

FINANCE SECTION

FINANCE SECTION

1. The Main functions of Finance Section are as under:
 - a) Certification of Availability of funds both for Capital Expenditure and Revenue Expenditure with reference to approved Capital Budget and Performance Budget for the year. Noting and the appropriation of funds for Capital Expenditure through CAPITAL APPROPRIATION REQUEST (CAR) and for other expenditure in respect of civil works through Administrative approval. For Revenue items, appropriation is through MATERIAL PROCUREMENT REQUEST (MPR).
 - b) Fixing of rent for the premises given to employees/others; fixation of recovery rates in respect of Services rendered, supplies made, disposal of the company assets. While vetting the proposals for FCQ to outside parties, it would ensure that all the Costs incurred are recovered in the Prices quoted. If that is not feasible, if the recommendations are otherwise, the finance should satisfy that maximum prices are recovered and in no case finance should agree for a price which would result in cash losses to the company.
 - c) Scrutiny and Financial concurrence to various proposals as per Delegation of Powers with the use of Schedule of Authority and cannons of Financial Propriety (Annexure-I and II).

2. SCRUTINY AND FINANCIAL CONCURRENCE OF PROPOSALS:

2.1. GENERAL:

- 2.1.1. The main purpose of Financial scrutiny of proposal received is to ensure that the expenditure is incurred with due regard to General principles of Financial Propriety.
- 2.1.2. While according financial concurrence to the proposals due care is taken to ensure:
 - That the proposals are routed to appropriate authority competent to sanction as per the Delegation of Powers.
 - That the proposals are in accordance with the provisions of the Companies Act, the memorandum and Articles of Association of the Company.
 - That the proposals are in line with the relevant rules and regulations of the Company and guide-lines which are issued from time to time by Corporate Office.
 - That the proposals are put up with regard to the availability of funds in the approved Capital and Performance Budget.

2.1.3. Generally, the proposals in respect of the following items are concurred in the Finance Section.

- Capital Expenditure (CAR & MPR)
- Revenue Expenditure (MPRs & Other Proposals)
- Purchase of Capital items/Materials/Stores & Spares/Tools and other services
- Waiver of dues to the Company and Write off losses to the Company
- All cases relating to relaxation of rules
- Administrative approvals for the award of contracts, in respect of Civil Works, Electrical Works and other works
- Contracts entered in to with suppliers/collaborators/sub-contractors
- Sale, lease or alienation of Company property
- Project Report etc.

3. CAPITAL EXPENDITURE:

3.1 All the requirements of Plant, Machinery and Equipments and Civil Works for factory as well as Township are approved by the Board of Directors in the Capital Budget.

3.2 After the approval of the Capital Budget, the same are intimated by the Corporate Office to the individual Divisions to take necessary action for procurement. The concerned Division will intimate to respective indenter regarding approval and to initiate procurement action.

3.3 The first stage is Appropriation of the funds as approved in the Capital Budget. For this purpose a document called "CAPITAL APPROPRIATION REQUEST" (CAR) as per proforma enclosed in Annexure-III is raised by the concerned indenter, if it is an item coming under the category of Plant, Machinery and Equipment & others. In the case of Civil Works, document "ADMINISTRATIVE APPROVAL" (AR) as per proforma enclosed in Annexure-IV is raised for appropriation of funds.

3.4 These documents are scrutinized in Finance Section with regard to:

- Availability of the budget
- The requirement of the items. This is examined with reference to existence of such items in the same division, or other division, its utilization and whether it can be spared for the requirement of other division. This is due to the fact that mere inclusion and approval of the items in the Budget does not necessary mean procurement of the item.
- Correctness of the estimated expenditure i.e., whether the estimate is based on the budgetary quotation obtained from the suppliers, whether provisions has been made for customers duty and other

levies and taxes, whether Foreign Exchange has been projected, if it is an important item etc.

- Necessity of Requirement/Procurement.

3.5 The CAR and AR after scrutiny and concurrence are sent to the competent Authority for approval indicating therein, the Head of Account to which the expenditure is to be charged, the total budget provision, the amount already appropriated and the balance amount remaining.

3.6 On receipt of the approved CAR and AR from the competent authority, the same are entered in the CAR & AR register, proforma in Annexure-V, in a seriatum and a CAR No. is given to the approved CAR. The approved CAR is then sent to the indenter, who puts up approved CAR along with the MPR for approval of the competent authority. The MPR is accompanied by approved CAR and specification sheet etc. The approved MPR is sent to MM Section for taking action regarding tendering etc.

4. REVENUE EXPENDITURE

4.1 The Revenue Expenditure can be classified as procurement of Materials, stores and Spares, tools etc., and other Revenue Expenditure.

4.1.1. PROCUREMENT OF MATERIALS/STORES AND SPARES/TOOLS ETC.,

Normally any procurement of Materials/stores and spare parts/tools etc., are done on the basis of approved MPR (MATERIAL PROCUREMENT REQUEST)

MPRs are raised by Material Planning Cell of the MM Department. For Project Materials, the MPRs are raised based on the production plan of the Division. For non-project materials, the MPRs are raised based on the stock levels that are fixed for each category of the Materials.

4.1.2. The MPRs are checked in the Finance Section for the following aspects

- If it is against Production Programme, the Quantity should be restricted to the Production Programme. Details of the Materials and no. of components/Materials required are verified with reference to Bill of Material (BOM). It is also important to ensure that whether a Firm order exists for the Production Programme. If it is against an anticipated order, the prior approval of the competent authority must be obtained before initiating the MPR action.
- Further, if it is a stock item and if the MPR is being raised in relaxation of the stock levels, then prior approval of the competent authority must be obtained before raising the MPR. The stock levels such as Maximum levels, Minimum levels & Re-order levels are fixed for both indigenous as well as imported materials. The MPR scrutiny regarding

the quantity to be ordered is based on the information such as quantity in stock, stock levels and the past consumption, besides the above, factors such as lead time required for the procurement and the funds available in the approved budget are also taken into account.

- After these checks are carried out, the MPRs are entered in the MPR Register proforma as per enclosure at Annexure-VI. The MPR after concurrence are sent to the competent authority for approval. On receipt of intimation approval of the MPR by the competent authority, the approval is entered against each of the MPR in the MPR register. The MPR are then sent to MM Section for taking tendering action. The purchase orders as and when released against this MPR are also entered in the MPR register against the particular MPR.

4.2. OTHER REVENUE EXPENDITURE

4.2.1. The revenue expenditure proposals which are sent to the Finance Section for concurrence before the approval of the competent authority are scrutinized for the following.

- Availability of funds in the appropriate Budget in the Performance Budget.
- The relevant rules of the Company and also the various guidelines issued by the Corporate Office and also the Government instructions as well as directions.
- The cannons of Financial Propriety are observed in the proposing and incurrence of the expenditure.
- If the proposal is for Post-facto approval, whether occasion demanded such post-facto approval.

4.2.2. It must be noted that no payments can be made and should be made if, approval is obtained without Financial concurrence. This is due to the fact that all the powers of the competent authority are subject to financial concurrence.

5. FINANCIAL CONCURRENCE OF PROPOSAL FOR PLACEMENT OF ORDERS OR CONTRACTS:

5.1. The purchase proposals which are received in the Finance Section for financial concurrence are to be scrutinized with regard to the following.

- a) Whether the tenders have been opened in the presence of Finance/Internal Audit representatives.
- b) In the case of tenders, which are to be accompanied by Earnest Money Deposits have been duly received from the parties.
- c) Those tenders which have been received late have been so X marked and indicated.
- d) Where the purchases are being made on limited tender/single tender basis, whether the approval has been obtained from the competent

authority. (Definition of limited tenders/single tender given in the Annexure-VII).

- e) Whether the advertisement procedure prescribed for open tender has been followed.
- f) Whether the purchase preference being given to indigenous sources/PSUs etc., are worked out properly.
- g) The comparative statement of quotations prepared by the MM Section are to be counter-checked by due verification of the tenders and to ensure that the offers indicated in the comparative statement are the same as the number of offers received.
- h) The offers indicated in the comparative statement should not include the late and also the unsolicited offers received. If the same are included, then it should have the prior approval of the competent authority.
- i) When the rates proposed are higher than the last purchase rates, the increase in the rates are justified.
- j) When the order is released on single tender basis, the indenter/MM Section should certify the reasonableness of the price quoted by the supplier.
- k) Where a Repeat order is released on the supplier, then the indenter/MM Section should certify that there is no downward trend in the prices as compared to original purchase rate.
- l) Where the rate is considered high, or where the lowest rate quoted is high, the negotiations are to be conducted. For this purpose, a negotiating committee duly approved by the competent authority is constituted and is authorized to negotiate.
This committee should include finance representative. The recommendations of the committee will form the basis of acceptance of rates. It must be noted that the recommendations of a negotiating committee without a finance representative are invalid and shall not be given effect to.
- m) Where the order is released on single tender basis, the indenter has to certify that single tender procedure is due to standardization of a particular product or the relevant reason for the same. For this purpose, the prior approval of the competent authority must be obtained before release of enquiry.
- n) Whether the inspection clause has been included in the purchase proposal.
- o) The payment terms should be as per prescribed policy of the Company. When there is a deviation from the prescribed policy, such deviation must be highlighted by the Finance Section. When such a deviation is inevitable, Finance Section should build sufficient safe guards to protect the interest of the company.
- p) Every proposal should contain a suitable clause for levy of liquidated damages/risk purchase.

- q) In the event of entering into a long-term contract, which calls for increase in prices, then the proposal should include a suitable escalation clause with a pre-determined escalation formula.
- r) The procedure prescribed for the purchase by the Company should be followed. In the event of any deviation, same should be highlighted by Finance. The MM Section be asked to justify such deviations.
- s) The definition of each type tender is at Annexure-VII.

6. ANNUAL RATE CONTRACT/SUB-CONTRACT/RUNNING CONTRACT

6.1. For items such as tools, drills, jigs, fixtures, gauges etc., it is in the interest of the Company to have steady supply/supplies. For these items and such other items, annual rate contract/running contract are entered into. While scrutinizing such proposal it should be ensured that:

- Normal tendering procedure has been resorted to. If there is any deviation, whether the approval of the competent authority has been obtained.
- That the rate contract is for the stipulated period of one year/two years etc.,
- That the rate quoted is firm for the period of the rate contract and the supplier has given such a guarantee.
- The supplier has provided the company with a performance guarantee/bond as specified in the tender.
- The supplier has provided the Company with Security deposit either in cash or by way of Bank guarantee.
- The supplies must be F.O.R. Destination
- The supplies must contain warranty clause guarantying good workmanship.
- The contract must contain provision for levy of liquidated damages for delayed supplies.
- Where any advance is payable to the party it must be covered by a suitable Bank Guarantee with claim period of 3 months after the expiry of the validity of the Bank Guarantee.
- If the contract provides for escalation in prices, then the purchase proposal must include escalation with a pre-determined escalation formula.

7. SCRUTINY AND APPROVAL OF ESTIMATES AND AWARD OF CONTRACTS IN RESPECT OF CIVIL WORKS/ELECTRICAL WORKS

7.1. While scrutinizing and giving concurrence to the estimates of civil works and electrical works and while approving the award of the contract of the civil and electrical works, the following must be ensured.

- The details of the estimates are checked in respect of all items. The estimates are prepared on MESSR or on Market rates or PWD rates. In

the event the estimates are based on market rates, the quotations obtained in this connection should be enclosed to the estimates.

- The tendering procedure as prescribed has been followed. If there is any deviation, it must have the prior approval of the competent authority.
- The tender of the contract is received with the prescribed Earnest Money Deposit.
- Value of the accepted tender is within the Administration approval accorded for the work.
- Value of the accepted tender compares well with the detailed estimate prepared. If there is any item which either low or high freak rate, the same should be highlighted. If there are high freak rates, the Finance Section should clearly indicate as far as possible these items should not exceed the quantity indicated in the Bill Of Quantity and efforts should be made to reduce this quantity. On the other hand, the items with low freak rates, the quantity indicated in the BOQ should not be reduced without any valid reason. This is to ensure that no undue advantage is passed on the contractor due to quoting of high/low freak rates.
- When it is considered that the lowest tender rates are high when compared with an estimates and it contain freak rates, the same are negotiates by a negotiation committee, duly set up for this purpose by the Competent authority. The proposal is considered and concurred by the Finance based on the recommendations of this negotiating committee. It is to be ensured that a finance member is associated in the negotiating committee, in the absence of the Finance member in the committee, the recommendations of the negotiating committee will not be valid.
- If a cartel is suspected in the quotation submitted by the tenders, this must be highlighted by the Finance.
- There should be suitable liquidated damages clause in the contract for delayed completion of the work by the contractor.
- If there is any advance payment such as mobilization advance etc., the same should be covered by Bank Guarantee for the amount advance with suitable claim period of 3 Months.

8. PROPOSAL FOR WAIVER OF DUES, WRITE-OFF OF LOSSES AND PAYMENT IN RELAXATION OF RULES

8.1. Proposals which are received in Finance Section for Waiver of Dues, write-off of losses and payment in relaxation of rules are scrutinized and concurred in Finance keeping the following in view.

- In the case of Dues, it should be ensured that the Dues have become irrecoverable and there is no prospect or the prospects are bleak with regard to its recovery. In the case of write-off of losses it should be ensured that the write-off of losses is not due to the negligence of any employee.
- That the claim could be brought in a court of law and that the expenditure is insignificant.

- Where it is necessary to write-off the amount pursuant to the decision of the enquiry committee, duly constituted for this purpose, the constitution of the committee and its recommendation must also be examined.

9. PROPOSAL RECEIVED FOR CONCURRENCE OF SALE,LEASE OR ALIENATION OF COMPANY PROPERTY

- 9.1. While clearing proposal of this nature it must be kept in mind that
- The powers of approval rest with the Board of Directors
 - That the proposal is not in contradiction to the Articles of Association of the Company
 - That the interest of the Company is well protected
 - And that proposal is accompanied by a draft Board Paper

10. PROPOSAL RECEIVED FOR CONCURRENCE IN RESPECT OF PROJECT REPORTS

10.1 While scrutinizing the proposal received for concurrence for project reports, the following must be kept in mind.

- Whether initial feasibility report has been prepared. The feasibility report must contain not only technological details but also contain the economic details.
- Once prima-facie feasibility report has been accepted, Preliminary Project Report (PPR) is prepared, which gives the details likely market/likely quantum of order, collaborating arrangements, of likely payment towards technology transfer, royalty, value the infrastructure facility required to be augmented to take up the production, DRE details, likely cost of production of each unit and technological fall-out. The PPR should contain detailed cash flow statement. It would be essential for the Finance Section to work-out the IRR (Internal Rate of Return). As per the Government policy a project with an IRR of less than 12% after tax may not be accepted by the Government. The PPR after approval for the Board of Directors is sent to Government for approval. Until the approval is received from the Government, no amount is either committed or spent.
- Once the PPR is accepted and approved, within 24 months from the date, the Company is to prepare a Detailed Project Report (DPR). The DPR contain all the details as per PPR. However, in the event of change in quality of order, quantum of production, increase in Capital outlay, etc., the same need to be justified with details. The DPR after approval from the Board of Directors is sent to Government for approval.

SCHEDULE OF AUTHORITY

Sl. No	PARTICULARS OF DOCUMENT/REGISTER	AUTHORITY FOR		
		PREPARING & POSTING	CHECKING	APPROVAL
1.	CASH VOUCHERS			
	a)Upto Rs. 2,500/-		Jr. Mgr	Gr. II (AM)
	b)Upto Rs. 5,000/-	Jr. Mgr	JM/AM	Gr. III (DM)
	c)Above Rs. 5,000/-	JM/AM	JM/AM/DM	Gr. IV & Above (Mgr. & Above)
2.	CHEQUE VOUCHERS			
	a)Upto Rs. 20,000/-		Jr. Mgr	Asst. Mgr
	b)Upto Rs. 50,000/-	Jr. Mgr	JM/AM	Dy. Mgr
	c)Above Rs. 50,000/-	JM/AM	JM/AM/DM	Mgr & Above
3.	CHEQUE SIGNING			
	a)Upto Rs. 25,000/-		Jr. Mgr	AM or Above
	b)Upto Rs. 50,000/- Jr. Mgr	JM/AM	DM or Above	
	c)Above Rs. 1,00,000/-	JM/AM/DM	JM/AM/Mgr	DM/Mgr or Above
	d)Above Rs. 1,00,000/-	JM/AM/DM	JM/AM/DM/Mgr	Head of Finance of the division or SM or Above
Note:				
1. All the cheques shall be signed by two authorized officers.				
2. The Bank A/C shall be operated in such a way that atleast one of the authorized signatories shall be an officer from finance.				
4.	JOURNAL VOUCHERS OR JOURNAL ENTRIES			
	a)Upto Rs. 50,000/-		Jr. Mgr	Asst. Mgr
	b)Upto Rs.2,00,000/-	Jr. Mgr	JM/AM	Dy. Mgr
	c)Above Rs.2,00,000/-	JM/AM	JM/AM/DM	Mgr. & Above
5.	GRANT OF OFFICIAL RECEIPT/SIGNING OF CASH CREDIT VOUCHERS			

	a)Upto Rs. 5,000/- b)Upto Rs. 50,000/- c) Above Rs. 50,000/-	Jr. Mgr	Group E/F Jr. Mgr JM/AM	Jr. Mgr Asst. Mgr DM & Above
6.	CASH BOOK		Jr. Mgr	AM & Above
7.	Bank Reconciliation Statement	JM/AM	JM/AM/DM	Mgr & Above
8.	Income Tax and Sales Tax and Excise Return/Letters	Asst. Mgr	Dy. Mgr	Mgr & Above
9.	Price quotation/FCQ	Mgr/SM(F)	DGM(F)/GM(F)	DIR(F)
10.	Comparative Statement of Quotation		Jr. Mgr	AM & Above
11.	FINANCIAL CONCURRENCE			
	A) PURCHASE PROPOSALS			
	I)Capital			
	a)Upto Rs. 25,000/-		JM/AM	DM/Mgr.
	b)Upto Rs. 1,00,000/-	JM/AM	DM/Mgr.	Mgr/SM
	c)Above Rs. 1,00,000/-	DM/Mgr.	Mgr/SM	GM(F)/D(F)
	II)Revenue			
	i) Project Materials including DRE/Tooling			
	a)Upto Rs. 1,00,000/-		JM/AM	DM/Mgr
	b)Upto Rs. 3,00,000/-	JM/AM	DM/Mgr	Mgr/SM
	c)Upto Rs. 5,00,000/-	DM/Mgr	Mgr/SM	SM/DGM(F)/GM(F)
	d)Above Rs. 5,00,000/-	Mgr/SM	SM/DGM(F)/GM(F)	GM(F)/D(F)
	ii)Non-Project Materials			
	a)Upto Rs. 1,00,000/-		JM/AM	DM/Mgr
	b)Upto Rs. 2,00,000/-	JM/AM	DM/Mgr	Mgr/SM
	c)Upto Rs. 3,00,000/-	DM/Mgr	Mgr/SM	SM/GM(F)
	d)Above Rs. 3,00,000/-	Mgr/SM	SM/DGM(F)	GM(F)/D(F)

	B)CIVIL/ELECTRICAL WORKS I)Capital a)Upto Rs. 25,000/- b)Upto Rs. 2,00,000/- c)Upto Rs. 3,00,000/- d)Above Rs. 3,00,000/-	JM/AM DM/Mgr Mgr/SM	JM/AM DM/Mgr. Mgr/SM SM/DGM(F)/GM(F)	DM/Mgr Mgr/SM SM/DGM(F)/GM(F) GM(F)/D(F)
	II)Revenue a)Upto Rs. 25,000/- b)Upto Rs. 50,000/- c)Upto Rs. 1,00,000/- d)Above Rs. 1,00,000/-	JM/AM JM/AM DM/Mgr Mgr/SM	DM/Mgr DM/Mgr Mgr/SM SM/DGM(F)/GM(F)	Mgr/SM SM/DGM(F)/GM(F) GM(F)/D(F)
	C)OTHER REVENUE ITEMS a)Upto Rs. 25,000/- b)Upto Rs. 50,000/- c)Upto Rs. 1,00,000/- d)Above Rs. 1,00,000/-	JM/AM DM/Mgr Mgr/SM	JM/AM DM/Mgr Mgr/SM/GM(F) SM/DGM(F)/GM(F)	DM/Mgr Mgr/SM SM/DGM(F) GM(F)/D(F)
	D)WRITE OFF LOSSES AND WAIVER OF DUES AND CASES INVOLVING RELAXATION OF RULES	Mgr/SM	SM/DGM(F)/GM(F)	D(F)
12.	FIXING UP PRICES RATES Etc., FOR SUPPLY OF GOODS AND SERVICES	Mgr/SM	SM/DGM(F)/GM(F)	D(F)
13.	Advances/Loans i)Pay/TA/LTC Advances ii)Conveyance Advance iii)Other Advances	AM/DM/Mgr	JM/AM Mgr/SM JM/AM	AM/DM SM/DGM(F) DM/Mgr
14.	Other Financial	JM/AM	AM/DM	Mgr & Above

	Statements			
15.	Raising of Invoices including Army/Navy/Air Force		JM/AM	DM & Above
16.	Subsidiary Journals		JM/AM	AM/DM
17.	Subsidiary Ledgers	JM/AM	AM/DM	Mgr & Above
18.	Subsidiary Registers	Jr. Mgr	JM/AM	Dy. Mgr
19.	Journal/General Ledger	Jr. Mgr	JM/AM	Dy. Mgr
20.	Final Accounts	Mgr/SM	SM/DGM(F)/GM(F))	Dir(F)

The above is subject to:

- 1) Where Heads of Finance/Accounts are not in Grade V/VI Officers in Grade IV will exercise the authority instead of Grade V/VI.
- 2) Approval of General Manager for the sub-delegation as at item 13 should be obtained by the Individual Divisions.
- 3) Certain transactions like making provisions, write-offs, write backs etc. should be approved specifically by the Heads of Finance Accounts and the General Managers of the Individual Divisions.

CANONS OF FINANCIAL PROPRIETY

Every officer incurring or authorising expenditure from Public Funds should be guided by high standards of Financial Propriety.

Among the Principles in which emphasis is generally laid are the following:

- (i) Every Public Officer should exercise the same vigilance in respect of expenditure incurred from Public Money as a person of Ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) The expenditure should not be Prima-facie more than the occasion demands.
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) The amount of allowances, such as travelling allowances, granted to meet expenditure of particular type, should be so regulated that an allowance is not on the whole a source of profit to the recipient.
- (v) Public Money should not be utilized for the benefit of a Particular Person or Section of the Community, unless:
 - a) The amount of expenditure involved is insignificant, or
 - b) A claim for the amount be enforced in a court of law or
 - c) The expenditure is in pursuance of recognized policy or custom.

BHARAT DYNAMICS LIMITED
DIVISION/OFFICE

CAPITAL APPROPRIATION REQUEST

CAR NO
PROJECT:

DATE

SL. No	DETAILS OF GOODS	QTY	VALUE Rs in Lakhs (FE in brackets)
			TOTAL

JUSTIFICATION IN BRIEF:

INDENTOR DEPTL. HEAD FINANCIAL CONCURRENCE APPROVAL BY G.M.

	BUDGET PROVISION	PROJECT	REPORT	PROVISION Value (FE in brackets)
1.	TOTAL PROVISION	TOTAL PROVISION		
2.	ALREADY APPROPRIATED			
3.	BALANCE	ALREADY APPROPRIATED		
4.	PRESENT CAR	BALANCE		
5.	BALANCE	PRESENT CAR		
6.	HEAD OF ACCOUNT:			
7.	BUDGET REF:	BALANCE		

MPR NOS.

VALUE:

BHARAT DYNAMICS LIMITED
.....DIVISION/COMPLEX

ADMINISTRATIVE APPROVAL CUM CAPITAL APPROPRIATION REQUEST

- | | | | |
|----|--|---|--|
| 1. | ADMINISTRATIVE APPROVAL CUM CAR NO. | : | |
| | DATE | : | |
| 2. | DESCRIPTION OF WORK | : | |
| 3. | CAPITAL BUDGET HEAD AND YEAR OF SANCTION | : | |
| 4. | AMOUNT SANCTIONED IN THE BUDGET | : | |
| 5. | AMOUNT APPROVED IN THE ADMINISTRATIVE APPROVAL | : | |
| 6. | BALANCE AMOUNT AVAILABLE (SL. NO. 4-SL. NO. 5) | : | |
| 7. | AUTHORITY COMPETENT TO ACCORD ADMINISTRATIVE APPROVAL AND DELEGATION OF POWERS UNDERWHICH APPROVED | : | |
| 8. | AUTHORITY COMPETENT TO ACCORD FINANCIAL CONCURRENCE | : | |

PROPOSED & TECHNICALLY
CLEARED BY

FINANCIAL
CONCURRENCE BY

ADMINISTRATIVE
APPROVAL CUM
CAR APPROVED BY

M(F)/SM(F)/DGM(F)/
GM(F)/D(F)

GM/D(T)/D(F)/CMD

BHARAT DYNAMICS LIMITED
DIVISION/OFFICE

ANNEXURE-V

CAR / AR REGISTER

SL.NO	PARTICULARS OF ITEM	REFERNCE IN CAPITAL BUDGET	AMOUNT APPROVED	CAR / AR NO.	DATE	AMOUNT	PURCHASE ORDER / WORK ORDER			PAYMENT PARTICULARS			REMARKS	INITIALS
							NO	DATE	AMOUNT	CV NO.	DATE	AMOUNT		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

BHARAT DYNAMICS LIMITED
.....DIVISION/OFFICE

MPR Register

MPR NO	DATE	PARTICULARS OF ITEM	VALUE	P.O REFERENCE			REMARKS	INITIALS
				NO	DATE	AMOUNT		

DEFINITIONS

1. **OPEN TENDER:** Where all the known and possible sources of the supply of the particular material or contractors are made aware of the requirement and allowed reasonable time to quote. For this purpose, an advertisement/notification in at least three leading English News Papers of all India circulation and Indian Trade Journal is released. If the supply/services are available in the local area, then at least three local Newspapers including local language must be released.
2. **LIMITED TENDER:** Only the most likely suitable sources are addressed. To ensure that there is adequate competition it is necessary that at least five sources are addressed. Where the number, of available sources are of supply is less than five, the number of suppliers/contractors to be addressed may be reduced at the discretion of the Chairman cum managing Director. Wherever available, the evaluated tender lists maintained by MM/CE Section should be used. In the absence of this, the suppliers/contractors to be addressed should be based on the past experience. The selection of the suppliers/contractors to be addressed should be approved by CMD.
3. **SINGLE TENDER:** Single Tender refers to a case where purchase enquiry is sent to only one selected supplier (i.e. manufacturer or manufacturers retail outlet or for which the requirement is for specific make or brand).
4. **PROPRIETARY ITEM:** An item is called proprietary in nature when no equivalent or near equivalent is available from any other source and/or all possible sources for the items quote only the product of one manufacturer.
5. **REPEAT ORDER:** Refers to purchase order placed on the previous supplier (without obtaining fresh quotations) for the same items which were ordered on the supplier as a result of open/limited tender. Order can be placed upto 50% of the value of the original order within 6 months from the completion of the original order, unless in the mean time, further market research has disclosed a cheaper source of supply and that rates have come downwards.
6. **RATE/RUNNING CONTRACT:** These are long supply agreements which are entered with reliable and established source of supply after obtaining competitive offers through open tender.
7. **SINGLE OFFER:** Means when open tender or limited tender is issued and only one party/supplier responds by giving quotation.