profit or loss of goodwill arising from its occupation of the said premises or any amount of compensation in respect of the said premises other than the rent payable as aforesaid and the Lessor shall make no claim in respect thereof.

13. The Lessor agree with the Government of India that the latter paying the rent hereby reserved observing and performing the conditions and stipulations herein contained on the Government of India's part to be observed and performed shall peacefully hold and enjoy the said premises during the said terms and any renewal thereof without any interruption or disturbance from or by the Lessor or any person claiming by through or under them.

14. If the Government of India shall be desirous of taking a new lease of the said premises, after the expiration of the term hereby granted the Lessor will renew the lease for a period mutually agreed upon between the Government of India and the Lessor, in accordance with the covenants, agreements and conditions as in the present agreement including the present covenant for renewal.

“Provided that in the event of expiry of the term of the lease, whenever an action for renewal described above is pending with the lessee and the premises remain in actual occupation, the payable rent at old rate shall continue to be paid on provisional basis till the date of final decision on renewal or the date of eviction, as the case may be and in case of renewal at different rate, suitable adjustment by extra payment or deduction shall be permitted, to the lessee.”

“Provided further that the lessee shall take action so far practicable to take a new lease of the said premises within a period of six months after expiry of the term hereby granted.”

15. The Government of India shall be entitled to terminate the lease at any time giving to the Lessor three months previous notice in writing of its intention to do so.

16. Any notice to be made or given to the Government of India under these present or in connection with the said premises shall be considered as duly given if sent by the Lessor through the post by registered letter addressed to the _____ on behalf of the Government of India, and any notice to be given to the Lessor shall be considered as duly given if sent by the Lessee through the post by registered letter addressed to the Lessor at their last known place of abode. Any demand or notice sent by the post in either case shall be assumed to have been delivered in the usual course of post.

17. Should any dispute or difference arise concerning the subject matter of these presents or interpretation of any covenant, clause or thing herein contained or otherwise arising out of this lease agreement, the same shall be referred for arbitration to the Tribunal, having, Sole Arbitration. At the time of making a request for reference of dispute to the arbitration, the claimant shall along with such request send a panel of five persons to the other party. The other party shall within 15 days of the receipt of such communication select one member of the panel to act as Sole Arbitrator. In case none in the proposed panel is acceptable to the other party, such/other party shall within the above 15 days send another panel of five persons to claimant, and the claimant shall be entitled to nominate the Sole Arbitrator from among the panel sent by the opposite party. In case none of the members of this panel is acceptable to the claimant, the Sole Arbitrator shall be appointed by the Secretary, Department of Legal Affairs, Government of India, Delhi.

The provisions of Arbitration and Conciliation Act, 1996 with any statutory modification thereof and rules framed thereunder shall be applicable to such arbitration proceedings which shall be held at _____. The arbitration proceedings shall be conducted in Hindi/English _____. The

cost of the arbitration shall be borne as directed by the Arbitral Tribunal. For the purpose of this clause, the officer mentioned in clause 16 shall be authorised to act and nominate arbitrator on behalf of the Government of India.

18. This lease agreement has been executed in duplicate. One counter part of the lease agreement to be retained by the Lessee and the other by the Lessor.

THE SCHEDULE 'A' REFERRED TO ABOVE

All that the _____ The _____ floor of the building known as _____ in the city of _____ on plot/land bearing Survey Nos. _____ and is bounded on or towards _____ on or towards North by _____ on or towards South by _____

THE SCHEDULE 'B' REFERRED TO ABOVE

Details of fixtures and fittings

IN WITNESS WHEREOF THE OFFICIAL SEAL OF _____ has been affixed in the manner herein after mentioned and the lease agreement has been signed for and on behalf of the Present of India on the day and year first above written by

(Signature)
For and on behalf of the President of India

In the presence of

Witnesses: 1. _____
2. _____

(Signature)
Name & address of the Lessor

and by the Lessor in presence of

Witnesses: 1. _____
2. _____

(In case the Lessor is a Company,
Firm or Society Add: _____

For and on behalf of _____ having authority to sign on behalf of the Lessor
_____ (Vide resolution dated _____ of)

* Portions which are not applicable may be scored off at the time of filing up of the Standing Lease Agreement (SLA) format.

**DIRECTORATE OF INCOME TAX (SYSTEMS)
ARA Centre, Ground Floor, E-2, Jhandewalan Extension,
New Delhi-110055**

F.No. HW/NW/1/8/2007-08/DIT(S)/IV-22071

Dated: 28.2.2008

To

The Chief Commissioner of Income Tax,
Allahabad / Amritsar / Ahmedabad / Bareilly / Bhubaneswar / Bangalore / Bhopal / Baroda /
Chennai / Chandigarh / Coimbatore / Dehradun / Delhi / Durgapur / Ghaziabad / Guwahati /
Hubli / Hyderabad / Indore / Jaipur / Jalpaiguri / Jodhpur / Kanpur / Kolkata / Kochi / Lucknow
/ Ludhiana / Madurai / Mumbai / Nagpur / Nashik / Panaji / Panchkula / Patna / Pune / Rajkot /
Raipur / Ranchi / Shillong / Shimla / Surat / Thane / Trivandrum / Tiruchirappalli / Udaipur /
Visakhapatnam

Subject: Hiring of new office buildings – Need for Restraint – regarding.

Sir / Madam,

It has come to the Directorate's attention that at a number of stations, new office buildings are being hired in place of existing rented Income-tax office buildings. As per the terms of the TAXNET contract entered into by the Directorate and M/s Bharati Airtel Ltd., the Income tax offices which are listed in the contract have now been networked i.e. the entire LAN / WAN activities required as per contract have been completed. As per the contract now, whenever buildings which have been networked are decommissioned, decommissioning charges which range from Rs. 20.45 lacs to Rs. 4.09 lacs become payable to the above company depending on the number of networked points in the building. In addition, the department has to pay the company separately for creating a new LAN / WAN at the new site. Thus, the department incurs additional expenditure whenever an existing networked building is de-hired and at the same time has to incur fresh expenditure for providing the network at the new site (LAN / WAN). A commercial dispute has also arisen between the departmental and the above company as regards the payment made for work relating to new work for both LAN / WAN. Due to the above dispute, the company is not executing any work order placed on them. Therefore, the Board has directed that Chief Commissioners of Income tax and Commissioners of Income tax may be made aware of the above position so that they exercise restraint and do not de-hire/hire rented premises or open additional offices in a routine manner. Further, the Board has decided that the above extra expenditure which will be incurred for both decommissioning charges and networking charges for new site may also be kept in mind while deciding whether to renew the rent agreement for an existing Income-tax office because if these charges are also taken into consideration, it may be cheaper to continue at the old office besides the inconvenience of having no network at least for sometime. In the new environment, as all assessment work will be done on AST software, the officers and staff at a non networked building would be required to come to a networked building in order to get their work done.

Keeping in view the above factors and also the lead time of approx. 3 to 4 months required of networking on a new site CCsIT / CsIT are requested to observe restraint on the matters relating to de-hiring / hiring of rented Income-tax office building.

Yours faithfully,

Sd/-
(Gopal Mukherjee)
Director of Income Tax (Systems)-IV

Copy to Commissioner of Income tAx (CO) for information:

Delhi/ Mumbai/ Chennai/ Ahmedabad/ Bangalore/ Bhopal/ Bhubaneswar/ Chandigarh/
Cochin/ Guwahati/ Hyderabad/ Jaipur/ Kanpur/ Kolkata/ Lucknow/ Patna/ Pune/ Nagpur.

Copy for information to:- Director of Income Tax (Infrastructure) I/II, New Delhi.

Sd/-
(Gopal Mukherjee)
Director of Income Tax (Systems)-IV

Check list for initial Hiring/rent revision of Office Accommodation

Sl. No.	Particulars
1	Name of the Income Tax Office & Station
2	Detailed justification for proposal
3	Present accommodation of the office (whether hired/owned) and space available (carpet area in sq. mtrs.)
4	Whether the proposal is for hiring of building from GOI (MOUD), State Govt, Local Authority, PSU or Private Party (i) Area of the building (carpet area in sq. mtrs), (built up area in sq. mtrs.), (super built up area in sq. mtrs.) (ii) Location of building.
5	Details of sanctioned strength and working strength at the station. Designation, basic pay of all Officers/officials at the station in question (excluding MTS for working Office space).
6	Requirement of office space (carpet area in sq. mtrs) as per prescribed norms and sanctioned strength (Calculation sheet to be attached).
7	Availability of Office space (carpet area in sq. mtrs) at the station [office space under construction and for which Board's A/A&F/S already obtained shall also be taken in to account].
7(a)	In Government Buildings (i) Number of Buildings. (ii) Total carpet area (sq. mtrs).
7(b)	In Hired Buildings (i) Details of buildings (ii) Total office space (carpet area) (sq. mtrs).
8	Shortage of Office space (carpet area) (sq. mtrs) after deducting the office space (carpet area) (sq. mtrs) available in Government building. Where there is no intention to de-hire a hired building, its area shall be included in space available.
9	Deviation if any from the norms reasons thereof.
10	Minimum requirement of area as assessed by the CPWD to meet the shortage of space (carpet area in sq. mtrs).
11	Whether any plot of land is already available in possession of the Department at that station. If so, details like (i) Date of purchase, area (sq. mtrs) and its present use etc. (ii) Board's sanction Letter No. and date (iii) Date of possession of land (iv) Encumbrances if any on land (enclose certificate from concerned District / Local Authority)
12	Non-availability of Govt. building certificate from CPWD / MOUD / State Govt.
13	Whether space offered is as per minimum requirement assessed by CPWD
14	Whether expenditure on fixtures & furniture will be required additionally, if so, estimate thereof
15	Utilities, especially electricity supply/ water supply / storage/ parking etc.
16	Whether senior citizen / disabled / environment friendly features are available
17	Whether proposed building is IT friendly
18	Plan of building (drawing / layout plan of the building to be attached).

19	Total amount for which A/A&F/S is being sought.
20	(i) Availability of budget under the head “Rent, Rates & Taxes”. (ii) Major / Minor Heads /Grant under which sanction required.
21	Revenue collection figures for last three years.
22	The period for which hiring is proposed
23	Rent demanded by land lord (show the basis of calculation, municipal tax component etc)
24	Recommendation of Rent Negotiation committee (attached copy of minutes of meeting).
25	Whether Landlord is ready to sign Standard Lease Agreement (SLA).
26	Cost benefit analysis of purchase vis- vis renting/construction of own building
27	Rent reasonableness certificate from CPWD

Additional information for rent revision

Sr No.	Particulars
1	Details of hired premises: name of land lord, location, area, no of storey, existing rent being paid, whether standard rent agreement is in operation, date of last revision and revision due date.
2	Reasons for delay in revision of rent, if any
3	Whether the premises are being maintained by the land lord as per rent agreement
4	Whether any office building is under construction/proposed for purchase in the station, if so, the probable date of possession
5	Justification for continuation of hiring of present premises
6	Period for which the revision pertains
7	Whether there are any conditions attached to the revision from either side
8	Fair rent certificate issued by the CPWD (in non-CPWD areas fair rent ascertained from revenue authorities & rent being paid by other Govt. Depts in the vicinity for similar premises)
9	Recommendations of the Rent Negotiation Committee
10	Detailed justifications, if any, of deviations with respect to the rate recommended in the CPWD FRC
11	Specific recommendation of the concerned CCIT
12	Whether the land lord is agreeable to sign the standard lease agreement within stipulated period
13	Total financial implication
14	Availability of Budget under RRT

No. 507/IFU-III/1 03
Government of India
Ministry of Finance
Department of Revenue (IFU-III)

New Delhi, dated the 7th October 2003

OFFICE MEMORANDUM

***Sub: Re-assessment of rent of premises hired by offices
under the Department of Revenue***

The undersigned is directed to refer to letter No. 16013/1/2001-Pol.III dated 26/09/2003 received from the Ministry of Urban Development and Poverty Alleviation (Directorate of Estates) on the subject cited above. A copy of this letter is enclosed which is self explanatory.

2. All pending cases regarding rent revision in respect of premises hired by field formations under Department of Revenue (including CBEC, CBDT) may be decided in accordance with the instructions contained in this letter with the approval of the competent authority. In cases where approval of Ministry is necessary, these may immediately be sent to the Ministry for a decision so as to ensure that all pending cases may be cleared by the end of this month.

Sd/-
(A. K. SINGHAL)
Director (Finance)

To

1. Joint Secretary (Revenue)
2. Joint Secretary (A), CBEC
3. Joint Secretary (A), CBDT
4. CBN
5. CCF
6. Director of Enforcement.
7. Dy. Secretary (IFU, Department of Economic Affairs)

No. 16013/1/2001-Pol.III
Government of India
Ministry of Urban Development & Poverty Alleviation
Directorate of Estates
(Policy-III Cell)
Nirman Bhawan, New Delhi

Dated the 26th September, 2003

To

Sh. Satish Chandra,
Additional Secretary,
Department of Revenue, Ministry of Finance,
North Block, New Delhi

***Sub: Re-assessment of rent of premises hired by offices
under the Department of Revenue***

Sir,

Please refer to your D.O. Letter No. 211/11/2000-Ad.VIII(EC) dated 01/08/2003 on the subject cited above. In this regard, copies of the following O.Ms are enclosed

- i) No. 16013(1)/72-Pol.IV(III) dated 01/09/1982
- ii) No.16013(1)/82-Pol.III dated 22/08/1984
- iii) No. 16011(3)/82-Pol.III dated 01/10/1999
- iv) No.1601/1/2000-Pol.III dated 03/09/2001
- v) No.8/1/99-W II (DGW) Pt. Dated 14-24/08/2001

2. Clarifications on points (i) to (iii), paragraph 3 of your letter is as under:

1) Cases where written lease agreements exist but contain no clause for revision. These agreements are for 3/5 years but not renewed after the expiry of the term of agreement.

- (a) It would appear that these are old cases where lease agreements had been signed as per the old format. The provision for periodical revision of rent was incorporated in the Standard Lease Agreement under Directorate of Estates O.M. dated 01/09/1982. In this O.M., it was mentioned, interalia, "the reasonableness of the rent may be got reassessed from the CPWD on expiry of a period of 5 years from the date of original or the date of issue of this O.M., whichever is later, and after every 5 years thereafter".
- (b) After this, under O.M. No. 16011 (3)/82-Pol.III dated 01.10.99 of the Directorate of Estates, a modified Standard of Lease Agreement (Standard Lease Agreement) was prescribed. Clause 3 of this Standard Lease Agreement provides, interalia, that the rent agreed is liable to revision after expiry of 3 years from start of the lease or revision of the rent.
- (c) In view of the foregoing, if in any such case, requests were received in the past from the landlords for revision of rent, the rent may be got reassessed through Hiring Committee. Keeping in view the provisions of the Directorate of Estates O.M. No. 16013(1)/82-Pol.III dated 22/08/1984 according to which "no initiative for revision of the reasonable rent has to be taken by the Government and cases for reassessment should be initiated only after a request for the same has been received from the owner. Date of receipt of the request, or the date from which revision is due as per orders, whichever is later, may be adopted as the date from which revised rent is to be allowed."

(d) Cases in which lease agreements do not contain clause for revision of rent and the landlords have also not requested for revision of rent up to September, 2001, may be dealt as fresh cases, in accordance with the provisions of the O.M. dated 03/09/2001

II) Cases where agreement exists, and also contains clause for revision/renewal but no request has been made by the owner for revision of rent before 01/10/1999.

(a) As has been mentioned above, prior to issue of the O.M. dated 01/10/1999 and prescribing a revised Standard Lease Agreement therein, rent revision was to be done after every 5 years as has been explained in this Directorate's O.M. dated 01/09/1982. However as regards the date of revision it was clarified in the O.M. dated 22/08/1984 "..... no initiative for revision of the reasonable rent has to be taken by the Government and cases for reassessment should be initiated only after a request for the same has been received from the owner. Date of receipt of the request, or the date from which revision is due as per orders, whichever is later, may be adopted as the date from which revised rent is, to be allowed." In view of this, such cases may be divided into two categories-

1. The cases in which lease agreement as per the Standard Lease Agreement format given along with the O.M. dated 01/10/1999 have been signed.
2. Cases in which lease agreement as per the format existing before the issue of the PM dated 01/10/1999 have been signed.

(b) The cases at (1) above are to be decided in terms of clause 3 of the Standard Lease Agreement which states inter alia, "the rate of rent hereby agreed is liable to revision during the period of lease or renewal, if any, of the lease after the expiry of the three years from the start of the lease or revision of the rent, provided that such revision shall not exceed 5% per annum (in case of residential accommodation) and 8% per annum (in case of non-residential accommodation) of the rent payable at the time of such revision, such rent being equivalent to gross rent reduced by the amount payable towards maintenance and tax." This implies that in such cases rent revision is to be done after every 3 years m, irrespective of whether or not request from the landlord for revision of rent has been received.

(c) The cases at (2) above may be decided in terms of the O.M. No. 16013(1)/82-Pol.III dated 22/08/1984. This means that a reassessment is to be initiated only after such a request is received from the landlord and the revised rent may be allowed from the date of receipt of the request or from the date from which revision is due-whichever is later.

III) Cases where there is no provision for revision in the agreement and the rentals are at abysmally low rates. Some of them as old as in the 1970.

Rentals at abysmally low rates imply that the lease agreement has not been renewed for long. If so, such cases fall in the same category as at (i) above and may be decided accordingly.

3. It is further clarified that:

(a) Even after issue of the Standard Lease Agreement format under O.M. dated 01/10/1999, assessment/reassessment of rent buildings hired by the Central Government Departments continues to be done by the CPWD Hiring Committees. In this regard O.M. No. 8/1/99-WII(DGW)/pt. Dated 14/24 August, 2001 of Director General (Works), CPWD may be referred to; and

- (b) Irrespective of this format of the lease agreement assigned between the Government Department and the Landlord, all the terms and conditions of that agreement are to be adhered to by both the parties till the expiry of the term mentioned therein. At the time of renewal of the lease, the Standard Lease Agreement format in vogue is to signed.

Yours faithfully,

Sd/-

(A. MADHUKUMAR REDDY)

Directorate of Estates

End: as above.

**No.15(1)E-II(A)/2010
Government of India
Ministry of Finance
Department of Expenditure**

New Delhi, the 20th August, 2010

OFFICE MEORANDUM

Sub: Amendment to Rule 126 of General Finance Rules-2005.

The undersigned is directed to say that it has been decided, in consultation with the Ministry of Urban Development, that the existing provisions of Rule 126 at Chapter-5 of General Financial Rules, 2005 which deals with 'Works' shall be substituted by the provisions as indicated in the Annexure to this Office Memorandum.

2. The order will take effect from the date of issue.
3. All the ministries/Departments are requested to bring this to the notice of the offices and organizations under their administrative control.
4. Hindi version of this Office Memorandum will follow.

-Sd-

(R.Prem Anand)

Under Secretary of the Government of India

To,

- (1) The Secretaries of the Ministries/Departments of the Government of India.
- (2) The Financial Advisers of Ministries/Departments of the Government of India.

Copy (with usual no. of spare copies) forwarded to C&AG, UPSC etc. as per standard endorsement list.

Assessment O.M.No.15(1)/E-II(A)/2010 dated 20th August 2010

AMENDMENT TO RULE 126 OF GENERAL FINANCIAL RULES 2005

Chaper 5- Works: Rule 126

The existing provisions of Rule 126(1) to (4) may be replaced by the following.

Rule 126

- (1) A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees thirty Lakhs after following due procedure indicated in **Rule 132**
- (2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees thirty Lakhs and original works of any value to any Public Works Organisation, such as Central Public Works Department (CPWD), State Public Works Divisions, other Central Government Organisations authorized to carry out civil or electrical works such as Military Engineering Services (MES), Border Roads Organisation (BRD etc., Public Sector Undertakings set up by the Central or State Government to carry out civil or electrical works or any other Central/State Govt. organization/PSU which may be notified by the Ministry of Urban Development after evaluating their financial strength and technical competence.
- (3) A Ministry or Department may also execute works of the nature and values mentioned at **Rule 126(2)** through a well reputed and technically competent organization, other than Public Works Organisations as defined in **Rule 126(2)**, after consultation with Ministry of Urban Development. While considering the proposals of the Ministries/Departments as a part of the consultation process, Ministry of Urban Development would take into consideration the financial strength and technical competence of the proposed executing agency, the available capacity of **CPWD** to take up such works and other features such as adherence to authorized norms/scales of accommodation in the design, use of appropriate Plinth Area Rates for estimates etc. While executing such works, the Ministry/Department would also follow the provisions of the other Rules in Chapter 5.
- (4) The consultation with Ministry of Urban Development referred to in Rule 126(3) would not be necessary if work is executed through the Ministry's/Department's own civil construction agencies as in the case of Ministries of Railways, Defence, Enviornment & Forests, Information & Broadcasting and Departments of Posts, Space etc.

**GOVERNMENT OF INDIA
DIRECTORATE GENERAL OF WORKS
CENTRAL PUBLIC WORKS DEPARTMENT**

F.No.18/29/97-W, 1[DGW]

Nirman Bhawan, New Delhi.
Dated the 17 August 2005

OFFICE MEMORANDUM

CPWD had been making payment to meet out the expenditure incurred on running of bulk services e.g. Street lighting, Tube well, Pumping, DG Sets, Sewerage pumps etc, for GPRA/GPOA colonies/complex which are maintained by CPWD. As far as properties owned by other Central Govt. Ministries/Departments are concerned such payments were being made by CPWD at a few places. However due to meager fund allotments and increasing tendency of various departments to install DG Sets, UPS System, Central AC Plants, Security System, Audio Visual System etc. such expenditure tend to affect the normal maintenance adversely. The matter has been considered carefully and it has been decided that-

- (i) CPWD shall make payment to meet the expenditure maintenance of bulk services, service charge and Electricity/Water consumption charges in respect of General Pool Office buildings only and for common facilities in respect of General Pool Residential Complexes.
- (ii) In respect of the Residential/Non-residential properties belonging to other individual Ministries/Departments, the payment of following shall be their responsibility:
 - (a) Lease charges.
 - (b) Water and electricity consumption charges for all services including street lighting, running of tube wells, sewerage pumps and other installations.
 - (c) Running charges of generators including cost of P.O.I operational charges and minor/major repairs etc.
 - (d) Any other service charges to be paid to local Municipal Authorities.
- (iii) In recent times specific Electrical & Mechanical Services like standby DG Sets, UPS system, Central AC Plant, Security system, Audio visual system etc. are provided. For operation, maintenance and repair of such systems, funds will be provided by the respective client department after submission of estimates by the competent CPWD unit.

These instructions may be followed while deciding such cases in future.

This supersedes the earlier Office Memorandum dated 23.4.98, 27.7.98, 7.4.99, 16.1.2001 and 16.4.2003 of even number issued on the same subject.

All CEs/SEs of CPWD are requested to bring this to the notice of relevant client department and submit estimates to them for 2005-06 by 30.9.2005 positively and seek immediate review of the fund.

**Sd/-
(B.B. MAKKAR)
DIRECTOR (P & W A)**

To

All CEs/SEs/EEs[Civil & Electrical] in CPWD.

**DIRECTORATE GENERAL OF WORKS
CENTRAL PUBLIC WORKS DEPARTMENT
WORKS-1 SECTION NIRMAL BHAWAN**

F.No.18/29/97-WI(DG)1/61

New Delhi, dated the 15.9.2008

OFFICE MEMORANDUM

In continuation of this Office Memorandum of even no. dated 17.08.2005 (copy enclosed for reference) it has been decided that in respect of Residential and Non Residential buildings complexes belonging to individual Ministries/Depts., other than General pool, the arrangements of funds for operation and maintenance of the following services shall also be the responsibility of the concerned Ministries/Departments:-

- (a) Sub-station
- (b) Lifts
- (c) Fire Fighting & Fire Alarm System and
- (d) Any other specialized services

For operation, maintenance and repairs of such items, funds will be provided by respective client departments on submission of the estimates by the competent CPWD Unit.

All Chief Engineers/Superintending are requested to bring this to the notice of concerned client departments and submit estimates to them immediately for the year 2008-09 immediately seeking review of funds.

This issues with the approval of DG(W)

Sd/-
(B.N. Malhotra)
Director (P & WA)

To,

All Chief Engineers/Superintending (Civil & Electrical), CPWD

Copy to:-

1. PPS to DG(W) for information
2. All ADG's CPWD for information.

F.No.182/5/2005-Ac.VIII(DT)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 20th March, 2006

To,

All Chief Commissioners of Income Tax (CCA),
All Directors General of Income Tax.

Subject:- Purchase of Refrigerators, TVs, VCR, Vaccum cleaners and others items not covered under the Delegation of Financial Power Rules, 1978 – information reg.

Sir,

It has come to the notice of the Board that certain field office have purchased the items which are not listed in schedule V of the Delegation of Financial Power Rules.

2. The Board vide its letter F.NO.I-11020/21/96-Ad.IX dated 07.05.1996 had already instructed that such purchases should not be made without prior approval of the Board.

3. It is requested that items in respect of which financial powers have not been delegated to the Head of Department under the DFPRs, 1978, should not be purchased by any officer in the field formations of CBDT. All proposals for purchase of the aforesaid items must be referred to the Board for prior approval, and, only receipt of Board's approval, such items should be purchased.

Yours faithfully,

-Sd-
(DEBJYOTI DAS)
Director to the Government of India

**DR. RAJAT BHARGAVA, IAS
JOINT SECRETARY**

Te: Off: 23093183

**No.F.1(6)-B(AC)/2011
Ministry of Finance
Department of Economic Affairs
(Budget Division)
North Block
New Delhi-110001**

New Delhi, the 12th June, 2012

Dear Shri Rao,

I may draw your attention to this Ministry's O.M. issued under letter No. F.1(23)-B(AC)/2005 dated 25.05.2006, prescribing revised guidelines on financial limits to be observed in determining cases relating to 'New Service'/New Instrument of Service.'

2. There has been lack of clarity at Ministry/Department level while determining the cases of NS/NIS on augmentation of funds under the object heads "Grants-in-aid", 'subsidies' and 'Major works'. Ministries/Departments, in some cases, have failed to obtain the prior approval of Parliament through Supplementary Demands for Grants whenever funds are augmented through re-appropriation of funds leading to avoidable objection from Audit with the addition of new object heads like 'Grants for creation of capital assets' and 'Grants-in aid- Salaries this Division has clarified the process involved in augmentation of funds under 'Grants-in-aid, 'subsidies' and 'Major works' vide this Ministry's O.M. of even number dated 21.05.2012. These may be kept in view while augmenting the provision through re-appropriation of funds under the heads mentioned above.

With regards,

Yours sincerely,

Encl: as above.

**-Sd-
(Dr.Rajat Bhargava)**

**Shri H. Pradeep Rao,
Financial Adviser
Direct Taxes
New Delhi.**

**No.F.1(5)-B(AC)/2011
Ministry of Finance
Department of Economic Affairs
(Budget Division)**

New Delhi, 21.05.20112

OFFICE MEMORANDUM

Subject: Clarification the Financial Limits to be observed in determining cases relating to 'New Service'/New Instrument of Service.

The undersigned is directed to invite attention to this Ministry's O.M. issued vide letter No.1(23)-B(AC)/2—5 dated 25.5.2006, wherein the revised guidelines on financial limits to be observed in determining cases relating to 'New Service' (NS)/New Instrument of Service (NS) were prescribed, and to state that there has been lack of clarity at Ministry/S Department level while determining the cases of Ns/NIS on augmentation of funds under the object heads 'Grants-in-aid; 'Subsidies' and 'Major Works'. It is observed that Ministries/Departments, in some cases, have failed to obtain the prior approval of Parliament through Supplementary Demands for Grants whenever funds are augmented through re-appropriation of funds leading to avoidable objection from Audit. With the addition of new object heads like 'Grants for creation of capital assets', 'Grants-in-aid-Salaries, it has become necessary to issue a circular clarifying 'amplifying the following:

- 'Grants in aid** Any augmentation under the object head grants in aid through re-appropriation of savings within the same section of grant requires prior approval of parliament through Supplementary Demands for Grants except in cases of grants of states and Union Territory Governments on existing schemes. Cases requiring augmentation of funds, arising out of reclassification of expenditure, from 'Grants –in-aid General' , 'Grants for creation of capital assets' and 'Grants-in-aid Salaries' under the same scheme also require the prior approval of Parliament.
- Subsidies** All cases for augmentation of funds (through either re-appropriation of funds or additional ties) under the object head ' subsidies' require prior approval of the Parliament through supplementary demands for grants without any exemption.
- Major Works:** A view is being held in some instances that the financial limits prescribed in column 3 against item D-Expenditure on New Works (Land, Buildings and/or Machinery) in Annex to this Ministry's O.M. issued under letter No. F.1(23)-B(AC)/2005 dated 25.5.2006 are applicable to cases of 'New Works' only. This view is incorrect in view of the fact that column 3 also mentions about the augmentation of funds by Rs. 2.5 crore or 10% of the appropriation already voted with the prior approval of Parliament. Thus, the words 'appropriation already voted' referred to the existing on-going works and hence the financial limits prescribed under column 3 against item D-Expenditure on New Work (Land, Buildings and/or Machinery) are equally applicable to cases relating to

existing works and attract provisions of 'New Instrument of Services' . It is therefore clarified that all cases relating to augmentation of funds under object head 'Major Works' would require prior approval of the Parliament in case the augmentation is above Rs. 2.5 crore or above 10% or the appropriation already voted irrespective of the fact that the augmentation is for 'New' works or for the existing works.

-Sd/-
(N.N.Jha)
Director (Budget)

All FAS/CCAs of Ministries/Departments.
JS(PF.1)/JS(PF.II)/JS(Pers) of Department of Expenditure for information.

No.F.1 (23)-B (AC)/2005
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 25th May, 2006.

OFFICE MEMORANDUM

Sub: Revised Guidelines of Financial Limits to be observed in determining cases relating to ‘New Service’/’New instrument of Service’.

In accordance with the commitment made in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Accounts Committee (2005-06) in the twenty third report (Fourteenth Lok Sabha) on the proposal for review of Financial Limits to be observed in determining the cases relating to ‘NEW SERVICE’/’NEW INSTRUMENT OF SERVICE’ for re-appropriation of funds (Annex), which has the concurrence of the C&AG, the following revised guidelines for re-appropriation of funds are hereby conveyed, in modification of this Ministry’s Office Memorandum No.F.7 (1)-B(RA)/82 dated 13th April, 1982.

2. Definition of the terms ‘New Service’/’New Instrument of Service’ and its application:

- (i) ‘New Service’: As appearing in article 115(1)(a) of the Constitution of India, this has been held as referring to expenditure arising out of a new policy decision, not brought to the notice of Parliament earlier, including a new activity or a new form of investment.
- (ii) ‘New Instrument of Service’: Refers to relatively large expenditure arising out of important expansion of an existing activity.
- (iii) While using these terms and applying the financial limits as indicated in the Annex, it needs to be noted that no expenditure can be incurred from the Consolidated Fund of India on a ‘New Service’/’New Instrument of Service’ without prior approval of Parliament through supplementary demands for grants. Further, the determination of these financial limits will be with reference to Primary Unit of Appropriation.
- (iv) Where in an emergent case of ‘New Service’/’New Instrument of Service’ it is not possible to wait for prior approval of Parliament, the Contingency Fund of India can be drawn upon for meeting the expenditure pending its authorization by Parliament. Recourse to this arrangement should normally be taken only when Parliament is not in session. Such advances are required to be recouped to the Fund by obtaining a Supplementary Grant in the immediate next session of Parliament. However, when Parliament is in session, a Supplementary Grant should preferably be obtained before incurring any expenditure on a ‘New Service’/’New Instrument of Service’. That is to say, recourse to Contingency Fund of India should be taken only in cases of extreme urgency; in such cases the following procedure recommended by the Sixth Lok Sabha Committee on Papers Laid on the Table in their 4th Report should be observed:

“As far as possible, before such withdrawal is made, the concerned Minister may make a statement on the floor of the Lok Sabha for information giving details of the amount and the scheme for which the money is needed. In emergent cases, however, where it is not possible to

inform the Members in advance, the withdrawal may be made from the Contingency Fund and soon thereafter a statement may be laid on the Table of the Lok Sabha for the information of the Members”.

It has been suggested by the Rajya Sabha Secretariat that the above procedure may also be observed in Rajya Sabha.

3. Checks to be observed by the Ministries/Departments to ensure compliance of the provisions of this Office Memorandum are as under:

- (i) By Integrated Finance Division/Budget Unit: A specific certificate should be recorded in each case involving augmentation of sanctioned provision on receipt of related proposals, to the effect that the proposed augmentation attracts/does not attract financial limits of ‘New Service’/‘New Instrument of Service’.
- (ii) By PAOs” Each expenditure sanction to be examined by PAOs from the ‘New Service’/‘New Instrument of Service’ angle keeping in view the financial limits indicated in the Annex.
- (iii) Where any doubt arises about the application of financial limits of ‘New Service’/‘New Instrument of Service’, the PAO would seek decision from CCA/FA of appropriate jurisdiction.

4. Circumstances for obtaining Supplementary grants for expenditure qualifying as ‘New Service’/‘New Instrument of Service’ and the reporting procedure thereof are as follows:

- (i) If sufficient savings are available within the same section of the relevant grants for meeting additional expenditure to the extent mentioned in column 2 of the annex, re-appropriation can be made, subject to report to Parliament.
- (ii) The Report to Parliament should ordinarily be made through the ensuing batch of Supplementary Demands for Grants, failing which by adding an Annex in the Detailed Demands of the Ministry/Department for the ensuing year.
- (iii) A suitable write-up of such cases where possible, may also be made in the Notes on Demands for Grants of the Ministry/Department.
- (iv) Mere depiction of augmented provisions in the Revised Estimates included in the Demands for Grants will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of ‘New Service’/‘New Instrument of Service’ are attracted, approval of Parliament may be obtained for incurring such expenditure through supplementary demands for grants.
- (v) The provisions in the ‘Vote on Account’ are not intended to be used for expenditure on any ‘New Service’. In cases of urgency, expenditure on a ‘New Service’ during Vote on Account period can, therefore, be incurred only by obtaining an advance from the Contingency Fund in the manner recommended by the Sixth Lok Sabha Committee on the Papers Laid on the Table already referred to in para 2(iv) of this OM. Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

5. Exceptions:

- (i) Having regard to the volume and nature of Government transactions, it is not possible to list out all such cases which are not attracted by 'New Service'/'New Instrument of Service' limits. Broadly, however, expenditure on normal activities of Government (such as normal administrative expenditure – including that resulting from re-organization of Ministries/Departments, holding of conferences, seminars, exhibitions, surveys, feasibility studies, etc. assistance to foreign Governments, contributions to international bodies and fulfillment of Government guarantee on its invocation) are not attracted by the limits of 'New Service'/'New Instrument of Service'.
- (ii) Transfers to State and Union Territory Governments are also exempt from these limits provided the scheme is not new.
- (iii) Further, these limits are applicable only to expenditure which is subject to Vote of Parliament.

6. Doubtful cases:

In case of disagreement between the Integrated Finance Wing and Pay and Accounts Office, the Ministry/Department may send a self contained communication to the Budget Division, Ministry of Finance bringing out the specific point of doubt incorporating their Financial Adviser's views thereon. The decision taken by the Budget Division in the matter will be final.

7. Conclusion:

While agreeing to the revision of norms for re-appropriation of funds as annexed, the Public Accounts Committee in its twenty-third report (Fourteenth Lok Sabha) has concluded by stating as under:

“The committee also expects the Financial Advisors of the Ministries/Departments to ensure that there is no violation in implementation of the said revised norms for re-appropriation of funds and any slackness in complying with the said norms is strictly dealt with”.

8. Hind version will follow.

**-Sd-
(Dakshita Das)
Director (Budget)**

To,

1. All Ministries/Departments of the Government of India.
2. Financial Commissioner (Railways), Financial Adviser (DS), Member Finance (Telecom) and all other Financial Advisers.
3. Finance Secretaries of Union Territory Administrations (Chandigarh, Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep).
4. Controller General of Accounts, Controller General of Defence Accounts and Chief Controllers of Accounts.

Copy forwarded for information to:

1. Lok Sabha Secretariat (PAC) Branch/Rajya Sabha Secretariat.
2. Comptroller and Auditor General of India and all Directors of Audit/Accountants General.
3. Finance Secretaries of all State and Union Territory Governments.

-Sd-
(Dakshita Das)
Director (Budget)

Annex to Ministry of Finance O.M. No.F1(23)-B(AC)/2005 dated 25.09.2006

**Financial limits to be observed in determining the cases relating to
'NEW SERVICE'/'NEW INSTRUMENT OF SERVICE'**

Nature of transaction	Limits upto which expenditure can be met by re-appropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
I CAPITAL EXPENDITURE		
A. Departmental Undertakings		
(i) Setting up a new undertaking, or taking up a new activity by an existing undertaking.		All cases
(ii) Additional investment in an existing undertaking	Above Rs.2.50 crore but not exceeding Rs.5 crore.	Above Rs.5 crore
B. Public Sector Companies/Corporations		
(i) Setting up of a new Company, of splitting up of an existing Company, or amalgamation of two or more Companies, or taking up a new activity by an existing Company		All cases
(ii) Additional investment in/loans to an existing company		
(a) Where there is no Budget Provision	Above Rs.50 lakhs but not exceeding Rs.1 crore	Above Rs.1 crore
(b) Where Budget Provision exists for investment and/or loans Paid up capital of the Company		
(i) Upto Rs.50 crore	20% of appropriation already voted or Rs.10 crore, whichever is less.	Above 20% of appropriation already voted or Rs.10 crore, whichever is less.
(ii) Above Rs.50 crore	20% of appropriation already voted or Rs.20 crore, whichever is less.	Above 20% of appropriation already voted or Rs.20 crore, whichever is less.

C. All bodies or authorities within the administrative control/management of Central Government or substantially financed by the Central Government.		
Loans	Upto 10% of the appropriation already voted or Rs.10 crore, whichever is less.	More than 10% over the appropriation already voted by Parliament or Rs.10 crore, whichever is less.
Note: Where a lumpsum provision is made for providing 'Loans' under a particular scheme, the details of substantial apportionment (10% of lumpsum of Rs.1 crore, whichever is higher) should be reported to Parliament. In the case of lumpsum provision of loans to States, the State-wise distribution should be reported to Parliament.		
Nature of transaction	Limits upto which expenditure can be met by re-appropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
D. Expenditure on new Works (Land, Buildings and/or Machinery)	Above Rs.50 lakhs but not exceeding Rs.2.5 crore or not exceeding 10% of the appropriation already voted, whichever is less.	Above Rs.2.5 crore or above 10% of the appropriation already voted.
II. REVENUE EXPENDITURE		
E. Grants-in-aid to any body or authority		All cases
Note: Where a lumpsum provision is made for providing grant-in-aid under a particular scheme, the details of substantial apportionment (10% of lumpsum of Rs.1 crore, whichever is higher) should be reported to Parliament. In the case of lumpsum provision of grants to States, the State-wise distribution should be reported to Parliament.		
F. Subsidies		
(i) New cases		All cases
(ii) Enhancement of provision in the existing appropriation	Upto 10% of the appropriation already approved by the Parliament or Rs.10 crore, whichever is less.	More than 10% of the appropriation already voted by Parliament or Rs.10 crore, whichever is less.
Payments against cess collections	Limits as applicable to grants-in-aid to statutory or public institutions will apply.	All cases.
New Commissions or Committees of Enquiry		Above Rs.20 lakhs (total expenditure)
G. Write off of Government loans	Above Rs.50,000 but not exceeding Rs.1 lakh (individual cases).	Above Rs.1 lakh (individual cases)
H. Other cases of Government expenditure	Each case to be considered on merits.	
I. Posts Railways	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments

Defence	subject to considerations of security in the case of Defence.	subject to considerations of security in the case of Defence Services Estimates.
<p>Note 1: For investment in Ordnance Factories, the limit of RS.5 crore mentioned in item A (ii) will be applicable with reference to investment in all the factories as a whole.</p> <p>Note 2: Civil Works, which do not form part of any project of the departmental undertakings (Ordnance Factories) should be treated as ordinary Defence works. As such, prior approval of Parliament will be necessary if the cost of individual works exceeds Rs.2.5 crore and in cases where the individual works cost Rs.50 lakhs or more but not exceeding Rs.2.5 crore, a report to Parliament will be required. A list of such works should, however, be supplied to Director of Audit, Defence Services.</p>		

No.N-11025/26/2003-UCD
Government of India
Ministry of Urban Development
UCD/LSG Section

Nirman Bhawan,
New Delhi, 15th December, 2009

OFFICE MEMORANDUM

Subject:- Payment of service charges to local bodies in respect of Central Government properties – Supreme Court Order in civil Appeal NO.9458-63/2003 – Rajkot Municipal Corporation & Others Vs. UOI & Others,

The undersigned is directed to State that the Hon'ble Supreme Court vide its order dated 19.11.2009 disposed of the Civil Appeal No.9458-63/2003 – filed by Rajkot Municipal Corporation & Others Vs. UOI & Others (copy enclosed) relating to payment of service charges by Central Government Departments to Urban Local Bodies, with the following directions:-

- (1) The UOI & its Departments will pay service charges for the services provided by appellant Municipal Corporations. No Property Tax will be paid by UOI but service charges calculated @ 75%, 50% or 33 1/3% of Property Tax levied on property owners will be paid, depending upon utilization of full or partial or Nil services. For this purpose agreements will be entered into UOI represented by concerned Departments with respective Municipal Corporation.
- (2) The arrangement at (1) is open to modification or revision by mutual consent. In the event of disagreement, the same shall be resolved by a 3 member Mediation Committee consisting of a representative of Central Government, a representative of concerned Municipal Corporation & a senior representative (preferably the Secretary in charge of Department of Municipal administration) of the State of Gujarat.
- (3) In the event of any Department or Railways owning a property changes the Agreement unilaterally or fails to reach settlement through Mediation committee, the concerned Municipal Corporation could take such action as it deems fit by approaching Courts/Tribunals for reliefs.
- (4) The Municipal Corporations shall not resort to coercive steps (such as stoppage of services) nor resort to revenue recovery proceedings for recovery of service charges from UOI or its Departments.
- (5) The services payable by UOI shall not be more than the service charges paid by State Government for its properties. Wherever exemptions or concessions are granted to the properties belonging to the state government, the same shall also apply to the properties of Union of India.
- (6) If Railways do not abide by the instructions of Ministry of Finance as contained in the 4 circulars dated 10.05.1954, 29.3.67, 28.5.1976 and 26.8.1986 and general consensus set out above, it is open to Municipal Corporation to take suitable action as is permissible in Law.

2. All State Governments have been requested to note the above orders of Supreme Court and advice their Urban Local Bodies in regulating the payment of service charges in respect of Central

Government properties in terms of the above judgement. In this connection, it is stated that the arrangement mentioned in point (2) above of para 1 is specific to the State of Gujarat and State Governments have been requested to consider appropriate dispute resolution mechanism in respect of their States.

3. The above orders of Supreme Court are hereby brought to the notice of all Ministries/Departments of Central Government with the request to issue necessary instructions to the concerned authorities under their administrative control for suitable compliance with regard to regulating of service charges payable by UOI & its Departments to the Urban Local Bodies for their properties.

-Sd-
(R. Sathyanarayanan)
Under Secretary to the Government of India
Ph. 23061072.

To

1. All Ministries/Departments of Central Government
2. DG (W), CPWD, MOUD.

Copy forwarded for kind information to:-

1. Sr.PPS to Secretary (UD)
2. P.S. to Addl. Secretary & all Jt. Secretaries of MOUD
3. P.S to Director (LSG)/Dir.(UD)
4. Guard file/spares.

Government Accommodation Rules

Text of Dt. Of Estates, O.M. No.12035/21/95-Pol.II dated 31.07.2000

**Regularization of Allotment of Retained Residences on Re-posting
at the last place of posting**

The undersigned is directed to say that as per provisions of SR 317-B-11, the permissible period for retention of Government accommodation in case of transfer to other station is two months on payment of normal license fee. Further retention of six months is also admissible on medical/educational grounds on payment of twice the normal license fee. Damages rate are charged for the period of overstay beyond permissible period, besides eviction of unauthorized occupants under the provisions of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971.

2. Reference have been received from various quarters requesting for a regularization of accommodation on re-posting at the last place after the permissible period of eight months is over even in case the date of priority of the officer, for the type of accommodation occupied, is not covered on the date of re-posting in an eligible organization. As such allottees are required to vacate the accommodation to which they are otherwise entitled to, these results in dislocation of the families of the officers concerned.

3. The matter has since been considered by the Government and it has now been decided that where an officer is re-posted within a period of four months beyond the permissible period of eight months, the allotment may be regularized on payment of double the normal license fee for the intervening period, irrespective of the fact that the date of priority of the officer concerned on the date of re-posting is covered or not.

4. All the allotment sections are requested to regularize the allotment on re-posting at the last place accordingly.

5. It has also been decided that action under the PPE Act, 1971 may be initiated immediately after expiry of the retention period permissible under the rules, in respect of officers whose retention period is over.

6. These orders are issued in supersession of all previous orders issued regarding regularization of the accommodation on re-posting at the last place of posting.

**NEERAJ VINAY BANSAL
DIRECTOR (HQRS.)**

**GOVERNMENT OF INDIA
CENTRAL BOARD OF DIRECT TAXES
F.No.187/4/2000-Ad.VIII(DT)/587**

New Delhi, the 5th May, 2000

To

Shri B. Mishra,
Chief Commissioner of Income Tax,
Aayakar Bhawan, Maharshi Karve Road,
Bombay – 400020.

Sir/Madam,

Sub: Request for retention of residential accommodation – reg.

Considering the hardship caused to the officers transferred to a particular station on account of shortage of accommodation due to retaining the departmental house by the transferred officers, it has been decided that no further retention of the house beyond the period of two months at normal rent plus six months at double the normal rent will be allowed by the CBDT. The officers retaining the house beyond this period shall be charged market rent as per rules.

Yours faithfully,

**-Sd-
(NEERAJ VINAY BANSAL)**

F.No.DIT(Inf.)/RET-15/POL/2004/818
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 24th August, 2006

OFFICE MEMORANDUM

Sub: Regularization/extension of retention of the Departmental Pool Accommodation upon transfer from one station to another – reg.

Kindly refer to OMs F.No.DIT(Inf.)/RET-15/POL/2004 dated 13.02.2006 and 21.03.2006 issued by the Board on the captioned matter.

2. The matters relating to regularization/extension of retention of the Department Pool Accommodation allotted to officers who are under orders of transfer from one station to another has been reconsidered by the Board. It has been decided that no further retention of the house beyond the period of two months at normal rent and further six months at double the normal rent permissible by the Head of the Department as per sub-rule (2) of SR-317-P-12 and proviso to SR-317-P-21 respectively would be allowed by the CBDT. The officers retaining the house beyond this period shall be charged market rent as per rules.

3. All cases received before the date of circular of this O.M. will be dealt with as per Rules circulated vide O.M.'s dated 13.02.2006 and 21.03.2006.

4. The above instructions will come into force with immediate effect.

-Sd-
(DEBJYOTI DAS)
DIRECTOR (Hqrs.), CBDT

To

All the Chief Commissioners of Income Tax (CCA)

F.No.DIT(Inf.)/Unit-II/RET-15/Policy/2011-12/1980

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES
DIRECTORATE OF INFRASTRUCTURE
NEW DELHI**

Dated: 14.02.2012

OFFICE MEMORANDUM

Sub: Allotment Rules for the Departmental Pool Accommodation – Retention of Accommodation – Relaxation of Rules – reg.

Kindly refer to the above. The matter relating to regularization/extension of retention of the Department Pool Accommodation allotted to officers who are under orders of transfer from one station to another and/or who have reached to superannuation has been reconsidered by the Board. It is reiterated and clarified that:-

- (i) The allotment etc. of Departmental Pool Accommodation in the Income Tax Department is governed by allotment rules of Department of Revenue and Company Law notification dated 8th September, 1964 and amended from time to time.
 - (ii) The O.M. issued vide F.No.DIT(Infra.)/RET-15/POL/2004/818 dated 24.08.2006 on the subject is the latest instruction from the CBDT with regard to regularization/extension of retention of Departmental Pool Accommodation allotted to officers who are under order of transfer, which is enforce on date.
 - (iii) In normal circumstances retention of house beyond the period of 8 months is not permissible.
 - (iv) Any relaxation of rules for retention of house beyond the period of 8 months as per SR-317-B-25 of the allotment rules (supra) requires approval of Hon'ble Finance Minister. Even in such cases where rules are relaxed for retention of house beyond the period of 8 months, market rent is to be charged.
 - (v) The CCIT(CCA) may forward cases of retention of house beyond the period of 8 months only in extremely rare cases with detailed justification for the approval of Hon'ble Finance Minister.
2. Rules regarding allotment etc. of Departmental Pool Accommodation as clarified above may be strictly adhered to and all cases for retention of Accommodation may be dealt with in accordance with the rules as clarified.
3. This issues with the approval of Chairman, CBDT.

**-Sd-
(Govind Singhal)
Addl.DIT (Infra.), Unit-II,
New Delhi.**

To: All the Chief Commissioner of Income Tax (CCA)

CHAPTER – 5

WORKS

Rule 123. Original works means all new constructions, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodeling or replacement.

Repair works means works undertaken to maintain building and fixtures.

Rule 124. Administrative control of works includes:

- (i) assumption of full responsibility for construction, maintenance and upkeep;
- (ii) proper utilization of buildings and allied works;
- (iii) provision of funds for execution of these functions.

Rule 125. Powers to sanction works : The powers delegated to various subordinate authorities to accord administrative approval, sanction expenditure and re-appropriate funds for works are regulated by the Delegation of Financial Powers Rules, 1978, and other orders contained in the respective departmental regulations.

Rule 126. (1) A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees ten Lakhs after following due procedure indicated in Rule 132.

Rule 126. (2) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees ten Lakhs and upto Rupees thirty Lakhs to any Public Works Organisation, which includes State Public Works Divisions, other Central Government organisations authorised to carry out civil or electrical works such as Central Public Works Department (CPWD), Military Engineering Service (MES), Border Roads Organisation etc. or Public Sector Undertakings set up by the Central or State Government to carryout civil or electrical works.

Rule 126. (3) All original works costing upto Rupees ten Lakhs may be assigned by the Ministry or Department concerned to a Public Works Organisations as defined in Rule 126(2).

Rule 126. (4) All original works estimated to cost above Rupees ten Lakhs and repair works estimated to cost above Rupees thirty Lakhs may be got executed through a Public Works Organisations as defined in **Rule 126(2)** after consultation with the Ministry of Urban Development.

Rule 127. Work under the administrative control of the Public Works Departments : Works not specifically allotted to any Ministry or Department shall be included in the Grants for Civil Works to be administered by Central Public Works Department. No such work may be financed

partly from funds provided in departmental budget and partly from the budget for Civil works as mentioned above.

Rule 128. General Rules : Subject to the observance of these general rules, the initiation, authorization and execution of works allotted to a particular Ministry or Department shall be regulated by detailed rules and orders contained in the respective departmental regulations and by other special orders applicable to them.

Rule 129. (1) No works shall be commenced or liability incurred in connection with it until, -

- (i) administrative approval has been obtained from the appropriate authority in each case;
- (ii) sanction to incur expenditure has been obtained from the competent authority;
- (iii) a properly detailed design has been sanctioned;
- (iv) estimates containing the detailed specifications and quantities of various items have been prepared on the basis of the Schedule of Rates maintained by CPWD or other Public Works Organisations and sanctioned;
- (v) funds to cover the charge during the year have been provided by competent authority;
- (vi) tenders invited and processed in accordance with rules;
- (vii) a Work Order issued.

Rule 129. (2) On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out under sub rule 1 of rule 129 cannot be complied with, the concerned executive officer may do so on his own judgement and responsibility. Simultaneously, he should initiate action to obtain approval from the competent authority and also to intimate the concerned Accounts Officer.

Rule 129. (3) Any development of a project considered necessary while a work is in progress, which is not contingent on the execution of work as first sanctioned, shall have to be covered by a supplementary estimate.

Rule 130. For purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other.

Rule 131. Any anticipated or actual savings from a sanctioned estimate for a definite project, shall not, without special authority, be applied to carry out additional work not contemplated in the original project.

Rule 132. Procedure for Execution of Works: The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under :-

- (i) the detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accounts Officer, generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Central Public Works Department (CPWD);
- (ii) preparation of detailed design and estimates shall precede any sanction for works;
- (iii) no work shall be undertaken before Issue of Administrative Approval and Expenditure Sanction by the competent Authority on the basis of estimates framed;
- (iv) open tenders will be called for works costing Rupees five lakhs to Rupees ten lakhs;
- (v) limited tenders will be called for works costing less than Rupees five lakhs;
- (vi) execution of Contract Agreement or Award of work should be done before commencement of the work;
- (vii) final payment for work shall be made only on the personal certificate of the officer-in-charge of execution of the work in the format given below:

“ I, Executing Officer of (Name of the Work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is upto the standards followed in the Industry.”

Rule 133. For original works and repair works entrusted to a ‘Public Works Organisation’ as defined in **Rule 126(2)**, the administrative approval and expenditure sanction shall be accorded and funds allotted by the concerned authority under these rules and in accordance with the Delegation of Financial Power Rules 1978. The Public Works Organisation shall then execute the work entrusted to it in accordance with the rules and procedures prescribed in that organisation.

Rule 134. Review of Projects : After a project costing Rupees ten crores or above is approved, the Administrative Ministry or Department will set up a Review Committee consisting of a representative each from the Administrative Ministry, Finance (Internal Finance Wing) and the Executing Agency to review the progress of the work. The Review Committee shall have the powers to accept variation within 10% of the approved estimates. For works costing less than Rupees ten crores, it will be at the discretion of the Administrative Ministry/Department to set up a Review Committee on the above lines.

MANUAL

ON

POLICIES AND PROCEDURE

FOR

PROCUREMENT OF WORKS



डा. आदर्श किशोर
Dr. Adarsh Kishore

वित्त सचिव
भारत सरकार
वित्त मंत्रालय
व्यय विभाग
FINANCE SECRETARY
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

नई दिल्ली/New Delhi the August 31, 06 20

PREFACE

Every Government organization procures a wide variety of goods and services and executes works to perform the duties and responsibilities assigned to it. A need was felt to review the government procurement system with a view to avoiding scope for subjectivity and improving objectivity and transparency in decision making.

Laying out clear guidelines for Public Procurement is a part of the 'Thrust Areas' and priority items directed by the Government, in tune with the imperatives of a growing and liberalized economy.

Government had constituted a Task Force to examine in detail revision of public procurement norms and to make suitable recommendations in this regard. The recommendations of the Task Force were accepted 'in principle' by the Government, which, *inter alia*, included preparation of Manuals on Policies and Procedures, along with other allied documents for procurement of Goods, Works and Consultancy Services, in consonance with the fundamental principles of transparency, fairness, competition, economy, efficiency and accountability.

The Manuals on Policies and Procedures for Goods, Works and Consultancy have been prepared in conformity with the applicable directives contained in the new General Financial Rules, 2005. The draft Manuals were widely circulated to all Ministries / Departments, and their suggestions were duly considered for making appropriate changes. Concerted efforts have been made to cover all major aspects of procurement in these Manuals in a user-friendly manner taking into account the developments in the economy and the need to introduce quality, competition and transparency in public procurement.

Manuals issued by this Ministry are to be taken as generic guidelines, which have to be necessarily broad in nature. Ministries / Departments are advised to supplement these manuals by issuing detailed operating instructions to serve as practical instructions for their officers, evolve checklists to ensure completeness of examination of cases and customize the formats to suit local/specialized needs. We intend to revise and update the Manual once in two years.

(Adarsh Kishore)

ACKNOWLEDGEMENT

Ministry of Finance, Department of Expenditure wishes to acknowledge the dedicated efforts of Shri R.N. Ghosh, former Addl ^{General,} Director, DGS&D, Ministry of Commerce, Shri Fuad Mahmood Executive Director (F&A), Rail Vikas Nigam, and Shri Basab Rajumdar, former DG, CPWD and his team of officers, and appreciate their valuable contribution in drafting these Manuals on Policies and Procedures, along with other related documents for procurement of Goods, Works and Consultancy Services.

Ministry of Finance, Department of Expenditure also wishes to place on record their appreciation for the contribution made and service tendered by Ms. Somi Tandon, former Secretary (Defence-
Finance), for successful completion of this task.



31/8/2022.

(Rita Menon)

Additional Secretary to the Government of India
Ministry of Finance
Department of Expenditure

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CHAPTER 1: INTRODUCTION

1.1 Objective

1.1.1 The objective of laying down policies and procedures for civil works contracts is to ensure maximum efficiency, while maintaining quality, desired speed and overall economy. The procedure must ensure healthy competition among suppliers and contractors, in a transparent and fair manner. This is primarily for the guidance of officials in such Ministries / Departments who do not have their own Engineering wings though the general policies and principles are the same for all.

1.2 Basic Principles

1.2.1 The Basic Principles of undertaking works are:-

- (a) No new works should be sanctioned without careful assessment of the assets or facilities already available and time and cost required to complete the new works.
- (b) As budgetary resources are limited and granted on annual basis, adequate provisions should be ensured for works and services already in progress before new works are undertaken.
- (c) The construction period and sanctioned cost stipulated in the sanction of Project will not be exceeded as far as possible.
- (d) The competent financial authority according administrative approval should be kept informed of the progress of the work till their completion through regular periodical reports.
- (e) No project or work will be split up to bring it within the sanctioning powers of a lower authority.
- (f) Any anticipated or actual savings from a sanctioned estimate for a definite project, shall not, without special authority, be applied to carry out additional work not contemplated in the original project.

1.2.2 No works shall be commenced or liability incurred in connection with it until:-

- (i) Administrative approval has been obtained from the appropriate authority.
- (ii) Sanction to incur expenditure has been obtained from the competent authority.
- (iii) A properly detailed design has been sanctioned.
- (iv) Estimates containing the detailed specifications and quantities of various items has been prepared and sanctioned on the basis of the schedule of rates maintained by CPWD or other Public Works Organizations.
- (v) Funds to cover the charge during the year have been provided by competent authority.
- (vi) Tenders have been invited and processed in accordance with rules.

(vii) A work order has been issued.

1.2.3 On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out above cannot be complied with, the concerned executive officer may do so on his own judgement and responsibility. Simultaneously, he should initiate action to obtain approval from the competent authority and also to intimate the concerned Accounts Officer.

1.3 Classification of works

1.3.1 The civil works are classified under two categories: (a) Original Works and (b) Repairs Works. "Original works" means all new constructions, additions and alterations to existing works, special repairs to newly purchased or previously abandoned buildings or structures, including remodelling or replacement. "Repair works" means works undertaken to maintain building and fixtures. (vide Rule 123 GFR 2005)

1.4 Processing of works

1.4.1 Following are the stages in planning, sanctioning and execution of work.

(a) Inclusion in Procurement Plans

(b) Preparation of Preliminary Project Report (PPR)

(c) Acceptance of necessity and issue of 'Go ahead' sanction.

(d) Preparation of Detailed Project Report (DPR) & Detailed Estimates

(e) Administrative Approval

(f) Technical Sanction

(g) Appropriation of funds

(h) Preparation of Tender documents

(i) Call of Tenders and Award of Work

(j) Execution of works

(k) Monitoring of works and Quality Assurance.

Note: For repair works up to Rs. 10 Lakh, sanction may be given on the basis of Preliminary Project Report itself.

CHAPTER 2: PREPARATION OF ESTIMATES

2.1 Perspective Planning for works

2.1.1 Each Ministry/Department shall prepare a perspective plan for 5 years for undertaking different types of works. There shall also be a provision for annual review of the plan for making modifications, if any.

2.2 Set up for execution of works

2.2.1 A Central Government Ministry/Department having its own Civil Engineering wing shall normally execute the works departmentally or through contracts and may at its discretion engage CPWD or any other Public Works Organization. Other Ministries/Departments shall assign their major works to a Public Works Organisations, which includes State Public Works Divisions, other Central Government organisations authorised to carry out civil or electrical works such as Central Public Works Department (CPWD), Military Engineering Service (MES), Border Roads Organisation etc. or Public Sector Undertakings set up by the Central or State Government to carry out civil or electrical works. Norms in this regard have been prescribed in Rule 126 of the GFR 2005. The following procedure may be observed:

(i) A Ministry or Department at its discretion may directly execute repair works estimated to cost upto Rupees ten Lakhs after following due procedure indicated in Rule 132 of the GFR 2005.

(ii) A Ministry or Department may, at its discretion, assign repair works estimated to cost above Rupees ten Lakhs and up to Rupees thirty Lakhs to any Public Works Organisation as defined in Rule 126(2) of the GFR 2005.

(iii) All original works costing upto Rupees ten Lakhs may be assigned by the Ministry or Department concerned to a Public Works Organisation as defined in Rule 126(2) of the GFR 2005.

(iv) All original works estimated to cost above Rupees ten Lakhs and repair works estimated to cost above Rupees thirty Lakhs may be got executed through a Public Works Organisation as defined in Rule 126(2) of the GFR 2005 after consultation with the Ministry of Urban Development.

2.2.2 For execution of any work, whether departmentally or through a Public Works Organisation, the Ministry / Department shall constitute a "Works Committee", whether on ad hoc or standing basis; comprising of representatives of administrative wing and Finance wing and an officer possessing technical skills and experience for framing estimates and execution of works. If need be, a member may be co-opted from CPWD or from some Public Works Organization. The Works Committee shall ensure observance of due process in the planning and execution of works, check the reasonability of the estimates and other technical details and monitor the execution of the works.

2.2.3 A Memorandum of Understanding (MoU) may be drawn with the Public Works Organization by the concerned Ministry/ Department for proper execution of works. The MoU should spell out the obligations on the part of Public Works Organization regarding execution of works as per proper specifications and for maintaining proper quality and speed of execution of works. Different stages at which funds shall be released to the Public Works Organization should also be clearly spelt out.

2.3 Preparation of Preliminary Project Report (PPR)

2.3.1 On requisition from Ministry/Department for procurement of works, a preliminary project report shall be prepared by Public Works Organization to whom work is entrusted for execution and shall be submitted to the requiring Department/ Ministry for obtaining sanctions of the project. In case the work is to be executed under its own arrangement by the Ministry / Department, PPR will be prepared by the Works Committee, with the technical details / documents mentioned below being prepared by (or under the guidance of) the technical member of the Works Committee.

2.3.2 The project report shall provide the following details:

- Background of the work/ project justifying the need for the work
- Details of scope of the project
- Exclusions (if any) - This will cover part of the work, which is not included in this particular project estimate.
- Availability of land - There should be a clear indication about the availability of land required for completion of whole project. The land shall be made available free of all encumbrances.
- Availability of auxiliary services like roads, power, water, solid & liquid waste disposal system, street lighting and other civic services shall be ensured.
- Reference to Concept Drawings and their acceptance - This shall indicate the details of concept drawings prepared and their approval by the requisitioning authority. If in-house expertise is not available, the services of a consultant shall be obtained.
- Execution methodology - through contract or otherwise.
- Preliminary estimated cost - This will also include the expected escalation for the period of completion of the project and also the departmental charges to be paid to the Public Works Organization.
- Cost benefit analysis of the project, if relevant
- Time of the completion - This will consist of two parts, one for pre-construction activity till award of the work and the other one for the execution.
- Environmental impact assessment (EIA) of the project and approval thereof, wherever applicable.
- Cash flow : This will show year-wise requirement.

- Source & availability of funds - The manner of transferring the fund to the executing agency to be spelt out.

- Appendices:

- o Requisition of the Department/Ministry.
- o Concept Drawings.
- o Reference to approval of Concept Drawings.
- o Any other relevant documents.

2.4 Sanction for the Project

2.4.1 Approval of competent financial authority for accepting the necessity of works should be sought on the basis of PPR and a 'Go ahead' sanction of the concerned Ministry/Department shall be made available for execution of the work within a period of six months.

2.5 Preparation of Detailed Project Report (DPR)

2.5.1 On receipt of sanction of the project, based on submission of PPR and assurance of funds, the procuring entity shall finalize the Detailed Project Report giving reference to the following documents:

- Approval of Statutory Bodies for Site Plan, Architectural Drawings etc. as required.
- Detailed soil investigation.
- Detailed architectural drawings.
- Detailed structural drawings.
- Detailed Cost Estimates based on specifications and schedule of rates prepared by CPWD or any other Public Works Organization.
- Annual plan and five-year plan allocation and cash flow.
- Systems to be adopted for project monitoring.
- Works accounting system.
- Quality assurance system/mechanism.
- Bidding Systems - Single, two parts, pre-qualification, Post-qualification.

Notes

- (1) In case the work is being executed by the Ministry/Department themselves, DPR will be prepared by the Works Committee as mentioned in para 2.3 above.
- (2) For repair works costing up to Rs. 10 lakh, preparation of DPR may be dispensed with, since repair work does not need detailed designing. Sanction may be accorded by the competent authority based on PPR itself.

2.6 Administrative Approval

2.6.1 Administrative approval will be accorded by the competent Financial authority to the execution of work after due examination of Detailed Project Report and detailed estimates.

2.7 Technical Sanction

2.7.1 Technical sanction to detailed cost estimates shall be accorded by the Works Committee so as to ensure that proposals are structurally sound and that the estimates are accurately calculated based on adequate data. In case the work is to be executed through a Public Works Organization, technical sanction shall be accorded by that organization.

2.8 Availability of Funds

2.8.1 Before taking up the execution of work it shall be ensured that proper funds are available to meet out the expenditure on the work.

2.9 Preparation of Revised Project Report

2.9.1 During preparation of DPR or at tender processing stage or during execution of work or after the completion of work if it is felt that the project cost has or is likely to vary more than 10% of sanctioned cost, then a Revised Project Report taking into account various possible reasons for variation like change in scope, design of work, material/labour cost, time over run etc. shall be prepared and sanction of competent authority shall be obtained.

CHAPTER 3: PREPARATION OF TENDER DOCUMENTS

3.1 Standard Forms of Contract

3.1.1 The following different forms of contract can be used depending upon the nature of work:

Percentage Rate Tender: For percentage rate of tenders, the contractors are required to quote rate as overall percentage above or below the total estimated cost. This kind of form of tender can be used in respect of maintenance works, leveling and development works including such works as storm water drainage, water supply and sewer lines. Such percentage rate contract should be confined to maintenance works up to the value of Rs. 10 Lakh only. All other works contracts should be well planned and awarded as lumpsum contracts.

Item rate Tender: For item rate tenders, contractors are required to quote rate for individual items of work on the basis of schedule of quantities. The contractor has to quote the rates against each item of work.

Piece Work: This form is to be used mainly in following cases:

- (i) The cases, in which it is necessary to start the work in anticipation of formal acceptance of contract, an agreement on piece work form may be drawn and the contract may be cancelled as soon as regular contract is signed.
- (ii) For running contracts i.e. those for pipes, laying of sewerage etc. quotations are called periodically and a running rate contract is drawn up as a result of those quotations usually for one year. The piece work form provides for payment of stipulated rates only when it refers to such quantity of time and also stipulates that the procuring entity may put an end to the agreement at his option at any time.

Lump sum Contract: This form is used for work in which contractors are required to quote a lump sum figure for completing the works in accordance with the given designs, specifications and functional requirements.

Tender for demolition of Buildings: This form of tender is adopted for demolition of buildings and removal of debris from the site.

3.1.2 All the above mentioned contract forms are available with Public Works Organizations like CPWD and the same may be used for calling the tenders.

3.2 Earnest Money

3.2.1 Earnest money at the prescribed percentage of estimated cost shall be required to be submitted by all suppliers or contractors. The amount

shall be required to be submitted as cash (up to Rs. 10,000/-), Treasury Challan, Deposit at call receipt of Scheduled Bank guaranteed by the Reserve Bank of India, Banker's Cheque, Demand Draft & FDR. In case where a tenderer fails to commence the work awarded to him, the earnest money shall be forfeited.

3.3 Performance Guarantee

3.3.1 The performance guarantee of prescribed percentage of contract amount shall be required to be submitted as Bank Guarantee, Govt. Securities, FDR or any other form of deposit, stipulated by the procuring entity within a specified period of receipt of letter of intent to award the work.

3.4 Security Deposit

3.4.1 The security deposit shall be deducted from the running bills at specified percentage of contract value. The earnest money shall form part of the security deposit.

3.5 Bonus, Liquidated Damages

3.5.1 A work may be completed ahead of schedule or delayed due to unforeseen fortuitous circumstances, extra effort or developments beyond the control of the procuring entity or the tenderer and it is sometimes difficult to apportion credit or responsibility. Incentives for early completion and penalties for delay should, therefore, be built into the contract very judiciously.

3.5.2 Normally, tenders shall be invited with reference to a pre-determined period of completion of works. Provision of incentives for completion of work before schedule should be sparingly made after careful assessment of tangible benefits therefrom and disclosed in the tender documents in clear monetary terms.

3.5.3 In case of delay in completion of the contract, liquidated damages should be levied at a specified rate of the contract value, subject to a maximum of 10% of the contract value. The penalties proposed for identified lapses of omission or commission must be disclosed in the tender documents in clear monetary terms.

3.6 Amount of Earnest Money, Performance Guarantee, Security deposit, Bonus and Liquidated damages

3.6.1 Ordinarily, the following percentages may be specified. Exact amount may be decided by the procuring entity depending on the type of work, quantum of work and the urgency involved.

1. Earnest Money:

a.	For works estimated to cost up to Rs. 25 crore	2% of the estimated cost
b.	For works estimate to cost more than Rs. 25 crore	Rs. 50 lakh plus 1% of the excess of estimated

		cost over Rs. 25 crore.
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2. Performance Guarantee: 5% of the contract value.
3. Security Deposit: 5% of the contract value.
4. Bonus: 1% of the contract value per month subject to a maximum of 5% of contract value.
5. Liquidated Damages: For repair works costing up to Rs. 10 Lakh - 1% of the contract value per week and for all other works 0.5% of the contract value per week of delay subject to a maximum of 10% of contract value.

3.7 Dispute Resolution Mechanism

- 3.7.1** The dispute resolution method shall be specified clearly in the bidding document. It may be through a Disputes Resolution Board.
- 3.7.2** If a dispute of any kind, whatsoever, arises between the procuring entity and contractor in connection with or arising out of the contract or the execution of the works, whether during the execution of the works or after their completion and whether before or after the repudiation or termination of the contract, including any disagreement by either party with any action, in action, opinion, instruction, determination, certificate or valuation of the Engineer; the matter in dispute shall, in the first place, be referred to the Dispute Resolution Board.
- 3.7.3** The Works Committee may act as Dispute Resolution Board. The board may co-opt any other officer, if required for dispute resolution.

3.8 Arbitration

- 3.8.1** All questions and disputes relating to the meaning of the specifications, design, drawings and instructions here-in and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be referred to a sole arbitrator for adjudication through arbitration. The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act 1996 or any statutory modifications or re-enactment thereof and the rules made there under and for the time being in force, shall apply to the arbitration proceedings.
- 3.8.2** An officer not below the rank of Director, preferably drawn from the panel of Arbitrators drawn by the Government, if any, may be appointed to act as arbitrator by an appointing authority, which should normally be an officer not below the rank of Joint Secretary to the

Government. The appointing authority for an arbitrator should be clearly defined in the bidding document.

3.9 Price Variation

- 3.9.1** This will deal with rise and fall of the prices in construction materials/labour. However this shall not be applicable in the contracts where period of completion is eighteen months or less.
- 3.9.2** The amount payable to the contractor shall be adjusted in respect of the rise or fall in the cost of labour, POL and materials to the work for which appropriate formulae shall be prescribed.
- 3.9.3** To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of the contract, the unit rates and prices included in the contract shall be deemed to include amounts to cover the contingencies of such other rise or fall of costs.
- 3.9.4** The formulae may be based on weightages of the material/labour/POL and cost indices/base prices. Indices shall be appropriate for their purpose and shall relate to the contractor's proposed source of supply of inputs on the basis of which his contract price shall have been computed.
- 3.9.5** If any statutory regulations or bye-laws come into force after submission of the bids, which cause additional or reduced cost to the contractor in the execution of the contract, such additional or reduced cost (except which are covered in cost indices) shall be added or deducted from the contract price.

CHAPTER 4: CALL OF TENDERS AND AWARD OF WORK

4.1 Registration of contractors

4.1.1 For enlistment of contractors, the following criteria shall be considered appropriate:

- (i) They should possess the technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation and the personnel, to perform the procurement contract;
- (ii) They should have adequate legal status to enter into the procurement contract;
- (iii) They are not insolvent, in receivership, bankrupt or being wound up, their affairs are not being administered by a court or a judicial officer, their business activities have not been suspended and they are not the subject of legal proceedings for any of the foregoing.
- (iv) They have fulfilled their obligations to pay taxes and social security contribution;
- (v) They have not been convicted of any criminal offence related to their professional conduct or the making of false statement or misrepresentation as to their qualifications to enter into a procurement contract or have not been otherwise disqualified pursuant to administrative suspension or disbarment.

4.1.2 The procuring entity shall disqualify the supplier or contractor if it finds at any time that the information submitted concerning the qualifications of the supplier or contractor was false or material inaccurate/incomplete.

4.1.3 Procuring entity, as an alternate or in addition to above, may invite bids from appropriate class of contractors registered with Public Works Organizations like CPWD, MES, Railways etc.

4.1.4 A centralized system of enlistment of contractors/suppliers should preferably be put in place. The applicability of Joint Ventures / Consortium/ Partnership shall also be considered appropriately in the case of some specific work where the need arises.

4.2 Methods of Calling Tenders

4.2.1 Single Bid System

4.2.1.1 Single bid system shall be adopted where it is feasible to work out the schedule of quantities and to formulate detailed specifications for goods or construction.

4.2.1.2 The procedures shall provide for adequate competition in order to ensure reasonable prices. Methods used in evaluation of tenders and the award of contract shall be made known to all bidders and not be applied arbitrarily

4.2.2 Two Bid System

4.2.2.1 Two bid system shall be adopted in case it is not feasible to formulate detailed specifications for goods or construction and in order to obtain the most satisfactory solution to its procurement needs.

4.2.2.2 The tender documents shall call upon suppliers or contractors to submit in the first stage, initial tenders containing their proposals without a tender price. The tender documents may solicit proposals relating to the technical, quality or other characteristics of the goods or constructions as well as to contractual terms & conditions of their supply. These bids will be evaluated against pre-determined criteria and those who meet the criteria alone will be considered technically qualified and others rejected.

4.2.2.3 In the second stage of two bid tendering, the procuring entity shall invite suppliers or contractors whose tenders have not been rejected to submit final tenders with prices with respect to a single set of specifications. In formulating those specifications, procuring entity may delete or modify any aspect originally set-forth in the tender documents, all the technical or quality characteristics of the goods or constructions to be procured and any criterion originally set-forth in those documents for evaluating and comparing tenders and for ascertaining the successful tender and may add new characteristics or criteria. Any such deletion, modification or addition shall be communicated to suppliers or contractors in the invitation to submit final tender. The supplier or contractor not wishing to submit a final tender, may withdraw from tendering without forfeiting earnest money that the supplier or contractor may have been required to provide.

4.2.3 Tenders with Pre-Qualification

4.2.3.1 Criteria for pre-qualification along with evaluation system should be clearly spelt out in detail.

4.2.3.2 The procuring entity may engage in pre-qualification proceedings with a view towards identifying, prior to the submission of tenders, proposals or offers in procurement proceedings, suppliers and contractor that are qualified.

4.2.3.3 If the procuring entity engages in pre-qualification proceedings, it shall provide a set of pre-qualification documents to each supplier or contractor that requests

them in accordance with the invitation to pre-qualify and that pays the price, if any, charged for those documents.

4.2.3.4 The pre-qualification documents shall include the following information:

- (a) instructions for preparing and submitting pre-qualification applications;
- (b) a summary of the principal required terms and conditions of the procurement contract to be entered into as a result of the procurement proceedings;
- (c) any documentary evidence or other information that must be submitted by suppliers or contractors to demonstrate their qualifications;
- (d) the manner and place for the submission of applications to pre-qualify and the deadline for the submission, expressed as a specific date and time and allowing sufficient time for suppliers or contractors to prepare and submit their applications, taking into account the reasonable needs of the procuring entity;

4.2.3.5 The procuring entity shall respond to any request by a supplier or contractor for clarification of the pre-qualification documents that is received by the procuring entity within a reasonable time prior to the deadline for the submission of applications to pre-qualify. The response by the procuring entity shall be given within a reasonable time so as to enable the supplier or contractor to make a timely submission of its application to pre-qualify. The response to any request that might reasonably be expected to be of interest to other suppliers or contractors shall, without identifying the source of the request, be communicated to all suppliers or contractors to which the procuring entity provided the pre-qualification documents.

4.2.3.6 The procuring entity shall make a decision with respect to the qualifications of each supplier or contractor submitting an application to pre-qualify. In reaching that decision, the procuring entity shall apply only the criteria set forth in the pre-qualification documents.

4.2.3.7 The procuring entity shall upon request communicate to suppliers or contractors that have not been pre-qualified the grounds there for, but the procuring entity is not required to specify the evidence or give the reasons for its finding that those grounds were present.

4.2.4 Tenders with Post-Qualification

4.2.4.1 Procuring entity may also resort to post qualification verification. It may call financial offers and eligibility related

documents in separate envelopes simultaneously. Financial offers of only eligible contractors shall be considered.

4.2.4.2 Eligibility criteria for post qualification along with evaluation system, if any, should be clearly spell out in detail. In addition to other requirement which procuring entity may consider necessary, following be spelt out clearly.

- i. Experience on similar works executed during the last five years and details like monetary value, proof of satisfactory completion of works etc.
- ii. Registration, if any, with specified Departments/Organizations, Class/Type of Registration to fulfill the eligibility criteria.
- iii. Documentary evidence of adequate financial standing of certain specified value of the contract amount.

4.2.5 Open or Limited call of tenders

4.2.5.1 Open tenders will be called in all cases of works costing Rs. 5 Lakhs and above.

4.2.5.2 Limited tendering for works shall be adopted if only a limited number of tenderers are known to possess requisite skills, technology and resources, by reason of their high complex or specialized nature, or for works of a secret nature.

4.2.5.3 When the procuring entity engages in limited tendering, it shall select suppliers or contractors from whom to solicit tenders in a non-discriminatory manner and it shall select a sufficient number of suppliers or contractors to ensure effective competition. When the procuring entity engages in limited tendering, it shall cause a notice for their limited tendering proceedings to be published in official publication, leading newspapers and on web sites, in particular.

4.2.6 Single Source Procurement

4.2.6.1 Single-source procurement shall be adopted in case the goods or construction are available **only** from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods or construction, and no reasonable alternative or substitute exists.

4.2.6.2 Generally, it can be followed in following cases.

(i) There is an urgent need for the goods or constructions and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part.

(ii) Owing to a natural calamity, there is an urgent need for the goods or constructions, making it impractical to use other

methods of procurement because of the time involved in using those methods.

(iii) The procuring entity, having procured goods, equipments or technology from a supplier or contractor, determines that additional supply must be procured from that supplier or contractor for reasons of standardization or because the need for compatibility with existing goods, equipments or technology. Taking into account the effectiveness of the original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the un-suitability of alternatives to the goods in question, it will be cost effective to resort to single source procurement.

(iv) The procurement entity seeks to enter into a contract with the supplier or contractor for the purpose of research, experiment, study or development leading to the procurement of a proto type except where the contract includes the production of goods to quantities to establish their commercial viabilities or to recover research and development cost.

(v) The procurement entity engages in procurement involving national defence or national security and determines that single source procurement is the most appropriate method of procurement.

In all such cases, suitable reasons will be recorded in writing before resorting to single source procurement.

4.2.7 Award of Work without Call of Tenders

- (i) Use of quotations shall be adopted for procurement of readily available goods that are not specially produced to the particular specifications and for which there is an established market.
- (ii) Procurement entity shall not divide its procurement into separate contracts to bring the amount less than the amount set forth for such purpose.
- (iii) Procurement entity shall request quotations from as many suppliers or contractors as practicable but positively from at least three suppliers/contractors. Each supplier or contractor from whom a quotation is requested, shall be informed whether any elements and other than the charges for the goods themselves, such as, transportation and insurance charges, duties and taxes are to be included in the price.
- (iv) Each supplier or contractor is permitted to give only one price quotation and is not permitted to change its quotation.
- (v) Award of work without call of tenders shall be resorted only in emergent cases and suitable reasons shall be recorded.

4.3 Publicity of Tenders

Wide publicity shall be given to the Notice Inviting Tender. Tenders must be invited in the most open and public manner possible, by advertisement in the Press and by notice in English/Hindi and regional language of the concerned District. The Notice Inviting Tender shall also be placed on the website of the Ministry/Department.

4.4 Issue of tender documents

The tender documents shall include the following information besides annexing a specimen of the standard form of contract proposed to be used:

- i. Instructions for preparing tenders by the contractor.
- ii. The criteria for issue of tenders and procedures, to evaluate the qualifications of suppliers or contractors.
- iii. Requirements as to documentary evidence, that must be submitted by suppliers or contractors to demonstrate their qualifications.
- iv. The location where the construction is to be effective, any incidental services to be performed; and desired or required time, when the goods are to be delivered or construction is to be effective.
- v. The factors to be used by Procuring Entity in determining the successful tenders and any factors other than price, to be used and the related weight of such factors.
- vi. If alternative to the characteristics of the goods, constructions, contractual terms, conditions or other requirements set forth in the tender documents are permitted, a statement to that effect and a description of the manner in which alternative tenders are to be evaluated and compared.
- vii. The means by which suppliers or contractors may seek clarifications on the tender documents and a statement, as to whether the procuring entity intends at this stage to convene a meeting of suppliers or contractors.
- viii. The period of time during which tender shall be valid.
- ix. The place, date and time for opening of the tenders.
- x. The procedures to be followed for opening and examining tenders.
- xi. The names, designations and addresses of one or more officers or employees of the procuring entity who are authorized to communicate directly with and to receive communications directly from suppliers or contractors in connection with the procurement proceedings.

- xii. Any formalities that will be required once a tender has been accepted for a procurement contract to enter into force.

4.5 Pre-bid Conference

- i. A supplier or contractor may request a clarification of the tender documents from the procuring entity within a reasonable time prior to the deadline for the submission of tender. The procuring entity shall respond within a reasonable time, so as to enable the supplier or contractor to make a timely submission of its tender.
- ii. At any time prior to the deadline for submission of tenders, the procuring entity may for any reason, whether on its own initiative or as a result of a request for clarification by a supplier or contractor, modify the tender documents by issuing addendum.
- iii. If the procuring entity convenes a meeting of suppliers or contractors, it shall prepare minutes of the meeting containing the request submitted at the meeting for clarification of the tender documents. The minutes shall be provided promptly to all suppliers or contractors to which the procuring entity provided the tender documents, so as to enable those suppliers or contractors to take the minutes into account in preparing the tenders.

4.6 Submission and Opening of Bids

- i. The procuring entity shall fix a place and a specific date and time as the deadline for the submission of tenders. If the procuring entity issues a clarification/modification of the tender documents or if a meeting of suppliers or contractors is held; it shall, prior to the deadline for the submission of tenders; extend the deadline, if necessary to afford suppliers or contractors reasonable time to take the clarification or modification of the minutes of meeting into account in their tender; after adequately publicising such modifications.
- ii. The procuring entity may, in its absolute discretion, prior to the deadline for the submission of tenders extend the deadline, if it is not possible for one or more suppliers or contractors to submit their tenders by deadline owing to any circumstance beyond their control.
- iii. Notice of any extension of the deadline shall be given promptly to each supplier or contractor to which the procuring entity provided the tender documents.
- iv. The tender shall be submitted in writing, signed and in a sealed envelope.
- v. The procuring entity shall, on request, provide to the suppliers or contractors a receipt showing the date and time when its tender was received.
- vi. The tender received by the procuring entity after the deadline for the submission of tender, shall not be opened and shall be returned to the suppliers or contractors that submitted it.

On the due date and appointed time, as mentioned in the bid document, the procuring entity will open the bids in the presence of the intending bidders or their representative. The bidder's name, the bid prices and discount, if any will be announced by the procuring entity during opening of bids. A record of opening of bids will be maintained.

4.7 Evaluation of Bids

- (i) The procuring entity may ask suppliers or contractors for clarifications of their tenders in order to assist in the examination, evaluation and comparison of tenders. No change in a matter of substance in the tender, including changes in price and changes aimed at making an unresponsive tender as responsive shall be sought, offered or permitted.
- (ii) The procuring entity shall correct purely arithmetical errors that are discovered during the scrutiny of tender. The errors will be corrected by the procuring entity as follows.
 - (a) If rates in words does not tally with rates in figure then the rate which correspond to the amount in words shall be taken as correct.
 - (b) If the amount of an item is not worked out by the contractor or it does not correspond with the rates written either in figure or in words then the rate quoted by the contractor in words shall be taken as correct.
- (iii) The amount stated in the bid will be adjusted by the procuring entity in accordance with the above procedure for the correction of error and the procuring entity shall give prompt notice of any such correction to the supplier or contractor that submitted the tender. If the bidder does not accept the corrected amount, the bid will be rejected and the earnest money may be forfeited.
- (iv) The procuring entity may regard a tender as responsive only if it conforms to all requirements set forth in the tender documents.
- (v) The procuring entity shall not accept a tender if the supplier or contractor that submitted the tender, is not qualified and if the tender is not responsive.
- (vi) The procuring entity shall evaluate, prepare comparative statement of tenders and compare the tenders that have been accepted in order to ascertain the successful tender in accordance with the procedures and criteria set forth in the tender documents. No criteria shall be used that has not been set forth in the tender document.
- (vii) The successful tender shall be the tender with the lowest price subject to any margin of preference applied pursuant to Govt. policy.
- (viii) In determining the lowest evaluated tender, the procuring entity may consider only the following:

- (a) The tender price, subject to any margin of preference, as a Govt. policy.
- (b) The cost of operating, maintaining and repairing of the goods or construction, the time for the delivery of the goods or completion of construction, the functional characteristics of the goods or construction, the terms of payment and of guarantees in respect of the goods or construction.
- (c) National defence and security considerations
- (d) Whether or not engaged in pre-qualification proceedings, the procuring entity may require the supplier or contractor submitting the tender that has been found to be successful tender to demonstrate again its qualifications in accordance with criteria and procedures set forth in the tender documents. Where, the pre-qualification proceedings have been engaged in, the criteria shall be the same, as used in the pre-qualification procedures.
- (ix) Information relating to the examination, clarification, evaluation and comparison of tenders shall not be disclosed to suppliers or contractors or to any other person not officially involved in the examination, evaluation or comparison of tenders except to the extent required under law.

4.8 Acceptance of Bids and Award of Work

- i. The tender rates should be reasonable considering the justified amount of the work which shall be worked out based on market conditions and other factors pertaining to particular works.
- ii. No negotiations shall be conducted in respect of tenders received for modification of rates and conditions. The acceptance of tender shall be based on consideration of responsive tenders or non-responsive tenders to be decided by the accepting authority. General guidelines issued by CVC or concerned Ministries for carrying out negotiations and award of work shall be followed.
- iii. The tender that has been ascertained to be successful tender, shall be accepted. Notice of award of work shall be given promptly to the supplier or contractor submitting the tender.
- iv. The tender document may require the supplier or contractor whose tender has been accepted, to sign the written procurement contract conforming to tender. In such cases, procuring entity or the supplier or contractor shall sign the procurement contract within a reasonable period of time after the letter of award is dispatched to the supplier or contractor.
- v. Where the tender documents stipulate that the procurement contract is subject to approval by higher authority, the procurement contract shall not enter into force before the approval is given. A procurement contract in accordance with the terms &

conditions of the accepted tender comes into force when the notice of acceptance of tender is dispatched to the supplier or contractor that submitted the tender, provided that it is dispatched while the tender is in force.

4.9 Measurement and Payment

4.9.1 Measurements of all items having financial value shall be recorded in Measurement books and/or level field books so that a complete record is obtained of all works performed under the contract. Measurements and levels shall be taken jointly by the official designated for the purpose and the contractor. Intermediate bill shall be submitted by the contractor every month for the work executed on basis of recorded measurements. Payment shall be made after verification of the bill by the Department/Ministry.

4.9.2 Final bill shall be submitted by the contractor in same manner as that in interim bills within a specified time of physical completion of work and of final certificate of completion furnished by the Department/Ministry. Payment shall then be made after verification of the bill.

4.10 Advances and Recoveries

4.10.1 Secured Advance: Secured advances on the security of material brought to site by the contractor may be made for items which are to be used for work. This may be limited normally to 75% of the assessed value of the material. No advance should be allowed in case material is combustible, fragile or of perishable nature. Recoveries of advance shall be made from intermediate bill based on material used in the work.

4.10.2 Mobilization Advance: In respect of certain specialized and capital intensive works, mobilization advance normally limited to a maximum of 10% of estimated cost of work may be allowed to contractor at the specified rate of interest. The advance shall be against a Bank Guarantee of a scheduled Bank for full amount of advance. Recovery of such advances shall be made by deduction from contractor's bills as specified in the contract.

4.10.3 Plant, Machinery and shuttering Material Advance: An advance for plant, machinery and shuttering material required for the work and brought to site by the contractor may be allowed at the specified rate of interest. The advance should normally not be more than 50% of the depreciated cost of such plants and materials should be hypothecated to the Govt., before the payment of advance is released, recovery of such advances shall be made by deduction from contractor's bills as specified in the contract.

CHAPTER 5: PROJECT MONITORING AND QUALITY ASSURANCE

5.1 Quality Assurance System

- 5.1.1** In order to control the quality of work, a Quality Assurance Cell shall be formed in every work center comprising of multi-disciplinary professionals / engineers to cover all types of works, such as civil, mechanical, electrical etc.
- 5.1.2** In case of non-availability of qualified professionals/engineers in house for the purpose of quality assurance cell, then the approval of competent authority shall have to be taken for deploying professionals from outside agencies The provision for third party quality check may also be considered for a work beyond a specified amount.

5.2 Project Monitoring System

- 5.2.1** A system of project monitoring for each work procurement shall be prepared before start of the work and same shall be available at site of work. The work shall be monitored quarterly/monthly basis by the Works Committee and a status report should be submitted to the Secretary in charge of the concerned Ministry/Department.
- 5.2.2** There should be a stipulation in the contract for large value works (magnitude to be specified), for the contractor to submit monthly progress report of the work in a computerized form. The progress report shall contain the following apart from whatever else may be required to be specified :
- i) Project information, giving the broad features of the contract.
 - ii) Introduction, giving a brief scope of the work under the contract and the broad structural or other details.
 - iii) Construction schedule of the various components of the work, through a bar chart for the next three quarters for as may be specified, showing the milestones, targeted tasks and up to date progress.
 - iv) Progress chart of the various components of the work that are planned and achieved, for the month as well as cumulative up to the month, with reasons for deviations, if any, in a tabular format.
 - v) Plant and machinery statement, indicating those deployed in the work, and their working status.
 - vi) Man-power statement, indicating individually the names of all the staff deployed in the work along with their designations.

- vii) Financial statement, indicating the broad details of all the running account payments received up to date, such as gross value of work done, advances taken, recoveries effected, amounts withheld, net payments, details of cheque payments received, etc.
- viii) A statement showing the extra and substituted items submitted by the contractor, and the payments received against them, broad details of the bank Guarantees, indicating clearly their validity periods, broad details of the insurance policies taken by the contractor, if any, the advances received and adjusted from the department, etc.
- ix) Progress photographs, in colour, of the various items/components of the work done up to date, to indicate visually the actual progress of the work.
- x) Quality assurance and quality control tests conducted during the month, with the results thereof.
- xi) Any hold-up shall be specified.
- xii) Dispute, if any, shall also be highlighted.

5.3 Commissioning and Documentation

5.3.1 When the work has been executed, the assets created shall be commissioned. Reasonable advance information of completion of work should be given to the concerned Ministry/Department to enable them to make arrangements for taking over. "As built" drawings of the work shall be got prepared through the contractor or otherwise to facilitate proper maintenance of the assets, additions to the assets at subsequent dates etc. and to form part of the records of the Ministry/Department.

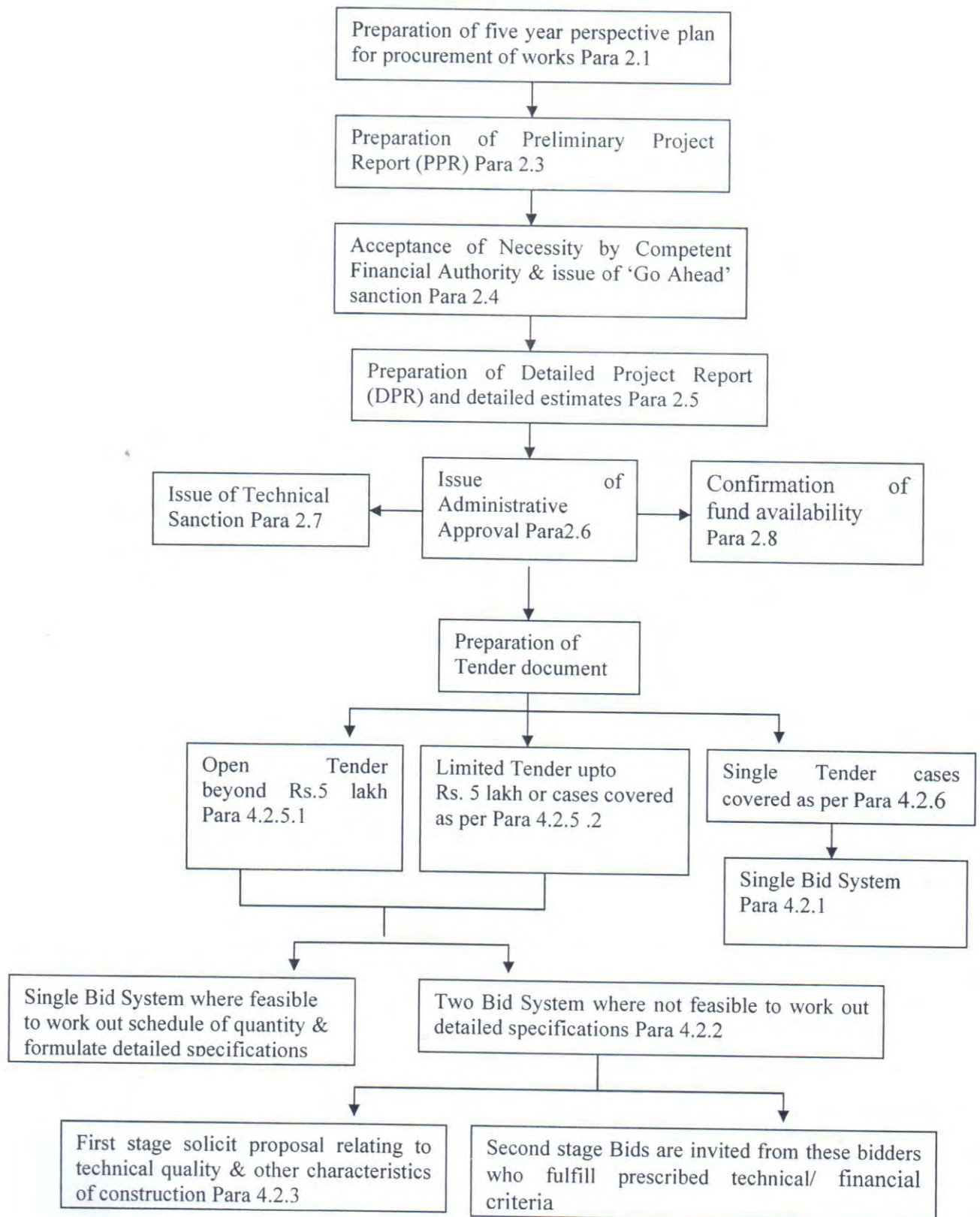
5.3.2 Record keeping should be created at every work center to facilitate proper stacking of records pertaining to the completed works. The records should be preserved in such a manner that the same can be retrieved whenever required.

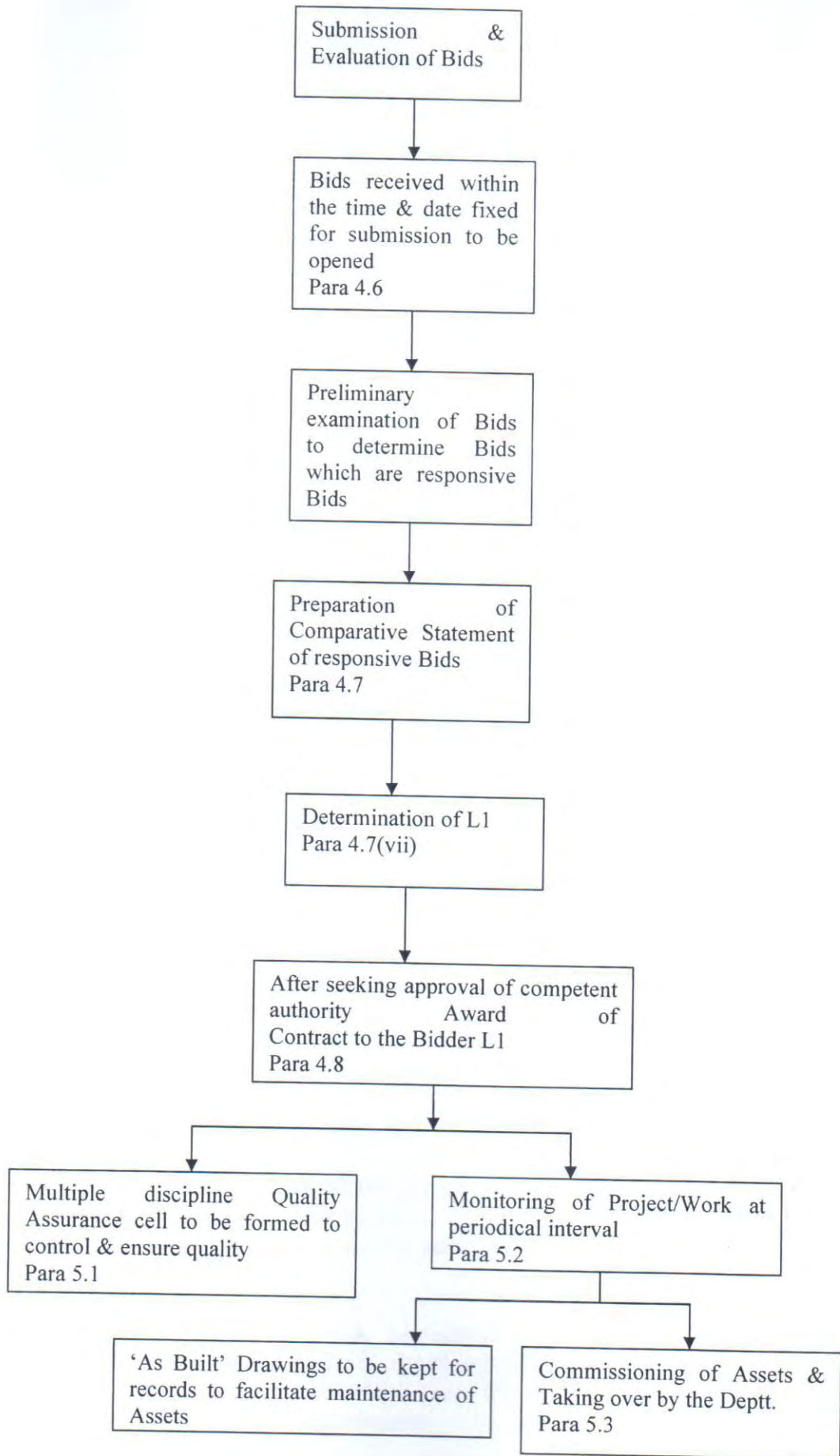
5.4 Two flow charts detailing the procedure to be followed for sanction and execution of works by the Ministries/Departments are placed at Annexure A(i) and A(ii) respectively

Glossary

- 1. Procurement :** Acquisition by any means, including by purchase, rental, lease or hire-purchase of goods or construction including services incidental to the supply of goods or to the construction.
- 2. Procuring Entity:** Any Government Department/ Ministry/Agency, which engages in procurement.
- 3. Procurement contract :** A contract between the procuring entity and a supplier or contractor, resulting from procurement proceeding.

Procedure for sanction & execution of works by the Ministries/Depts. –
a flow chart





ALLOTMENT RULES**MINISTRY OF FINANCE
(Department of Revenue and Company Law)****NOTIFICATION
New Delhi, the 8th September, 1964**

G.S.R. 1328 – In pursuance of the provision of rule 45 of the Fundamental Rules the President is pleased to make the following further amendments to the Supplementary Rules issued with the Government of India, Finance Department letter No.104-CSR dated the 4th February, 1922 namely:-

In Part VIII of the said Rules, the following shall be inserted:-

“Division XXVI-P”

SR 316-PV – Short Title & Application.

- (1) These rules may be called the Department of Revenue and Company Law Allotment Rules, 1964.
- (2) They shall apply to all residential buildings made available to the Ministry of Finance (Department of Revenue and Company Law) including residential accommodation hired by the Department for occupation by officers and other staff _____ in the offices under the administrative control of the Ministry of Finance, Department of Revenue and Company Law).
- (3) They shall come into force on 1st January, 1965.

S.R. 317-P-2-Definitions – In these rules, unless the context otherwise requires:-

- (a) Allotment means the grant of licence to occupy a residence in accordance with the provisions of these Rules.
- (b) Allotment year means the year beginning on 1st April or such other period as may be notified by the Department of Revenue and Company Law.
- (c) Class in relation to a residence means the class of that residence as is for the time being specified in S.R. 317-P-3.
- (d) Duty does not include any other leave except casual leave.
- (e) Emoluments:-
 - (i) For the purpose of allotment of a residence, means pay as defined under clause (a) of sub-rule (2) of rule 9 of the Fundamental Rules.
 - (ii) For the purpose of recovery of rent, has the same meaning as in rule 45-C of the Fundamental Rules.

Explanation – In the case of an officer who is under suspension, the emoluments drawn by him on the first day of the allotment year in which he is placed under suspension, or if he is placed under suspension on the first day of the allotment year, the emoluments drawn by him immediately before that date shall be taken as emoluments.

- (f) Family means the wife or husband, as the case may be, and children step children legally adopted children, parents brothers or sisters who ordinarily reside with and are dependent on the officer.
- (g) Government means the Central Government.
- (h) Head of Department in relation to other and other staff employed in the Department of Income-Tax, Customs, Central Excise, _____ Directorate of Inspection and other Directorates, means the Commissioner of Income-Tax, Collector of Customs, Collector Central Excise, Narcotics Commissioner and Director in the concerned Department of Directorate.

Provided that in relation to officers and other staff employed in the Income-Tax Department in Bombay and Calcutta, the Commissioner of Income-Tax, Bombay City-I and the Commissioner of Income-Tax, West Bengal shall respectively by the Head of Department.

- (i) Post means a post in the offices under the control of the Department of Revenue and Company Law.
- (j) Qualified officers means as officer who is eligible for allotment of that class of residence which is admissible him under S.R.317-P-3 and is required to reside on duty at the station the residence is situated.
- (k) Rent means the sum of money payable monthly in accordance with the provisions of the Fundamental Rules in respect of a residence allotted under these rules.
- (l) Residence means a residence to which these rules apply.
- (m) Subletting includes sharing of accommodation by an allottee with another persons with or without payment of rent by such other persons, but does not include a casual guest.

Explanation – Any sharing of accommodation by an allottee with close relations shall not be deemed to be subletting.

- (n) Temporary transfer means a transfer which involves an absence for period not exceeding four months.

S.R. 317-P-3 Classification of residence – Save as otherwise provided by _____ Rules, an officer will be eligible for allotment of a residence of the class shown in the table below:-

Class of	Monthly emoluments of officer on the first day of the allotment year in which he allotment is made.
I	Less than Rs.110
II	Less than Rs.250 but not less than Rs.110
III	Less than Rs.400 but not less than Rs.250
IV	Less than Rs.700 But not less than Rs.400
V	Less than Rs.1300 by not less than Rs.700
VI	Less than Rs.2250 but not less than Rs.1300
VII	Rs.2250 and above

S.R. 317-P-4- Application for allotment – Every officer who is desiring to have an allotment or continued, under these rules, shall, in addition to his first application in this behalf which shall be made within one month of reporting for duty at a particular station, submit an application every year in the manner prescribed in Schedule 'A' to the head of the Department so as to reach him not later than 1st March every year.

S.R. 317-P-5-Allotment-(1) A residence shall be allotted to a qualified officer eligible for each class of residence by the Head of the Department on the basis of application in the order of seniority determined in accordance with S.R.317-P-5. The Head of the Department will maintain a list in respect of each class of residence.

(2) The holder of a temporary post, to whom a residence is allotted shall revert to a lower class of residence as soon as one can be made available for him, if he is at any time reverted to a lower posts not entitling him to the class of residence allotted and this shall be annexures condition of the allotment.

(3) When there are not sufficient qualified officers for a residence, the Head of the Department may allot the residence to an officer qualified for the next lower class. But when the number of residence of a particular class is less than the number of officers eligible and the accommodation of a lower class is available, the officers shall be offered the lower class of accommodation.

(4) The Head of the Department may cancel the existing allotment of an officer and allot to him an alternative residence of the same class or in emergent circumstances an alternative residence of the class next below the class of residence in occupation of the officer, if the residence in occupation of the officer is required to be vacated.

(5) A vacant residence made in addition to allotment to an officer under sub-rule () he offered simultaneously to other eligible officers in order of their _____.

S.R.317-P-6- Out of turn allotments – Notwithstanding the provision of S.R.317-P-5, allotment of a residence may be made by the Head of the Department on cut-of-turn basis to an officer on grounds of serious illness of self or a member of his family, in consultation, if considered necessary, with the prescribed medical authority. In such cases, the allotment will be made according to the actual dates of receipt of the out-of-turn application.

S.R.317-P-7-Compulsory allotment occupation and payment of rent in respect of residences specially constructed or leased for the holders of certain specified posts-whenver a suitable residence has been constructed or leased by the Government for the incumbents of certain specified posts at specified station or stations, the allotment thereof shall solely be governed by the provisions S.R.311 to 317.

S.R.317-P-8 Determination of Seniority- The seniority of qualified officers whether holding a permanent or temporary at for the _____ prescribed for each class of residence under these rules:

Provided that if two or more officers have the same seniority, seniority among them shall be determined by the amount of emoluments: higher emoluments taking precedence over the emoluments next below, or where emoluments are equal by the period for which those emoluments have been drawn in the post held by such officer at the time of application, the longer period taking precedence over the period under below, when seniority and emoluments are the same, allotment will be made by drawn of lots.

S.R.317-P-9- Drawl of House rent allowance in certain specified cases – (1) When a Government servant intimates the allotting authority that he is not interested in the allotment of Government accommodation before an after of allotment is made house rent allowance may be allowed under special orders of the Head of the Department. If there are other similarly eligible officers willing to accept the allotment. If the allotment is refused after formal officer, house rent allowance may

be restored. If otherwise eligible after six months from the date of allotment provided other similarly qualified officers have accepted the accommodation and no accommodation is available for further allotment.

(2) Notwithstanding anything certain in (1) above in Delhi, Calcutta and Bombay, house rent allowance may be allowed under the specific orders of the Head of the Department even in cases of refusal of allotment, provided no accommodation remains vacant. In cases of doubt, the matter may be referred to the Government of India for clarification whose decision thereon shall be final.

S.R.317-P-10 Ineligibility of officers owning houses for allotment under these rule- (1) No officer shall be eligible for allotment of Government accommodation under these rules or if he is already in occupation of such accommodation to continued relation if-

- (a) He owns, or has, since the allotment of Government accommodation become the owner in full or in part whether in his own name or in the name of any other person, of a house in Delhi which is located within sixteen kilometers of the place of his duty and in other stations is located within municipal limits and in which is can in the opinion of the Government, reside consistently with his official position or
- (b) his wife or any dependent child owns, or has, since the allotment of Government accommodation become the owner in full or in part of a house in Delhi and New Delhi which is located within sixteen kilometers of the place of his duty and in other stations located within municipal limits and in which he can in the opinion of the Government, reside consistently with his official position or
- (c) his father, mother or any other dependent station owns, or has, since the allotment of Government accommodation, become the owner of a house in Delhi and New Delhi which is located within sixteen kilometers of the place other duty and in other stations is located within municipal limits and in which he can, in the opinion of the Government reside consistently with his official position and without under inconvenience wither to himself or to the owner thereof.

(2) Any officer who on any date (hereinafter in these rules referred to as relevant date) subsequent to the date of his making application for allotment of Government accommodation or subsequent to the date of the allotment of Government accommodation becomes ineligible for such allotment under clause (a) or clause (b) or clause (c) of sub-rule (1), shall notify the fact to the Head of the Department within a period of seven days of the relevant date. In the event of the officer's failure to so notify him, the Head of the Department may reject the application for allotment or, if an allotment has already been sanctioned, cancel such allotment which effect from the relevant date and require the officer to vacate the government accommodation forthwith.

(3) Notwithstanding anything contained in sub-rule (1)(2) above, the Government may allot or re-allot Government accommodation to an officer if:-

- (a) the house owned by him, his wife, any dependent child or by his father, mother or any other dependent relation has been requisitioned by Government or
- (b) it is proved to the satisfaction of the Government that such house was given out on lease:

- (i) before the posting of the officer to Delhi and New Delhi and at any other station of duty; or
- (ii) before the acquisition of such house by him, his wife, any dependent child or by his father, mother or any other dependent relation; or
- (iii) before 24th December, 1955; or
- (iv) with the express approval of the Government of India, and the government is satisfied that it is not possible for the lessor for reasons beyond his control to obtain vacant possession of the house.

(4) Where any Government accommodation has been allotted or re-allotted to an officer under sub-rule (3) the officer shall be liable with effect from the date specified in the order of allotment or re-allotment, to pay standard rent under Fundamental Rule 45-B or standard rent under F.R.45A plus 33-1/3 per cent thereof or pooled standard rent under F.R.45-A plus 33-1/3 per cent thereof where the rents have been pooled or ten per cent of his emoluments, whichever is the highest, for so long as he or his wife or any dependent child or his father or mother of any other dependent relation, as the case may be, is unable to obtain vacant possession of the house.

(5) If at any time it appears to the Government that no efforts have been made to obtain vacant possession of the house, it shall be open to the Government to give suitable directions as to the steps to be taken to obtain vacant possession of the house, and if such directions are not forthwith, or charge rent for Government accommodation of India decision (2) below Fundamental Rule 45-B or twice the standard rent under F.R. 45-A or twice the pooled standard rent under F.. 45-A where rents have been pooled or 15 percent of his emoluments, whichever is the highest.

(6) The allotment of an officer to whom the provisions of clause (a) or (b) or (c) of sub-rule (1) apply and in whose case the house was let out on or after the 24th December, 1955 and before the 29th April, 1957, shall be cancelled with effect from the date specified in the order of cancellation. It shall however, be open to the Government to allot or re-allot Government accommodation to the officer on payment of rent under Government of India decision (2) below Fundamental Rule 45-B or twice the standard rent under F.R. 45-A or twice the pooled standard rent under F.R. 45-A, where the rents have been pooled or 15 percent of emoluments whichever is the highest.

S.R.317-P-11-non-acceptance of allotment or offer or failure to occupy the allotted residence after acceptance - (1) If an officer fails to accept the allotment of a residence within five days or fails to take possession of that residence after acceptance within eight days from the date of receipt of the letter of allotment he shall be eligible for another allotment for a period of one year from the date of the allotment letter:

(2) If an officer occupying a lower class of residence is allotted or offered a residence of the class for which he is eligible under S.R.317-P-3, he, may on 7 of the said allotment or offer of allotment be permitted to continue in previously allotted residence on the following conditions, namely:-

- (a) That such an officer shall not be eligible for another allotment for a period of six months from the date of the allotment, letter for the higher class accommodation.
- (b) While retaining the existing residence he shall be charged the same rent which he would have had to pay under F.R. 45-A in respect of the residence so allotted or offered or the rent payable in respect of the residence already in his occupation, whichever is higher.

S.R. 317-P-12- Period for which allotment subsists and the concessional period for further retention-(1). An allotment shall be effective from the date on which it is accepted by the officer and shall continue in force until:-

- (a) The expiry of the concessional period permissible under sub-rule (2) after the officer ceases to be on duty at the particular station;
- (b) It is cancelled by the Head of the Department or is deemed to have been cancelled under any provision in these rules;
- (c) It is surrendered by the officer, or
- (d) The officer ceases to occupy the residence.

(2) A residence allotted to an officer may, subject to sub-rule (3), be retained on the happening of any of the events specified in column 1 of the Table below for the period specified in the corresponding entry in column 2 thereof, provided that the residence is required for the bonafide use of the officer or members of his family:-

Events	Permissible period for retention of the residence.
(i) Resignation, dismissal, removal or termination of service.	1 month
(ii) Retirement of terminal leave.	2 months.
(iii) Death of the allottee.	4 months.
(iv) Transfer to a place outside the station of allotment of residence.	2 months.
(v) On proceeding on foreign service in India.	2 months.
(vi) Temporary transfer in India or transfer to a place outside India.	
(vii) Leave (Other than leave preparatory to retirement refused leave, terminal leave, medical leave or study leave).	For the period of leave but not exceeding 4 months
(viii) Leave preparatory to retirement or refused leave granted under F.R.86.	For the full period of leave on full average pay subject to a maximum of 4 months, inclusive of the period permissible in the case of retirement.
(ix) Study leave or deputation outside India.	For the period of leave, but not exceeding 6 months.
(x) Study leave in India.	For the period of leave, but not exceeding 6 months.

(xi) Leave on medical ground (other than T.B. leave).	For the period of leave, but not exceeding 8 months.
(xii) Medical leave on grounds of T.B.	For the full period of leave.
(xiii) On proceeding on training.	For the full period of training.

Explanation – The period permissible on transfer mentioned against items (iv), (v), (vi), and (vii) shall count from the date of relinquishing charge plus the period of leave, if any, sanctioned to and availed of by the officer before joining duty at the new office.

(3) Where a residence is retained under sub-rule (2) the allotment shall be deemed to be cancelled on the expiry of the admissible concessional unless immediately on the expiry thereof the officer resumes duty at a place where a residence had been allotted to him.

(4) An officer who had retained the residence by virtue of the concession under the item (i) or item (ii) of the Table below sub-rule (2) shall, on re-employment in the same station within the period specified in the said Table, be entitled to retain that residence and he shall also be eligible for any further allotment of residence under these rules

Provided that if the emoluments of the officer on such re-employment do not entitle him to the class of residence occupied by him, he shall be allotted a lower class of residence. S.R.317-)-13- Surrender of Residence – An officer may at any time surrender an allotment made to him under these rules other than an allotment to which provision of S.R.317-P-7 apply, and if he does so;

- (a) he shall not retain any that on the particular residence allotment to him.
- (b) He shall give a written notice of his intention of surrendering the residence at least 10 days before the date of vacation of the residence. If he fails to do so rent for 10 days or for the period by which it falls short of ten days shall be charged.
- (c) he shall not draw any house rent allowance unless specifically sanctioned by Government.

S.R.317-P-14- Subletting and sharing of residences – (1) No officer shall share the residence allotted to him or any of the out-houses, garages and stables appurtenant thereto, except with the employees of the Central Government eligible for allotment of residences under these rules. The servants' quarters, out-houses, garages and stables may be used only for the bona fide purposes, including residence of the servants of the allottee or for such other purposes as may be permitted by the Head of the Department.

(2) No officer shall sublet the whole of his residence.

Provided that an officer proceeding on leave may accommodate in the residence any other officer eligible to share Government accommodation, as a caretaker, for the period specified in sub-rule (2) of S.R.317-P-12, but not exceeding six months.

(3) Any officer who shares or sublets his residence shall do so at his own risk and responsibility and shall remain personally responsible for any rent payable in respect of the residence and for any damage caused to the residence or its precincts or grounds or services provided therein by Government beyond fair wear and tear.

S.R.317-P-15- Provision relating to rent – (1) Where an allotment of accommodation or alternative accommodation has been accepted, the liability for rent shall commence from the date of occupation or the eighth day from the date of receipt of the allotment, whichever is earlier.

(2) An officer who after acceptance, fails to take possession of that accommodation within eight days from the date of receipt of the allotment letter shall be charged rent from such date upto a period of one month or up to the date of re-allotment of that particular accommodation whichever is earlier.

S.R.317-P-16- Allottee's responsibility to the damage to the residence, further etc., - an officer to whom a residence has been allotted shall be personally responsible for the rent thereof and for any damage, beyond fair wear and tear caused thereto or to the furniture fixtures of fittings or services provided therein by Government during the period for which residence has been or remains allotted to him, or, when the allotment has been cancelled under any of the provisions of these rules, until the residence along with the out-houses appurtenant thereto has been vacated and full vacant possession, thereof has been restored to Government.

S.R.317-P-17- Surety bond to be executed by temporary Government Servants – Where the officer to whom a residence has been allotted is a temporary Government servant, he shall furnish a surety bond in the form specified in Schedule 'B' of these rules with a surety who shall be permanent Government servant serving under the central Government for due payment of all rent and charges payable by him. In respect of such residence. If the surety to & dies, retires from becomes involvent or _____ to be available for any other reason, the officer shall furnish another surety to the bond within ten days from the date such an event comes to his knowledge, and if he falls to do so, the allotment of the residence shall, be canceled unless otherwise decided by the head of the Department.

S.R.317-P-18- Inventory of the furniture and fittings – An officer to whom a residence has been allotted shall be required when he enters into occupation of and when he vacates the residence, to sign an inventory of the furniture and fittings.

S.R.317-P-19- Trees or shrubs not to be out down- An officer to whom a residence has been allotted shall not permit trees or shrubs in the premises to be cut down or lopped, save with the permission of the Head of the Department.

S.R.317-P-20- Consequences of breach of rules and conditions – (1) If an officer to whom a residence has been allotted, unauthorisedly shrubs the residence or changes rent from the sharer at a rate which the Head of the department considers excessive or creates any unauthorized structure in any part of the residence or, uses the residence or any portion thereof for any purposes other than for which it is meant or tampers with the electric or water connection or commits any other breach of the rules or of the terms and conditions of the allotment or uses the residence or premises or permits or suffers the residence or premises to be used for any purposes which the head of the department considers to be improper or conducts himself in a manner which in his opinion is prejudicial to the maintenance of harmonious relations with his neighbours or has knowingly furnished the correct information in my application or written statement with a view to securing the allotment, the head of the Department may without prejudice to any other disciplinary action that may be taken against him, cancel the allotment of the residence.

Explanation - In this sub-rules, the expression 'officer' includes, unless the context otherwise requires a member of his family and any person claiming through the officer.

(2) If the officer has failed to notify to the Head of the Department as provided in S.R.317-P-10 or while so notifying has in any application or statement suppressed any material fact, the Head of the Department may cancel the allotment with effect from the date he became eligible for allotment of government accommodation under the said rule.

(3) If an officer sublets a residence allotted to him or any portion thereof or any of the out houses, garages or stables appurtenant thereto in contravention of the of these rules he may, without prejudice to any other action that may be taken against him, be charged enhanced rent not exceeding four times the standard rent under F.R.45-A. The quantum of rent to be recovered and the period for which the same may be recovered in each case will be decided by Head of the Department or merits. In addition, the officer may be debarred from sharing the residence for a specified period in future as may be decided by the Head of the Department.

(4) Where action to cancel the allotment is taken on account of unauthorized subletting of the premises by the allottee, a period of sixty days shall be allowed to the allottee and any other person residing with him therein to vacate the premises. The allotment shall be cancelled with effect from the date of vacation of the premises or expiry of the period of sixty days from the date of the orders for the cancellation of the allotment, whichever is earlier.

(5) Where the allotment of a residence is cancelled for conduct prejudicial to the maintenance of harmonious relations with neighbours, the officer at the discretion of the Head of the Department may be allotted another residence in the same class at any other place.

(6) The Head of the Department shall be competent to take all or any of the actions under sub-rules (1) to (5) of this rule and also to declare the officer, who commits a breach of the rules and instructions issued to him, to be ineligible for allotment of residential accommodation for a period not exceeding three years.

S.R. 317-P-21 - Overstay in residence after cancellation of allotment - Where, after an allotment has been cancelled or is deemed to be cancelled under any provision contained in these rules, the residence remains or has remained in occupation of the officer to whom it was allotted or of any person claiming through him, such officer shall be liable to pay damages for use and occupation of the residence, services, furniture and garden charges, equal to the market rent as may be determined by Government from time to time; 116 Provided that an officer, in special cases, may be allowed by the Head of the Department

to retain a residence on payment of twice the standard rent under F.R.45-A, or twice the pooled standard rent under F.R. 45-A, whichever is higher, for a period not exceeding six months beyond the period permitted under sub-rule (2) of S.R. 317-P-12.

S.R.317-P-22- Recovery of rent- The Head of the Departments / Heads of Officers shall ensure that recoveries on account of rent for Government residences are effected regularly from the emoluments of the Government servants concerned in accordance with the provisions of rule 45-A of the Fundamental Rules and the subsidiary rules made there under and the receipt credited to the appropriate revenue Head.

S.R.317-P-23- Continuance of allotments made prior to the issue of these rules – Any valid allotment of a residence which is subsisting immediately before the commencement of these rules under the rules then in force, shall be deemed to be an allotment duly made under these rules, notwithstanding that the officer to whom it has been made is not entitled to a residence of that class under S.R.317-P-3 and all the preceding provisions of these rules shall apply in relation to that allotment and that officer accordingly.

S.R.317-P-24- Delegation of powers – The Head of the Department may subject to such conditions as he may deem fit delegate to any officer under his control any of the powers or functions conferred upon him by these rules with the exception of those contained in sub-rule(2) of S.R.317 and provision to S.R.317-P-21.

S.R.317-P-25- Relaxation of Rules- The Government may, for reasons to be recorded in writing, relax all or any of the provisions of these rules in the case of any officer or residence or class of officers or class of residences.

S.R.317-P-26- Interpretation of rules – if any question arises as to the interpretation of these rules or any of the provisions thereof the decision of the Government shall be final.

S.R.317-P-27- The Department of Revenue Allotment Rules, 1958 are hereby repeated except as respects things done or omitted to be done there under.

Allottee

Non-Allottee

SCHEDULE 'A'
(Rule S.R.317-P-4)
GOVERNMENT OF INDIA

Office of the _____

Form of application for officers of I.T./Customs/Central Excise etc, for allotment of residences for the year 19 _____

- (a) Name shri/Smt./Kumari _____
(b) Present Designation _____ (IN BLOCK LETTERS)
(c) Particulars of permanent/equasi-permanent post held. _____
2. (a) Emoluments as on the 1st of January, 19 _____

Pay	Special Pay	Dearness Pay	Deputation (Duty) Allowance	Pension in addition to pay, if any.	Total
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- (b) Date since when the emoluments in (a) above are Being drawn. _____
- (c) Indicate the source from which emoluments are Drawn if not from the Consolidated Funds of the Government of India. _____

3.	Class to which entitled with seniority date Present Classification	(Vide S.R.317-P-3) Revised Classification
	_____	_____
	Class of accommodation	Seniority date
	_____	_____
	Class of accommodation	Seniority date
	_____	_____
	Appropriate class	Appropriate class
	_____	_____
	Next below class*	Next below class
	_____	_____

4. Particulars of the Government residence, if any, allotted:
 (i) by the Head of Department
 (ii) by other Government Department (give the head of department).

5. (a) Does the applicant stand debarred for Government residence?
 (b) If the reply to (a) above, is in the affirmative, indicate The details thereof.

(i) Period	(i) Period From to
(ii) Letter No. Dated	(ii) Letter No. Dated:

6. Is the officer entitled to rent free accommodation? Yes/No.

7(a)	Whether the applicant, his wife/her husband or dependent child his own a house in Delhi and New Dehli or at the Station of duty? If so, give particulars.	House No. and Street.	Relationship with owner and extent of ownership
(b)	If already declared eligible give No. And date of the letter	Letter No.	

8. Particulars of surety in case of officers not holding a permanent/ Quasi-permanent post under Central Government.

1. Name
2. Permanent Post Held
3. Officer to which attached
4. Does the surety subsist.

Certified that i have read all rules governing the allotment of residence and declare that the particulars given by me above are correct and that the allotment to be made to me or already made shall be subject to these rules and subsequent, if any, thereto.

Dated

Signature
Office to which attached.

FOR USE IN HEADQUARTERS OFFICE

Particulars of residence allotted.

Dated initials of the clerk _____

Date initials of the officer superintendent _____

Dated initials of the Head of the Department _____

Note: @ Pension should include the portion of the pension equivalent to death-cum-retirement gratuity and the portion of pension commuted commuted if any.

* Full Next below particulars only if accommodated in next Below class is desired.

Pay-range Rs.	Present Classification.		Revised Classification (for all stations)	
	Class		Pay-range Rs.	Type
	(a) Delhi, and towns other than Bombay And Calcutta.			
2000 and above.	VII		2250 and above.	VII
1500-1999.	VI(b)		1300-2249	VI
1000-1499.	VI(a)		700-1199	V
750-999.	V		400-699	IV
500-749.	IV		250-399	III
250-499.	III		110-249	II
150-249.	II(b)		Below 110	I
55-149.	II(a)			
Less than 55.	I			
	(b) Bombay & Calcutta			
1151 and above.	V			
601-1150.	IV			
301-600.	III			
151-300.	II			
55-150	II Special			
Less than 55.	I			

SCHEDULE 'B'
(S.R. 317-P-17)
Surety Bond.

I, Shri _____ son of _____ at present employee as
_____ in the _____ hereby sand surety (which expression shall include
my heirs executors and administrators) to the President of India (hereinafter called "the

Government which expression includes his successors and assignees) for payment by Shri _____ at present employed as _____ of rent and other dues in respect of residence now allotted to him by the Government as also for any residence that may be allotted to him from time to time by the Government.

I, the surety, hereby undertake to indemnify the government against all loss and damage that may be sustained by or caused to the Government by reason of allotment of residence to the said _____ until delivery of vacant possession of the same is made to the Government. I, the surety hereby further undertake to pay to the Government forthwith on demand by the Government and without any demur all such sums as may be due to the Government as aforesaid and I hereby agree that the Government shall be at liberty (and is hereby irrevocably authorise to do so) to recover the said sums from the salary payable to me and the decision of the Government as to the amount so to be recovered shall be final and binding on me.

The above obligation undertaken by me shall not be discharged or in any way effected by any extension of time or any other indulgence granted by the Government to the said Shri (Name of allottee) _____ or by any other matter or thing whatsoever which under the law relating to suretying would but for this provision have the effect of so releasing me from my such liability. This guarantee shall not be revocable any time or discharged by my death so long as the said Shri (Name or allottee) _____ continues to be in occupation of any such residence, servant's quarter, and/or garage.

The Government have agreed to bear the stamp duty. If any, payable on this document.

Signed and delivered by
The said _____

At _____ the day of _____
In the presence of:-

Signature.

Address and Occupation
Of witness

(Signature of surety)
Designation
Office to which attached

Certified that the above surety is a permanent Government servant.

Signature of the Head of the Deptt.
of the office in which Surety is employed.

Accepted

Sd/- _____

For and on behalf of the President of India.

(No.1/05/03-Ad-VIII)
M.G. THOMAS, Under Secy.



**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
Directorate of Infrastructure**

Infrastructure Policy

1. Policy Objective

1.1 Fast paced globalisation of the world economy, reduction in trade barriers, inter-country and inter-continental value chains and India's engagement with the world economy both as a buyer and supplier of commodities, manufactures and services have changed the face of Indian economy. This integration of the Indian economy with the global economy, has fast tracked it's the growth and significantly changed the paradigms of India's taxation system and infrastructure requirement of the Department.

1.2 Direct Taxes have increased from 2.66% of India's GDP in 1998-99 to almost 6% in 2010-11. The number of assesseees has almost doubled during this period. In addition to the sheer volume the Income Tax Department has to deal with the growing intricacies of the process of the globalised business and industry. To meet the challenges of the ever increasing sophistication of financial transactions, an expanding tax base, the Department has already embarked on computerisation of bulk operations. It has created specialised Directorates for ensuring compliance with the Direct Tax Laws. The nature and variety of 'customer services' that the Department now provides the tax payers have also exponentially expanded.

1.3 The Income Tax Department engages 58000 personnel for administering the Direct Taxes Laws and servicing the taxpayer. The increase in volume and complexity of work and the emphasis on taxpayer services has imposed an arduous burden on human resources and put to strain the inadequate physical infrastructure of the Department spread across 530 locations in about 750 buildings. At present, office and residence space available is enough to meet only about fifty percent of spatial requirement. The Department is hamstrung by scarcity of transport, office automation equipment, furniture and fixtures, and other office accessories.

1.4 The Objectives of the Policy are:

- (i) Providing a clean and healthy workplace and adequate space;
- (ii) Ensuring availability of appropriate residence for a motivated and satisfied workforce;
- (iii) Ensuring updated and efficient office infrastructure and other necessary facilities.
- (iv) Proactively assessing the future requirements in all these areas and enabling their availability.

2. Scope of the Policy

2.1 To provide for the existing and future requirements of infrastructure, the Department will endeavour to address the shortages by incremental enhancement to achieve maximum satisfaction level in a time bound manner. Towards this end, the Department will strive to:

- (i) Create state-of-art offices providing a conducive work environment for the officers and staff of the Department and facilities for the taxpayers;
- (ii) Create optimum residential infrastructure for the officers and staff of the Department, particularly in remote areas;
- (iii) Provide for guest houses/transit guest accommodation as per norms in office/residence complexes;
- (iv) Create assets for the Department by effecting purchase of land or buildings and moving from rented premises to owned premises;
- (v) Upgrade the quality of facilities in the existing offices and residences;
- (vi) Address the deficiencies in transport and communication needs, office automation equipment, furniture and fixtures, and other office accessories.
- (vii) Put in place a system for continuous anticipation and assessment of requirements of infrastructure.

3. Policy Parameters

3.1 To achieve the above stated objectives, the Department will;

- (i) Revisit the allocation of space norms in keeping with the requirements of the Department which have undergone significant changes;
- (ii) Create a database of available office and residence space and assess the shortage in each;
- (iii) Acquire land for building offices, residences or office-cum-residence complexes as per norms after assessing the need;
- (iv) Purchase ready built office and residence where feasible;
- (v) Ensure that all office buildings conform to acceptable norms office requirements and provide basic amenities like adequate numbers of washrooms, drinking water, ventilation, cleanliness of office, etc;
- (vi) Re-locate Commissionerates having jurisdiction over corporate, international taxation, transfer pricing, TDS to one building for better co-ordination of work where feasible;
- (vii) Locate territorial Commissionerates having territorial jurisdiction within their area of jurisdiction where feasible;
- (viii) Re-orient the layout of office space made available by implementation of record management system to facilitate working in a technology enabled environment by providing suitable office equipment, furniture fixtures and storage equipment;
- (ix) Renovate, refurbish and modernise existing offices and buildings;
- (x) Design a standard list of requirements in various size of offices;
- (xi) Provide training in framing of infrastructure proposals, seeking approval for proposals, procedures for obtaining sanctions to ensure speedy sanction;
- (xii) Provide training in timely framing of budget proposals for infrastructure for smooth and timely execution and completion of sanctioned proposals;
- (xiii) Ensure that the proposals conform to existing rules, norms and instructions and thereby avoid delays in approvals.
- (xiv) Ensure compliance with Rules relating to allotment of Departmental Pool of Houses.

4. Implementation

4.1 The Department will implement the above mentioned tasks by:

- (i) Imparting focus in driving infrastructure improvement at local field level by prioritising infrastructure creation;
- (ii) Greater involvement of Heads of Department at local level in infrastructure planning for their jurisdiction in tune with prescribed norms;
- (iii) Activating the Local Infrastructure Committee to assess infrastructure requirement as per norms for each Chief Commissioner charge; supervise and monitor the framing and execution of infrastructure proposals;
- (iv) Monitoring infrastructure development through defined action plan.

5. Enforcement and Responsibilities

5.1 The Implementation of the Infrastructure Policy will be the joint responsibility of the Directorate of infrastructure and the field formations.

5.2 The Directorate will be broadly responsible for:

- (i) All policy matters having all India implications;
- (ii) Preparing proposals having all India implications and obtaining administrative and financial approval for such projects;
- (iii) The examination of proposals to ensure compliance to norms for space and financial Rules;
- (iv) Co-ordination with other Central Government Ministries where required;
- (v) Assisting the field formation in preparation of infrastructure proposals;
- (vi) Obtaining administrative and financial approval for projects of the Department.

5.3 The field formation will be responsible for:

- (i) Assessing office and residence space requirements at individual stations;
- (ii) Preparing proposals as per norms for purchase of land or ready built office and residence, or construction of office and residence;
- (iii) Projecting the budgetary requirement for individual projects;
- (iv) Monitoring and supervising the execution of individual projects.
- (v) Periodic co-ordination meeting of Heads of Department with the executing agency.