

# BYE - LAWS

N.B. : The procedures prescribed and powers delegated in these bye-laws should be read with the obligations cast on the Society vis-a-vis the Central and State Governments in its Memorandum and Rules as well as in any instructions or directives issued by the Central and State Governments to the Society.

DEFINITIONS : In these bye-laws, except where the context otherwise

- i) The expressions 'Society', 'Board', 'Executive Committee', 'Secretary', 'Institute', 'State Government', and 'Central Government', shall have the meaning assigned to them in the Memorandum and/or the Rules of the Food Craft Institute (Hyderabad) Society.
- ii) 'Financial Year' shall mean the financial year followed by the State and central Governments.

## I. BYE-LAWS RELATING TO FINANCIAL BUDGETARY AND ACCOUNT MATTERS:

### BUDGET PROCEDURE:

- 1) The budget estimates of the Society for each financial year shall be prepared by the Secretary in the forms prescribed by the Central/State Government in terms of Rule 25 of the Rules of the Society and shall be submitted by the Secretary with such explanation notes and recommendations as may be necessary for consideration at a meeting of the Executive Committee to be held not later than the 31<sup>st</sup> of July of the preceding financial year. The Executive committee shall consider the budget estimates and may approve them or offer such comments or suggest such changes as it may consider necessary and appropriate.
- 2) The budget estimates of each financial year as approved by the Executive Committee shall be placed before a meeting of the Board to be held before the 15<sup>th</sup> August of the preceding financial year. The Board shall consider the budget estimates and may approve them or offer such comments or suggest such changes as it may consider necessary and appropriate.
- 3) Copies of the budget estimates and explanatory notes thereon shall be sent to each member of the Executive Committee and of the Board by registered post at least ten clear days before the meeting of the Executive Committee or the Board at which these estimates are to be considered.
- 4) The budget estimates of each financial year as approved by the Board, shall be submitted to the State and Central Governments not later than the 31<sup>st</sup> of August of the preceding financial year.
- 5) The budget estimates of each financial year as approved by the Board and accepted by the State and/or Central Governments shall be reviewed and revised estimates prepared at the time of preparation of the budget estimates for the ensuing financial year. These revised estimates shall be submitted to the Executive Committee, the Board and the State and Central Governments successively as indicated in bye-laws I (1), (2), (3) and (4) along with the budget estimates of the ensuing financial year.
- 6) While submitting the budget estimates to the Executive Committee and the Board, the Secretary shall group the individual items in the estimates into a number of small groups. A specimen grouping is given in Annexure II to these bye-laws. The approval by the Board of the budget estimates shall constitute an approval of such grouping also. After the estimates are approved by the Board the Executive Committee shall have full powers to effect adjustments among the items within a group so long as the total expenditure estimate for the group is not exceeded. The Board shall have full powers to effect adjustments between one group and another.

### POWERS OF EXPENDITURE:

- 7) Subjects to the availability of funds in the approved budget estimates, and subject further to such bye-laws, regulations or instructions as have been or may be laid down by the Board to govern the procedure to be followed and the powers to be exercised by various authorities in regard to specific types or classes of cases such as the creation of posts, appointments, purchases of stores etc., expenditure out of funds of the Society may be sanctioned by the following authorities to the extent indicated.

Nature of Expenditure	Sanctioning authority	Extent of Powers
1. Capital Expenditure	The Board	Full Powers
2. Revenue Expenditure:		
a) Repetitive	Secretary	Not exceeding Rs. 50/-
	Executive Committee	Not exceeding Rs. 300/- (Rs. Three Hundred Only) p.m.
	The Board	Full Powers
b) Non-repetitive	Secretary	Rs. 500/- (Rs. Five Hundred Only) In each case
	Executive Committee	Rs. 3,000/- (Rs. Three Thousand Only) in each case
	The Board	Full Powers

**EXPLANATION :** The expression "repetitive" and "non-repetitive" imply a distinction between sanctions which involve repeated payments of a fixed figure at definite intervals and sanctions which involve expenditure on one single item or a number of closely related items and which cease to be effective as soon as this expenditure has been incurred. For instance, if furniture is hired or if a shed is taken on rent, etc., the sanction once accorded is standing for repeated payments of a stated amount every month, if on the other hand sanction is accorded to the purchase of stores, stationery etc. Each sanction can cover only a single item or a number of closely related items and the sanction will expire as soon as the purchase has been completed.

#### RECORD OF SANCTIONS:

- 8) The approval of the budget estimates by the Board shall be regarded as equivalent to financial sanctions in respect of the following items in the respective recurring expenditure budget accounts.
- 1) Staff salaries etc a,b,c,d,e.
  - 2) Student activities.
  - 3) Operational costs a,b,c,d,e,f,g
  - 4) Expenditure on training food.
  - 5) Miscellaneous Academic Expenses a,b,c,d.
  - 6) Office expenses a,b,c
  - 7) Bank Charges.

The remainder of the items of the recurring expenditure should be covered by sanctions given by the appropriate authorities and recorded before the expenditure is actually incurred.

#### BANK ACCOUNT AND WITHDRAWALS:

- 9) The Bankers of the Society shall be the State Bank of India. All the moneys at the disposal of the Society, with the exception of the permanent advance referred to in bye laws I (10) and the money deposited in the fixed deposits or invested in accordance with such rules or bye-laws as may laid down for the purpose, shall be deposited into the Society's account in the Bank and shall not be withdrawn except on cheques signed by the Secretary of the Society provided that cheques exceeding Rs. 1,000/- (Rupees One Thousand only) enhanced to Rs. 10,000/- (Rupees Ten Thousand only) Revised further to Rs. 30,000/- (Rupees Thirty Thousand only) shall be countersigned in addition by any one of the members of the Executive Committee. The member who so countersigns will satisfy himself that the expenditure has been sanctioned by the competent authority and that the Secretary's pay order has been duly recorded. The cheque books and other documents relating to the Bank Account shall remain in the personal custody of the Secretary.

#### PERMANENT ADVANCE:

- 10) A sum of Rs. 500/- (Rupees Five Hundred only) shall be placed at the disposal of the Secretary as a Permanent Advance for meeting office contingencies, petty expenditure and miscellaneous or emergent payments of any kind which have to be made in cash, provided that payments exceeding Rs. 50/- (Rupees Fifty Only) in amount shall as far as possible be made by cheque. The Secretary may in turn place the Permanent Advance in the custody of a responsible administrative official of the Centre. The expenditure out of the permanent advance shall be incurred in accordance with the relevant bye-laws. An account of such expenditure shall be maintained and the Permanent Advance shall be recouped as often as may be necessary and in any case not less frequently than once a week.

## MAINTENANCE OF ACCOUNTS:

- 11) The accounts of the Society shall be maintained by the Secretary in accordance with the normal commercial principles of double-entry as Book-keeping, and all the necessary accounts, documents and books shall be maintained in accordance with common commercial practice, with particular reference to the practical prevalent in catering establishments.

## AUDIT:

- 12) The accounts of the Society shall be audited annually by auditors to be appointed by the Board.

## SUBMISSION OF AUDITED ACCOUNTS TO THE BOARD:

- 13) The audited accounts of the Society for each financial year together with Auditor's report thereon and accompanied by such other documents, notes etc., as may be necessary, shall be placed by the Secretary before the Board at a meeting to be held on such date or dates as may enable the Society to submit the said accounts and documents duly approved by the Board to the State and Central Governments by the date prescribed for such submission.

## II. CREATION OF POSTS AND APPOINTMENTS:

### CREATION OF POSTS:

- 1) Subject to the availability of funds in the approved budget estimates: Power of creation of posts should be vested solely on the Board at the recommendation of the Executive Committee and the appointment to posts so sanctioned shall be made by the following authorities to the extent indicated.

#### Appointment Authority:

The Secretary

The Executive Committee

The Board

#### Extent of Powers:

The appointment to posts the maximum of the pay scale of which does not exceeds Rs. 180/- per month (excluding teaching posts).

The appointment to posts the maximum of the scale of which does not exceed Rs. 575/- per month.

Full Powers

- 2) The powers of creation of posts vested by bye-laws II (1) above shall be exercised by the Board within the guide lines provided by the structure of posts and pay scales as approved by the Board.

### RECORD OF SANCTION TO POSTS:

- 3) Sanction to the creation of posts shall be recorded in one of the forms (as may be appropriate) given in Annexure IV and these be filled in a Register of Sanctions for posts.

### APPOINTMENT:

- 1) Powers
- 2) Procedure

- 4) Deleted

- 5) When one or more appointments have to be made the authority competent to make the appointments shall first lay down the requirements as clearly and in as detailed a manner as possible, viz., the duties to be performed, the requirements in terms of educational or other qualifications and practical experience, the appropriate age limits etc, indicating whether and if so to what extent, these could be relaxed if the need arises, and shall then decide whether the appropriate method of recruitment to the given posts would be recruitment from the open market, or the promotion of suitable persons already in the employment of the Society or the borrowing of the services of experienced persons in the employment of the State or Central Government or other organisation, or a selection from amongst suitable persons recommended by the members of the Board or the Executive Committee or brought otherwise to the notice of the appointing authority, or a combination of several of these methods.
- 6) In the event of recruitment from the open market, the vacancies shall be given as wide publicity as possible by means of advertisement in a number of prominent newspapers.
- 7) In the event of promotion from amongst persons already in the employment of the Society, the field of choice shall first be defined, i.e., the post or posts from which promotion to the given vacancy should be made, the length of service which the person to be selected should possess in capacities to be specified, etc., and then selection shall be made from amongst all the eligible candidates in the field of choice.
- 8) For all appointments exceeding the powers of the Secretary, the selection of candidates for appointment shall be made by a standing selection committee to be appointed by the Board. The Selection Committee may co-opt others as advisers. The recommendation of the Selection Committee shall be placed before the authority competent to accord final approval to the proposed appointment or appointments in terms of bye-laws II (4).

## FORM OF OFFER AND APPOINTMENT AND JOINING REPORT:

- 9) After the competent authority's approval for an appointment is accorded, the actual offer of appointment shall be signed for and on behalf of the Society by the Secretary in the form given in Annexure V to these bye-laws. After and acceptable of the offer is received from the selected candidate, he or she should be required to fill in and sign a report of having joined duty in the given in Annexure VI.

## III. PURCHASE OF EQUIPMENT, STORES AND SUPPLIES

### PURCHASE POWERS:

- 1) The powers of various authorities in the Society for incurring expenditure on the purchase of equipment, stores and supplies of all kinds shall be the same as the general powers of expenditure vested in them by bye-laws I (7)

### METHODS:

- 2) Items of equipment materials, furnishings, linen, fittings and fixtures, stationery and other articles and stores required by the society shall as far as possible be purchased by the system of open tender, i.e., by advertisement through important newspaper.

PROVIDED that where the articles or stores sought to be purchased are known to be available only from a small number of reputed manufacturers, suppliers or dealers, a limited tender equally may be addressed to all these manufacturers or suppliers or dealers instead of an advertisement in the newspapers.

AND PROVIDED further that where the articles or stores to be purchased are of a proprietary nature and are made by means of direct negotiations with that single source of supply.

The methods of limited tender or direct negotiations with a single party may also be followed if (a) an urgent purchase has to be made and the time involved in the system of open tender is not available. OR (b) if the system of open tenders is not practicable for any reason. In such cases the purchasing authority should record its reasons for not following the method of an open tender.

### ACCEPTANCE OF TENDER:

- 4) Where purchase are made through open or limited tender, the lowest tender shall ordinarily be accepted, provided the tender is in accordance with the terms of the advertisement or enquiry issued by the purchasing authority.

If for any reason the purchasing authority decides to accept a tender other than the lowest, the reason for doing so shall be recorded.

### FROM OF TENDER ENQUIRY:

- 5) Where tender enquiries are issued whether by means of advertisement or by means of a letter addressed to a limited number of suppliers, the following points shall be borne in mind.
- (a) Enquiries shall be addressed by the Secretary for and on behalf of the Society, and acceptance of tender shall be similarly signed.
  - (b) A time-limit shall be set for the receipt of tenders (which shall be required to be submitted in sealed envelopes) and a time and place specified for the opening of tenders.
  - (c) The enquiry shall clearly set forth the quantity and specifications of the articles or stores required, the place and mode of delivery, the time by which delivery is required, arrangements for the payment of inspection of the articles or stores prior to acceptance (if considered necessary) the payment procedure etc. The form of enquiry given in Annexure VII to these bye-laws may be used as a specimen. Please note that the form is only a specimen and may be suitably varied in accordance with the nature of the articles required.

### CONTRACTUAL IMPLICATIONS:

- 6) As the issue of letters of enquiry, the receipt of quotations and their acceptance will together amount to an agreement binding upon the Society, the bye-laws relating to contracts contained in Section IV of these bye-laws shall be borne in mind in inviting and accepting and placing orders for supplies.

## IV. CONTRACTS

### AUTHORITIES COMPETENT TO APPROVE CONTRACTS:

- 1) The form and substance of contracts involving a financial consideration exceeding the expenditure powers of the Secretary shall require approval by the Executive Committee, and the form and substance of

contracts involving a financial consideration exceeding the expenditure powers of the Executive Committee shall require approval by the Board.

#### LEGAL ADVICE TO BE TAKEN:

- 2) The drafts of all contracts involving a financial consideration exceeding Rs. 3,000/- (Rupees Three Thousand only) shall be shown to a solicitor of repute for advice as to the correctness of their form, before they are approved by appropriate authority. In respect of contracts involving a financial consideration not exceeding Rs. 3,000/- (Rupees Three Thousand only), the authority competent to approve the form and substance of the contracts shall at its discretion decide whether the advice of a solicitor need be taken.
- 3) The following general principles should be observed while entering into contracts on behalf of the Society:-

#### GENERAL PRINCIPLES TO BE BORNE IN MIND:

- a) The terms should be precise and definite; the quantity and quality of work to be done or supplies to be made, the specifications to be complied with the time within which the work or supplies should be completed, the conditions to be observed the security (if any) to be lodged, the terms upon which the payment will be made and the penalties (if any) to be extracted for non-compliance with any of the terms and conditions should be stated clearly.
- b) The terms of the contract once entered into should not be materially varied without the previous content of the authority competent to approve the contract as so varied.
- c) Provision must be made for safeguarding the property of the Society, if any, entrusted to the contractor.

#### EXECUTION:

- 4) All contracts shall be executed on behalf of the Society in the manner laid down in rule 27 of the Rules of the Society.

### V WRITE OFF OF LOSSES, ETC.

#### POWERS OF SPECIFIED AUTHORITIES:

- 1) Irrecoverable losses of any kind belonging to the Society as well as deficiencies in the value of the stores include in the stock and other accounts, may be written off by the following authorities to the extent indicated against each provided that if the loss or deficiency discloses a defect in rules or procedures or if there has been serious negligence on the part of any employee of the Society the matter shall be brought to the notice of the Board for such action as it may consider necessary:

Nature of loss	Authority	Money limit upto which the loss may be written off each case.
Irrecoverable losses	(a) Secretary	Rs. 100/-
of stores or deficiencies in the value of	(b) Executive Committee	Rs. 1000/-
Stores included in the Stock and other accounts.	(c) Board	Full Powers

#### UNSERVICABLE OBSOLETE OR SURPLUS STORES:

- 2) In cases where the stores are badly present and cannot be said to have been lost, but have become unserviceable, obsolete or surplus, a survey report should be prepared in the form given in Annexure VIII to these bye-laws by Secretary or under his direction; with reference to the survey report the stores should be declared unserviceable, obsolete or surplus as the case may be by the authority who would have been competent in terms of byelaw V (1) to write off a loss equivalent to their value, and the same authority shall also indicate in the same order the mode in which the stores in question should be disposed off; PROVIDED that where the said authority holds that surplus owing to negligence, fraud, etc., on the part of any employee of the society, the matter should be reported to the Board for such action as the Board may consider necessary.

#### VALUE OF STORES TO BE WRITTEN OFF:

- 3) The value of store to be written off or declared obsolete, unserviceable or surplus shall be the book value where priced accounts are maintained and replacement value (i.e., the market value of a new article of item of stores of identical or similar nature) where no priced accounts are maintained.

## DEPARTMENT OF TOURISM

HMC Division  
C-1 Hutments, Dalhousie Road,  
New Delhi-110011.

No.1(27)/95-HMC

Dt: 26-12-1995

To  
The Principal,  
ALL IHMCT & AN,  
Hyderabad.

Subject : Delegation of financial powers for incurring of contingent expenditure.

Sir/Madam,

The matter relating to streamlining the existing system of exercise of financial powers and incurring of recurring expenditure in the Institutes of Hotel Management & Catering Technology has been engaging the attention of the Government for quite some time.

With a view to remove the ambiguities in the existing system and bring in uniformity in the procedure governing incurring of recurring expenditure in the Institutes it has been decided to allow the principals of the Institute of Hotel Management, Catering technology & Applied Nutrition to exercise the powers to incur expenditure on the items as specified in the annexure to this letter up to the monetary limits indicates against each by the Government from time to time.

Responsibility for the correctness, regularity and propriety of the decisions taken shall lie with the Principal/Secretary. Exercise of the delegated powers by the Principals shall be in consonance with the regulatory procedures laid down in the General Financial Rules and DFPRs. This will also be subject to the condition that the item of expenditure has been included in the budget of the Institute and duly approved by the Board of Governors of the Institute and the Govt. Powers to incur expenditure on the items not covered/ or are above the prescribed limits under these orders shall be exercised with concurrence of the Board of Governors. This may, accordingly, be incorporated.

This issue with the approval of IF vide their U. O. No. 2092/F-II/95 dated 20-12-95

Yours faithfully,  
(P. N. Wali)  
Assistant Director.

C. C. To :  
1. The FC, Deptt. of CA & Tourism, New Delhi.  
2. The A. FC, Deptt. of CA & T, New Delhi.

# ANNEXURE TO DEPARTMENT OF TOURISM

Letter No. 1 (27) / 95 - HMC Dt. 26-12-95

Items of expenditure	Power of Head of Deptt. & Monetary Limit upto which expenditure can be incurred	Rules, Orders, Restriction or scales subject to which the expenditure shall be incurred
Conveyance hire	Rs. 5000 p.a.	Expenditure subject to the rates/scales prescribed in the DFPRs.
Electric, and water charges	Not exceeding budget/provision	
Freight & demurrage wharfage charges		
i) Freight Charges	Rs. 5000 p.a.	
ii) Demurrage/ Wharfage charges	Rs. 1000 p.a.	
Legal charges:		
i) Fees to Barristers, Advocates, Pleaders, Arbitrators & Umpires	Charges fixed by the Court / Govt.	Expenditure shall ordinarily be incurred only to defend any cases filed against the Instt.
ii) Other Legal Charges	a) Law suits or prosecution cases. Full powers in case of authorities vested with powers to sanction the institution of suit or prosecution otherwise Rs. 5000 in each case.	Powers for prosecution or institution of law suit vest in the Deptt. of the Central Govt. or any other subordinate authority authorised in this behalf under any law, rules or orders for the time being in force.
Moter Vehicle :	Rs. 10,000 p.a.	
i) Maintenance, Upkeep & repairs		
Municipal rates and Taxes	Charges fixed by the Municipality	The expenditure shall be incurred in accordance with the rules for the payment of Municipal Rates and Taxes on Buildings.
Petty work and repairs	Rs. 5000 in each case	In exercising these powers the provision of Rules 137, 141 and 142 of the General Financial rules shall be followed.
Postal and Telegraphs charges :	Not exceeding budget provision	
Printing & Binding	Rs. 2000/- in each case	
i) Local purchase of petty stationery	Rs. 20000 per annum	These powers shall be exercised subject to the instructions contained in the 'Rules for the Supply and use of Stationery Stores' and other general or special instructions issued by the Govt. from time to time.
ii) Local purchase of rubber stamps	Rs. 500 p.a.	To avoid the possibility of counterfeiting of stamps and Office seals by a dealer, purchases shall be made with caution and from firms of repute only.

Training Food Material	Full powers not exceeding the budget provision	No deficit should be incurred in the Training Food account and the surpluses if any, should be taken as income under the Revenue Account.
Telephone Charges	Rs. 20,000 p.a.	Subject to GoI directions from time to time.
Maintenance of Computers of all kinds	Rs. 5000 p.a. per system	The expenditure on the maintenance (including repairs) upkeep when the work is entrusted, to a Public Sector Undertaking or NIC or the hardware manufacturer.
Service Contracts		
i) Equipment items	Rs. 5000 p.a. in each case	
ii) Garbage Removal	Rs. 6000 p.a.	
iii) Cleaning Jobs	Rs. 10000 p.a.	
iv) Gas supply system	Rs. 20000 p.a.	
v) Horticulture Work	Rs. 10000 p.a.	
Items like entertainment (light re-freshments) foundation ceremonies and opening of buildings	Recurring Rs. 500 p.a.	This shall be subject to general instructions issued by the Finance Ministry.
Irrecoverable losses of stores or public money (including loss of stamps)	Rs. 1000 p.a.	Limit of powers shall apply to the losses of stores not due to theft, fraud or negligence.
Power to write off obsolete/un-serviceable items	Rs. 5000 p.a. on Book value	Subject to following the procedures indicated in GFR
Cutlery /Crockery/Glassware/ Linen & Curtain	Rs. 10000 p.a.	
Instructional/Pedagogic al material including books (including library books) journals, periodicals, software etc.	Rs. 40000 p.a.	
Part-time faculty honorarium	Rs. 200 per lecture not exceeding Rs. 3000 per month per lecture.	

# GOVERNMENT OF INDIA

Ministry of Tourism

H. M. C. Division

No. 1(23)/96-HMC

New Delhi-11000

Dated: 30-10-1996

To  
The Principals of IHMs

Sir/Madam,

In partial modification of the Department's orders: 1 (27)/95 HMC dated 26-12-1995, the Government of India has decided as under:

## Enhancement of financial powers to Principal/Secretary for incurring contingent expenditure

<u>Item of Expenditure</u>	<u>Revised Powers</u>
i) Conveyance hire	Rs. 10,000/-
ii) Motor vehicle maintenance, upkeep and repairs	Rs. 20,000/-
iii) Petty works and repairs	Rs. 10,000/- in each case
iv) Printing and Binding	Rs. 3,000/-
v) Local purchase of petty stationery	Rs. 30,000/-
vi) Telephone charges	Rs. 30,000/-
vii) Maintenance of computers of all kinds	Rs. 6,000/- per system.
viii) <u>SERVICE CONTRACTS</u>	
(a) Equipment items	Rs. 10,000/- in each case
(b) Cleaning jobs	Rs. 20,000/-
ix) Items like entertainment (light refreshments) Foundation ceremonies & opening of building	Rs. 1,500/- (recurring)
x) Cutlery/Crockery/Glassware/Linen and Curtains	Rs. 15,000/-

## AUTHORISATION FOR PRINCIPAL/SECRETARY FOR SIGNING SALARY ALLOWANCES AND STATUTORY BILLS ELECTRICITY/WATER/TELEPHONE BILLS

Principal/Secretary is granted power to issue cheques for an amount of Rs. 30,000/- as against the present limit of Rs. 10,000/-. Anything beyond the above shall require countersignature by Board member.

Rules and regulations of the Society may be suitably amended.

Yours faithfully  
(Chiranjive Singh)  
Additional Director General