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Amendment:


In exercise of the powers conferred by Section 36 of the Financial Procedures Act, 2055 (1998), Government of Nepal has framed the following Rules.

Chapter – 1

Preliminary

1. **Short Title and Commencement**: (1) These Rules may be called as "Financial Administration Rules, 2056 (1999)"

(2) These Rules shall come into force immediately.

2. **Definitions**: Unless the subject or the context otherwise requires, in these Rules,-


   (b) "Competent Authority" means the official authorized to make expenditure or give sanction therefor pursuant to these Rules; and this term also includes the official who acts as the acting or officiating for the Competent Authority.

   (c) "Departmental Head" means the chief of a constitutional organ and body or Ministry or any Department thereunder or central-level
Office having identity and jurisdiction equivalent to that of a Department.

(d) "Governmental amount" means any amount obtained by Government of Nepal by way of revenue or otherwise.

(e) "Sealed quotation" means the statement, accompanied by the quoted rate, in an sealed envelope, submitted by an interested person, firm or company or organization in respect of provision of any goods or services as per the demand of the Office.

(f) "Tender" means and includes the statement along with the quotation and other documents, submitted by an interested person, firm or company or organization in a sealed envelope, in respect of provision of any goods or services as per the notice of the Office.

(g) "Tender document" means any general or special term, specification, design, bill of quantities related with any contract, and this term includes a drawing (map) and a bill of quantities as well in the case of construction works.

(h) "Contract" means any contract obtained, by fulfilling the procedures mentioned in this Rules through tender or quotation, from Government of Nepal or any other person to carry out any works or provide any goods or services by profit motive with or without making the highest or lowest bids.

(i) "Contract agreement" means an agreement indicating the terms and conditions between both the parties namely the contractor and the employer to carry out any works or provide goods or services, subject to these Rules.

Amended by the First Amendment.
(j) "Works against forced account" means any construction works to be carried out directly by the Office itself without entering into any contract.

(k) "Goods" means all types of movable and immovable goods.

(l) "Deposit" means the retention money or earnest money or bid bond or performance bond furnished for security pending the settlement of any work, and this term includes any amount furnished for security owing to any other reasons.

(m) "Writing off" (Sadar Syaha) means the act of crediting into the governmental fund any sum of deposit deposited in the deposit account for security pursuant to these Rules.

(n) "Ration" means the goods in-kind specified by Government of Nepal in respect of the food for the Royal Nepal Army, Nepal Police and such governmental employees, patients at hospitals, detainees in jails, and animals and birds etc. as may be specified by Government of Nepal.

(o) "Regular revenue" means the revenue recorded, collected and recovered accordingly.

(p) "Irregular revenue" means the revenue to be received by way of fees, charges, auction sale, tender form sale etc. intermittently, except the recorded revenue.

(q) "Consumers' committee" means a committee formed by the persons directly benefitted from such programme as may be so specified by Government of Nepal or other concerned body as to be implemented at the local level, which comprises those persons selected by them from amongst themselves so as to operate, repair and maintain such a programme.
(r) "Periodic plan" means any plan required to be completed within the period of time specified by the National Planning Commission.

(s) "Special circumstance" means a circumstance resulted from such natural and divine calamity and contingent or unexpected special circumstance as drought, deluge, earthquake, flood, landslide, fire etc.

(t) "Public construction works" means any type of construction works to be completed on behalf of Government of Nepal and a body corporate fully owned by Government of Nepal pursuant to the prevailing law, and this term also includes re-construction and maintenance and repair works.

(u) "Governmental dues" means the amounts to be recovered pursuant to Clause (d) of Section 2 of the Act.

(v) "Funds and Accounts Comptroller Office" means the Funds and Accounts Comptroller Office so established as to remain under the Office of the Financial Comptroller General.

(w) "Joint venture" means the act of carrying out any work jointly by two or more companies or firms.

(x) "Donor party" means a friendly country or international or foreign organization which provides foreign assistance (loan or grant) to Government of Nepal under a bilateral or multilateral agreement.

(y) "Agent" means any person, firm or company who takes agency of any native or foreign person, firm or company for Nepal, subject to prevailing laws and this term includes any person, firm, or company who acts as a representative, nominee, stockiest, distributor or authorized dealer of such a native or foreign person, firm or company.
"Direct payment" means the process of making payment directly by the donor party itself of the amount except the amounts to be spent from the funds in the special impress accounts, as per the demand of the concerned project office to the concerned person, firm, company, body or supplier, instead of making payment through the process of the Consolidated Fund or making direct payment by the donor party.

"Heading" means the subsidy number to be mentioned in the booklet of expenditure estimate details.

"Sub-heading" means the sub-heading indication number to be mentioned in the booklet of expenditure estimate details.

"Expenditure heading" means classification of heading of amount-wise details of expenditure estimate.

Chapter – 2

Provisions relating to the Consolidated Fund and Operation of Account

3. Operation of the Consolidated Fund: Accounts shall be maintained as specified by the Office of the Financial Comptroller General from time to time for the operation of the Consolidated Fund.

(2) The accounts referred to in Sub-rule (1) shall be operated by the Office of the Financial Comptroller General or by Funds and Accounts Comptroller Office or other Office as specified by the Office of the Financial Comptroller General.

- Inserted by the First Amendment.
- Inserted by the First Amendment.
(3) The appropriated amount remained in the accounts referred to in Sub-rule (1) at the end of a Fiscal Year shall be as specified by the Office of the Financial Comptroller General.

4. **Use of the Consolidated Fund**: Government of Nepal shall use the Consolidated Fund according to the yearly Appropriation Act, the Vote on Account Act, the Supplementary Act, the Vote of Credit Act and other prevailing law.

5. **Sanction from the Consolidated Fund**: (1) After the promulgation of the yearly Vote on Account Act or Appropriation Act, the Funds and Accounts Comptroller Office shall, on the basis of the powers conferred by the Ministry of Finance and in consonance with the approved budget, and as specified by the Office of the Financial Comptroller General, sanction the amount out of the Consolidated Fund in the name of the concerned Office.

   (2) In sanctioning the amount by the Funds and Accounts Comptroller Office out of the Consolidated Fund pursuant to Sub-rule (1), it shall so sanction the amount that such sanctioned amount has to be deposited in the bank account opened in the name of the concerned Office.

6. **To Obtain Permission to Open Account**: (1) Permission shall be given to open a bank account of governmental Office group, in the name of the Office which obtains sanction, only with such a bank as prescribed pursuant to Sub-rule (1) of Rule 9 to carry on governmental transactions at the district.

   (2) In cases where, for a special purpose or in a special circumstance, there has to be opened, a bank account in a district which is different from the district getting sanction or an bank account of a group different from the governmental Office (g/o) group or a bank account
with a bank not licensed to carry on governmental transactions, permission of the Office of the Financial Comptroller General shall be obtained.

7. **Operation of Account of the Sanctioned Amount:** The account in the name of the Office into which the amount sanctioned pursuant to Rule 5 is paid shall be operated with the counter-signature of the Office In-charge or the employee designated by him and of the chief of financial administration section or an employee in the financial administration section designated by him. In cases where the position at the financial administration section is vacant or where position is not available, such account has to be operated by joint signature of the employee of the Accounts Group designated by the Funds and Accounts Comptroller Office and of the Office In-charge. In cases where the Fund and Accounts Comptroller Office fails to provide an employee of the Accounts Group, such account has to be operated by joint signature of the employee designated by the Office In-charge and of the Office In-charge.

8. **Power of the Funds and Accounts Comptroller Office To Make Payment:** Notwithstanding anything contained elsewhere in these Rules, the concerned Funds and Accounts Comptroller Office may, subject to the procedures specified by the Office of the Financial Comptroller General, and in accordance with the payment order given by the concerned Office In-charge, debit and make payment of, the budget allocated for the district-based governmental Office.

9. **Provision vis-a-vis Governmental Amount:** (1) The amount sanctioned to, and received in the name of, any Office pursuant to Rule 5 shall be deposited with the Nepal Rastra Bank or with such a bank as may be specified to carry on governmental transactions. The Nepal Rastra

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Amended by the First Amendment.
Bank shall, in consultation with the Office of the Financial Comptroller General, specify the bank to carry on governmental transactions.

(2) The Nepal Rastra Bank shall, in consultation with the Office of the Financial Comptroller General, prepare and enforce a governmental transactions manual for governmental transactions.

(3) The Nepal Rastra Bank shall arrange funds in the banks to be provided to different Offices for the operation of governmental transactions.

Chapter – 3

Revenue Deposit and Revenue Accounting

10. Revenue To Be Received and Deposited: (1) After the revenue and governmental amount to be received pursuant to the prevailing law have been received in cash or by way of an account payee draft drawn in favour of the concerned Office or a bank voucher thereof deposited in the bank situated at the Office based district, the concerned Office shall receive such amount by giving the cash receipt. "…….. The concerned Office shall prepare the journal voucher as mentioned in the revenue classification made by Government of Nepal and credit the amount so received to the account specified by the Office of the Financial Comptroller General. The revenue shall not be expended. In cases where revenue is received in cash, the bank voucher shall be filled up as specified by the Office of the Financial Comptroller General and it shall be deposited in the bank on that very day or on the following day. In cases where such cash cannot be deposited in the bank within that period of time, the Office In-charge shall, setting out the reasons therefor, have to deposit such cash in the bank within Seven days.

* Deleted by the First Amendment.
(2) It shall be the responsibility of the Office In-charge for depositing the revenue in the bank and maintaining accounts thereof.

(3) The procedures for paying all kinds of revenue receivable by Government of Nepal, receiving it and maintaining accounts thereof shall be as prescribed by the Office of the Financial Comptroller General.

11. Heading to Be Set Out In Making Bank Deposit: The amounts received pursuant to Rule 10 shall be deposited in the bank under such revenue heading as mentioned in the revenue classification made by Government of Nepal. The second copy of the bank deposit voucher shall be enclosed with the books of accounts.

12. Submission of Revenue Statement and Voucher: The concerned Office shall, following the bank deposit made pursuant to Rule 11, have to submit to the Funds and Accounts Comptroller Office on a monthly basis the statement of day-to-day deposit of the receipts, in the format as referred to in Schedule–1.

13. To Update Revenue Accounts: (1) Each Office shall credit the regular revenue and irregular revenue in consonance with the interpretation of the revenue classification approved by the Office of the Financial Comptroller General and maintain and update the accounts in the format as specified by the Department of the Auditor General. The verified and certified books of accounts too shall be maintained in consecutive order.

(2) The Department which maintains, or causes to be maintained, the revenue records may prepare necessary secondary records in view of the nature of the revenue.

- Inserted by the First Amendment.
14. **Submission of Monthly Statement**: Each of Office which earns revenue on a regular basis shall prepare a monthly statement also indicating the regular revenue and the irregular revenue and submit it, accompanied by the statement as referred to in Rule 12, to the Pertinent Superior Office (*Taluk Adda*) and the concerned Funds and Accounts Comptroller Office, within seven days of the expiry of a month. The Office which earns revenue through fee, charge, and auction sale, tender for sale on irregular basis shall credit such revenue, prepare and submit a monthly statement thereof as mentioned above.

15. **Preparation of Annual Financial Statement of Revenue**: Each Office shall, within Thirty-Five days of the expiration of a Fiscal Year, prepare an annual financial statement of revenue by also verifying the clarifications/subsidiary account notes (*Kachchabari*) of the amounts of regular revenue and dues thereof and irregular revenue as well and submit it to the Pertinent Superior Office, the concerned Funds and Accounts Comptroller Office and the Department of the Auditor General.

16. **Preparation of Revenue Statement of the Whole District**: On the basis of the financial statement received under Rule 15, the concerned Funds and Accounts Comptroller Office shall prepare a statement of revenue of all the district based Offices which earn revenue and submit the statement to the Office of the Financial Comptroller General.

17. **The Office In-charge to Inspect**: Each Office In-charge shall carry out causal inspection as to whether the revenue is omitted to be collected or not, and revenue accounts and deposit thereof from month to month, and confirm whether the revenue has been misappropriated or not and whether the accounts of regular and irregular revenue are maintained or not in consonance with Rule 13. The concerned Funds and Accounts Comptroller Office shall, while doing internal audit, examine whether such inspection has been carried out or not.
18. **To Maintain Central Account of Revenue**: The Pertinent Superior Office shall prepare and maintain central revenue account in accordance with the monthly statement obtained from the Office pursuant to Rule 14 and the annual financial statement as referred to in Rule 15, in the format prescribed by the Department of the Auditor General.

19. **Audit**: (1) The internal audit of the revenue earned by the Office shall be made to have done by the concerned Funds and Accounts Comptroller Office in such a manner as prescribed by the Office of the Financial Comptroller General; and if the accounts (calculations) are amended in carrying out the final audit, the concerned Office shall prepare the amended financial statement and provide it to the concerned Funds and Accounts Comptroller Office.

   (2) If any amended accounts are received pursuant to Sub-rule (1), the concerned Funds and Accounts Comptroller Office shall submit the final statement, along with the amendment, to the Office of the Financial Comptroller General. The Office of the Financial Comptroller General shall also have to verify it with the central revenue accounts prepared by the Pertinent Superior Office pursuant to Rule 18 and then prepare the final statement.

**Chapter – 4**

**Provisions vis-a-vis Budget and Programme**

20. **Preparation of Budget**: (1) Subject to the directions of the Pertinent Superior Office and the budgetary limit and budget guidelines (manuals) and circulars set and issued by the Ministry of Finance, and by determining the goals to discharge functions in accordance with its

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* Inserted by the First Amendment.
objects and based on such goals, each Office shall prepare the budget for the forthcoming Fiscal Year.

(2) Government of Nepal may, on recommendation of the National Planning Commission, specify multi-yearly projects and allocate budget. For other projects and programs except the multi-yearly projects, the National Planning Commission shall set out the priority and policy goals (targets) in respect of the plans and programmes for the forthcoming Fiscal Year and provide necessary guidelines to the concerned Ministry and the Ministry of Finance, prior to the circular referred to in Sub-rule (1).

(3) Having regard to the goals and policies of the periodic plans as well as the guidelines of the National Planning Commission and taking into consideration of the works to be carried out by Government of Nepal, goals to be achieved, the programmes and financial resources and the following matters as well, and taking advice of the National Planning Commission, the concerned Ministry and body as well, the Ministry of Finance shall fix the limits of sectoral and Ministry-wise budget amount for the forthcoming year. The Ministry of Finance shall circularize the concerned bodies to submit the budget as per the limits of the budget so fixed and the budget guidelines prepared by the Ministry of Finance, within the period of time as specified by the Ministry of Finance.

   (a) Works to be carried out on yearly basis,

   (b) Works targeted by the periodic plan,

   (c) On-going works or projects,

   (d) Works to be carried out during the period as mentioned in a foreign assistance agreement,

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Amended by the First Amendment.
(e) Works in pursuance of the policies and programmes of Government of Nepal,

(f) Programmes under trimester budget limits, if any, specified,

(g) Other necessary matters.

21. **Preparation and Submission of Budget and Programme** : (1) It shall be the duty of each concerned Office In-charge to prepare budget and programmes required for the Office in the forthcoming year, as mentioned in Rule 20, and submit it to the Pertinent Superior Office within the period of time specified by the Ministry of Finance.

   (2) In submitting the budget and programme pursuant to Sub-rule (1), the concerned Office shall submit it, accompanied by the progress report of up to Six months of the current year, in the format as referred to in Schedule –2. In addition, in the case of an on-going programme or project, if any, the total volume and cost of the works to be carried out, out of it, the volume of work and expenditure carried out and incurred up to last year, the volume of work to be completed in the current year and cost thereof, the volume completed in the current Six months, and if it has to be kept on in the forthcoming year also, the volume and budget thereof shall also be submitted.

   (3) In preparing the budget of a development programme, an annual programme, setting out the goals to be achieved from the programme and budget therefor, shall also be prepared in the format as referred to in Schedule – 3. Other budget forms, if any, specified by the Ministry of Finance shall also be forwarded to the Pertinent Superior Office.

   (4) In preparing the annual budget programme and implementation schedule, the matter of making cost estimates, inviting and accepting
tenders, procuring assistance of the local bodies or consumers’ committees and getting the works completed by providing and transporting the materials shall also be taken into account. The act of making correspondences and holding discussions on the assistance and approval required to be obtained from other bodies to get the programme implemented smoothly and get the work completed within the stipulated time, preparing cost estimates and accepting contracts as well shall be completed within the first quarter period.

(5) Separate budget shall be prepared for regular and development side. In the development side, the central and the district level shall be distinguished.

(6) In submitting the budget relating to expenditure, each Office shall prepare and submit a revenue estimate of the revenue amount to be collected by that Office, in such a format as prescribed in the budget guidelines.

(7) There shall be participation of the chief of the financial administration section in preparing the programme budget.

(8) In cases where Government of Nepal has directed to submit a supplementary budget, it shall be submitted as per the direction.

22. **Duty of Pertinent Superior Office in Preparation of Budget** : (1) It shall be the duty of the Pertinent Superior Office concerned to or cause to prepare budget with specification of limits by making necessary allocations subject to the budget limits as mentioned in Rule 21. The concerned Pertinent Superior Office shall send direction to the Departments or Offices under it to prepare the budget, within Seven days of receipt of the circular relating to preparation of budget issued by the Ministry of Finance.
(2) Upon receipt of the budget estimate and annual programme from the Offices under it, the concerned Ministry shall scrutinize and examine as to whether it is within the budget limits, in harmony with the policy of the periodic plan and is achievement-oriented or not, finalize it, and prepare the annual programme as well in the format as referred to in Schedule–3, in harmony with the budget guidelines as well as the circular of the Ministry of Finance and forward it to the Budget and Programme Division, Ministry of Finance so that it reaches there within the time specified in the budget guidelines.

(3) In finalizing the budget pursuant to Sub-rule (2), it shall clearly be set out whether the budget is as per the budget limit or achievement-oriented or not.

23. Approval of Projects: (1) In preparing the budget for a development project, such a project has to be approved by Government of Nepal, also taking into account of the return (consideration) from it, on the basis of the feasibility study and financial, technical, environmental and administrative propriety of the proposed project. The district-level project shall be approved by the Secretary at the concerned Ministry, subject to the policy of the National Planning Commission, and the central-level project shall be approved by the National Planning Commission. The bases for approving the project shall be as mentioned in Schedule–4. So as to implement the project so approved, detailed survey, drawing design, cost estimate shall be made, corresponding annual programme ascertained and the annual budget prepared on that basis.

Provided that, if it is not possible to approve a project which costs less than One Million Five Hundred Thousand Rupees by following the aforesaid procedures, the concerned Ministry may approve it, setting out, [Amended by the First Amendment]
and based on, the necessity of the work, cost, increase in production or employment, or achievement of other socio-economic objective therefrom, and get the work included in the budget and carried out. Information thereof shall be given to the National Planning Commission.

(2) The concerned Ministry shall send one copy of the description of the project approved pursuant to Sub-rule (1) to the concerned Funds and Accounts Comptroller Office and also to the District Development Committee, in the case of the district-level project.

24. **Approval of Programme**: (1) " … … …

(2) The Ministry shall approve the programme to be operated by it or Offices under it, subject to the policy goals, objectives of the Office and the approved budget.

(3) The concerned Ministry shall send the annual programme approved pursuant to Sub-rule (2) and the authority to make expenditure to the concerned Office within Fifteen days of the beginning of Fiscal Year.

(4) The concerned Ministry shall provide information on the annual programme approved pursuant to Sub-rule (2) to the concerned Funds and Accounts Comptroller Office and to the National Planning Commission. In addition, the concerned Ministry shall provide information of the authority to make expenditure to the concerned Funds and Accounts Comptroller Office.

a(5) If, in the course of implementing the approved programme, the Office thinks it necessary to amend such a programme in consonance with the objective, goal, approved budget of such a programme and

* Deleted by the First Amendment.

a Amended by the First Amendment.
periodic plan and in consideration of local situation as well, it may, by specifying clearly the reasons for such amendment, and obtaining the approval of the concerned Ministry, so make necessary amendment to such a programme that the cost does not increase. The Office has to give information of the amendment so made to the program to the National Planning Commission.

25. **Appraisal of Budget and Programme Implementation Progress**:

(1) Each Office which implements the budget and the programme shall prepare quarterly progress report in the format as referred to in Schedule-2 and forward it to the Pertinent Superior Office and to the District Development Committee as well, in the case of a district-level programme.

(2) Upon receipt of the quarterly progress report, the Pertinent Superior Office shall appraise the physical and financial aspects thereof, obtain progress reports from all the Offices and prepare a central level progress report and then carry out a combined appraisal of the physical and financial aspects thereof.

(3) During the appraisal, main reasons for lower progress and the person responsible therefor shall also be identified. In addition, steps to be taken for improvement and action to be taken against the Responsible person shall also be mentioned.

(4) The chief of Pertinent Superior Office shall examine whether progress has been made in consonance with the budget and the programme, remove difficulties occurred, if any, and give directions, if required to be given, and take action, if required, against the Responsible person pursuant to the prevailing law.

(5) If the progress report is not received pursuant to this Rule, the Pertinent Superior Office shall obtain the progress report by sending a
reminder. The salary of the Office In-charge who does not send the progress report within the specified time may be withheld.

(6) The Pertinent Superior Office has to prepare four monthly progress details on the basis of budget heading and sub-heading and forward such details to the Ministry of Finance. The Ministry of Finance shall, based on the four monthly progress details, do mid-term evaluation of the annual budget and publish a report.

(7) In the case of prioritized projects and multi-yearly projects, progress details have to be forwarded to the Ministry of Finance on a monthly basis.

26. **Inclusion of Foreign Assistance in Budget Statement:** (1) In obtaining any kind of assistance in cash or in-kind from any foreign organization, institution, agency or state or making agreement to obtain such assistance, each Office shall consult the National Planning Commission and obtain approval of the Ministry of Finance.

(2) The Office shall reflect the assistance obtained or to be obtained pursuant to Sub-rule (1) in the annual programme and budget, and receipt and expend the same.

(3) In reflecting the foreign assistance in the budget pursuant to Sub-rule (2), the Ministry of Finance shall be include it in the appropriation budget amount.

(4) Following the conclusion of an agreement concerning foreign assistance, the Ministry of Finance shall send a copy of the agreement each to the Department of the Auditor General and the Office of the Financial Comptroller General within Thirty days.
27. **To Ascertain the Amount Due to be Expended under Foreign Assistance**: (1) Any project operated with the foreign loan, grant or assistance obtained from a friendly country or international organization shall, in preparing and sending the annual programme, have to submit, in addition to the details as mentioned in Rule 21, the statement in the form, corresponding to that as referred to in Schedule–5, under different heads of the agreement concluded in respect of the foreign loan or credit with a friendly country or international organization, how much amount has been expended by the expiration of the current year and how much remains balance for the forthcoming Fiscal Year. The figures in the form so submitted already shall be confirmed/supported by the assistance statement report of the friendly country or international organization having provided such foreign assistance.

   (2) In cases where the loan, grant assistance obtained under one and the same foreign assistance agreement has to be utilized or expended by more than one body and any one of such bodies has been appointed as the coordinator, such a body and the body which utilizes the highest portion of such assistance, if no coordinator has been so appointed, shall compile and submit all the statements, pursuant to Sub-rule (1).

   (3) The Ministry of Finance shall get appeared at the same time all the bodies which utilize the foreign assistance under one and the same agreement concerning foreign loan, or grant assistance and hold budget discussions.

28. **To Seek Opinion on Financial Aspects and Audit of Foreign Assistance**: The concerned Office shall, prior to concluding an agreement concerning foreign assistance, have to seek opinion of the Department of the Auditor General in respect of its audit and of the Office of the Financial Comptroller General in respect of its economic aspect.
Provided that, in cases where such opinion has already been obtained previously, it will not be necessary to seek the opinion.

29. **The Ministry of Finance to Finalize Budget and Programme**

The Ministry of Finance shall obtain budgets and programmes from all the bodies pursuant to these Rules, hold necessary discussions thereon and finalize the budget and programme. In making such finalization, the Ministry of Finance may, in consideration of the economic situation of the country and in consultation with the concerned Ministry and the National Planning Commission, make alterations in the budget statements prepared and submitted pursuant to Rule 21. In making such alterations in the budget, the Ministry of Finance shall hold discussions with the concerned Ministry and also get the programmes adjusted accordingly. The concerned Ministry shall approve the annual programme and budget allocation by making adjustment with such alterations.

30. **Submission of Budget Sanction, Expenditure and Goal and Progress**

It shall be the responsibility of each Ministry to submit the budget sanctioned to the Ministry and the Offices under it, expenditure and the goals and progresses according to the expenditure to the Ministry of Finance within the month of Chaitra of each year to submit them, along with the budget, to Parliament pursuant to Clause (2) of Article 77 of the Constitution of the Kingdom of Nepal, 2047 (1990).

**Chapter – 5**

**Budget Sanction and Mode of Expending Governmental Amount**

31. **Sanction of Budget**

(1) After the promulgation of the yearly Vote on Account Act or Appropriation Act or Supplementary Appropriation Act or Vote of Credit Act, the Secretary at the Ministry of Finance shall send
the concerned Secretary the budget statement indicating, *inter alia*, the budget heads, sub-heads and amounts, details of sources to bear expenditures for the projects included in the development budget and the letter of authorization to expend, or cause to be expended, the budget. A copy of such budget statement and letter of authorization to make expenditure shall also have to be sent to the Department of Auditor General and the Office of the Financial Comptroller General.

(2) The concerned Secretary shall, no later than Fifteen days of receipt of the budget statement and the letter of authorization to make expenditure pursuant to Sub-rule (1), *the Department and the Departmental Head shall send the Office In-charge of subordinate office the letter of authorization to make expenditure indicating the office-wise budget statement, and the approved programme and the source to bear expenditure in the case of development budget. The concerned Secretary shall also have to send a copy of such office-wise budget statement, programme and letter of authorization to make expenditure to the Office of the Financial Comptroller General and *also to the concerned Funds and Accounts Comptroller Office.*

(3) Upon receipt of the office-wise budget statement, programme and the letter of authorization to make expenditure pursuant to Sub-rule (2), the concerned Office shall fill up the form as prescribed by the Office of the Financial Comptroller General and make a request to the concerned Funds and Accounts Comptroller Office for budget sanction. In making a request for budget sanction, the statement of the allocated expenditure of up to the previous month shall be submitted. The monthly

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*a* Amended by the First Amendment.

*a* Amended by the First Amendment.
statement of revenue and deposit sum shall be already submitted before making such a request for budget sanction.

(4) After a request for budget sanction has been duly made by the concerned Office pursuant to Sub-rule (3) and if the monthly statement of the revenue and deposit of that Office has already been submitted, the concerned Funds and Accounts Comptroller Office shall make arrangement for crediting the sanction budget amount to the account of the concerned Office as prescribed by the Office of Comptroller General, subject to the approved budget of that Office, and give a notice thereof to the concerned Office as well as to the Office giving authorization to expend the budget. In so sanctioning the budget, in cases where budget sanction has been withheld by the Ministry of Finance or the Ministry or Department which is Pertinent Superior Office of the concerned Office, such amount shall not be sanctioned pending the lifting of such withholding.

Provided that, in cases where request has been made to withhold the sanction after the budget has been sanctioned and already expended, the concerned Funds and Accounts Comptroller Office shall give information to the Ministry or Department which is Pertinent Superior Office of the concerned Office that such sanction cannot be withheld.

(5) In sanctioning the budget amount pursuant to Sub-rule (4), sanction shall be given in accordance with the procedures prescribed by the Office of the Financial Comptroller General in respect of a plan containing foreign grant or loan assistance.

(6) In cases where the yearly Appropriation Act has not been enacted or the documents referred to in Sub-rules (1) and (2) have not been received even after the enactment of the Appropriation Act, the process of budget amount sanction shall be as prescribed by the Office of the Financial Comptroller General.
(7) Notwithstanding anything contained in Sub-rules (3), (4), (5) and (6), the process/method required to be followed in making payment with crediting by the Funds and Accounts Comptroller Office itself pursuant to Rule 8 shall be as prescribed by the Office of the Financial Comptroller General.

(8) Notwithstanding anything contained elsewhere in this Rules, the Ministry of Finance may prescribe additional procedures in respect of sanction and expenditure of the budget amount.

32. **Refund Entry of the Surplus Amount on Annual Closing** : The refund entry of the amount not expended within the Fiscal Year and remained surplus shall be as follows:

(a) The budget sub-heads not subject to be frozen shall be specified by the Office of the Financial Comptroller General each year.

(b) Except in the case of those sub-heads as specified by the Office of the Financial Comptroller General not to be subject to be frozen, the concerned Office shall make payment of amounts payable and close financial transactions at least Seven days prior to the annual closing. After such closing of financial transactions, the concerned Office shall up-date the accounts of sanction and expenditure, and refund the surplus amount to the concerned Funds and Accounts Comptroller Office.

(c) At least Five days prior to the annual closing, the concerned Funds and Accounts Comptroller Office shall inspect whether all the district-based Offices have complied with the provision of Clause (b) or
not and cause the Office which has not so complied with to do so immediately, and if not, withhold the bank account.

(d) If, even after the time referred to in Clause (b), any Office has to make expenditure in a work which is very urgent for the Office, it shall make payment by obtaining approval and sanction from the concerned Funds and Accounts Comptroller Office.

(e) The concerned Funds and Accounts Comptroller Office shall carry out casual inspection to see whether each Office has maintained updated accounts or not, has prepared necessary statements or not, and if any Office seems not to have done accordingly to require it to do so forthwith, and make a report to the Pertinent Superior Office and the Office of the Financial Comptroller General.

33. **To Sanction Amount to Run Day-to-Day Business** : In cases where the office-wise budget statement as well as the programme has not been received pursuant to Sub-rule (2) of Rule 31 following enactment of the yearly \(^a\) Votes on Account Act or the Appropriation Act, the concerned Funds and Accounts Comptroller Office may sanction such amount as an advance as prescribed by the Office of the Financial Comptroller General to run day-to-day business of the Office. \(^a\)After the coming into force of the Appropriation Act, the amount sanctioned under the Vote on Account Act shall be deemed to have been sanctioned *ipso facto* pursuant to the Appropriation Act.

\(^a\) Amended by the First Amendment.
34. **Expenditure out of Approved Budget** : (1) No one except the Competent Authority shall order to make expenditure or approve the expenditure.

(2) The Competent Authority empowered to make expenditure or sanction expenditure shall make expenditure and sanction to make expenditure, taking into consideration of the following matters:-

(a) Where the amount is within the approved budget and falls under the concerned expenditure heading and remains to be expended,

(b) Where the amount is in respect of any plan, that plan has already been approved.

(c) Where order of sanction to make expenditure has already been received prior to making expenditure, and

(d) In cases where it has to be borne through foreign source, the source has already been obtained or the agreement has come into force.

(3) In case where the amount under the budget line item of the expenditure heading of one category allocated under the concerned sub-head is insufficient and it appears that if such amount is not expended, it will result in governmental loss or damage or hindrance in governmental business, then showing clear reason therefor, expenditure has to be made out of the amount remaining balance in the expenditure heading of other category of that sub-head; and within Seven days of the carrying out of

- Inserted by the First Amendment.

Amended by the First Amendment.
such work, submission has to be made to get regularized the amount so expended and get it regularized pursuant to Rule 37.

(4) If, out of the amount ordered and sanctioned for the concerned Fiscal Year pursuant to this Rules, any unspent and surplus amount has not been refunded pursuant to Clause (b) of Rule 32, it shall be deemed to have *ipso facto* been frozen on the expiration of that Fiscal Year. The amount refunded pursuant to Clause (b) of Rule 32 shall be subtracted from the sanctioned amount.

35. **Procedures relating to Expenditure of governmental amount**: (1) After the commencement of a new Fiscal Year, the Office In-charge shall obtain sanction pursuant to Rule 31 and make expenditure in the specified works, subject to the budget limit.

(2) In making expenditure of the amount within the concerned budget, it shall be expended by getting approval of the Competent Authority. The amount falling within the approved budget but expended without approval of the Competent Authority owing to any reason may be approved subsequently by such Authority if he deems it reasonable.

a(3) There shall be maintained accounts of expenditure, along with the bills and vouchers of the expenditure made under this Rules. In the case of pitty expenditures made in works of which bills or vouchers cannot be obtained, it shall be certified by the employee making expenditure and endorsed (approved) by the Competent Authority, and accounts thereof shall be maintained accordingly.

**Explanation**: "Pitty expenditures made in works of which bills or vouchers cannot be obtained", for purposes of this Sub-rule, mean expenditures of less than Two Hundred Rupees at a time in taxi, rickshaw fare, labour expenditure and in gift money (*Dakshina*) etc.
(4) The official designated by Government of Nepal shall expend the special expenditure specified by Government of Nepal or the expenditure relating to peace, security and intelligence, of which bills and vouchers would not be reasonable to be shown, and get it endorsed by the official designated by Government of Nepal, and maintain the accounts thereof. Government of Nepal shall, in designating the official, specify the limit of expenditure, as well.

(5) In respect of a development project, it shall be the duty of the concerned Office In-charge or project chief to prepare survey, design, cost estimate and programme of the project, get it approved, obtain sanction of the amount fixed in the budget and make expenditure in accordance with the law, and carry out the work by making achievement of the goods and technical as well as administrative arrangement, in accordance with the fixed programme within the fixed period of time. In cases where necessary sanction has been requested to remove any difficulties in this respect, it shall be the duty of the concerned Ministry or Department to give sanction thereof in time.

(6) It shall be the sole responsibility of the Office In-charge to hold, or cause the Accounts Chief to hold, and maintain the governmental moneys in his custody, the accounts, bills, vouchers or evidence thereof; and in making expenditure, the Office In-charge shall approve it, subject to the budgetary limit.

(7) "........

(8) Examination shall be made whether the requirements have been met or not, while making payment of any sum. All the receipts, bills and vouchers of the expenditure shall be given serial number, to which

* Deleted by the First Amendment.
the seal indicating "paid up" shall be affixed and which shall be signed and certified by the employee designated by the Office In-charge.

(9) The Office In-charge shall fully look after the employees under him in doing financial transactions and make proper arrangement to safely keep the governmental cash and goods in-kind so that the cash and goods in-kind cannot be misappropriated, lost, damaged or recklessly expended in any manner. Even if he has got any act required to be performed by him performed by any employee under him, he shall be responsible for such act.

(10) The Office In-charge or the official authorized by him shall submit monthly statements of accounts to the concerned Funds and Accounts Comptroller Office and the concerned Ministry or Department, in accordance with the prevailing law.

(11) It shall be the responsibility of the concerned Ministry and Department to properly perform, or cause to be properly performed, the functions and duties relating to financial administration in the Subordinate Offices and to get the accounts of the Subordinate Offices included in the central account and examined.

(12) It shall be the duty and function of the chief of financial administration section to assist the Office In-charge in financial transactions by performing the functions assigned to him by the Office In-charge and bearing the responsibility of maintaining accounts of financial transactions, to duly maintain the books of accounts under the responsibility of the Office In-charge and get them audited, pursuant to the prevailing law.

(13) It shall be the duty of the Funds and Accounts Comptroller Office to debit the amounts subject to the budget expenditure approved by the Office In-charge and maintain the accounts, while debiting and
making payment by the Funds and Accounts Comptroller Office itself pursuant to Rule 8.

(14) The chief of financial administration section shall neither make payment nor make submission for payment, nor it shall make recommendation for payment for the financial transactions failing to meet the requirements as referred to in the prevailing law. In the event of any divergence between the Office In-charge and the chief of financial administration section in respect of the operation of and payment for, financial transactions, the decision of the Office In-charge shall prevail. The chief of financial administration section shall forthwith send information of such a decision to the Pertinent Superior Office and the concerned Funds and Accounts Comptroller Office.

(15) The concerned Funds and Accounts Comptroller Office shall inquire into the divergent matter as referred to in Sub-rule (14) and give necessary advice to the concerned Office. The concerned Funds and Accounts Comptroller Office shall also provide information of the advice so given to the Pertinent Superior Office of the concerned Office and the Office of the Financial Comptroller General, as well.

(16) The Pertinent Superior Office of the concerned Office shall inquire into the report/information received under Sub-rules (14) and (15) and take necessary action in that regard.

36. **Reimbursement of Foreign Assistance:** (1) In cases where reimbursement has to be taken from the Donor Party for the expenditure incurred out of the sources of Government of Nepal, the following procedures shall be followed:

(a) The concerned Ministry or Department shall, on the basis of the agreement made with the Donor Party, have to designate an official to make request for
reimbursement for the expenditure made by each project and make arrangement to provide the statement of expenditure and other details to the Office making request for reimbursement. In sending the signature of the official making request for reimbursement or for direct payment, provision of joint-signature shall be made.

(b) The concerned project or Office shall expend, and maintain books of account of, the amount sanctioned by the concerned Funds and Accounts Comptroller Office with subject to reimbursement, pursuant to the provisions of the prevailing law and the agreement. It shall be the duty of the concerned Office making expenditure to provide statement of duly incurred expenditure and other details as required by the Office making request for reimbursement and necessary documents within Seven days of expiration of a month.

(2) The Office having the duty to make request for reimbursement shall follow the following procedures while making request for reimbursement:-

(a) It shall provide the Subordinate Office or programme implementation unit with information as to which amount can be expended under the agreement, expenditure of which sort of amount cannot be reimbursed by the Donor Party. No expenditure of such amount that cannot be reimbursed from the amount subject to reimbursement sanctioned by the Donor Party shall be made.
(b) It may require the Subordinate Office or programme implementation unit to submit other necessary details or documents, in addition to the statement of expenditure required to make request for reimbursement.

(c) It shall collect the statements of expenditure and other necessary details from the Subordinate Office or programme implementation unit, examine them, determine the reimbursable amount, prepare the requisition form as per the guidelines of the Donor party and request the concerned Donor Party for reimbursement within Forty-Five days in maximum. A copy of such request made for reimbursement shall be forwarded to the Office of the Financial Comptroller General. If it is below the minimum request threshold, request for reimbursement may be made only after attainment of the threshold.

(d) It shall maintain records of the amount subject to reimbursement as sanctioned by the Funds and Accounts Comptroller Office to the Subordinate Office or programme implementation unit, the amount for which reimbursement has been requested with the Donor Party, the amount for which reimbursement has yet to be requested, the amount which has been reimbursed, the amount yet to be reimbursed etc., and records of request for direct payment and of payment, and verify such records with the records maintained in the Office of the
Financial Comptroller General in every Three months.

(e) It shall prepare unaudited project accounts and send it to the Donor Party no later than Three months of the expiration of each Fiscal Year even in case where the final audit has not been done. The project accounts, after the completion of their final audit, shall be forwarded as specified by the Donor Party.

(f) It shall verify on monthly basis the amount of the special account opened in the name of the project with the bank statement, and send a report thereof to the Office of the Financial Comptroller General.

(g) It shall compulsorily submit the full details of the reimbursement and direct payment towards foreign source of last Fiscal Year and integrated financial statement pertaining thereto to the Office of the Financial Comptroller General within the last day of the month of Kartik of each Fiscal year.

(3) The concerned Funds and Accounts Comptroller Office shall monitor each month as to whether the Office making expenditure has sent the statement of expenditure to the Office making request for reimbursement pursuant to Clause (a) of Sub-rule (2) and whether the Office making request for reimbursement has made such request or not.

(4) The Office of the Financial Comptroller General shall maintain records of the amount sanctioned with subject to reimbursement, the amount request for which reimbursement has been made by the

\[a\] Amended by the First Amendment.
Office/project making expenditure, the amount reimbursed by the Donor Party and the amount yet to be reimbursed, monitor it and make arrangement to have reimbursement promptly.

37. **Regularization of Amount Expended:** (1) The Ministry of Finance may, on recommendation of the concerned Secretary, regularize the expenditure made without authority to make or get it made under the prevailing law, the expenditure made in cases where the sanctioned amount was inadequate despite availability of amount in the budget or the expenditure made pursuant to Sub-rule (3) of Rule 34, by making transfer of budget or source or endorsing such expenditure or giving sanction of additional amount. The matter to be so regularized shall be submitted to the concerned Ministry or Department within Seven days of making of such expenditure.

Provided that, the concerned official may regularize it in respect of the amount of which budget transfer can be made. In cases where it could not be regularized, the official who makes, or causes to be made, such expenditure shall himself be responsible therefor.

(2) In cases where an irregularity relating to the budget transfer has been committed while expending the amount under a budget head and sub-head, the Ministry of Finance may, if it deems to be reasonable the recommendation, accompanied by the reason for such irregularity, made by the concerned Ministry, regularize such an expenditure. In cases where it cannot be regularized, the official who makes, or causes to be made, such expenditure shall himself be responsible therefor.

(3) In cases where, in making an expenditure from the approved budget in the work in which such expenditure is to be made, the expenditure has been made by operation of circumstance without fulfilling the requirements to be fulfilled under this Rules, and it appears upon examination by the concerned Ministry that no loss as well as
damage has been caused to Government of Nepal, it may regularize such an expenditure.

- **Explanation**: "By operation of circumstance," for purposes of this Sub-rule means such a circumstance where governmental loss or damage occurs, excess fees are to be paid, a great economic burden is to be borne if expenditure is not made immediately.

(4) The Ministry which regularizes the expenditure pursuant to this Rules shall give a reference copy of such regularization to the Department of the Auditor General and to the Office of the Financial Comptroller General.

(5) The Competent Authority may, if he deems it reasonable, subsequently endorse any expenditure made without his approval.

(6) Such expenditure shall be deemed to have been regularized after its being endorsed by the Competent Authority pursuant to this Rules.

38. **Power of the Ministry of Finance to Control the Approved Budget**: Notwithstanding anything contained in this Chapter, the Ministry of Finance may have necessary control over the approved budget, except the amounts chargeable on the Consolidated Fund according to the situation of the Consolidated Fund.

39. **Power to Make Budget Transfer and Source Transfer**: (1) The Ministry of Finance shall have the power to make budget transfer from one head or sub-head of the approved budget amount to another head or sub-head or make source transfer form one source to another source of budget. In cases where a request, accompanied by the reasons therefor, has been made for budget transfer or source transfer, the Ministry of

- Inserted by the First Amendment.
Finance shall, as per necessity, make budget transfer or source transfer and get the Office of the Financial Comptroller General to maintain records thereof and send information thereof to the concerned Office and the Department of the Auditor General.

(2) Notwithstanding anything contained in Sub-rule (1), the Secretary at the concerned Ministry, Departmental Head or Office In-charge may, subject to Sub-rules (3) and (4), make budget transfer in other expenditure headings except the following expenditure headings:

(a) Salary and allowances of which position has not been approved,
(b) Subsidies (transfer),
(c) Subsidies in capital,
(d) Casual,
(e) Miscellaneous expenditure,
(f) Furniture, means of transport, and machinery, tools,
(g) Share investment,
(h) Loan investment.

(3) The concerned Secretary, in the case of a Ministry, and the concerned Departmental Head, in the case of a Department or Subordinate Office, may make budget transfer from one expenditure heading to another expenditure heading under any sub-head without cutting down the annual programme or causing obstruction to the annual

a Amended by the First Amendment.
programme and altering the source. While making such a budget transfer, no transfer shall be made in excess of twenty-five percent of the amount appropriated in the expenditure heading in which additional budget transfer is to be made.

(4) Notwithstanding anything contained in Sub-rule (1), the Funds and Accounts Comptroller Office may, subject to the requirements mentioned in Sub-rule (2), make budget transfer from one budget sub-head to another budget sub-head and from the regular budget to the regular budget and from the development budget to the development budget, in a manner not to exceed ten percent of the budget subhead to which budget is transferred towards the source of Government of Nepal (except the budget sub-head containing the foreign source). In so making transfer, it shall obtain consent in writing from the concerned Office that the money will be saved and programme will not be affected therefrom. In making budget transfer from the expenditure heading related with the programme or making addition to such expenditure heading there shall be already obtained the approval of alteration in, or addition to, the programme pursuant to this Rules.

(5) An expenditure of a sum not exceeding Ten Thousand Rupees, Five Thousand Rupees and One Thousand Rupees may be made at one time, with the consent of the concerned Secretary, the Departmental Head and the Office In-charge respectively, in any other work related with the amount not included in the budget and in guest reception, except in the work as determined to be expended in from the miscellaneous amount of the approved budget.

Amended by the First Amendment.
Provided that, no expenditure shall be made out of the miscellaneous amount in the item included in the budget.

(6) In cases where the budget transfer has been made pursuant to Sub-rules (2), (3) and (4), a reference copy thereof shall be given to the Ministry of Finance, the Office of Comptroller General, the concerned Funds and Accounts Comptroller Office and the Department of the Auditor General - within Seven days of the budget transfer.

(7) No liability shall be created in a manner to incur expenditure beyond the budget limit for the current year. Provided that, in cases where expenditure overriding the budget for the current year has to be borne - in the expenditure headings referred to in Sub-rule (8) by operation of circumstance and special reason, the amount due and payable shall be entered in the subsidiary account notes, setting out the reason for making payment of the amount as per the bill and voucher in the coming year, and got certified by the Office In-charge and the Funds and Accounts Comptroller Office within Fifteenth day of the month of Shrawan.

(8) In cases where the following amount not paid in last year seems to be payable and the concerned budget amount of the current year seems sufficient to pay such due amount as per the subsidiary account notes, the concerned Office may make such payment. Prior approval of the Ministry of Finance shall be obtained in making payment in excess of the annual budget amount. The certified subsidiary account notes of the amount due and payable shall be submitted with the financial statement. A ledger shall be established in the format as referred to in Schedule-6, indicating the payment of the amount to be made as per the subsidiary account notes of such dues; and such dues shall be entered into the ledger.

- Inserted by the First Amendment.
Such ledger shall be certified by the Office In-charge and the chief of financial administration section.

(a) Salary (of the position approved),

(b) Allowances,

(c) " … … …

(d) " … … …

(e) Rent,

(f) " … … …

(g) Cloth, food substance,

(h) Current transfer subsidies and investment subsidies,

(i) Construction, repair and maintenance and public construction, repair and maintenance works pursuant to an agreement.

40. **Donation, Gift and Grant Assistance**: (1) In transferring or donating or gifting any governmental cash, goods in-kind or building and land or giving financial assistance to any person or organization, Government of Nepal may, on the recommendation of the Ministry of Finance, decide to or not to provide the same. In transferring any movable and immovable property owned by a governmental body to another governmental body, Government of Nepal shall do so by obtaining approval of the concerned Ministry.

* Deleted by the First Amendment. 
Provided that, nothing contained in this Rule shall be deemed to prevent the provision of the following financial assistance included in the annual budget:

(a) Financial assistance to be provided as decided by the Ministry of Home Affairs or Government of Nepal in natural calamity etc.,

(b) The amount so specified by the decision of Government of Nepal as to be provided to a school and national and international organization as financial assistance, donation, gift,

(c) Such financial assistance or grant amount as prescribed by Government of Nepal by framing rules or making a decision,

(d) The goods (such as seeds, plants, two-footed and four-footed animals etc.) to be distributed to the targeted groups as per the approved annual programme.

(2) In submitting the budget to provide cash or goods in-kind financial assistance mentioned in the proviso to Sub-rule (1), such submission shall clearly indicate, to the extent possible, the goals, programmes and cost estimate and how and under which rule or decision and to whom it is to be provided.

(3) In sanctioning the amount included in the budget to any governmental or non-governmental Office, corporate body organization and corporation for an occasional programme, project of special type except that of yearly nature, the Ministry of Finance shall sanction it
through the concerned Ministry. It shall be the duty of the concerned Ministry to obtain progress report of income and expenditure (debit and credit) of the amount so sanctioned to the concerned organization or corporation, prepare annual statement by studying and monitoring the matters as to whether the amount has been expended in the work for which such amount was provided or not, whether it has been made in consonance with the goals or not, whether audit has been carried out according to prevailing law or not, and send it to the concerned Funds and Accounts Comptroller Office and the Ministry of Finance.

(4) It shall be the responsibility of the Ministry of Local Development to get the District Development Committee to prepare a physical achievement and financial report of the programmes operated by the Village Development Committee, Municipality and District Development Committee by making expenditure, in accordance with the prevailing law, of the grant amount obtained by them from Government of Nepal and a report indicating, *inter alia*, whether audit has been carried out or not, and to submit such reports to the National Planning Commission and the Ministry of Finance within Three months of the annual closing.

(5) The Ministry of Local Development shall make necessary arrangement in each District to prepare, and cause to be prepared, the report referred to in Sub-rule (4) by evaluating and monitoring the goals and progress of, the plans and programmes operated by the Local Body operating the programme with the governmental grant pursuant to Sub-rule (4).

(6) In proving grant, it shall be provided by setting out the plan, programme and cost as well, as far as possible.
41. **Expenditure and Remission**: The expenditure and remission of the amount given by Government of Nepal to be incurred, or got incurred, by any board formed under the Development Board Act, 2013 (1957) may be made in accordance with the powers conferred to that board.

Provided that prior approval of the Ministry of Finance shall be obtained in the matters in which financial liability of Government of Nepal is 

42. **Prohibition on Giving Sanction in a Manner to Render Benefit to Oneself or Any Person or Class**: No Competent Authority shall give sanction to expend governmental money or to deliver governmental goods in a manner to render benefit to himself or any particular person or class.

Provided that, nothing in this Rule shall be deemed to prevent the receiving and using or giving of anything permitted or required by the prevailing law or the giving or taking of anything according to a court decision.

43. **Procurement from and Contract with Income and Value Added Tax Registration Certificate Holder**: (1) Notwithstanding anything contained elsewhere in these Rules, in procuring goods or awarding a contract valued at more than Thirty Five Thousand Rupees at a time, it shall be made only with an income tax and value added tax registration certificate holder. If such person, firm or company is not found in any place, necessary goods may be procured or contract awarded; and a notice thereof shall be given to the nearby Tax Office.

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[a] Amended by the First Amendment
Provided that, this Rule shall not be applicable in cases where the prevailing law makes any provision which does not require the income-tax registration certificate in awarding any work or contract in daily wages manner on piece meal basis pursuant to these Rules.

(2) In making payment of amount for a contract, it shall be made only after making payment of any tax and the value added tax required to be paid under the prevailing law and deducting advance income-tax pursuant to the prevailing law.

44. **To Send Periodic Books of Account and Statement:** (1) It shall be the duty of each Office In-charge to send periodic books of account and statements as required by the Office of the Financial Comptroller General, the Ministry and the Department.

(2) If the periodic books of account are not sent pursuant to Sub-rule (1) even after making requirement reminder for two times, the salary of such Office In-charge shall be withheld, and if they are not sent even after withholding the salary, departmental action shall be taken against him pursuant to the prevailing law.

45. **Matters To Be Paid Attention To for Being Confident that Income and Expenditure Has Been Duly Made:** The Competent Authority shall, in sanctioning or expending the governmental amount, give sanction of, or make expenditure of, the governmental amount as follows by paying attention to the following matters from viewpoint of regularity, economy, efficiency, effectiveness and propriety. Even after the transactions have been carried out and accounted for, he shall carry out, or cause to be carried out, internal inspection/examination of the transactions carried out and become confident of accuracy/correctness.
(a) The amounts approved under different heads and sub-heads to be expended for the services and works pursuant to the yearly Appropriation Act have been expended for that very purpose within the limit approved for those services and works.

(b) Financial transactions are in accordance with the prevailing law and items of income and expenditure are supported with evidence.

(c) Books of account have been maintained in consonance with the format specified by the Department of the Auditor General.

(d) The financial statement reflects the real picture of the financial transactions for the period mentioned therein.

(e) The inventory of governmental properties is accurate and up-to-date. Governmental properties have been well managed and protected.

(f) There exists such an internal control system as to prevent loss of and damage to and misuse of cash or goods in-kind and other government properties as well, and the system is being followed.

(g) The accounting of the revenue and other entire income and deposit as well is accurate and the methods for getting recovery and maintaining accounts are adequately followed.
(h) The accounting of the amounts set aside and released for governmental loans, guarantees, deposits, debt relief fund and debt release is accurate.

(i) In the case of industrial and professional services, if any, the provisions and rules relating to income and expenditure, accounting thereof, goods in-kind and cash balance and financial transactions are adequate, and they are being abided by.

(j) The organization, management as well as allocation of business of the Office is ample and proper, and business is being operated accordingly.

(k) No work is being performed by different employees or bodies leading to unnecessary duplication nor is necessary work omitted to be performed.

(l) Available resources, means and properties are being utilized properly, and proper arrangement for maintenance and protection is made in a manner to prevent them from loss and damage.

(m) The objective and policy of the Office is clear, and programmes have been formulated in consonance with the set objective and policy.

(n) The programme has been operated within the approved cost expenditure limit, and the return is reasonable in proportion to the investment.

(o) The provision of maintaining data of goal progress and cost expenditure is adequate and reliable.
(p) Despite the expenditure incurred in consonance with the sanction, no expenditure has been made unreasonably or in a manner to waste movable and immovable national properties. The expenditure and sanction are proper.

(q) All the sanctions given in such a manner as to forgive or relinquish the revenue or movable and immovable national property by way of grant of movable or immovable national property or by way of relinquishment of revenue or by way of lease, licence, title (entitlement) in respect of provision of facilities of mines or forests, hydropower etc. and in any other manner are proper.

(r) Periodic financial statements have been prepared in time and kept on being submitted in time.
Chapter - 6

Custody of the Government Assets, Their Inventory, Protection and Hand Over and Take Over

46. **Custody of the Government Assets, Their Inventory and Protection** : (1) The cash, bank balance cheques and its records, deposits and their records and revenue accounts of the Office shall be under the custody of the chief of financial administration section. The goods in-kind and records related thereto shall be on the custody of the procurement officer or the store officer or the store-keeper. The Office In-charge may keep the inventory of the revenues and other documents related thereto on custody of any employee under his own supervision.

(2) It shall be the duty of the employee having taken the government assets on his custody and the concerned Office In-charge to protect such assets lying in custody pursuant to Sub-rule (1) along with their inventory and records from any loss and damage.

(3) The concerned Office In-charge may on his own responsibility cause other subordinate employee to perform the works under Sub-rule (2).

47. **To prepare the Inventory of the Goods-in-kind** : An Office shall keep the goods in-kind which are in the Office and which are acquired by procurement or by transfer in any form or on commodity aid or otherwise by entering their details into the records of the goods in-kind having specified their value within seven days of their acquisition and having maintained an up to date book of records.

(2) The responsibility of preparing the inventory pursuant to Sub-rule (1) and keeping on custody the goods in-kind as per the inventory so
prepared shall lie on the procurement officer, the store officer or the store keeper under the supervision of the Office In-charge. In an Office where there is no procurement officer, store-officer or store-keeper, such responsibility shall be of an employee as designated by the Office In-charge.

(3) While preparing an inventory in the case of the goods in-kind required for technical works pursuant to Sub-rule (1), it shall be maintained having caused to be checked by the technical employee of the concerned Office as to their conditions at the time of acquisition and having stated remarks therein.

(4) In cases where the value of old materials out of the stock materials in the Office cannot be specified for any reason, a committee under chairmanship of the Office In-charge, and consisting of a representative of the concerned Funds and Accounts Comptroller Office and a technical employee designated by the concerned Chief District Officer shall specify the value thereof having considered the condition of such materials and their prevailing market price.

48. **Provisions of Materials to be Acquired from Foreign Aid**

Where commodity aid is included in the agreement concerning foreign aid, the Foreign Aid Coordination Division of the Ministry of Finance shall supply a copy of such agreement to the Office of the Financial Comptroller General within thirty day of such agreement. Moreover, the Ministry of Finance shall arrange to supply details of aid, as per the sub-heading, made available under the commodity aid from the Donor Party to the Office of the Financial Comptroller General and to the concerned

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\[a\] Amended by the First Amendment.
Office. The details to be so made available shall also set out the sub-headings.

(2) The Office or the project shall, after acquiring the goods in-kind to be acquired from the aid or any other commodity aid, enter them in the records having specified their details and value and shall forward a detail statement of the acquired goods in-kind or commodity aid along with their value to the Office of the Financial Comptroller General within Fifteen days and an information thereof shall also be forwarded to the supervising Ministry or department. The Ministry or Department shall maintain an inventory thereof having been so informed.

(3) The Office of the Financial Comptroller General shall, after having obtained the details of the commodity aid under Sub-rule (1) or (2), include the accounts of such commodity aid in the central annual financial statement by inspecting the goods in-kind of the concerned Office.

(4) Where revenue is paid in the commodity aid obtained under the foreign aid agreement, the Ministry of Finance shall supply details thereof to the Office of the Financial Comptroller General. The concerned Office shall record the details of the revenue exemption in the commodity aid so obtained in the submission report and books of goods in-kind.

(5) Where Government of Nepal permits to import goods and materials for any project or Office having exempted the prescribed revenue, the concerned project or the Office, as the case may be, shall maintain an import inventory of such goods and materials. If the goods

- Inserted by the First Amendment.
- Inserted by the First Amendment.
and materials so imported are transferred to the ownership of Government of Nepal by handing it over, detail statement of such goods and materials shall be recorded in the subsidiary account of the project or the Office, as the case may be, and detail statement of the user shall be specified.

(6) Where any project or Office receives goods and materials under the commodity aid and if such goods and materials are to be distributed or transferred to various projects or Offices, while transferring such goods and materials, price of each unit and date of receipt, particulars of goods and materials and whether custom duties are exempted or not shall also be specified.

49. Inventory To Be Kept: After recording the goods and materials under this Rules received on the commodity aid under the foreign aid agreement having mentioned their price, particulars of such goods and materials and also whether custom duties are exempted or not, such aid shall be included in the financial statement and such statement shall be submitted to the Pertinent Superior Office, Funds and Accounts Comptroller Office and Office of the Financial Comptroller General. Separate details of commodity aid not included in the budget but obtained in a special circumstance shall be made and one copy each shall be sent to the Office of the Financial Comptroller General and to the Department of the Auditor General and be got audited.

50. Inspection To Be Made: (1) The Office In-charge shall manage to write himself or cause to write by other a written report by inspecting himself at least once in a year or causing for inspection to such other employee or technician other than the employee under whose custody the goods and materials are kept, of the condition of such goods and materials kept

a Amended by the First Amendment.
having maintained an inventory under Rules 46, 47 and 48. Repair, maintenance and protection of such goods and materials shall be done or cause to be done after getting such an inspection report having caused to enter into records if any goods and materials are found not to be recorded by specifying particulars and price thereof.

(2) Following matters shall be clearly mentioned in the report under Sub-rule (1):

(a) If there are goods and materials which have not been entered in the books of records for goods in-kind, what is the number and condition of such goods and materials,

(b) Whether there has been proper protection and maintenance of goods and materials or not,

(c) How many goods and materials are at the state of requiring repair,

(d) How many goods and materials are worked out and need to be auctioned or written off,

(e) Whether there have been use of the goods and materials or not, and whether there have been any loss or damage or not and if it has been lost or damaged due to whose negligence,

(f) Comparative statement of quantities of the similar goods and materials that have been used in the last year and procured in the current fiscal year, and
(g) Such other matters as the Office of the Financial Comptroller General may prescribe.

a(3) After receipt of the inspection report, the Office In-charge shall send one copy of such a report to the Pertinent Superior Office. If the Pertinent Superior Office sends any direction on the matter of such direction within one month, the Office In-charge shall also have regard to such direction, and if no direction is received within that period, shall auction the goods, required to be auctioned within Six months and repair and maintain the goods, required to be repaired and maintained, within three months. If goods and materials are procured in such quantities that exceed the requirement of the Office and are not in use, a report to that effect shall be submitted to the Pertinent Superior Office, and such goods and materials shall be transferred as per the instruction of such Office, and departmental action under the prevailing law shall also be taken against the person who issues order for procurement of goods in excess of the requirement of the Office.

(4) It shall be the responsibility of the Pertinent Superior Office to manage budgetary provision for repair and maintenance of the goods and materials requiring repair and maintenance as mentioned in Clause (c) of Sub-rule (2).

51. **Responsibility to Protect and Maintain the Goods In-kind**
Responsibility to keep, proper maintain and protect the government goods and materials kept by entering them in an inventory under Rules 46 and 47 so that they could not be lost and damaged and will be in running condition, shall lie on the concerned Office In-charge.

\[\text{Amended by the First Amendment.}\]
52. **Records of Goods in-kind**: The records of the goods in-kind shall be maintained in the format as approved by the Office of the Auditor General and as per the guidelines prepared by the Office of the Financial Comptroller General.

53. **Annual Report and Supervision**: (1) Each Office shall prepare an annual report within three months from the date of completion of fiscal year stating therein the total quantity and price of the goods in-kind specifying the balance goods and materials of previous fiscal year, goods and materials procured and acquired by transfer in the current fiscal year and also the goods and materials obtained as commodity aid, quantity and value of the goods and materials that have been expended by auction sell, write off and transfer in the current fiscal year and quantity of the goods and materials that are on condition that require repair and maintenance, auction and write off out of the total balance goods and materials, and shall forward a copy each to the concerned Ministry, Department and Office of the funds and accounts Comptroller. After obtaining such a report, the concerned Ministry and Department have to study and examine the report and give necessary directions.

a(2) If it is decided to dissolve or amalgamate any office, the office shall be deemed to have been dissolved on the Thirty Fifth day of such decision. Within that period, the concerned Ministry or Department shall prepare or cause to prepare a report, within Thirty Five days from the date of dissolution or amalgamation, as the case may be, of such Office specifying balance of the goods in-kind and also quantity and price of the goods and materials requiring repair and maintenance, auction and write

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a Amended by the First Amendment.

a Amended by the First Amendment.
off till the date of existence of such Office and shall manage custodian of such goods and materials.

(3) The concerned Funds and Accounts Comptroller Office may, if it finds by the report under Sub-rule (1) or by any other sources that an inventory has not been maintained and repair, maintenance, auction, writing off and handing and taking over has not been done, inspect such goods and materials in-kind. The concerned Funds and Accounts Comptroller Office shall forward a report of such inspection to the concerned Ministry, Department and the Office of the Financial Comptroller General.

(4) If any irregularities with respect to goods in-kind in any Office are found by the report as obtained by the Funds and Accounts Comptroller Office under Sub-rule (3) or by any other source, in the case of a Ministry, the concerned Ministry itself and in the case of a Department or Subordinate Office, the concerned Departmental Head shall take necessary action and shall cause to maintain an inventory of, and repair, maintain and protect, the goods in-kind. Information of such action taken by the Departmental Head shall be given to the concerned Ministry.

54. **Inventory of Land and Building**: (1) Every Office shall maintain an inventory of the governmental buildings and lands where the Office is located and the governmental buildings and lands of its Subordinate Offices. An inquiry shall be made as to whether or not such buildings and lands are registered with the Land Revenue Office and a land title registration certificate is issued to the name of own Office or to the District Administration Office or to any other Office. While so inquiring, if registration and a land title registration certificate is not found, it shall be registered pursuant to prevailing laws.
(2) A copy of the statement of the buildings and lands maintained under Sub-rule (1) shall be sent to the District Administration Office, Pertinent Superior Department, Ministry and to the concerned Funds and Accounts Comptroller Office.

(3) The inventory of buildings and lands shall be maintained in the format as referred to in Schedule 7A.

55. **Hand Over and Take Over of the Charge**

(1) Generally, if an employee who is a custodian of the cash, goods in-kind, records of the allocated funds, revenue, deposits, irregularities and other amounts and governmental documents and who is or remains responsible for his job leaves the Office where he works by the reason of transfer, promotion, retirement or by any reasons whatsoever or separating from such works, it shall be the duty of such employee to hand-over or take over the charge. The employee who has to take over the charge has to take over it immediately. If he shows reluctance and does not take over the charge, departmental action shall be taken against such employee.

(2) The employee who has the responsibility to hand over or take over the charge shall hand-over it within the time-limit as provided for in Section 25 of the Act. If handing or taking over the charge has not taken place even within such time-limit, the Office In-charge shall cause to hand or take over the charge, having prepared an inventory of the cash and assets in kinds remained on his custody in the presence of a representative of the neighbouring Office. An information of handing or taking over the charge so made shall also be given to the Pertinent Superior Office.

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Amended by the First Amendment.
(3) Where handing over or taking over charge has taken place by preparing an inventory under Sub-rule (2), the employee who has a duty to hand or take over the charge shall continue to remain responsible for cash and kinds, which are not complete as per the records. "… … …

(4) While conducting handing or taking over the charge under Sub-rule (1) or (2), if it is found that the inventory records etc. of the cash or goods in-kind, revenue, deposits and other amounts have been lost, damaged or misappropriated, such cash or price of goods in-kind recovered as per the Act.

(5) While recovering the amount under Sub-rule (3), the value shall be determined having considered the condition of such assets and also present market price. Function to determine the value as above shall be carried out, by a committee consisting of one officer designated by the Office In-charge and one technical officer and one officer representative of the Ministry of Home Affairs and Office of the Financial Comptroller General, in the case of Ministry and Department, and, in the case of other Offices, by a committee consisting of the Office In-charge, representative of the concerned District Administration Office and the Funds and Accounts Comptroller Office.

(6) If the employee who has the duty to hand over the charge has already been retired from service or is not known of his whereabouts or is dead or is of unsound mind or is insane and if the members of his family are willing to hand-over the charge of such employee, the person who has to take over the charge shall take over the charge from such person or

* Deleted by the First Amendment.

a Amended by the First Amendment.
from an appointee by such person at the presence of the person designated by the concerned Chief District Officer.

56. **Certificate of Hand-over of Charge**: (1) After completion of handing over the charge, the employee who has a duty to hand-over charge pursuant to Rule 55 shall be given a certificate by the preceding Office in the format as prescribed in Schedule-7.

   (2) The employee who has handed-over the charge shall not be allowed to attend the present Office without submitting a certificate pursuant to rule (1).

   (3) If the employee who has handed-over the charge is a retired employee he shall not be given pension or gratuity unless he submits a certificate pursuant to Sub-rule (1).

Chapter - 7

Provisions Concerning Government Procurement And Public Works

57. **No Procurement or Expenses Shall be Made Without the Order of the Competent Authority**: No procurement of goods and materials shall be made or cause to be made from the approved budget without written order of the Competent Authority.

Provided that, it shall not hinder to arrange procedural matters to procure and carry out or cause to carry out other works under the working schedule of the approved plan and project.

\[a\] Amended by the First Amendment.

[56]
58. **Provision to Procure or Carry Out Other Works**: (1) After receiving a written order of the Competent Authority, the Office shall, while procuring the goods of the following amounts, complete the following procedures. Where a tender invitation is required to be made for procurement of goods to be procured by making a programme, arrangements for procurement shall be made by inviting a tender having considered the time for sanction of annual budget and also the approved budget. Generally, procurement shall not be made or cause to be made from time to time, with the intention of avoiding the tender procedure. Where there is a provision to supply goods and materials by Government of Nepal to the project operated under foreign loan or aid, procedures shall be fulfilled under these Rules even in the case of procurement of such goods and materials.

(a) Upto One Hundred Thousand Rupees directly from the market.

(b) Upto One Million Rupees by sealed quotation.

(c) Any amount more than One Million Rupees by tender or Dutch action.

Amended by the First Amendment.

(2) Notwithstanding anything contained in Clause (c) of Rule (1), where due to lack of time procurement of goods and materials could not be made by inviting a tender due to occurrence of a special condition, procurement of goods and materials may be made through negotiations, force accounts or Dutch auction having clearly specified the reasons of such procurement due to lack of time and reasons for immediate

Amended by the First Amendment.
procurement and also by taking approval of the Secretary of the concerned Ministry.

a(3) While procuring goods and materials through any process under this Rules, goods and materials manufactured in Nepal shall be procured even if they are costlier by ten percent than such foreign goods and materials.

59. **Circumstances Where Quotation or Tender Shall not be Required**

Notwithstanding anything contained in Rule 58, there shall not be required to procure on quotation or by tender in the following circumstances:

(a) In procuring at the selling price fixed by the foreign government or an enterprise of which majority ownership is held by a foreign government from such government or enterprise.

(b) In procuring pursuant to a grant or loan assistance agreement concluded between Government of Nepal and a foreign government or an organization of which majority ownership is held by the foreign government or international organization or pursuant to an understanding under the agreement or in procuring in accordance with the procurement guidelines of such organizations.

- Inserted by the First Amendment.
(c) In procuring the goods at the price made public by a native industry established pursuant to the prevailing law for purposes of the sale of its products.

Provided that, in the case of goods produced by a native industry not under governmental ownership, such goods have to be included in the list published by the committee referred to in Rule 59A.

(d) In procuring proprietary goods and materials approved by the Departmental Head as being required for any project or Office or in procuring goods and materials of a specified standard required for any project or Office from a company or firm or from an agent of such a company or firm at a fixed selling price.
Explanation:

(1) "Proprietary goods and materials" mean necessary auxiliary equipment and spare parts produced by the manufacturer of main machinery equipment for operation, repair and maintenance of such machinery equipment.

(2) "Goods and materials of specified standard" means, for the purpose of the concerned project or Office, any specific goods and materials of quality standard determined by two technical employees of related subject as designated by the departmental chief having also considered national and foreign quality standard and Office In-charge.

(e) .......

(f) .......

(g) If any firm or company having being registered under the prevailing laws and having also obtained a certificate of value added tax and income tax registration, has published the price of the goods and materials of any specified brand and quality which it transacts or which it produces, along with the

* Deleted by the First Amendment.

* Inserted by the First Amendment.
certificate of authorized seller of any production in any national level newspapers specifying valid period of such price, in procuring from such firm or company within such period after Fifteen Days of having given information to one level higher authority.

Provided that, in case the goods and materials of the same quality standard are produced by more than one firms or company and there is a possibility of competition in price, procurement shall be made on the basis of the competition of at least Three of such firms or companies.

(h) "… … …

(i) The Ministry, in procuring security related materials, drugs and chemicals, technical and construction machinery, equipment and tools from foreign countries for the projects or Office run under the Ministry, may prepare and maintain in each year a list of the renowned foreign manufactures or authorized dealers of such goods and materials including a evaluation list of their production, distribution capacity and also quality standard of produced goods and materials. Procurement on the basis of the quotations may be made from the manufactures or authorized dealers whose name is included in the list so maintained by inviting written

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a Amended by the First Amendment.
quotations. The list as mentioned above, shall be maintained by causing its approval from a committee formed by the Ministry. The committee so formed shall give its approval having considered the production and distribution capacity and also quality standard of produced goods and materials etc. of such companies.

59A. Publication of Details: (1) There shall be formed a committee under chairmanship of the Director General of the Department of Standards and Measurement, consisting of the following members in order to make public the details of appropriateness by carrying out examination as to the nature, standard, price and availability of the goods and materials produced by a native industry established under the prevailing law, and not under governmental ownership:

(a) Representative, Department of Industries - Member

(b) Representative, Nepal Rastra Bank - Member

(c) Representative, Federation of Nepal Chamber of Commerce and Industry - Member

(d) Under Secretary, Department of Standards and Measurement - Member-Secretary

- Inserted by the First Amendment.
(2) Other functions, duties, powers and procedures of the committee shall be as prescribed by the Ministry of Industries, Commerce and Supplies of Government of Nepal.

60. **Provisions to Procure by Procurement Order**: While procuring goods and materials directly from the market under Clause (a) of Sub-rule (1) of Rule 58, for procurement up to One Thousand Rupees shall be made by an order and for any amount more than One Thousand Rupees shall be procured by a procurement order only.

61. **Procurement or other works to be made by the quotations**: (1) While procuring goods and materials or carrying out other works by quotation under Clause (b) of Sub-rule (1) of Rule 58, written quotations shall be invited from at least Three firms or companies, as far as available, from among the firms or companies which have obtained value added tax and income tax registration certificate and procurement of such goods and materials or carrying out of such works shall be made from the firm or company which has the lowest quotation.

a(2) While procuring goods and materials by sealed quotation a notice shall be displayed in the offices as mentioned in Sub-rule (5) of rule 66, by giving a ten-day time-limit.

(3) "… … …

(4) Notwithstanding anything contained in Sub-rule (1) if there is no firm or seller which has obtained a value added tax registration and income tax registration certificate in a district declared as remote by Government of Nepal, a committee as follows shall prepare a list of

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a Amended by the First Amendment.

* Deleted by the First Amendment.
sellers for that district available in that district. Procurement may be made by invitation of quotation from among the sellers so listed.

(a) Chief, Funds and Accounts
    Comptroller Office - Chairperson

(b) Representative (officer level),
    District Administration Office - Member

(c) Representative (officer level),
    District aHousing and Urban Development Office - Member

(d) Representative, District Chamber of Commerce and Industries - Member

(5) The Funds and Accounts Comptroller Office shall act as the secretariat of the committee formed under Sub-rule (4).

(6) The Funds and Accounts Comptroller Office shall send the list prepared under Sub-rule (4) to the concerned Tax Office.

(7) "........ ...

(8) The quotations of those sellers who have not value added tax and income tax registration certificates shall not be accepted except in the case as referred to in Sub-rule (4).

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a Amended by the First Amendment.

* Deleted by the First Amendment.
Provided that, this Sub-rule shall not be applicable in the case of the foreign suppliers. In the case of the authorized dealer and representative, it shall be as per this Rule.

(9) "… … …

(10) While making payment under these Rules, payment shall be made after deducting taxes to be levied under the prevailing laws.

-61A. Transportation of Goods: (1) In having transported the goods valued at the following amounts, the following procedures shall be followed. Arrangement for transportation has to be made by making a program of transportation of the goods, and cost estimate thereof, taking into account of, inter alia, time for sanction of the annual budget and the approved budget:-

(a) Directly through negotiation for amount not exceeding One Thousand Rupees at a time.

(b) Through sealed quotation for amount not exceeding One Million Rupees at a time.

(c) Through tender or Dutch auction for amounts exceeding One Million Rupees.

(2) The wages rate fixation committee in the district has to fix the transportation fare of the transport means in operation in the district.

(3) Cost estimate has to be prepared on the basis of the rate fixed by the rate fixation committee in the district.

- Inserted by the First Amendment.
(4) In having transportation of goods under Clause (a) of Sub-rule (1), it shall be done on the basis of the rate fixed by the rate fixation committee in the district.

(5) In having transportation of goods by other means except the transport means specified by the rate fixation committee in the district, transportation of goods shall be procured by following competitive means.

(6) Other procedures required to be followed in having transportation of goods shall be as set forth in Rules 66, 71, 72, 73 and 74.

62. **Manual to be Made on Public Construction, Consultancy Service etc.**

: In order to maintain uniformity in respect of works concerning public construction and consultancy service, and for the guidelines, the Ministry of Works and Transport shall frame a manual and introduce it with the approval of Government of Nepal having consulted with the Ministry of Water Resources, Ministry of Housing and Physical Planning, Office of the Financial Comptroller General and other governmental and non-governmental agencies, as per necessity. The manual so framed shall apply to the works concerning construction and consultancy services. Such a manual shall contain the following matters clearly. Works shall be performed pursuant to the model tender document issued by the Office of the Financial Comptroller General until the manual is issued.

(a) Matters concerning drawing, design, specification, norms, rate analysis and standard conditions of contract by identifying project or works, technical examination by whom and how to be prepared
and by whom to be approved and field and other study to be done for this etc.,

(b) Matters such as to determine the life of a project and non-completion of life without reasonable grounds and to bear responsibility for the damage of the project, to insure, to receive guarantee,

(c) Matters concerning preparation of cost estimate and its basis and when, by whom and how it is to be approved and maximum limit that causes to carry out the works by the variation order and its time,

(d) Method of financial and technical proposed to approve the tender basis and method of it weightage and evaluation,

(e) Main items to be specified in the contract agreement and matter of submission of bills,

(f) Matters concerning method to cause to carry out the quality standard works pursuant to cost estimate and technical examination to be done by whom, how and at what time,

(g) Matters concerning final test and warranty period and record keeping,

(h) Basis and method of pre-qualification and post-qualification,

(i) Sample of tender documents,

(j) Method to identify main items from among the various items included in the tender documents.

(k) Procedure for implementation and monitoring of manual.
(l) Matters concerning compensation and reward.

(m) Other necessary matters that might be guidelines for the construction works.

62A. **Provision Relating To Public Construction Works**: (1) There shall be a technical audit division under the National Planning Commission in order to audit/examine whether works have been done in consonance with the Public Works Directives made under Rule 62, the contract agreement and the prevailing law, in various stages of planning, designing, construction, repair, maintenance and operation of public construction works. The division has to do audit on the basis of the directives prepared under Sub-rule (2).

(2) For purposes of Sub-rule (1), the Ministry of Physical Planning and Works shall, also in consultation with the Ministry of Water Resources, prepare directives comprising the following matters and enforce the same with the approval of Government of Nepal:

(a) Matters subject to technical audit and records pertaining thereto,

(b) Mode of technical examination and responsibilities of the office concerned.

(c) The matters and obligations to be carried out by the office concerned to rectify the errors indicated by technical examination.

(d) Procedures on implementation of directives monitoring.

- Inserted by the First Amendment.
(e) Other necessary matters that could be guidelines on technical examination.

63. **Cost Estimate to be Prepared in Causing to Carry Out Construction Works**: (1) Cost estimate for any public construction, repair, maintenance or improvement works of Government of Nepal shall be prepared under these Rules and manual concerning public construction works.

   (2) While preparing cost estimate after approval of the manual concerning public construction works under Rule 62, such a manual shall be followed. "The format of the cost estimate shall be as referred to in Schedule 7 B.

   (3) Following matters shall be approved by a Government of Nepal (the Cabinet) and cost estimate shall be prepared accordingly:

   (a) Norms, general specification and standard condition of contract etc.

   (b) Archeological and underground works like tunnel digging, deep tube-well, petroleum exploration etc.

   Provided that, while carrying out the works, in order to carry out works of specific norms, specific technical specifications and specific conditions are required, it shall not hinder to case to prepare by the technicians and cause to approve by the departmental level.

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- Inserted by the First Amendment.

a Amended by the First Amendment.
(4) Cost estimate shall be prepared on the basis of the approved specifications and norms etc. under Sub-rule (3), having studied also on site level procurement. For the purpose of the cost estimate on construction and contract under these Rules, in the case of rate of construction materials, wages such as cement, steel bar, bricks, stones, zinc plates, rates prescribed by the government Office or corporation where government ownership is held, located nearby the construction site or by the committee under Sub-rule (1) of Rule 138 or the rate provided by the chamber of commerce and industries shall be taken as the basis. If there is a condition under which there is no possibility to avail such a base, bare as prescribed by the Departmental Head shall also be considered. The cost estimate so prepared shall also specify the time-limit to carry out such a work.

(5) While preparing cost estimate under these Rules, generally a work shall not be splitted into various pieces. If a work requires to be splitted into various pieces and cost estimate is to be prepared accordingly, technical justification thereof and also other grounds therefor shall specify and approval of the Departmental Head shall be taken.

(6) After preparing the cost estimate under this rule, it shall be examined by the technician of one level higher rank than that of the technician who has prepared it or by a group of technicians. In examining, if there are mistakes, they shall be corrected and a reliable cost estimate shall be prepared. If there is no higher level technician than that of the technician who prepares cost estimate in the Office, the Departmental Head shall have cause to arrange to examine such a cost estimate.

(7) After examining the cost estimate pursuant to this Rule by the technician or group of technicians examining the cost estimate under the
bases of Sub-rules (2), (3) and (4), recommendation shall be made. After so examining and recommending the cost estimate, it shall be approved by the following authorities.

(a) Upto Two Million Five Hundred Thousand Rupees by the Office In-charge of gazette third class, and if the Office In-charge is below than gazetted third class, by the Pertinent Superior Office,

(b) Upto Five Million Rupees by the Office In-charge of gazette second class,

(c) Upto Thirty Million Rupees by the Office In-charge of gazette first class,

(d) Where there is more than Thirty Million Rupees by the Departmental Head.

(8) While causing to carry out the works under approved cost estimate, after commencement of work, if it deems necessary to alter any matters by technical point of view, works may be carried out with the approval as follows, subject to the approved budget.

(a) Generally, in cases where merely the quantity of the work requires to be altered without altering drawing, design and specification of the construction work and if it affects the price upto Ten percent, the Office In-charge may cause to carry out the works by altering it along with technical justification. If it requires to alter more than Ten percent, technical justification thereof shall be submitted and should be approved by the Departmental Head.
a(b) If the drawing, design and specification etc. of the construction works require to be altered and if it affects upto Fifteen percent of the approved cost estimate, approval of the Departmental Head shall be taken.

Provided that, if the existing drawing, design and specification were approved by the Departmental Head, approval of the concerned secretary shall be taken to amend the same.

“(8A) The Office In-charge or Departmental Head may make variation by Twenty-Five percent in any item-wise work of any cost estimate.

Provided that, variation shall not be made in excess of Fifteen percent of the amount of total cost estimate.

“(8B) Approval of the following committee has to be obtained where alteration is to be made in the cost estimate in excess of the percentage referred to in Sub-rules (8) and (8A):

(a) Secretary at the concerned Ministry - Chairperson

(b) Financial Comptroller General or Gazetted First Class Officer designated by him - Member

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* Amended by the First Amendment.
* Inserted by the First Amendment.
(c) Representative, Gazetted First Class Technical Officer, Ministry of Physical Planning and Works - Member

(d) Departmental Head designated by the Secretary at the concerned Ministry - Member

(e) Chief of Financial Administration Section of the concerned Ministry - Member-Secretary

-(8C) If, in giving approval for alteration in the cost estimate, it appears that action has to be taken pursuant to Sub-rule (9), the committee referred to in Sub-rule (8B.) has also to give direction to the concerned Departmental Head.

(9) If more than Fifteen percent of the price in total is varied in the cost estimate once already approved without specific reasons, the Departmental Head shall, if it is first time, issue a warning against the technician who has prepared the cost estimate and who has examine it, and shall keep record in his personal file. If such a mistake is repeated time and again departmental action under the prevailing law concerning service shall be taken against him. In taking such an action, if delayed the works, arrangement shall make for smooth operation of works.

(10) The Office In-charge may cause to carry out the work costing upto Twenty Five Thousand Rupees directly without cost estimate having prepared details of the work.

\[a\] Amended by the First Amendment.
64. **Provisions to Construct, Repair, Maintain or Improve**: (1) Any public construction, repair and maintenance or improvement works of Government of Nepal may be caused to be carried out by force account, contract or by Consumers' Committee, subject to the approved cost estimate and budget. While carrying out by contract, it shall be done as follows:

(a) A work costing upto **One Hundred Thousand Rupees** according to the approved cost estimate may be procured or cause to be procured directly without inviting quotation or Dutch auction.

(b) "… … …

(c) In procuring a work costing upto One Million Rupees, sealed quotation shall be invited by having published a notice in the offices referred to in Sub-rule (5) of Rule 66, with a time-limit of Ten days.

(d) While carrying out a work costing more than **One Million Rupees** and thereafter, it shall be got done by inviting a tender.

(e) In carrying out the work by contract under sealed quotation or tender or Dutch auction pursuant to this Rules, it shall be done by the contractors registered under the Construction Entrepreneurs Act, 2055 (1998).

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*a* Amended by the First Amendment.

* Deleted by the First Amendment.
Provided that, Government of Nepal may relax this restriction for a particular remote area.

a(2) If there arises a situation due to earthquake, landslide, flood, and natural like calamity, where additional loss or damage may occur if construction or procurement works are not carried out immediately, the concerned Office In-charge may prepare a memo on the situation and the works to be carried out immediately, and have the works done through force account or negotiations.

65. **Pre-qualification to be Made** : (1) a Except in cases where it is mentioned in the agreement with the donor party, after the approval of the cost estimate of the contract on the procurement of works and heavy equipment and other works, if such cost estimate can be prepared, and of the specification and quantity, if the cost estimate cannot be prepared, and before inviting a tender for a contract on construction work and procurement of heavy equipment costing more than Ten Million Rupees or any other work deemed necessary by the Accounts Responsible Officer, applications may be invited in the national level newspapers from among the classified contractors for pre-qualification giving a time-limit from Thirty to Ninety days along with the questioners. While so inviting applications for pre-qualification, the concerned Secretary shall approve the criteria of pre-qualification (technical capacity, financial capacity, experience) and evaluation weightage (full mark shall be 100 and each unit weightage shall be within 20 to 60 marks pursuant to the nature of

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a Amended by the First Amendment.
work) before opening the bids. "… … … While publishing a notice for pre-qualification, criteria for selection shall be specified.

(2) Notwithstanding anything contained elsewhere in these Rules, tenders may be invited only from the pre-qualified tender firms giving a time-limit of Fifteen to Thirty days as required.

66. **Procedure Concerning Tender**: (1) Before inviting a tender, tender documents shall prepare. In so preparing tender documents, principle of economy/ frugality as far as possible shall be followed and also working schedule to complete the works according to the programme shall be done. In order to maintain uniformity, model tender of the works for various nature shall be included in the manual for public construction.

(2) The person, firm, company or organization willing to submit a tender shall purchase the tender form from the concerned Office bearing the signature of the Office In-charge of such Office or an employee designated by him and seal of the Office by paying the following fees, and general and special conditions of the contract and also working schedule shall also be included in such tender form. A tender form purchased in the name of one person, firm or organization shall not be submitted on behalf of another person, firm or organization. If design, drawing is also to be obtained besides the tender form, it may be obtained by paying a fee as prescribed by the Departmental Head. Main conditions and special conditions to be complied with by the contractors while carrying out the construction works, providing service or supplying or receiving goods and materials shall also be stated in the tender form. Government of Nepal, Ministry of Finance may alter the price of the tender by a Notification published in the Nepal Gazette.

* Deleted by the First Amendment.
(a) For more than \textit{One Million} upto Ten Million Rupees------ One Thousand Five Hundred Rupees.

(b) For more than Ten Million upto Thirty Million Rupees------Two Thousand Rupees.

(c) For any amount more than Thirty Million Rupees, for a tender------ Four Thousand Rupees.

(3) The details of sale and submittal of the tenders shall be recorded in a separate book. After expiry of the time for sale and submittal of the tenders, the Office In-charge or an officer employee as designated by him shall close such a book having signed it. The account of the revenue obtained from the sale of tenders shall be maintained and be deposited with the bank.

(4) In a notification, while inviting tenders, the tender costing upto Ten Million Rupees excluding a global tender shall specify figure of the cost estimate (excluding contingency and \textit{the value added tax})

(5) After the tender documents have been approved by the concerned Office In-charge prior to inviting a tender, a tender notice shall be published twice in the national level newspaper while inviting a tender costing more than \textit{One Million} Rupees. Such a notice for invitation of tender shall be displayed at the Office inviting tender and shall be forwarded to display it along with a letter at the concerned District Administration Office, Land Revenue Office, District Development Committee, the Funds and Accounts Comptroller Office, and at the Office of Contractors, if any, at the headquarters of such district, and an information letter of displaying of notice shall obtain.

\textit{Amended by the First Amendment.}
(a) Method to submit a tender,

(b) Name of the Office or authority to whom the tender is to be submitted,

(c) Fees to be charged for the tender,

(d) Last date and time for submitting the tender,

(e) Date on which a decision shall be taken on the tender,

(f) If cost estimate of the works is possible to specify, cost estimate excluding contingency and the value added tax,

(g) Date, time and place for opening of the tender,

(h) Type and amount of guarantee under Sub-rule (10) and in the case of a bank guarantee its validity period,

(i) Mates to be submitted by the tender having filled the form containing his rate analysis's of main items attached with the tender form,

(j) Matters concerning financial condition, technical experience and expertise of the contractor eligible to submit a tender,

(k) Matter to prevail the amount expressed in words in case figures and words are different,

Amended by the First Amendment.
(1) Other necessary matters related with the tender.

(6) While specifying the name of the Office or the authority to whom a tender is to be submitted under Clause (b) of Sub-rule (5), a notice may be published by making arrangements to purchase form and submit a tender to the concerned Ministry or Department or Regional Directorate or Office or the concerned District Administration Office.

(7) If arrangement is made to submit a tender in other Office, in addition to the Office inviting the tender under Sub-rule (6), the Competent Authority of such Office shall open the tender submitted therein on the prescribed date and time, arrangements shall be made to send such tenders to the Office inviting tender by fastest means within Three days along with a Muchulka deed made to that effect and also remarks.

Provided that, if the office referred to in Sub-rule (b) is situated in the same place where the office inviting the tender is situated, all the tender documents have to be sent on the following day.

(8) As regards the time-limit for submitting the tender, a time-limit from Fifteen days from the date on which the tender was published to ninety days may be given having considered nature of the work and its cost.

(9) The person submitting a tender shall submit a cash security or guarantee (bid bond) under Sub-rule (10) along with the tender. If the tender is accepted, a cash security or bank guarantee (performance bond) at the rate of Five per cent of the contract amount shall be submitted.

a Amended by the First Amendment.

* Inserted by the First Amendment.
While so accepting the bank guarantee, only performance bond shall be accepted with the condition that the bank would pay it immediately on the demand of the concerned Office and it shall be valid throughout the period of the contract. In case a bank guarantee which is valid throughout the contract period is not provided, a bank guarantee may be taken subject to its renewal in each year. If a cash security has been submitted, it shall not be changed into a bank guarantee. As regard the guarantee issued by a foreign bank, it shall be valid only when it is "……… counter guaranteed by a Nepalese bank.

Provided that, in the case of a ration contract, cash shall be deposited with the -bank account prescribed by the concerned Office.

(10) The notice inviting tender shall be published having indicated Two and half per cent of the estimated cost payable as guarantee under these Rules by increasing the figure upto Five Hundred or Thousand at ceiling. If it is not possible to specify the estimated cost necessary amount as guarantee shall specify in the notice concerning tender, cash security or bank guarantee of such amount shall submit with each tender separately. The notice concerning tender shall specify that a performance bond or cash security at the rate of Five per cent of the contract price shall deposit after accepting the tender.

Provided that, it shall not hinder to arrange cause to deposit the amount as guarantee at the rate of two and half per cent where there is not estimated cost or where it is not appropriate to specify the cost to deposit.

**Explanation** : If the amount of Five Hundred or Thousand Rupees at ceiling at the rate of two and half per cent becomes Rs.

*Deleted by the First Amendment.*
13,340/75 or Rs. 12,605/64, it shall be considered as Rs. 14,500/- and 13,000/-, respectively.

(11) The tender once submitted may not be given or taken back.

(12) While carry out the works by tender or public bidding under these Rules, it shall be done by the contractors registered under the Construction Entrepreneurs Act, 2055 (1998).

Provided that, Government of Nepal may relax this restriction to a particular remote area and to the foreign contractors.

(13) The person or firm submitting a tender shall have fill the tender form purchased under Sub-rule (2), and submit it.

(14) While inviting a tender for procurement and construction works with a cost estimate of more than Ten Million Rupees, arrangement may be made to have technical and financial proposal separately and contract may be awarded by evaluating such proposals. For the purpose of the evaluation, the basis of the evaluation of technical and financial aspects shall be as provided in the Public Works Directors after its preparation pursuant to Rule 62. Matters concerning the weightage of the technical aspects and also evaluation procedures until the said manual is prepared shall prepare and cause to be approved by the concerned secretary before the opening of tenders. In carrying out works under this procedure, pre-qualification shall not be required to be followed.

(15) While awarding a contract under Sub-rule (14), financial proposals only of the bidders selected from evaluation of technical

\[\text{Amended by the First Amendment.}\]
proposals shall be opened, and the tender of the lowest evaluated bidder shall be approved. Financial proposals of the remaining unsuccessful bidders shall not be opened and shall be returned back to the concerned bidders.

(16) The Office of the Financial Comptroller General may, in consultation with the concerned Ministries, frame a manual in regard to the tenders to be invited for construction, procurement, of goods and materials, and for technicians and consultants in the project operated under the assistance of the Donor Party. The Office of the Financial Comptroller General may, if it deems appropriate, frame a manual of such nature in regard to other projects, and introduce it with the approval of Government of Nepal.

(17) If the deposit amount deposited as bid bond and performance bond received under these Rules, its date of expiry shall be controlled having maintained records and the amount deposited as cash shall be deposited with the bank account and a report shall be prepared by keeping records and accounts of the deposits.

~(18) If a tender is made with syndicate with having an artificial competition, the tender of the persons involved in such a syndicate shall be cancelled and deposits forfeited.

~(19) Any person may make a compliant, accompanied by evidence, that any persons have made a tender in syndicate. If the compliant is held to be true, it shall be as per Sub-rule (18).

~(20) If, even after commencement of contract works agreement, it is disclosed that competition was avoided by having syndicate or giving

- Inserted by the First Amendment.
economic enticement or using force against competitor, the person who has been awarded the contract shall subject to the following members:

(a) Imposition of fine by Ten percent of contract amount,

(b) Cancellation of contract and forfeiture of deposits and other amounts,

(c) Imposition on the person who has left competition for economic influence of a fine equal to the amount furnished by the person who has been awarded the contract as a guarantee.

-(21) Notwithstanding anything contained above, if a complaint is not filed within Seven days from the last date on which the tender is submitted, action shall not be taken pursuant to Sub-rules (18) and (19).

-(22) If any person prevents any other competition from making a tender in any manner for the purpose of having contract, the tender to be made by such a person may be cancelled and deposit forfeited.

-(23) The action referred to in Sub-rule (20) shall be taken by a committee under chairmanship of the concerned Regional Administrator and the Gazetted First Class expert in the concerned subject.

67. **Diplomatic Missions Shall be Informed in Inviting a Global Tender**: While inviting a global tender, the diplomatic missions accredited to the Kingdom Nepal shall also be served with a notice of such tender.
Provided that, if a tender is to be invited only from specific countries, it is not required to inform the diplomatic missions of the countries other than those specific countries.

68. **Matters to be specified while submitting a tender by a foreigner**

: (1) While submitting any tender including a global tender by a foreign individual, firm, company or institution, such an individual, firm, company or institution shall specify the matters including the following:

   (a) Whether or not any agent has been appointed in Nepal,

   (b) If any agent has been appointed:

      (1) Name and address of the agent,

      (2) The figure of the commission amount to be received by the agent,

      (3) Income tax registration certificate of the local agent and acceptance letter of the agent.

   (c) If any agent has not been appointed:

      (1) The source where information on invitation of tender was obtained from,

      (2) Remuneration paid to the person, firm, company or organization who represents in the registration, opening of tender and other activities on tender,
(3) Evidence of transfer of deposit required to be furnished with the tender and of conversion of foreign currency,

(4) If the bank account of any Nepalese has been used in converting foreign currency, name, address of such person and bank evidence if such currency was brought and converted by oneself.

(2) If a tender submitted stating that there is no local agent, and if it is proved thereafter that there exists an agent or if a tender has stated low commission and if it is proved that there exists high commission, a tenderer shall be punished with a fine equivalent to the commission receivable by the agent and actions shall be taken against him under the Nepal laws on the ground of misrepresentation.

(3) While submitting a tender by the local agent on behalf of the foreign individual, firm, company or institution, the matters referred to in sub-Clause (2) and (3) of Clause (b) of Sub-rule (1) have to be stated in the tender.

69. **Actions to be Made as regards the Foreign Tenderer Who Has Legal Agent**: Notwithstanding anything contained elsewhere in these Rules, as regard to the tender of a foreign individual, firm, company or institution shall be as follows:

(a) In case as agent has been appointed within Nepal, while evaluating the tender, the commission amount entitled by him shall also be a basis,
(b) In case bidding amount of the foreign individual, firm, company or institution is equal, priority shall be given to the tender of the foreign individual, firm, company or institution which offers more commission to the local agent,

(c) If the amount of commission entitled by the local agent under Sub-clause (2) of Clause (b) of Sub-rule (1) of Rule 68 is proved to be misrepresented, the individual, firm, company or institution submitting such misrepresentation shall be punished with the fine equivalent to the commission amount entitled by his agent and records shall be kept in regard to that matter.

(d) If it is proved that commission amount entitled by the local agent is wrong, difference amount and fine equivalent to that amount shall be realized from the guarantee amount deposited by the contractor or from any amount to which he is entitled for other work.

(e) If a tender is submitted stating that there is not local agent and it is proved thereafter that there exists an agent or if a tender has stated low commission and it is proved that there exists high commission, the tenderer shall be punished with the fine equivalent to that commission and action shall be taken against him under the prevailing laws on the ground of misrepresentation.

(f) If it is proved from a complaint filed by any one that the commission amount receivable by the local agent has been mentioned falsely or the local agent has not been shown despite existence of such agent, the person who has given such

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Amended by the First Amendment.

[86]
information shall be given Twenty per cent of the amount recovered as reward and the remaining amount shall be credited to the Consolidated Fund.

“(g) The person, firm, company or organization against whom action has been taken under Clauses (d) and (f) shall be included in the back list disqualifying such person, firm, company or organization from taking part in the sealed quotation or tender to be invited thereafter.

70. **Income Tax to be Imposed on the Commission to Which the Agent of the Tenderer is Entitled**: The details of the commission to which the agent of the tenderer is entitled should be submitted to the concerned Tax Office, for the purpose of the income tax assessment of such agent pursuant to prevailing laws.

71. **Signature to be Done While Opening the Tender**: (1) The tender submitted as per the notice under Sub-rule (5) of Rule 66 shall be opened on the date and time specified in that notice in the presence of the tenderers or their agents present therein and shall be signed by all those who are present having prepared a deed to that effect. It shall not hinder to open the tender, even though tenderers or their agents are not present. In opening a tender of a district level Office, it may be opened in the presence of a representative of the District Administration Office or the Funds and Accounts Comptroller Office or any neighbouring governmental Office.

    (2) The authority to accept or reject the tender opened under Sub-rule (1) shall lie on the Competent Authority to open the tender.

   - Inserted by the First Amendment.
72. **Tender Not to be Entertained** : A tender which does not fulfill the following procedures shall not be entertained:

(a) If the tender form sold by the concerned Office has not been filled up,

(b) A tender submitted without the tender form sold to the concerned person or the firm,

(c) If it is not sealed,

(d) If it does not bear the signature of the tenderer in the tender documents,

(e) If it has not been submitted within the time-limit,

(f) If it has failed to state the matters required to state under Sub-rule (1) or (2) of Rule 68 or has stated wrongly,

(g) If the guarantee amount asked to furnish pursuant to tender invitation notice has not been submitted with the tender,

(h) If the contractor working in joint venture has failed to submit a certified copy of the joint venture agreement,

(i) If the tender invitation notice indicates that, rate analysis is to be submitted, if it has failed to do so,
(i) The rate of each item of the bill of quality of construction works has not been filled up.

(j) If it has not fulfilled other conditions prescribed by the tender invitation notice.

(2) In opening the tender, if the figure and letters in the tender of any tenderer are found unclear and over written, it shall be specified in a deed (Muchulka) made to that effect which shall be signed by all present therein.

73. **Authority to Accept Tender and His Powers and Duties**

(1) The following authorities shall have the powers to accept the following tenders:

(a) Upto Ten Million Rupees by the Office In-charge of Gazetted third class,

(b) Upto Twenty Million Rupees by the Office In-charge of Gazetted second class,

(c) Upto Fifty Million Rupees by the Office In-charge of Gazetted first class,

(d) More than Fifty Million Rupees by the Departmental Head.

(e) "... ... ..."

* Inserted by the First Amendment.

a Amended by the First Amendment.

* Deleted by the First Amendment.
(2) The duty of the authority having the powers to accept the tender shall be as follows:

(a) The tender which has not complied with the procedures of Rule 72 shall not be accepted.

(a1) The tender shall be accepted based on the norms approved by the Ministry in respect of acceptance of tender.

(b) Generally, the tender which quotes the lowest rate from amongst the tenders which are duly submitted shall be accepted. Provided that, in considering the acceptance of tenders, the financial status, in addition to the capacity, experience and reliability etc. of the tenderer shall also be taken into account.

Provided that, if it requires to accept the tender of higher tenderer than the lowest tenderer, the tender of such tenderer making higher bid may also be accepted by having stated reasons therefor. The decision maker shall bear the responsibility to state reasons for such acceptance of the tender of the tenderer making higher bid.

(b1) In cases where only one tender has been submitted in opening the tender received, such tender shall be cancelled and tender shall be re-invited even if such submitted tender meets the requirements.

- Inserted by the First Amendment.
(c) If it deems necessary to maintain specific quality standards in any work and to control on deduction of figure of cost estimate to a large extent, the concerned Secretary shall approve such condition. If a tender is submitted quoting even below the amount so prescribed and if it requires to accept, before accepting the tender, rate analysis of main items shall be asked from the tenderer and the bid evaluation committee shall discuss in the presence of the tenderer on the matters whether he can carry out the works or not, or whether he maintains the quality standard or not by considering the prevailing market price, his experience, and also his expertise, and if there is a guarantee that he may perform the works, such a tender may be accepted on the recommendation of the bid evaluation committee.

(d) If Government of Nepal be benefited by accepting any tender partially from among the tenders submitted under these Rules, it may be accepted with the concurrence of the tenderer concerned.

(a)(e) If tender has been submitted in excess of the figure higher than the figure set in making the cost estimate if such estimate has been made, Dutch auction shall be carried out from all the tenderers. If, in so carrying out Dutch auction, a bid is made within the cost estimate, the tender of a tenderer who offers the lowest bid may be accepted. If, in carrying out Dutch auction, a bid is made within the cost estimate, the tender of a tenderer who offers the lowest bid may be accepted. If, in carrying out Dutch auction, a bid is made within the cost estimate, the tender of a tenderer who offers the lowest bid may be accepted. If, in carrying out Dutch auction, a bid is made within the cost estimate, the tender of a tenderer who offers the lowest bid may be accepted.

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a Amended by the First Amendment.
auction, it exceeds by Ten per cent of the cost estimate, the tender of a tenderer who offers the lowest bid may, with the written consent of the one level higher official, be accepted by assigning the reasons therefor. If even in carrying out Dutch auction, a bid exceeds more than Ten percent of the cost estimate, tender shall be re-invited. If the bid exceeds more than Ten percent of the cost estimate even in re-inviting the tender, tender shall be invited again, by reviewing the cost estimate.

(f) "… … …

(g) If no tender is submitted or only one tender is submitted, it shall not be opened, and generally retenders shall be invited within Seven days. If no tender is submitted or only one tender is submitted even in the case of re-invitation of the tender, a tender may be accepted if the price quoted by such a tender is within the approved cost estimate by opening also the tender kept standing under Clause (i). aIf the bid exceeds the cost estimate, it has to be done as per Clause (e).

(h) If the bona fide tender is not submitted even after inviting the tender twice and if the work is to be hampered in case it is retendered, procurement may be made having taken approval of the concerned

* Deleted by the First Amendment.

a Amended by the First Amendment.
Secretary by negotiation on the basis of expediency by quotation or any matter relating to cost estimate as its basis or construction works may be done against the forced account.

Provided that, it shall be submitted to Government of Nepal for their decision, if the work is of more than Fifty Million Rupees and it shall be executed as per the decision so made.

(i) While inviting the tender twice, a tender may be invited by keeping standing the tender submitted pursuant to Clause (g) of Sub-rule (2).

Provided that, if a tenderer so kept standing submits an application dissatisfying to return back his tender before Twenty Four hours of the time-limit prescribed for retender submitting, his tender shall return back, and if a tender is so returned back, its security, shall be returned back as if it were not accepted.

(j) While inviting retenders by any reasons whatsoever, a time-limit of at least Fifteen days or at least half of the period that was given in the first time shall be given for the second time.

(k) Notwithstanding anything contained herein above, a tender shall be accepted by doing as follows on the following matters:
(1) In the global tender where only the tenders of foreigners are submitted, priority shall be given to a company which has a proposal to work with Nepalese Construction Company or firm in joint venture while working in Nepal by such foreign company.

(2) For procurement of goods of Nepalese product or service or construction works the cost of which shall be borne from the resources of Government of Nepal, a contract constituting Sixty Million or below than that cost shall be awarded only to Nepalese nationals.

(3) While accepting the tender unless otherwise provided for in the foreign aid agreement, tender submitted by Nepalese national shall be accepted even if it is higher by Seven and half per cent than the tenders submitted by the foreigners.

(4) While accepting the tender submitted by a foreigner tender of a foreign construction company working in joint venture where Fifty per cent is held by Nepalese, shall be accepted even if it is higher by upto Seven and half per cent than the tenders submitted by others. If the share of Nepalese national, in the joint venture is less than Fifty per cent but higher upto Twenty-Five per cent, a tender shall be
accepted even if it is higher by upto Five per cent.

(l) After opening the tenders submitted under these Rules, a tender shall be accepted within such time-limit as prescribed for submitting a tender. If the tender could not be accepted within such period of time, it shall be informed to the immediate higher officer having specified reasons thereof and such a tender shall be accepted. If a tender is accepted without informing the immediate higher officer or if the authority fails to accept the tender within the time-limit of such acceptance without reasonable grounds, departmental action shall be taken against such an authority.

(m) While carrying out the procurement of goods and construction works of the project operated by the foreign aid, it shall be done in accordance with the agreement concluded with the Donor Party or procurement guidelines of the concerned Donor Party.

(n) In accepting the tender under these Rules, a tender shall be accepted having prepared a comparative chart of the tenders. After accepting a tender, it shall be published having specified name and address of the tenderers, figure of the amount quoted by all
tenderers and also basis of acceptance of the accepted tender and its quoted amount. "… … …

(3) If there occurs a situation where a variation order has to be issued after commencement of works following the conclusion of the contract agreement of any work, it shall be done as follows:

(a) A variation order shall not be so issued that it incurs expenditure in excess of Fifteen percent of the amount of the contract agreement, if so issued, the official who has approved such order shall pay the same.

(b) A variation order shall not be issued without managing budget.

(c) Each variation order shall indicate details that it will not affect the rate, additional time-limit, price escalation, compensation.

(d) A variation order shall not be so issued that it exceeds the rate referred to in the contract agreement.

(e) A variation order shall not be so issued that it exceeds by cent percent in the item which has higher rate but is of low quantity.

(f) In issuing variation orders, each variation order shall clearly set out the nature of various big items, small

* Deleted by the First Amendment.

* Inserted by the First Amendment.
items, whether additional time-limit is to be given or not, if it is to be given, how many days, whether the new rate of the variation item is higher or lower than that the item of the bill of quantity, how much is the updated variation by percentage of the total contract amount, from where and how the additional amount will be managed, how much will be the percentage of the total contract amount after the variation order, of the initial contract agreement amount.

**Explanation**: For purposes of this Sub-rule, "variation order" means an order issued by the Competent Authority in circumstances where there occurs a situation in the course of implementation of the contract agreement, that addition and deletion of new items to or from, or exchange of the items has to be made in the quantity of works of the initial agreement and making such variations from the existing contract within the limit of the available budget will be cheaper than making a new contract and effectiveness of expenditure will increase.

(4) If there exists a situation where a variation order in excess of that mentioned in Clause (a) of Sub-rule (3), the variation order may be issued with the approval of the committee as follows:

(a) The Secretary at the concerned Ministry - Chairperson

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*Inserted by the First Amendment.*
74. **Provisions Concerning Sealed Quotation** : (1) An individual, firm, company or institution submitting the sealed quotation shall purchase the sealed quotation form from the concerned Office bearing the signature of the Office In-charge of such Office or of an employee designated by him, and also the seal of the Office by paying a sum of Three Hundred Rupees.

   (2) The procedures as referred to in Rules 66, 71, 72 and 73 for tenders shall also be applicable with respect to the sealed quotations.

75. **Provisions Concerning Dutch Auction (Public Bidding)** : (1) While procuring construction materials or awarding contract arrangements for construction works by tender under these Rules, if there

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a Amended by the First Amendment.
is ground that the work is not being completed in due time and existing infrastructure is going to be destroyed, and Government of Nepal is going to suffer loss or it if seems that there is occurring a specific situation which leads to hindrances to the local people, public bidding may be made giving a time-limit under Sub-rule (2) having also specified the amount of loss and damage.

Provided that, public bidding shall not be done at the end of the Fiscal Year by stating reasons as lack of time having failed to carry out the approved programme within prescribed time-limit under the working schedule and having delayed the work.

(2) While organizing a public bidding for a work costing more than a One Million Rupees under Sub-rule (1), public bidding may be organized by publishing a notice in the national newspaper, giving a time-limit of at least Seven days and specifying the following matters:

(a) Reasons why a work is to be carried out through public bidding,

(b) Description of the goods and materials or works,

(c) The place where public bidding is to occur,

(d) The time and date of the public bidding, qualification for those who can take part in the public bidding.

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*Amended by the First Amendment.*

*Inserted by the First Amendment.*
(e) Matter to deposit cash or bank guarantee of the amount at the rate of Five per cent of bid amount,

(f) Other necessary matters.

(3) While organizing a public bidding under this Rule, it shall be done, in the case of the constitutional body and agency, Ministry, Department or other central offices, in the presence of the concerned Office In-charge or an employee as designated by him, representatives of the Office of the Financial Comptroller General and Ministry of Home Affairs and in the case of Offices other than those above, in the presence of the concerned Office In-charge, representatives of the local Funds and Accounts Comptroller Office and District Administrative Office. After public bidding has been so carried out, the figures offered in the bidding shall be tabulated and a Muchulka deed shall be executed and got signed by the members present.

-(4) In carrying out public bidding pursuant to this Rule, it may be carried out through the sealed or open bidding.

-(5) In carrying out public bidding pursuant to this Rule, participation of more than Two who have possessed qualification as referred to in Clause (d) of Sub-rule (2) shall be required.

-(6) In carrying out public bidding pursuant to this Rule, it may be carried out by including the organizations of which Fifty per cent or more ownership is held by Government of Nepal.

Provided that, an organization which has entered into a contract agreement without taking part in the public bidding or competition shall

- Inserted by the First Amendment.
not be allowed to get the works valued at more than forty per cent done by a sub-contractor.

76. **The Powers and Duties of the Authority to Accept Bid of the Public Bidding**: The powers and duties of the authority to accept the bid of the public bidding shall be as referred to in Rule 73.

77. **To Give Notice of Acceptance of the Contract and to Conclude Contract Agreement**: (1) After acceptance of the tender bid in public bidding pursuant to these Rules, the concerned Office shall give a notice thereof to the concerned person, firm, company or institution within three days.

    (2) After receiving a notice under Sub-rule (1), the person receiving such a notice shall come to conclude an agreement within seven days excluding the time for journey. While concluding a contract agreement, it shall be concluded with the conditions of completing the work according to programme and austerity measures on the basis of the terms and conditions of the tender, work schedule of the work, and also the tender documents. Rates of the main construction materials and work schedule as well shall be specified in the agreement.

    (3) If the tenderer fails to present within the time-limit as referred to in Sub-rule (2) or if he does not agree to conclude a contract agreement, the amount deposited as security referred to in the tender notice shall be forfeited. In such a case the tenderer who has quoted the second lowest amount shall be given a notice pursuant to Sub-rule (1) and a contract shall be awarded to him having taken necessary security. In case even the tenderer who has quoted the second lowest amount fails to

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Amended by the First Amendment.
present within the time-limit as referred to in Sub-rule (2) or does not agree to conclude a contract agreement, the amount deposited by him shall also be forfeited.

Provided that, while so awarding contract arrangement, if the quoted amount exceeds the quoted amount of the tenderer of first priority and plus his security to be forfeited, it may be accepted with the recommendation of the bid evaluation committee. If the first Three tenderers quoting lowest bid fail so to be present to conclude an agreement, their security amounts shall be forfeited and re-tender shall be invited:

(4) The amounts deposited by the tenderer under Sub-rules (9) and (10) of Rule 66 shall not be returned unless the contract signing under these Rules is completed.

Provided that, it shall not be deemed to present its returning, if retender invitation is required. The amount deposited as security by other tenderers may be returned excluding the amount of the first three quoting lowest bid as referred to in Sub-rule (3).

(5) While singing an agreement after accepting a bid in tender or public bidding, in addition to other matters as referred to in these Rules, the following matters shall clearly be stated therein:

(a) Period within which the work is to be completed,

(b) Provision concerning fine,

(c) Matters concerning indemnity and compensation,

(d) Circumstances under which a contract may be terminated,
(e) Provision concerning insurance,

(f) Mode of payment and provision concerning price escalation,

(g) Period within which repair and maintenance is to be done,

(h) Matters concerning interest on the advance amount,

(i) Other necessary matters.

78. **Insurance To Be Made**: (1) In contract costing more than ten million rupees, a provision may be made under which the contractor shall be required to submit a certificate of insurance done by him against the following risks to the Office within Seven days of the agreement, covering the date on which the contract commences till the repair period. The premiums of such insurance shall be as referred to in the tender form.

(a) Probable damage to or loss of the infrastructure, materials and machinery,

(b) Probable damage to or loss of the tools,

(c) Damage or loss likely to be caused to other property by the reason of the contract,

(d) Personal physical damage, injury or death of the workers,

(e) Risks related with the third party.

- Inserted by the First Amendment.
(2) The compensation for the damage or loss that may be caused shall be covered from the insurance procured under Sub-rule (1).

(3) The conditions of the insurance shall not be changed except with the approval of the project or Office In-Charge.

79. **Procurement of Repair and Maintenance Works of Durable Goods**

(1) In doing, and causing to be done, the repair and maintenance works of the durable goods in-kind, the Office In-charge shall obtain a statement of the goods to be repaired and maintained from the concerned employee, and prepare a cost estimate thereof.

(2) In preparing the cost estimate pursuant to Sub-rule (1), the cost estimate shall be got prepared by the concerned expert or skilled employee if there is a position of such employee and by the person, firm, company or organization carrying out the concerned works if there is no such employee; and repair and maintenance works done accordingly.

(3) In cases where there is no facility to repair and maintain big machines (dozers, bulldozers) at own workshop and they have to be got repaired and maintained elsewhere, statement of repair and maintenance shall be obtained from the concerned technicians, and repair and maintenance shall be got done with the consent of the Office In-charge if it costs up to One Hundred Thousand Rupees and with the consent of the Department Head if it costs more than that amount.

(4) In having the repair and maintenance work valued at up to One Thousand Rupees pursuant to this Rule, the Office In-charge may prepare the statement of work and get the work done directly even without the cost estimate.

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Amended by the First Amendment.
(5) If there is a facility of repair and maintenance at own workshop, spare parts shall be procured and entered into the store. In cases where the repair has to be got done from elsewhere, the required spare parts have to be got certified, to be replaced, by the concerned technician and credit the same.

(6) If in doing repair pursuant to Sub-rule (5), the life or durability is to be increased, that shall also be recorded in the concerned in-kind ledger as well.

(7) The repair of big machines (dozers, bull dozers) referred to in Sub-rule (3) shall be recorded in Auditor General Form No. 2.

(8) The old spare parts repaired and replaced pursuant to this Rule shall be recorded in a separate book and entered into store.

(9) In purchasing at the selling price fixed by the company which has produced the goods required to be repaired or having them repaired and maintained by the company or its authorized agent, it may be got done without a sealed quotation and tender.

80. Provision on the Works To Be Carried Out Through the Consumers’ Committee: Notwithstanding anything contained elsewhere in these Rules, any work to be operated at the local level costing up to Two Million Five Hundred Thousand Rupees shall be given priority to have it carried out by the Consumers’ Committee formed by the local consumers.

(2) In carrying out the local project by the Consumers’ Committee under Sub-rule (1), it shall be done as follows:

Amended by the First Amendment.
(a) In carrying out the works through the Consumers’ Committee, a contract between the Office and the Consumers Committee shall be made clearly stating therein the cost estimate, period of repair and maintenance of the completed work and other necessary matters.

(b) The concerned Office shall have to prepare a cost estimate, provide technical advice, and make final test and also to provide other technical assistance.

(c) Work shall be given to the Consumers’ Committee having deducted value added tax, overhead contingency amount and portion of public participation over the cost estimated amount. After so giving the work, up to one third amount in maximum shall be given in advance as cost.

(d) In carrying out the work by the Consumer’s Committee a clear record in regard to the person who have worked in full wage, who have worked in low wage or who have worked without wage from amongst the local persons shall be maintained.

(e) The Consumers’ Committee shall, after completing the works concerning construction, cause to be made the final test by the technical employee designated by the concerned Office and a statement by the concerned office and a statement of the total cost consisting of the amount obtained from Government of Nepal and also labour, or cash or kinds borne by the public participation shall be submitted to that
Office. The concerned Office shall, after obtaining such a report, maintain records thereof.

(f) The Consumers' Committee shall not cause any work received by it to be carried out by the contractor. If the Consumers' Committee fails carry out the work within the time, the concerned Office shall ask for a response giving a time limit whether they will complete the work or not; and if they do not complete it, the remaining work shall be get completed by other person under these Rules as soon as possible. If it is found that amounts are misused by the Consumers' Committee, it shall be inquired and the misused amount shall be realized from the office-bearers of the Consumers' Committee as governmental dues on the pro rata basis. It shall be the duty of the concerned Chief District Officer to extend cooperation to the concerned Office in realization of such an amount.

(g) Only the work which can be carried out by the Consumers’ Committee shall be carried out by it. In so carrying out the work by the Consumers’ Committee, it shall be clearly stated in the agreement that such a work shall be carried out in participation of the Office and the Consumers’ Committee, and the responsibility for repair and maintenance shall lie on the Consumers’ Committee. The agreement so made between the Office and the Consumers’ Committee shall be deemed as the basis for resource mobilization.
(h) After completing the work undertaken by the Consumers’ Committee, the ownership of the project shall be handed over to the Consumers’ Committee having specified its responsibility to supervise, repair and maintain as well. The Consumers’ Committee may prescribe the charges for the service of the project obtained from such handing over, and maintain and operate a fund therefrom.

(i) The concerned Office shall, before providing the amount to the Consumers’ Committee for carrying out the work, conclude, or cause to be concluded, an agreement by stating therein the matters as referred to in this Sub-rule and also the time limit to complete the work.

(j) Generally, only a programme where labour oriented technology is applied excluding a work where exists more complex technical aspect and more use of machinery, shall be carried out through the Consumers’ Committee.

(k) The Consumers’ Committee shall submit to the concerned office the technical evaluation, bills, receipts and documents supporting the expenditure of first installment by approving by the Committee for clearance of advance money. An amount as advance shall be reimbursed having maintained another installment of only upto the figure advance which was cleared. The expenses made by the
Consumers’ Committee shall be published having displayed its notice.

(l) If it is not possible to provide technical assistance for the work carried out by the Consumers’ Committee by the Office by any reasons whatsoever, the Consumers’ Committee may appoint a technician from its behalf on contract having fixed the ceiling of the cost. The remuneration to be given to the technician so appointed shall be paid out of the contingency amount deducted by the Office. Such remuneration shall not be more than three per cent of the estimated cost.

(m) Formation process of the Consumers’ Committee, financial procedures, difference, final test and also other necessary procedures shall be prescribed by the concerned Ministry.

(n) The provision of time extension shall be as provided for in the agreement.

(o) In a project or programme to be operated by the Village Development Committee and District Development Committee through the Consumers’ Committee from their resources and grant amount, if any, provision has been made in the laws related with such agencies, provision of such laws shall apply and if no such provision is made, the provision of these Rules shall apply.
(p) No heavy machinery such as loader, excavator shall be used in the construction works to be operated by the Consumers’ Committee and at local level.

81. **Consultancy Service May Be Procured:** (1) If it requires to obtain constancy service from any technician or group of technicians or consulting organization or institution for feasibility study, research, drawing, design, specification, survey of the project and for supervision, repair and maintenance of the construction work or for any technical or consulting service, the Competent Authority as referred to in Sub-rule (16) may decide in regard to obtaining such technical or consulting service, if such work cannot be done by the department level having considered existing departmental experts, technicians or manpower, machine and also survey equipment and if budget is also considered for such technical or consulting service. A governmental agency where there is no technical manpower may, while carrying out the works under these Rules, obtain the consulting service of the relevant technician.

Provided that, if the budget is not approved for such service, the concerned Secretary has to decide in regard to obtaining such consultancy service.

(2) If it requires to obtain the service as referred to in Sub-rule (1), such service may be obtained by appointing a technician or a group of technicians or consulting organization of the related subject, as follows:

(a) For service charge costing upto One Hundred Thousand Rupees directly by negotiations.
(b) For service charge costing more than One Hundred Thousand Rupees and up to Five Hundred Thousand Rupees by a sealed quotation along with the general technical and financial proposals under Sub-rule (7),

(c) For service charge costing more than Five Hundred Thousand Rupees and any amount thereafter by the tender along with the technical and financial proposals under Sub-rule (8)

(3) If the Competent Authority as referred to in Sub-rule (16) deems it appropriate to obtain the technical or consulting service as referred to in Sub-rule (1) from any institution in which more than Fifty percent of capital investment is held by Government of Nepal, notwithstanding anything contained in Clauses (b) and (c) of Sub-rule (2), he may employ by negotiations by having obtained technical and financial proposals from such institution.

(4) The institution to be employed by negotiations under Sub-rule (3) should be related with the work to be carried out.

(5) Except in the case where specific agreement is made in obtaining loan and assistance, a proposal of a foreign consultant shall be entertained only in the case where such a consultant has submitted a certificate of agreement to work jointly with the Nepalese consultant.

(6) In cases where quotations or tenders of native as well as foreign consultants are submitted, a tender or quotation submitted by the national consultant may be accepted even if the quoted amount of the

\* Amended by the First Amendment.
national consultant is higher by a Ten percent in comparison with the tender submitted by the foreign consultant. For the purpose of this Sub-rule "native consultant" means a consultancy firm or company where a foreign person is not involved.

a(7) For the purpose of the quotation of Clause (b) of Sub-rule (2), in inviting a sealed quotation, a term of reference related with the technical and consultancy service and a sealed quotation, along with technical and financial proposals, shall be invited by publishing a Fifteen days notice in a national level newspaper.

(8) In order to obtain technical or consultancy service costing more than Three Hundred Thousand Rupees, a tender along with the technical and financial proposals referred to in Sub-rule (13) and also having prepared terms of reference therefor. In so inviting a tender along with the technical and financial proposals, a notice giving a time limit of Fifteen to Thirty Five days as per necessity, to submit a tender shall be published in the newspapers and magazines of national level inviting organizations, institutions, firms or individuals desiring to submit a tender, specifying their name, address, name of the proprietor or partner, address and date of incorporation of the institution.

(9) An individual, firm, company or institution submitting the quotation or tender along with the proposals as referred to in Sub-rules (7) and (8) shall be required to obtain an income tax registration certificate, by having been registered with the concerned Department of Government of Nepal. In submitting personal details of the manpower

a Amended by the First Amendment.

- Inserted by the First Amendment.
affiliated with the organization which so submits the sealed quotation or tender, a statement indicating acceptance by the concerned employee shall be attached.

(10) Before opening the technical and financial proposals submitted under this Rule, evaluation weightage on the basis of Sub-rule (13) shall be required. After so requiring the weightages, the technical proposal shall be opened. The technical proposals so opened shall be evaluated on the basis of Sub-rule (13) and a list of those tenders which have obtained at least more than Sixty percent marks shall be prepared. "… … …

(11) In preparing a technical list under Sub-rule (10), in case at least Three proposals cannot be selected, it shall be made three in number by selecting from amongst the individuals, firms, companies or institutions which have obtained more than Fifty marks on serial basis. "If, in making three in number, there are more than One who secure the minimum marks, all of those who so secure the minimum marks shall be included.

(12) If a list of three individuals, firms, companies or institutions cannot be prepared under Sub-rule (11), re-tenders shall be invited.

(13) While selecting the technical proposal as referred to in Sub-rule (10), it shall be selected from amongst those tenderers who have obtained higher marks having maintained 100 as full marks on the following criteria. In distributing marks on the basis of such criteria, the selecting agency shall fix the marks as per necessity and nature of the

* Deleted by the First Amendment.
work and shall make public the weightage of criteria at the time of invitation of tender notice.

(a) Particulars concerning experience, qualification and expertise required for the proposed project.

(b) Particulars concerning efficiency and qualification and expertise required for the proposed manpower.

(c) Mode of completing work, procedures, time schedule and estimated cost of the manpower.

(d) Technical materials and equipment concerning works of the project,

(e) Technical capacity,

(f) Particulars of work experience specifying date of commencement and completion of work,

(g) Date on which work is to be completed, details of the running works specifying the price,

(h) Particulars that specify the managerial capacity,

(i) Financial condition.

\(\text{\textsuperscript{a}}\) The financial proposals of only those technical proposals which have completed the process under Sub-rules (10) and (11) and selected shall be opened. Out of the financial proposals so opened, proposal which has obtained the highest marks out of the Forty percent

\(\text{\textsuperscript{a}}\) Amended by the First Amendment.
weightage for the technical proposal side and Sixty percent in the financial proposal side shall be accepted.

Provided that, if there is a clear ground that the terms of the proposal of one who has so secured the highest marks are not reasonable the proposal of one who has secured the second and third highest marks may be accepted.

(15) After accepting the technical and financial proposals pursuant to Sub-rule (14), the accepted technician or group of the technicians or consultancy individuals, firms, companies or institutions shall have to deposit a Five percent of total amount of the accepted financial proposal in cash or bank guarantee.

(16) The following authorities shall have the powers to accept the financial and technical proposals under this Rule:

(a) Upto Three Hundred Thousand Rupees the Office In-charge of gazetted third class,

(b) For more than Three Hundred Thousand Rupees upto Five Hundred Thousand Rupees, the Office In-charge of gazetted second class,

(c) For more than Five Hundred Thousand Rupees upto Five Million Rupees, the Office In-charge of gazetted first class,

(d) For more than Five Million Rupees, "… … … the Departmental Head,

* Deleted by the First Amendment.
(e) "… … …

(17) Except in the case where technical consultancy service is to be obtained having received the proposal under Sub-rules (10) and (13), no service fee shall be paid more than three percent of the total estimated cost of the project or work for design of general construction, preparation of cost estimate and a supervision and repair and maintenance.

Provided that, if more than such percent requires to be paid in other matters concerning various expertise, it shall be done in accordance with the decision of the concerned Secretary having specified reasons thereof.

(18) The Competent Authority to accept the technical and financial proposals under Sub-rule (16) may accept or reject the technical and financial proposals submitted to him.

(19) If the work cannot be accomplished only by the local technician or group of technicians or consultancy organizations, institutions, firms or companies and if a foreign consultant is to be hired, prior approval of Government of Nepal shall be taken. If it so requires to obtain service of the foreign consultant, an agreement shall be concluded having caused more involvement of the available national consultants also. This Rule shall not prejudice to hire a foreign consultant under the agreement concluded with the Donor Party.

(20) The Office shall, after accepting the proposal under this Rule, a give a notice within Three days and conclude an agreement within Seven days excluding the day required for journey and after complete of the work as per the agreement, prepare a work completion report and

a Amended by the First Amendment.
submit it to the concerned Department, along with the study report also, if any. After so obtaining a report, the concerned Department shall examine or cause to examine whether the completed work is done under the terms and conditions or not.

(21) While carrying out the work under this rule, the amount payable shall be paid in four installments on the basis of the work progress having certified by the Office In-charge and while making final payment, it shall be paid by examining whether the quality standard is satisfactory under the conditions or not.

Provided that, in making payment on the basis of the work, it may also be made in more than four installments.

a(22) The service fee of a consultant for feasibility study of a project, research, drawing, design, specification, survey, supervision of construction works and repair and maintenance shall not, generally, be more than ten per cent of the total cost estimate of the construction. If it exceeds that amount, the Departmental Head shall form a technical committee comprising the concerned expert and obtain suggestion of the committee and then obtain approval of the Ministry.

(23) In case the expatriate or national consultant fails to complete and delays the works or fails to work satisfactorily or increases the liability by the reason of his technical mistake, actions to be taken against him, like compensation or inclusion of his name in the black list, shall be mentioned in the agreement as a condition.

(24) If the result of the cost estimate prepared by a consultant differs more than Twenty Five percent of the result of the completed

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a Amended by the First Amendment.
work, the consultant shall be asked to clarify reasons therefor and it shall be submitted to the Departmental Head and shall be done in accordance with the decision. If the reasons given by him are not reasonable, such a consultant shall be warned and departmental records shall be maintained and a notice thereof shall be given to all Ministries.

82. **Works to be Done against Force Account:** (1) Except in the case of accidental repair and maintenance, generally no work shall be carried out against the force account. In case where a tender is invited pursuant to this Rules and a construction work is to be carried against the force account due to non-submission of tender or by the reason of specific condition, such a construction work may be carried out under the estimated cost having submitted it to the immediate higher office and with its approval. Government of Nepal may, if it deems necessary, cause to carry out a work to be carried out or cause to be carried out by such force account, by forming any committee.

(2) If it requires to carry out a construction work against the force account under these Rules, such a work may be carried out by negotiation having splitted it into several pieces without exceeding one thousand rupees of each or by awarding a wage contract by providing necessary construction materials.

(3) While carrying out the work by task force by the Office itself, if it requires necessary procurement and service therefor, procedures of these Rules shall be fulfilled.

83. **Reimbursement in case of Rate Escalation of Main Items of Materials:** (1) While inviting a tender, the Office has to determine the rate of cement, steel bar, timber, aggregate, brick, colouring and painting
materials, bitumen, emulsions, electric materials and equipment, sanitation materials, in the tender considering the nature of the construction work under the estimated cost and shall arrange to obtain rate analysis by specifying also the rates under the cost estimate thereof. While concluding a contract agreement too, after accepting the tender, such rates and also the work schedule shall be stated in the conditions of such a contract agreement. No price adjustment shall be made if there exists upto Ten percent of price escalation in the rates mentioned in the conditions of the tender and the contract agreement so made. If such rates decrease by more than Ten percent, whatever percent more than Ten percent is decreased, the amount so decreased shall be deducted from the bills of the contractor and if such rates are increased by more than Ten percent, additional amount of up to Ten percent shall not be given to the contractor and if there exists more than that amount, it shall be given to him. For the purpose of payment of the amount so escalated, the concerned office and the contractor shall maintain a statement of the construction goods and materials used in the contracted work out of the goods and materials stated in the condition of the contract agreement. The contractor shall also submit the tax invoice of the goods and materials procured from the producer or seller who holds value-added tax and income tax registration certificate. For the purpose of price escalation under this Rule, the rate whichever is lower between the rates fixed by the construction materials price committee formed pursuant to Rule 138 and the amount stated in the bills submitted by the contractor shall be considered as the basis.

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- Inserted by the First Amendment.

a Amended by the First Amendment.
Provided that, this provision concerning price escalation shall not be applicable in cases where the work is to be completed within One year and Six months and where rates of the materials are not mentioned in the conditions of the tender and the contract agreement.

(2) Notwithstanding anything contained in Sub-rule (1), if the contractor fails to complete the works to be carried out under the work schedule within the time limit as prescribed in the contract agreement by the reasons of his slowness and taking more time than that was prescribed to complete such a work, such a contractor shall not be given the increased price amount as referred to in Sub-rule (1).

84. **Responsibility of Technician** : To prepare cost estimate of the construction work under these Rules, to conduct test and to supervise whether a work is under quality standard as stipulated by the approved drawing, design and specification shall be the responsibility of a technical employee designated by the Office In-charge for such work.

85. **Not to Cause and Be Under Undue Influence** : If any tenderer tries or causes to try to exert undue influence or pressure of any kind in relation to his or anyone else's tender, the tender of such tenderer may be rejected and if a tender is so rejected a record thereof shall be maintained or cause to be maintained. Moreover, if the employee involved in the tender evaluation and decision making process is found to be under such influence, such an employee shall be liable to the departmental action.

86. **Security Not to Be Taken** : (1) No security of any kind shall be required to be taken from any organization of which more than fifty percent of capital is held by Government of Nepal.
(2) Even though the security is not taken pursuant to Sub-rule (1), while making payment, an amount of additional two percent of the deposit to be furnished under these Rules shall be added to the deposit.

87. **Work Completion Report to be Submitted** : The Office shall, after completing the construction work, submit a work completion report as follows:

(a) The Office In-charge shall, after completing the construction work under the approved estimated cost, cause to examine such a work by the technical employee whatever it is quality standard under the drawing, design and specification or not and prepare or cause to prepare a work completion report. The Departmental Head may, if he deems it necessary, inquire himself whether such a work is completed or not or may assign a technician employee or a team of technician employees to inquire such a work. A work completion report so prepared shall be submitted to the authority accepting the tender. If the inquiry to be conducted or cause to be conducted has not taken place within Forty-Five days from the date on which a work completion report is submitted, it shall, *ipso facto*, be deemed to be accepted.

Provided that, if the authority employing the work and the authority accepting the tender is one and the same, it shall be submitted to the immediate higher authority.

(b) Notwithstanding anything contained in Clause (a), after completing a construction work costing upto One Million Rupees, such a work shall be examined by the Office In-charge himself, if

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*a* Amended by the First Amendment.
he is a technician or shall be caused to be examined by the employee as referred to in Rule 84. Responsibility of the work so approved shall be of the technician employee as referred to in Rule 84. The Office In-charge shall inform the immediate higher authority on the completion of the work.

(c) After accepting the work completion report, a work completion certificate shall be given to the contractor.

88. **To Follow Up Work Progress of the Contract**: (1) While making a contract agreement, a programme and work schedule as well shall also be attached thereto. The Office In-charge shall follow up, or cause to be followed up, continuously whether the work is being carried out or not, under the work schedule or conditions of the contract by the contractor. An arrangement shall be made to submit a follow up result of the contract work of the project costing Two Million Five Hundred Thousand Rupees to the Departmental Head on trimester basis.

   (2) The authority which has accepted the tender, shall periodically follow up the work whether it has been carrying out or not under the work schedule mentioned in the tender accepted by him and under the contract and a report thereof shall be submitted to the immediate higher authority on trimester basis. The authority receiving a report may give necessary instruction by studying it.

   (3) In case the work is delayed without technical reasons, the project in-charge or the Office In-charge, as the case may be, shall be responsible.

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Amended by the First Amendment.
89. **Time To Be Extended**: (1) In case the contractor fails to complete the work within the time-limit as prescribed in the contract agreement concluded under these Rules by occurrence of the circumstances as referred to in Sub-rule (2), he shall submit an application to the concerned Office for time extension specifying the reasons thereof, at least Fifteen days prior to the period on which the work is to be completed.

(2) In case an application under Sub-rule (1) is submitted for time extension, and if it is found that by occurrence of natural and natural calamities like, drought, heavy rain, earthquake, flood, land-slide, fire and accidental, unexpected and extraordinary reasons or by virtue of reasonable grounds such as if the Office fails to supply construction materials or the land could not be acquired in time or forest cutting could not be taken place or necessary permit, approval cannot be provided or the design cannot be supplied in time or design and estimate was to be modified, the work cannot be completed within the prescribed time-limit under the contract agreement, the following authorities, may extend time as follows having examined the works to be completed under the contract agreement as to what are completed and what are to be completed and by stating in details the reasons for time extensions and the information of time extension shall be communicated to the immediate higher authority.

(a) The authority accepting the tender as referred to in Sub-rule (1) of Rule 73 may extend the time upto hundred per cent time of the original contract or Six months whichever is lower, without increasing the cost of the work.

Provided that, if it requires to extend more than that time, it shall be submitted to the immediate higher authority.
(b) If the cost of the work increases, the contract awarding authority shall submit it to the immediate higher authority and it shall be done as per decision of such authority.

**Explanation**: For the purpose of the term “the cost of the work” includes the additional quantity also.

**(3) (a)** If the contracted work could not be completed within the stipulated time due to the contractor's delay, the tender accepting authority may extend the time-limit under Sub-rule (2) in a manner that liquidated damage shall be recovered in an amount at the rate of 0.05 per cent of the contract amount which the contractor has offered at the beginning, for each day. In so extending the time-limit, it shall also be set out clearly whether the contractor is allowed to claim for additional financial liability, and information thereof shall be given to the contractor.

(4) While extending time under Clause (b) of Sub-rule (2), the authority accepting the tender shall cause to inquire the matters as referred to in the said Sub-rule by the chiefs of the planning and financial division or section and also technical officer employees.

**90. Contract May not be Terminated until its Expiry**: (1) After the contract agreement has been made pursuant to this Rules, the contract may not be terminated or abandoned before the expiry of the contract period without an agreement between the authority awarding the contract and the person accepting the contract.

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Amended by the First Amendment.
Provided that, the authority awarding the contract may terminate the contract if the work is not started according to the contract agreement or the contract is abandoned after starting the work of agreement. If the contract is so terminated the amount of the money deposited by the contractor as security for that work shall entirely be forfeited and whatever amount more than the contract amount shall be required to complete the remaining work shall be realized from an amount deducted from the bills of the contractor and from any outstanding amount payable to him, and a written request shall be made to the concerned Ministry to include such a contractor into the black list and a notice thereof shall be communicated to all Ministries.

(2) If the budget is inadequate to complete the concerned work, the Ministry of Finance shall be asked to sanction the money having produced the evidence that the amount of money forfeited and realized under Sub-rule (1) has been deposited with the concerned revenue account. If the amount is inadequate to complete such a work and there exists the confirmation that the amount realized has been deposited with the revenue account, the Ministry of Finance shall sanction the required amount.

a91. **Special Provision May Be Made**: (1) If it requires to make special provisions in regard to the contract for procurement, service or construction work other than those provided for in these Rules, it shall be submitted to Government of Nepal (the Cabinet), as decided by a meeting chaired by the Chief Secretary and consisting of the Secretary at the Ministry of Finance, the Secretary at the Ministry of Law, Justice and Parliamentary Affairs, the Secretary at the concerned Ministry and the

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a Amended by the First Amendment.
Financial Comptroller General, and it shall be done as per the resolution adopted therein.

(2) The Secretary at the concerned Ministry has to set and submit the procedures on the special provision referred to in Sub-rule (1).

92. **Reward May Be Given To a Person Who Completes Works Before The Specified Time** : (1) In case construction work of the contract to be completed by inviting the tender is completed in a satisfactory manner with quality standard before the time-limit prescribed in the contract agreement, the Departmental Head may, with the approval of the concerned Secretary, give an amount up to Two per cent of the contract price as reward. Out of such two per cent to be given as reward, Fifty per cent amount shall be given to the Office In-charge and to an employee involved in that work recommended by the Office In-charge and Fifty per cent to the concerned contractor along with a certificate. Criteria concerning the reward to be so given and time shall be as provided in the Public Construction Manual.

(2) The reward amount to be given pursuant to Sub-rule (1) shall be paid from the amount sanctioned for construction work and if such an amount is not sufficient, it shall be asked for sanction by making budgetary provision and such a rewarded amount shall be included in the total cost of the project.

93. **Payment to Be Made to the Contractor** : Payment to the contractor for construction work shall be made as follows:

(a) After submitting a duly prepared running bill or final bill for the work completed by the contractor, the concerned technician employee shall have to examine whether the quality standard and quantity of the work performed by him is proper or not. After
submitting a duly prepared bill, payment shall be made within Thirty days in maximum after having examined the work. If payment is not made after such time-limit and even after additional thirty days, an interest at the rate of ten per cent per annum shall also be paid.

(b) The amount payable to the contractor shall be paid only after deducting Five per cent retention money, and the amount so deducted and also the amount deposited as security at the time of tender submitting and tender accepting shall be resumed back generally within Three months to one year from the date on which the work is completed according to the conditions of the contract agreement and final bill is submitted or after completing maintenance period or after fulfilling conditions of the contract having tested the certificate of submission of income tax statement or payment and adjustment of value added tax accounts.

(c) While making payment to the contractor under running bill or final bill pursuant to these Rules, payment shall be made only after deducting advance income tax under the prevailing laws. The amount so deducted shall be deposited with the concerned Tax Office and information thereof shall also be given to the contractor.

94. **To Maintain Records of the Completed Works**: Following the approval of the work completion report under Rule 87, the concerned Office shall maintain records of the completed construction work. In addition to that a copy of such records shall also be forwarded to the Pertinent Superior Office.
95. **To Maintain Records of the Rewarded and Punished Contractor**: The contractor who has abandoned the contract before its expiry, caused damage and loss to the government, failed to complete the work by delay and has bad intention shall be included in the black list. Before including him in that list, approval of the Departmental Head shall be obtained having inquired all matters. Similarly, records of the one who has completed the work before the stipulated time-limit, constructed quality standard work, not demonstrated hindrances and problems while performing the work shall also be maintained in the department. List of the contractors who are included in the black list and whose performance is good shall be communicated to all Ministries, concerned District Administration Office, Funds and Accounts Comptroller Office, Pertinent Superior Department and Office and also to the office issuing contractor classification certificate. *The concerned Office shall send a description of the contractor so rewarded and penalized to the Ministry of Physical Planning and Works. The Ministry of Physical Planning and Works shall maintain records of the description so received and send information thereof to all Ministries and publish a notice thereof in a newspaper of national level. The Ministry shall send the information so received to its subordinate Departments and Offices.*

96. **To Do According to the Agreement in Foreign Aid**:

Notwithstanding anything contained elsewhere in these Rules, while obtaining technical service or procuring construction and renovation and performing other works under the grant or loan agreement concluded between Government of Nepal and foreign government, or an institution ownership of which is held by the foreign government or international institution, it shall be done in accordance with such agreement.

*Inserted by the First Amendment.*
Chapter-8

Provisions relating to Ration Contract

97. **Cost Estimate Committee** : (1) There shall be a cost estimate committee consisting of the following members to approve the cost estimate for the provision of ration contract in each district:-

(a) Chief District Officer - Chairman

(b) In-charge, the Funds and Accounts Comptroller Office or an officer representative designated by him - Member

(c) In-charge, Agricultural Development Office - Member

(d) Representative, Chamber of Commerce and Industry - Member

(e) Officer at the District Administration Office designated by the Chief District Officer - Member-Secretary

(2) The committee referred to in Sub-rule (1) shall, while approving the cost estimate, be based on the commodity price index of the concerned sector to be published by the Nepal Rastra Bank, the price list published by a governmental body which fixes the price of agro-

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a Amended by the First Amendment.
products, and the local market rate. If fragmentation in the consumer price list is required, description shall be sought from the Nepal Rastra Bank.

(3) Each Office in the district, which is required to manage ration, shall submit its approved ration quota to the committee referred to in Sub-rule (1) within the last day of Bhadra (mid-September).

(4) The Office In-charge shall prepare a total cost estimate of the ration quota for approval of the cost estimate.

(5) The District Administration Office shall fill up the cost estimate description of the ration set as per the decision of the cost estimate committee in the format referred to in Schedule-7C. and send it to the concerned Regional Administration Office within Seven days.

(6) The Regional Administration Office shall analyse the ration cost estimate rate within its area, and if it thinks that uniformity has not been maintained which should have been maintained and difference has not been made which should have been made, taking into account to the extend possible, of the price, road facility, supply situation and transport provision in the valley, Terai, Mountainous and hilly districts based on the consumer price index obtained from the Nepal Rastra Bank, it shall send the same to the concerned District Administration Office within Seven days.

(7) The District Administration Office shall forthwith send information as per the direction received from the Regional Administration Office to the body which is to have cost estimate and ration contract. Information thereof shall also be given to the Regional Administration Office, the Ministry of Home and the Pertinent Superior Ministry of the Office which is to have ration contract arrangement made.
(8) The Office which is to have ration contract arrangement made shall have ration contract made pursuant to Rule 73.

(9) The Regional Administrator shall review the cost estimate pursuant to Rule 73.

98. **Contract Management of Ration:** (1) The concerned Office In-charge shall so manage ration by inviting a quotation or tender that the new ration is provided since the first day of *Magha* (Jan. 14) each year.

(2) In cases where contract of ration cannot be managed owing to any reason, the concerned Office In-charge shall procure necessary quality standard ration from any organization owned by Government of Nepal and provide the same. If there exists a situation under which ration cannot be provided in such a way, the Office In-charge shall manage ration by making procurement from the market pursuant to these Rules. The ration may be procured from the previous contractor at the previous rate pending the arrangement of a new contract based on the cost estimate approved by the committee referred to in Rule 97. The concerned Office In-charge shall make a report, setting out all the details of such arrangement of ration, to the Pertinent Superior Office of the Office providing the ration within Seven days.

(3) If there exists a circumstance under which a ration contract cannot be managed owing to any reason or the Office In-charge cannot manage ration, the concerned Office In-charge shall make a submission to the Pertinent Superior Office for necessary sanction and make arrangement for provision of ration as sanctioned and directed by the Pertinent Superior Office.

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Amended by the First Amendment.
(4) In cases where a contract cannot be managed because of delay in any manner or if any governmental loss or damage is caused in any other manner, the concerned Office In-charge shall be responsible therefor.

(5) The invitation of sealed quotation or tender for provision of ration shall indicate that no price increase shall be granted during the contract period and that contract shall be awarded to a Nepalese citizen only.

(6) Even for the provision of feed required for the animals and birds as per the approved quota, sealed quotation or tender shall be invited pursuant to this Rule.

(7) The invitation for sealed quotation or tender shall clearly indicate the type, quality standard and daily required quantity of the ration or provision and feed, and the received tenders shall be opened and a comparative chart shall be made in the format referred to in Schedule-7 and the Competent Authority shall accept the same.

(8) The comparative chart as referred to in Schedule-8 shall be forwarded to the Pertinent Superior Office.

(9) The sale and submission of the sealed quotation or tender shall be carried out from the concerned Office, the District Administration Office and the Funds and Accounts Comptroller Office as well, and the notice inviting tender has to indicate this matter.

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Amended by the First Amendment.
a(10) The received sealed quotations or tenders shall be opened and the quotation or tender with the lowest evaluated cost/rate shall be accepted.

(11) If the contract is not to be awarded to one who has quoted the lowest rate but to be awarded to other as per the order, "……… a submission, accompanied by the reason therefor, shall be made to the concerned Ministry for decision.

(12) The Office In-charge shall give information indicating all the details of contract management to the concerned Ministry or the Pertinent Superior Office within Seven days.

a(13) The procedures for obtaining quotations, inviting tenders, giving notice of acceptance pursuant to Rule 73, making agreement, taking guarantee (retention money) shall be as provided for in these Rules.

(14) If any agreement contains provision or condition of transporting the ration to a new place other than the place specified in the notice inviting for the sealed quotation or tender, the provision of the agreement shall prevail; and if the agreement does not contain such provision, transportation fare has to be paid as per the law, "……… with the endorsement of the Pertinent Superior Office.

99. **Advance against Guarantee** : (1) The concerned Office In-charge shall, after a ration contract has been accepted, get the contractor to execute a bond, obtain a bank guarantee of an amount not less than the

* Deleted by the First Amendment.

a Amended by the First Amendment.
advance which is valid, for the term of the agreement and may give an advance of up to Twenty-Five percent of the contract price. If the sanctioned budget balance is insufficient to pay the advance, the concerned Funds and Accounts Comptroller Office shall, subject to the budget limit, give additional sanction. In cases where the allocated budget amount is insufficient and additional budget has to be requisitioned, the concerned Office shall take necessary action in time and make arrangement for the budget.

(2) The advance paid pursuant to Sub-rule (1) has to been deducted from the bills of the contractor having supplied the ration each month. All the advances have to be settled up by the last day of the month of Ashad (July 16).

(3) After the deduction of the advance paid to the contractor for the first time, guarantee as referred to in Sub-rule (1) has to be taken again and as advance of Twenty-Five percent of the contract price shall be paid in the month of Shrawan (July/Aug) to him against such guarantee and settlement thereof has to be made by the last day of the month of Poush (around 13 January) by deducting the advance pursuant to Sub-rule (2).

(4) The contractor has to keep a stock of goods equal to the advance amount paid pursuant to Sub-rule (1).

100. To Give Necessary Licence for Ration Management: In cases where there is scarcity of food in the local market at the time when the contractor purchases the food to provide the ration in accordance with the agreement, the concerned Chief District Officer shall make contact with

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a Amended by the First Amendment.
the bodies related with food and make available the required licence for procuring food from any other district and providing the ration.

101. **To Have Realization of Loss and Damage In the Event of Contract Breach by Contractor**: The provisions of Rule 90 shall apply where the ration contractor gives up the contract in the meantime or where the contract is broken because of the contractor's failure to satisfactorily perform the work. Advance, if any, due and outstanding and an interest on such due advance at the rate of Eleven per cent per annum from the date of payment of the advance shall be realized as governmental dues.

102. **Power to Make Other Provision for Ration**: (1) If the central body required to make provision of ration, considering it proper to provide cash instead of ration, gives direction in this respect to the concerned Office, then the concerned Office shall provide cash, instead of ration, at the daily rate to be fixed as per the cost estimate approved by the cost estimate committee referred to in Rule 97.

(2) "………

(3) "………

(4) *The Office In-charge may, as per necessity, inspect as to whether the contractor has provided the ration corresponding to the quality standards of the sample or not, and take action to break the contract in cases where the contractor is found not to have provided the ration corresponding to the quality standards of the sample.

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*a* Amended by the First Amendment.

* Deleted by the First Amendment.
Chapter-9

Provisions relating to Auction Sale

103. Prohibition on Auction Sale without Written Order: (1) No goods in-kind shall be auctioned, sold or transferred without the written order of the Office In-charge or the official designated by him.

(2) It shall be the duty of the Office In-charge or the official designated by him to auction those goods which seem to be out of use because of being worthless, repair those goods which seem to be repaired as indicated in the report as referred to in Rule 53, and forthwith make store entry of those goods which have not been so entered.

(3) In cases which the report referred to in Rule 53 has been made by any person other than the Office In-charge, the Office In-charge shall, in respect of the goods in kind to be auctioned, examine whether such goods in-kind are in a condition of being auctioned or not; and they shall be auctioned only where they are hold to be so auctioned.

(4) In transferring the goods in-kind pursuant to Sub-rule (1), they shall be transferred by filling up the transfer form. The Office receiving the goods shall make store entry in the goods in-kind ledger of the goods transferred and give information thereof to the former Office. Upon receipt of the information from the recipient Office of such store entry, the former Office shall cross off the inventory of such goods.

104. Provisions vis-a-vis Auction: (1) The Office In-charge may, on the advice of the chief of financial administration section, procurement officer, store officer or store keeper as well, accept the auction bid of those goods which have been held by the Office In-charge to be auctioned, amounting up to Eighty Thousand Rupees where the cost price
thereof is set out and up to Twenty Thousand Rupees as per the value currently figured out where the cost price thereof is not set out or up to one hundred thousand rupees in combination of the both, out of the goods indicated in the goods in-kind inspection report as worthless because of being old, worn and torn and as incapable of being repaired.

(2) If any machine and heavy equipment, in respect of which the mechanical technician has made a report that in spite of the running condition of such machines, tools and heavy equipment and means of transport (except a horse and bicycle), they are of old model, there is scarcity of their spare parts and they require much more expenses in their repair, maintenance and operation and they are unuseful at present, and the goods with cost price or valued at more than that mentioned in Sub-rule (1) are held by the Office In-charge to be worth auctioning, a committee shall be formed pursuant to Sub-rule (3) to make recommendation by examining and surveying such goods.

(3) **In order to evaluate the goods mentioned in Sub-rule (2), a committee as mentioned below shall be formed:**

(a) In the case of a constitutional body and organ, Ministry, Department and other central Office, there shall be formed three-member committee, under chairmanship of the concerned Chief District Officer or the official designated by him, consisting of the expert in the goods designated by the Office In-charge and an officer level representative designated by the Office of the Financial Comptroller General.

\[\text{Amended by the First Amendment.}\]
(b) In the case of any Office within or outside the Kathmandu Valley except the central level Office referred to in Clause (a), there shall be formed a committee under the chairpersonship of the Office In-charge or the officer designated by him, consisting of the officer level technician representative designated by the concerned Chief District Officer and the officer level representative designated by the concerned Funds and Accounts Comptroller Office.

Provided that, if the Office In-charge is of non-gazetted level, a committee shall be formed under the chairmanship of the Office In-charge of the concerned Accounts and Funds Comptroller Office, and consisting of a representative of the District Administration Office and the concerned Office In-charge.

(c) An employee having the knowledge about the concerned goods in-kind shall be designated as the technician representative as far as possible.

(d) In the case of those goods in-kind which cost more than One Million Rupees or which are of special type, this committee may invite not more than Two technicians in the concerned field.

(e) This committee shall submit to the Office In-charge a report of recommendation by carrying out necessary

*Inserted by the First Amendment.*
study and survey pursuant to Sub-rule (6) and also specifying estimated price where no price has been specified.

(4) Following the recommendation of the committee referred to in Sub-rule (3), the Office In-charge may auction the goods amounting up to One Million Rupees where cost price is set out and up to Two Thousand Rupees where their price is not set out but have been valued thereat and up to One Million Two Hundred Thousand Rupees in combination of the both. Submission has to be made to the Department, if any, and, if not, to the Ministry, setting out all the details, for approval to auction the goods which cost more than that.

(5) The concerned Ministry or Department shall, upon receipt of the report pursuant to Sub-rule (4), form a committee consisting of the following members to carry out survey and evaluation in respect of such a report, and get the same surveyed and evaluated. If the concerned Ministry or Department considers the recommendation of the committee referred to in Sub-rule (3) to be reasonable, it may approve that recommendation and give approval:

(a) Gazetted First Class Officer designated by the concerned Secretary or Departmental Head - Chairperson

(b) Engineer of the concerned subject - Member

(c) Representative (Officer level), the concerned Office or Ministry - Member

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Amended by the First Amendment.
(d) Representative (Officer level), the Office of the Financial Comptroller General - Member

(e) Officer level representative of the Ministry or Department designated by the concerned Ministry or Department - Member-Secretary

(6) The committee as referred to in Sub-rule (3) or (5) shall, while fixing the value of the goods "... ... ... take into account, inter alia, of utility, service life, depreciation, residual value and market value of the goods. While making depreciation deduction, it shall be deducted at the rate referred to in the income tax law. In fixing the value of the goods of which customs duties have not been paid, customs duties shall also be included and depreciation deducted from the duties as well.

Provided that, in the case of those goods in respect of which none of the said bases can be fully or partially indicated, the Office In-charge shall make submission to the Departmental Head. After the receipt of such information, the Departmental Head shall cause the concerned expert to examine as to whether the goods can be put in use or not. If the concerned expert makes a report that such goods are incapable of being reused despite their repairing or the situation as referred to in Sub-rule (16) will occur in repairing such goods, the Departmental Head shall give direction to fix the value based on that report.

(7) After submission of the recommendation of the committee referred to in Sub-rule (5), the Department or the Ministry shall send it,

* Deleted by the First Amendment.
accompanied by the order for auction, to the concerned Office. The Office shall, upon receipt of such order, auction the goods pursuant to Sub-rule (8).

(8) After an order to auction has been received pursuant to Sub-rule (7) or a decision to auction made pursuant to Sub-rule (1), there shall be published a notice indicating the following matters, by giving a time-limit of Fifteen days to auction the goods which cost up to One Hundred Thousand Rupees and of Twenty One days to auction the goods which cost more than that; and the goods shall be auctioned accordingly.

(a) Description of the goods,

(b) Minimum value of the goods,

(c) Place, time (beginning and deadline, hours) and day of auction sale,

(d) Matter that the bid will ascend from the minimum value/price,

(e) Matter that cash deposit of a sum to be set by five per cent of the minimum value has to be furnished before making a bid to confirm the auction and that such deposit will be kept on being added in proportion of the increase, if any, in the bid figure,

(f) Period of time for lifting the goods of which auction has been confirmed,

(g) Other necessary matters.

(9) Notwithstanding anything contained in the above-mentioned Sub-rules, if it appears reasonable to auction the goods by way of tender,
tender may be called by giving a time-limit referred to in Sub-rule (8), by making arrangement that the goods can be observed. In cases where a tender is so invited, a bank guarantee equal to ten per cent of the bid price or a voucher indicating deposit of that amount in the deposit account has to be enclosed with the tender. In calling the tender, arrangement shall be made so that the act relating to purchase and submission of the tender is carried out in the concerned Office and the Pertinent Superior Office.

(10) In publishing a notice to auction the goods or to auction them by calling a tender pursuant to Sub-rules (8) and (9), the goods of which cost price is not set out but costs up to fifty thousand rupees as per the current valuation and the goods of which cost price is set out and is valued at up to one hundred thousand rupees as per the current valuation may be auctioned by publishing a notice at the Office referred to in Sub-rule (5) of Rule 66, and the goods to be valued at more than that may be auctioned by publishing a notice in a newspaper of national level. If the goods cannot be so auctioned for the first time, action shall be taken to again auction the goods by giving a time-limit of Seven days.

(11) If the goods in-kind of which auction sale has been confirmed are not lifted by making payment of the whole amount offered within the period of time specified by the concerned Office, the furnished deposit shall be forfeited, and the offer made by the second, third or fourth lowest bidder which is lower in figure equal to the forfeited amount only may be accepted. If the auction cannot be made even in doing so, re-auction shall be made.

(12) If the lowest price is not offered even in doing re-auction, the goods shall be got revalued by the committee as referred to in Sub-rules (3) and (5) and auction shall be made accordingly. If the goods cannot be auctioned at the price so re-valued, the Office In-charge may fix the price
of, and "may, with the Departmental approval, directly sell, the goods in presence of the representative of the concerned District Administration Office and the Funds and Accounts Comptroller Office. If the goods cannot be so sold directly, the records of such goods shall be crossed off, with a departmental decision.

(13) "... … …

(14) In valuing such goods as furniture except motor vehicles, machinery, tools and technical goods, their value may be fixed on the basis of depreciation deduction fixed for the purposes of income-tax without re-couring to the committee. After the expiration of the life of any whatsoever goods of which life is fixed, such goods may be auctioned by getting them valued by the committee as referred to in Sub-rule (3).

(15) The Pertinent Superior Office shall inspect once a year as to whether auction sale has been done pursuant to these Rules and submit a report thereof to the one level senior officer.

(16) Notwithstanding anything contained elsewhere in these Rules, the Office In-charge may, on the recommendation of the committee referred to in Sub-rule (3), auction those goods which are older than Twelve years and not in running condition, or repairing expenditure of more than Twenty-Five percent of the market price of the same goods has to be incurred to bring them to the running condition.

(17) In auctioning the built up physical structures by demolishing them, an item-wise cost estimate of the expenditure to be incurred in

- Inserted by the First Amendment.
- Deleted by the First Amendment.
demolition and of the proceeds from the sale of the goods has to be prepared. In cases where the proceeds of the auction sale happen to be less than that amount to be incurred in demolishing, the difference has to be considered as the minimum price and the process of public auction has to be followed. If the proceeds of the auction sale happens to be more than the expenditure to be incurred in demolition, the difference has to be considered as the minimum price and the action of auctioning has to be taken.

105. **Valuation of the Goods Seized:** In auctioning any machine, equipment and goods seized owing to any reason whatsoever, the concerned Ministry shall form a valuation committee and auction them pursuant to this Rules. In so forming the committee, a representative of the Funds and Accounts Comptroller Office shall also be included.

106. **Provision on Sale:** The goods produced by a project or Office of Government of Nepal shall be sold as prescribed by the concerned Ministry.

**Chapter-10**

**Provisions relating to Deposit**

107. **Deposit Account:** (1) Each Office which holds deposits shall pay such deposits into the account opened with the bank specified by the Office of the Financial Comptroller General or the concerned Funds and Accounts Comptroller Office. The deposit account so opened by each Office shall ordinarily be only one.

* Inserted by the First Amendment.
(2) In depositing moneys into the deposit account referred to in Sub-rule (1), the concerned person shall fill up two copies of the voucher as prescribed by the bank and deposit the same in the bank account.

(3) Out of the two copies of the voucher as referred to in Sub-rule (2), the bank shall give one copy to the concerned person. The cash receipt of that voucher has to be obtained by surrendering the voucher to the concerned Office. In the case of the voucher to be submitted along with a sealed tender, the cash receipt has to be obtained after opening the tender.

(4) The deposit account as referred to in Sub-rule (1) shall be operated with the joint signature of the Office In-charge and the chief of financial administration section. The Office In-charge may, as per necessity and under his own responsibility, operate, or cause to be operated, the deposit account with the signature of any officer subordinate to him and of the chief of financial administration section or an employee designated by him.

108. Payment of Deposit: A deposit may be deposited in the following circumstances:

(a) To pay in advance the revenue payable to Government of Nepal,

(b) To pay in advance the revenue payable to Government of Nepal prior to making a decision as to how much revenue has to be paid,

(c) To deposit the sum specified by the concerned Office to take part in the tender or auction sale,

(d) In the event of a term to pay any sum as an advance deposit prior to carrying out any work, to fulfill such a term,
(e) To pay security deposit/bail required by Government of Nepal or any court or Office,

(f) If a deposit has to be furnished for any other reason, to pay such amount.

109. **Payment of Deposit Into Revenue**: In cases where the deposit has to be paid into the revenue account pursuant to the prevailing law or the terms of the contract after fulfilling the purpose for which the deposit was furnished, the concerned official has to make a decision and pay such deposit into the revenue account within the time-limit, if any, specified in the prevailing law or in such terms of the contract and within Fifteen days if no such time-limit is specified.

110. **Forfeiture of Deposit**: If any deposit or security (guarantee) furnished to meet the requirement of furnishing such deposit or security to do any work has to be forfeited pursuant to the prevailing law or the terms of the contract because of failure to complete such a work, the Office In-charge shall make decision and forfeit the sum of such deposit or security.

(2) If any government due has to be realized from the person getting refund of the deposit pursuant to Rule 111, such a due shall be realized by deducting it from the deposit to be refunded to such person.

(3) The sum forfeited or deducted pursuant to Sub-rules (1) and (2) shall be paid into the revenue account.

(4) The information of forfeiture or deduction made pursuant to Sub-rules (1) and (2) shall be given to the concerned person having furnished the deposit.

* Inserted by the First Amendment.
111. **Refund of Deposit Sum**: (1) In cases where any deposit furnished with any Office is neither to be paid into the revenue account pursuant to Rule 109 nor to be forfeited or deducted pursuant to Rule 110, the concerned person shall be entitled to have such deposit refunded to him.

   (2) The person entitled to the refund of deposit pursuant to Sub-rule (1) shall, in order to get the refund of the deposit, have to make an application, accompanied by the cash receipt, to the concerned Office within the time-limit, if any specified by the prevailing law for getting refund of a deposit, and if no such time-limit is so specified, within One year of the date of final closing of the action relating to that work for which the deposit was furnished.

   Provided that, in the case of the sum deducted by the Office itself and furnished as deposit, the submission of cash receipt shall not be required.

   (3) If the concerned person does not come to have refund of the deposit within the time-limit as referred to in Sub-rule (2), the Office In-charge shall pay the deposit into the revenue by following the procedures as referred to in Rule 112.

112. **Procedures for Paving Into Revenue** : (1) Out of the deposits furnished prior to the commencement of these Rules, other deposits than those of which purpose are yet to be met shall be so paid into the revenue that such deposits shall be refunded as and when claims for their refund are made along with the evidence. The provisions of Rule 11 shall apply to the deposits of which purposes are yet to be met.

   (2) The amount which is deposited in the bank account but which does not appear to have been accounted for in the deposit account of the Office or which is lying in the bank account without even being clear as
to who has furnished it for what purpose or which is more in the total balance in the bank than that in the deposit account of the Office shall be paid into the revenue account within the period mentioned in Sub-rule (3) of Rule 116.

113. **Account of Deposit Transactions**: (1) Each Office In-charge shall maintain the accounts of transactions of deposits paid into the deposit account of his Office, by updating the general deposit account in the format as referred to in Schedule-9 and personal deposit account in the format as referred to in Schedule-10. In addition, a separate bank cash-book of the deposits as well should also be maintained and liability carried over each year.

(2) Each Office shall forward an inventory of the deposits paid into the deposit account of that Office within Seven days of the expiration of a month and financial statement of the deposits within Thirty-Five days of the expiration of the Fiscal Year to the concerned Funds and Accounts Comptroller Office and the concerned Ministry or Department. The Ministry or Department shall prepare the annual statement on the basis of the statement of deposits obtained from the subordinate bodies and submit it to the Department of the Auditor General and Office of the Financial Comptroller General.

(3) The concerned Funds and Accounts Comptroller Office shall, on Four monthly and yearly basis, prepare a district-wise statement of deposits on the basis of the statements of deposits obtained from the concerned Offices pursuant to Sub-rule (2) and submit that statement to the Office of the Financial Comptroller General. The Office of the Financial Comptroller General shall prepare the central statement of deposits on that basis.
(4) Each Office shall update the accounts of deposits and carry over the liability of deposits remaining in one Fiscal Year to that for the other Fiscal Year.

114. **Audit of Deposit Transactions**: The final audit of the deposit transactions shall be carried out by the Department of the Auditor General. The internal audit shall be carried out by the concerned Funds and Accounts Comptroller Office.

115. **Prohibition on Expenditure of Deposits for Another Purpose**: (1) No amount received for deposit shall be spent in any other work except in the work mentioned in these Rules. If it appears to have been spent in any such other work, the concerned Funds and Accounts Comptroller Office shall write it to the Pertinent Superior Office. If it appears to have been spent for personal purpose or it has not been deposited within the specified time-limit pursuant to these Rules, then the amount in question as well as a fine of a sum equal to that amount in question shall be recovered from the Office In-charge and the chief of financial administration section on pro rata basis. The fine so recovered shall be paid into the revenue account.

(2) A separate account shall be opened with the permission of the concerned Funds and Accounts Comptroller Office for any deposits to be furnished for any special purpose specified by the Office of the Financial Comptroller General, and expenditure shall be made by fulfilling the procedures established by that Office.

116. **Reconciliation of Bank Amount of Deposits**: (1) Amount shall be reconciled by obtaining bank statement of the deposit account from the bank and verifying the ledger balance amount and the bank balance on a monthly basis.
(2) In respect of the deposit amount that has been credited to the deposit ledger but short-fallen in the bank balance, the concerned Department or Ministry shall inquire into whose recklessness is responsible therefor, take departmental action against the person having committed such recklessness and recover that amount from him.

(3) In respect of the amount which is not recorded as credited to the deposit ledger but has been deposited in the bank account, if the evidence of deposit be not submitted by the concerned person within Ninety days of the deposit of the amount, such an amount shall be written off and deposited in the revenue account.

117. **Deposit Account of Office Not In Existence** : (1) If the deposit remains balance even upon completion of any project or dissolution of any Office, the deposit account shall be closed, and the deposit accompanied by a statement thereof, handed-over to the Pertinent Superior Office or to the Office assuming the liabilities or responsibilities of that project or Office as specified by the Pertinent Superior Office; and the Office which takes over it shall maintain records thereof and take action on settlement of deposits.

(2) *The Fund and Accounts Comptroller Office shall, at one time, publish a notice, setting out the details available for making a claim for the refund of the deposits lying in the deposit accounts with different banks in the name of any Office which was not in existence and in the name of any Office of which liability has not been transferred to any other Office prior to the commencement of these Rules.* *It may order the concerned bank to deposit into the revenue account if claim for refund of such deposit is not made within the time-limit.*

*Amended by the First Amendment.*
118. **Alternative Provision May Be Made**: Notwithstanding anything contained elsewhere in these Rules, the Office of the Financial Comptroller General may make necessary provision in such a manner as to operate the deposits of all the Offices situated in the district through the Funds and Accounts Comptroller Office of the concerned district in an integrated manner or to make any other alternative provision in this respect.

Chapter – 11

Provisions relating to Settlement of Advances

119. **Giving and Settling Advance**: (1) In cases where any governmental or any other person has to take an advance for a governmental business, he has to submit a statement as to how much amount he needs for what business.

   (2) The Office In-charge shall, on the basis of the statement received pursuant to Sub-rule (1), have to give an advance by recording the designation and purpose, in the case of an employee seeking the advance, and by clearly recording, in the case of any other person, three-generation, permanent and temporary address of that person.

   (3) It shall be the duty of both the advance giving and the advance receiving parties to settle and get settled the advance given pursuant to Sub-rule (2) within the time-limit specified in these Rules by following the procedures mentioned in these Rules. The Office shall settle up the advance within Twenty-One days after the statement, accompanied by the bills and vouchers of the advance, has been received in the Office. If, in making settlement, the budget is not sufficient to cover it, the figure of amount to be paid has to be ascertained by verifying and examining the
bills and vouchers received, and the amount due to be paid after settlement of the advance has to be entered in the subsidiary account note of outstanding payment.

(4) The Office In-charge shall give an advance in respect of ration contract advance, in accordance with Chapter–8 and shall, in cases other than that, give an advance, against the bank guarantee, of up to Twenty per cent of the contract price for the purpose of meeting expenses or procuring new equipment in cases where any contract agreement except the ration contract contains the provision of giving advances and the contractor demands for the advance. In cases other than that, no advance shall be given without the decision of the concerned Secretary.

(5) It shall be the responsibility of the Office In-charge and the chief of financial administration section to deduct the advance given pursuant to Sub-rule (4) from each running bill by the percentage as mentioned in the contract agreement.

120. **Advance for Daily and Travelling Allowance**: Any governmental employee and any other person assigned on travelling deputation within Nepal or abroad in the course of a governmental business shall be given an advance not exceeding the total amount of the daily and travelling allowance and other amounts, if any, to which he is entitled pursuant to Chapter–16; and the concerned employee and person shall also submit the statement and settle the advance taken by him no later than Thirty-Five days from the date of his return from the travelling to his Office or place or his completing the travelling. In cases where the statement is not submitted within the time-limit, there shall also be charged

\[\text{Amended by the First Amendment.}\]
ten per cent interest on the due and payable advance amount for the period running from the expiration of the time-limit.

121. **Advance on Procurement of Goods**: (1) If any governmental Office has to procure goods within Nepal or from abroad, it shall procure such goods by fulfilling the requirements referred to in these Rules. In so procuring the goods, payment shall be made directly to the concerned seller.

   (2) If the goods cannot be obtained pursuant to Sub-rule (1) and any employee of the concerned Office has to be given an advance and sent to procure such goods, then the advance may be given with the consent of the Office In-charge, setting out reasons for giving such advance.

   (3) The employee who receives the advance amount to procure the goods pursuant to Sub-rule (2) shall submit the bills and vouchers, along with the goods, to settle that advance no later than Seven days of his returning to the Office after procuring the goods.

   (4) If any employee of an Office has to be given advance and sent to procure the goods pursuant to this Rules, ordinarily the Office In-charge and the chief of financial administration section shall be supplied with the advance and sent to procure them.

122. **Settlement of Advance In Procuring Goods Through Letter of Credit**: (1) Any governmental Office shall, in procuring goods through a letter of credit, settle the advance of the letter of credit within Thirty days of the date of receipt of the goods in that Office.

   (2) If the goods cannot be procured from the concerned seller providing the goods or the goods cannot be received within the time
specified for the provision of goods, the letter of credit shall ordinarily be
cancelled, and the advance received to open the letter of credit shall be
settled by getting refund of the amount deposited in the bank therefor.

(3) In procuring goods through the letter of credit, records thereof
shall be maintained in the format as referred to in Schedule–11.

123. **Advance To Be Given to Person Firm, Company or Organization:** (1) any governmental Office shall, while giving an
advance to any person, firm, company or organization for procuring
goods, services or for any construction works, take a bank guarantee
pursuant to these Rules.

(2) In executing a bond of the contract in respect whereof an
advance has to be given, it shall be mentioned in the terms of the bond
that if the advance remains due because of non-completion of the work
within such time-limit as specified for the work to be completed, the
principal of such an advance and an interest thereon at the rate of Ten per
cent with effect from the expiration of the time-limit of such advance
shall be paid.

(3) In cases where any advance, except an advance to be given as
per the term of the bond and an advance to be given for travelling, has to
be given in a manner that it will not be settled by the end of the current
Fiscal Year, the Office shall give it only after obtaining the approval of
the Funds and Accounts Comptroller Office located in its district.

124. **Prohibition on Giving Advance or Payment Into Deposit Account** : No advance shall be given to any one nor shall any amount be
paid into the deposit account only for the purpose of preventing the
budget from being frozen because of non-completion of the work by the
end of the Fiscal Year.
125. **Departmental Action**: (1) If any governmental employee or any other person having received an advance of governmental amount does not settle the advance within the time-limit specified in these Rules, the due advance as well as an interest thereon at the rate of Ten per cent per annum with effect from the expiration of the time-limit shall be recovered; and if such employee has taken an unnecessary advance or becomes reluctant in settling the advance or does not submit the statement within the time-limit, his salary shall be withheld and departmental action may be taken against him if he becomes so reluctant even after withholding the salary. In the case of any person other than a governmental employee, the advance along with the interest shall be realized as governmental dues, by also issuing a public notice.

(2) After receiving necessary statement on the advance from the person having taken the advance or obtaining or availing the goods or services from, or completing the work required to be completed by, the person, firm, company or organization who is to supply such goods or services or complete other governmental work, the advance shall be settled by debiting the amount equal to the advance. In cases where the budget is not sufficient to make additional payment, there shall be maintained the records of the amount remained outstanding for payment of such amount as covered by the budget.

126. **To Carry Over Liability of and Hand Over Charge of Amount Remained Unsettled**: (1) If the advance amounts given in one Fiscal Year for a governmental business cannot be settled in that Fiscal Year, the Office In-charge shall carry over and certify the liability in other Fiscal Year, setting out an extensive list of the outstanding advance amounts as well as the purposes for which such advance amounts were
given. The advance amounts so carried over shall be settled pursuant to this Rules.

(2) The Office In-charge shall, in being transferred promoted or getting retirement or leaving the Office for any other reason or being retired from the service, have to hand over the statement of the advance amounts remained to be settled.

127. **Inventory of Advance To Be Submitted** : (1) The Responsible Person shall, while submitting the statements and books of account for the month of *Ashad* of each Fiscal Year, submit to the concerned Department or Ministry an inventory of the advances remained to be settled, out of the advance given throughout that Fiscal Year and the advance of the previous year of which liability has been carried forward, and out of the advances remained to be settled, description of the advances of which time-limit for settlement has expired and of which time-limit not expired, as well as detailed records thereof and reasons therefor.

(2) Upon receipt of the inventory of the advances pursuant to Sub-rule (1), the concerned Department or Ministry shall maintain records of the advances and take action pursuant to Rules 125 and 130 against those who do not settle, or cause to be settled, the advances.

128. **Power to Extend Time-limit**: (1) If anyone makes an application, accompanied by a reasonable reason for being unable to settle an advance within the time-limit specified in this Rules, the Office In-charge may extend the time-limit for a maximum period of Twenty-One days. In cases where the time limit has to be extended for a period more than that, only the Department or Ministry may make such an extension.
(2) If there occurs a special circumstance requiring the extension of the time-limit for settlement of the advance taken in accordance with the specified term following the acceptance of the contract of any work, the Office has to obtain sanction from its Pertinent Superior Office; and if the validity period of the guarantee (security) expires prior to the time-limit so extended, the validity of the guarantee as well shall be got extended accordingly.

129. **Advance for Deposit** : (1) Each governmental Office shall forward the statement of the moneys deposited for the telephone, water, electricity and similar other facility, to the concerned Funds and Accounts Comptroller Office, in the format referred to in Schedule–12. Upon receipt of such statement, that Office shall prepare a separate inventory/statement of such deposits and give a notice thereof to the concerned Office. The Funds and Accounts Comptroller Office shall maintain inventory thereof in the format referred to in Schedule–13.

(2) Upon receipt of the notice pursuant to Sub-rule (1), the concerned Office shall indicate "settled" in its advance account.

130. **To Monitor About Advance** : (1) The chief of financial administration section shall prepare a list of advances and submit it to the Office In-charge within Seven days of expiration of a month so as to provide information as to whether the advances have been settled pursuant to this Rules or not and to get the advances settled in time. The Office In-charge and the chief of financial administration section shall appraise it and carry out settlement thereof.

(2) The concerned Funds and Accounts Comptroller Office shall, in carrying out internal audit, examine, *inter alia*, whether the liability of
advances has been carried forwarded or not, whether advances have been settled within the time-limit or not, and submit the audit report.

(3) The Pertinent Superior Office shall, on the basis of the report received pursuant to Sub-rule (2), take action pursuant to the prevailing law.

Chapter – 12

Central Accounts, Financial Statement and Work

Completion Report

131. **Monthly and Yearly Statement to be Prepared and Submitted**:

(1) Each Office shall prepare and forward the statement of expenditure, inventory of advances due to be settled and bank statement to the concerned Funds and Accounts Comptroller Office and the Pertinent Superior Office which maintains the central accounts pursuant to Rule 133.

(2) The projects or Offices containing foreign assistance shall, in forwarding the statement pursuant to Sub-rule (1), fill the statement of commodity aid, direct payment, turnkey basis assistance, technical and other assistance and reimbursable amounts as well, in the form approved by the Department of the Auditor General and forward the same accordingly.

(3) Each Office shall prepare and forward the yearly financial statement to the concerned Funds and Accounts Comptroller Office and the Pertinent Superior Office within Thirty-Five days of the expiration of a Fiscal Year. The statement as referred to in Sub-rule (2) shall also be forwarded along with such financial statement.
132. **Verification of Financial Statement**: The concerned Funds and Accounts Comptroller Office shall verify the statement submitted pursuant to Sub-rules (2) and (3) of Rule 131 with the annual budget, budget transfer, sanctioned amount, expenditure, balance amount and bank statement as well and forward two copies thereof to the Office of the Financial Comptroller General within the time specified by the Office of the Financial Comptroller General and one copy to the concerned Department or Ministry or the Pertinent Superior Office which maintains the central accounts.

133. **Obligation to Maintain Central Accounts**: The central accounts shall be maintained as follows on the basis of the statements received from the concerned Office and the Funds and Accounts Comptroller Office pursuant to this Rules:

(a) The Department, if any, and, if there is no Department, the concerned Ministry or constitutional body and organ shall maintain the central accounts.

(b) Any Ministry with a Department shall obtain the central financial statement from the Department and prepare the central statement under the Ministry in every Four months. Accordingly, the Department shall prepare the financial statement and submit it to the Ministry. Any Ministry without a Department and the constitutional body and organ shall maintain the central accounts pursuant to this Rules.

(c) The Office of the Financial Comptroller General shall prepare an annual central statement of the amount sanctioned towards cash and of the expenditure, based on the statements received from the Funds and Accounts Comptroller Offices.
(d) The Ministry shall, in preparing the yearly central statement, verify the sanction towards cash and expenditure with that of the Office of the Financial Comptroller General, also integrate the statement as referred to in Sub-rule (2) of Rule 131, prepare the central annual financial statement under the Ministry and submit to the Department of the Auditor General and the Office of the Financial Comptroller General as well within the last day of the month of Kartik (Nov. 15/16).

(e) Upon receipt of the statement referred to in Clause (d) from the Ministry, the Office of the Financial Comptroller General shall maintain central accounts of cash, direct payment and commodity loan or assistance as well, prepare an integrated yearly financial statement and submit it to the Department of the Auditor General within the last day of the month of Poush (Jan. 12/13).

134. Preparation of District-wise Statement: (1) The Funds and Accounts Comptroller Office shall, on the basis of the sanction given to the district-based Offices, prepare sub-head-wise or office-wise statement of sanctions, towards resources of Government of Nepal, towards grant assistance and towards loan assistance, to each Ministry or constitutional body and organ, and submit it to the Office of the Financial Comptroller General within Seven days of the expiration of a month.

(2) The Funds and Accounts Comptroller Office shall verify the monthly statement, received pursuant to Sub-rule (1) of Rule 131, with its records, prepare sub-head wise or office-wise statement of cash sanction and expenditure of each Ministry or constitutional body and organ and submit it to the Office of the Financial Comptroller General.
(3) Upon receipt of the financial statement referred to in Sub-rule (3) of Rule 131, the Funds and Accounts Comptroller Office shall verify it with its records, examine any other matter, if any, required to be examined, and prepare district level annual financial statement on the basis of that financial statement and forward it to the Office of the Financial Comptroller General.

(4) Based on the financial statement of revenues and Deposits received from the Offices, the Funds and Accounts Comptroller Office shall prepare district-wise annual financial statement and submit it to the Office of the Financial Comptroller General.

135. **Submission of Accounts and Financial Statement** : It shall be the duty of each Office In-charge to submit the accounts and financial statements to the concerned body or Office pursuant to this Rules and to submit such periodic accounts and financial statements and details of foreign assistance as well, as required by the Office of the Financial Comptroller General and the concerned Funds and Accounts Comptroller Office. Departmental action may also be instituted against that Office In-charge who fails to submit the accounts and financial statements pursuant to these Rules within the specified time-limit except for any reasonable reason.

136. **Annual Financial Transactions and Report** : (1) Each Office shall prepare an annual report of its financial transactions (cash, goods in-kind, income-expenditure) carried out within the period of one Fiscal Year in the format as referred to in Schedule–14, and forward Two copies of the report to the concerned Funds and Accounts Comptroller Office and one copy to the Pertinent Superior Office within Twenty-One days of the expiration of the Fiscal Year.
(2) If any governmental fund other than the appropriated fund, revenue and deposit fund is operated in any Ministry or Office thereunder, financial statements of annual income-expenditure of that fund shall be forwarded to the Office of the Financial Comptroller General and Department of the Auditor General.

(3) The Office of the Financial Comptroller General shall make, and cause to be made, necessary verification of the statement received pursuant to Sub-rule (2), if such verification is required, and forward an integrated statement to the Department of the Auditor General.

(4) The concerned Funds and Accounts Comptroller Office shall forward one copy of the report submitted pursuant to Sub-rule (1) to the Office of the Financial Comptroller General.

(5) In cases where the time limit referred to in Sub-rules (1) and (2) be insufficient, it may be extended for another period of Thirty-Five days in maximum with the approval of the Departmental Head or Secretary of the Ministry or administrative chief of a constitutional organ and body.

137. **Submission of Annual Work Completion Report**: (1) Each Office shall, no later than Three months of the expiration of a Fiscal Year, prepare annual work completion report containing the following matters and submit it to the concerned Ministry through the concerned Department and one copy thereof to the concerned Funds and Accounts Comptroller Office. Such a report shall also be accompanied by a duplicate copy of the report referred to in Rule 136.

(a) Date of preparation and submission of the budget and programme,
(b) Date of submission of financial statements to the concerned Office,

c Date of submission of financial statements for audit, and Office to which they have been submitted,

(d) Audited figure of revenue, deposit appropriated,

(e) Total irregular amount,

(f) Date of receipt of letter of irregular amount,

(g) Date of submission of reply with respect to irregular amount;

(h) Amount verified by settling irregular amounts in the current year,

(i) The total figure of irregularity comprising the existing figure of irregularity and that subsequently come out, and how much amount out of such amounts has been verified and settled,

(j) Whether the records of irregular amounts are updated or not, if updated, to which budget sub-heads of the budget of which year they belong,

(k) For how many times the goods in-kind have been verified/inspected, dates thereof,
(l) Whether the goods in-kind were repaired, maintained or auctioned off or not, if so repaired, maintained or auctioned off, the date thereof and if not, reasons therefor,

(m) Description of goals of specific functions or programmes of the Office, and progress thereof,

(n) Whether sanction was given by the Pertinent Superior Office or Department on financial transactions in time or not,

(o) Date on which the Office was inspected in accordance with the Office inspection rules,

(p) Statement of penalty and punishment imposed on the persons having not carried out the functions and prize to those having carried out a special work,

(q) Total expenditure incurred subject to reimbursement from the Donor Party, the amount requested to be reimbursed and date, amount reimbursed and date, amount due to be reimbursed and reasons therefor.

(2) Upon receipt of the work completion report referred to in Sub-rule (1), the concerned Funds and Accounts Comptroller Office shall study and investigate the matters related with its area and forward it,

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a Amended by the First Amendment.
accompanied by its comment or opinion, to the Pertinent Superior Office of the concerned Office within One month.

(3) Upon receipt of the report pursuant to Sub-rules (1) and (2), the concerned Ministry shall evaluate the work performance and give reward or prize where encouragement has to be given, require explanation where work is not satisfactory, and give necessary direction.

(4) If the work cannot be completed within the time-limit referred to in Sub-rules (1) and (2), approval for time extension may be obtained from the official referred to in Sub-rule (5) of Rule 136.

Chapter -13

aProvision relating to Rate of Construction Materials and Rent

138. **Fixation of Rate of Construction Materials** : (1) There shall be formed in each district a construction material rate fixation committee comprising the following members to fix the rate of construction materials applicable for any particular Office or for the whole of the district or applicable distinctly for any part of the district:

(a) Chief District Officer - Chairperson

(b) In-charge, Funds and Accounts Comptroller Office - Member

(c) Local Development Office - Member

Amended by the First Amendment.
(d) One member of the District Development Committee designated by the District Development Committee - Member

(e) Representative of the Federation of Construction Entrepreneurs - Member

(f) Representative of the Chamber of Commerce and Industry - Member

(g) Chief, District Housing and Urban Development Office - Member

-Secretary

(2) The committee referred to in Sub-rule (1) shall, in fixing the rate of construction materials and wages, fix it on the basis of the prevailing market rate. The rate to be so fixed shall have been fixed within the month of Shrawan (July/August). If the rate cannot be fixed for any reason within that time-limit, the existing rate shall prevail.

(3) The rules of procedures of the meeting of the committee referred to in Sub-rule (1) shall be as determined by the committee itself.

138A. **House Rent Fixation Committee** : (1) If an house is to be hired for purposes of any governmental office, it has to be hired at the rate fixed by the house rent fixation committee consisting of the following members:

(a) Chief District Officer - Chairperson

-Inserted by the First Amendment.
(b) In-charge, Funds and Accounts Comptroller Office - Member

(c) In-charge, District Housing and Urban Development Office - Member

(d) The concerned Office In-charge - Member-Secretary

(2) The committee referred to in Sub-rule (1) shall fix the house rent on the basis of the prevailing rate.

(3) Approval of the Ministry of Finance shall be required to make addition to the rate of the rent fixed by the committee referred to in Sub-rule (1).

(4) The procedures on the meeting of the committee referred to in Sub-rule (1) shall be as determined by the committee itself.

-138B. Power to Hire Motor Vehicle, Machinery, Tools and Equipment : (1) If it be more cost effective, achievement-oriented and timely performance to hire a motor vehicles, machineries, tools and equipment rather than to procure them, the concerned Ministry may form a committee consisting also of technicians, and may hire them on the recommendation of that committee.

(2) The committee referred to in Sub-rule (1) may, as per necessity, invite any expert at its meeting.

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- Inserted by the First Amendment.
(3) The procedures on the meeting of the committee referred to in Sub-rule (1) shall be as determined by the committee itself.

(4) The procedures referred to in Rules 66, 71, 72 and 73 shall be fulfilled while hiring a motor vehicle, machinery, tools and equipment pursuant to this Rule.

139. **Prohibition on Addition to the Fixed Rate:** (1) No wage shall be given in excess of the rate fixed by the construction material and wage rate fixation committee pursuant to Rule 138.

(2) Notwithstanding anything contained in Sub-rule (1), if any skilled labour is required for a work but it is not possible to get such skilled labour at the rate of wages fixed by the committee referred to in Sub-rule (1) of Rule 138, the concerned Office In-charge or project chief may, with the approval of that committee, engage such skilled labour in the work, paying the wages at the rate fixed on the basis of the agreement.

Provided that, if it is not possible to obtain prior approval of the committee in the event of existence of a situation affecting the work, it may also got endorsed subsequently.

140. **Notice of the Fixed Rate to be Given:** The concerned Chief District Officer shall give a notice of the rate fixed pursuant to Rule 138 to all the Offices within his district and an information thereof to the Funds and Accounts Comptroller Office, and the Department of the Auditor General and the Ministry of Works and Transport, as well.

141 **Power of Government of Nepal to Give Direction:** Government of Nepal may give necessary direction to the committee formed pursuant to Rule 138.

**Chapter-14**

[168]
Provisions Relating to Accounts, Audit and Settlement of

Audit Objection (Irregularity)

142. To Maintain Accounts of Transactions: (1) Each Office shall maintain accounts of the appropriated amount, revenue, deposit, goods in-kind and other income and expenditure in the format approved by the Department of the Auditor General. Even the documents verified and certified with the accounts have to be maintained orderly.

(2) In the case of a project operated with a foreign assistance, in addition to the accounts approved pursuant to Sub-rule (1), subsidiary accounts as specified by the Office of the Financial Comptroller General shall also be maintained. Such statement as required for the Donor Party shall on the basis thereof be submitted in time.

(3) Maintaining and submitting the accounts of commodity aid, direct payment, turnkey, technical assistance shall be as specified by the Office of the Financial Comptroller General.

(4) The Offices shall follow such manuals on accounting as approved and sent by the Office of the Financial Comptroller General from time to time.

(5) The Office In-charge shall frequently examine whether the books of accounts are updated or not. He shall personally visit or depute any other person to visit any Offices, if any, under his Office and carry out, or cause to be carried out, internal examination and inspection.

(6) The Office of the Financial Comptroller General and the concerned Funds and Accounts Comptroller Office may causally or from time to time examine as to whether the books of account required to be
maintained by any Office have been maintained accurately or not, whether cash balance is accurate or not. A report of such examination as well as the matter of a fine, if any, required to be imposed for not maintaining the accounts accurately, has to be forwarded to the Chief of Pertinent Superior Office of the concerned Office. The Pertinent Superior Office shall, no later than Seven days of the receipt of such report, give necessary direction to, or take necessary action against, the concerned Office In-charge.

(7) If any remark is made in carrying out examination pursuant to this Rules, the Office In-charge or Departmental Head, shall take action as follows and give information thereof to the Department of the Auditor General and the Office of the Financial Comptroller General:

(a) In cases where an inventory of cash and good in-kind is omitted to be established, to require to establish the inventory within Three days.

(b) In cases where the inventory of cash and goods in-kind has been maintained in an underhand/haphazard way causing loss and damage to Government of Nepal, to recover the amount of such loss within Fifteen days, and to forthwith recover it as governmental dues pursuant to the prevailing law if such loss cannot be recovered within Fifteen days.

143. **Submission of Accounts or Account Statements**: (1) The accounts or account statements shall be submitted in accordance with the provisions, if any, made elsewhere in this Rules in respect of submission
of accounts or account statements, and as per the following if no such provision has been made:

(a) The statement required to be forwarded daily, on the following day,

(b) The statement required to be forwarded weekly, within Three days of expiration of that time,

(c) The statement required to be forwarded monthly, within Seven days of expiration of the month,

(d) The statement required by the Department of the Auditor General or the Ministry of Finance or the Office of the Financial Comptroller General or the concerned Funds and Accounts Comptroller Office or the Pertinent Superior Office concerned, Department or official, within the time-limit mentioned in the requisition letter,

(e) The statement required to be forwarded upon obtaining it from any other body, within Three days of receipt of such statement.

(2) In the event of failure to forward the statement within the time-limit as mentioned in Sub-rule (1), a submission, setting out the reasons for such failure, shall be made to the chief of the body requiring it, in the case of a statement required to be forwarded occasionally, and to the chief of Pertinent Superior Office, in the case of a statement required to be forwarded regularly, for extension of the time-limit; and it shall be done accordingly as sanctioned.
144. **Action against the Person who Fails to Maintain Accounts or Submit Report:** The Accounts Responsible Officer shall impose on the responsible concerned Office In-charge and the chief of financial administration section who do not maintain accounts or submit reports of revenue, appropriation, deposit etc. required to be maintained and submitted pursuant to this Rules, a fine of up to Five per cent of the amount of which accounts have not been maintained, in the case of failure to maintain the accounts, and a fine of a sum equal to the salary of Seven days in the case of failure to submit reports.

145. **Internal Audit:** (1) It shall be the obligation of the concerned Office In-charge and the chief of financial administration division or section to update the accounts of the revenue, deposit, appropriated amounts of their Office as well as of the Offices under their Office, to get such accounts audited internally, and to update the accounts by regularizing the irregularities or errors detected from the internal audit if they are required to be so regularized or by submitting any evidence, if such evidence is required to be submitted or by recovering, if they are required to be recovered, prior to the final audit, and enclosing the evidence thereof with the related accounts and to have the final audit.

(2) The Office In-charge himself shall regularize the amounts which he is empowered to so regularize and submit those amounts which he is not empowered to do so to the Pertinent Superior Office in time. The Pertinent Superior Office shall also regularize or cause to be regularized such amounts required to be regularized. In the event of failure to do so, the pertinent Ministry, Department or concerned Office In-charge shall be responsible therefor.

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a Amended by the First Amendment.
(3) The Funds and Accounts Comptroller Office which carries out the internal audit shall forward a reference copy of the irregularities detected from the internal audit to the Pertinent Superior Office as well. The Pertinent Superior Office shall monitor whether such irregularities have been settled or not.

(4) In cases where the irregularities detected from the internal audit cannot be settled by procuring evidence thereof prior to the final audit for any special reason, a written explanation also setting out that matter shall be given to the final auditor.

(5) The irregularities detected from the internal audit and yet to be settled shall be given to the final auditor pursuant to Sub-rule (4). The internal audit irregularities shall cease to remain after the final audit has been performed.

(6) The Office of the Financial Comptroller General shall prepare and enforce an internal audit manual.

146. Final Audit: The Office In-charge shall "… … … have to submit the accounts and financial statements as specified by the Department of the Auditor General and get the same audited finally.

147. Responsibility for Settlement of Irregularities: (1) It shall be the obligation of the Accounts Responsible Officer to see whether the Office In-charge or the Responsible Person has settled the irregularities or not, and get the same settled pursuant to the prevailing law, if they have not been settled.

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a Amended by the First Amendment.

* Deleted by the First Amendment.
(2) It shall be the obligation of the Responsible Person or the Office In-charge to settle the irregularities set from the audit by submitting evidence or by regularizing or recovering the same.

(3) Where the Responsible Person or the Office In-charge or employee with the obligation to settle the irregularities has to leave the Office by being transferred, promoted or retired, he shall hand over the inventory of the irregularities yet to be settled and all the details on the action relating to the transactions to the successor; and the successor shall also take over the inventory of the irregularities yet to be settled and all the details on the action relating to the transactions, and settle, and cause to be settled, the irregularities on the priority basis.

148. **To Make Reply By Taking Action on Settlement of Irregularities:** (1) After a letter has been received from the concerned auditor or the Office carrying out the audit in respect of the irregularities detected from the internal audit or the final audit, the irregularities should be settled within the time-limit, if any, specified in that letter and within Thirty-Five days if no such time-limit is specified in that letter, by regularizing the irregularities if they have to be regularized, by submitting necessary evidence if any evidence has to be submitted or by recovering them if they have to be recovered or by giving clear reply if they have to be made clear through such reply; and a reply to that letter shall be given to the auditor or the Office carrying out audit within Thirty-Five days. If anything needs to be made clear in respect of the transactions and evidence, the auditor may immediately get reply through a letter regotary.

(2) If the irregularities cannot be settled pursuant to Sub-rule (1), a requisition, accompanied by the reasons therefor, shall be made to the body having written the letter on irregularities for time extension and the
irregularities shall be settled by completing that act within the time-limit extended by that body.

(3) A reference copy of the action and reply as referred to in Sub-rule (1) or (2) shall be given to the Pertinent Superior Office.

(4) The Chief of Pertinent Superior Office may, pursuant to Section 33 of the Act, impose a fine on, or may, pursuant to the prevailing law relating to the service, take departmental action against, or may take both actions against, the person who does not take action on settlement of irregularities pursuant to Sub-rules (1) and (2) and whose reply even if made is not satisfactory.

(5) "… … …

(6) The Accounts Responsible Officer shall submit the irregularities remained to be verified within the time mentioned in subsection (1) of Section 19 of the Act to the irregularity settlement committee as referred to in Section 23 of the Act, and get them settled and cross off their records.

(7) The information on the irregularities which the irregularity settlement committee has decided to settle and which has been recovered and settled by the Central Revenue Collection Office shall be given to the Department of the Auditor General.

149. **Provisions relating to Settlement of Irregularities:** (1) The Accounts Responsible Officer for accounts shall himself regularize those irregularities which he may regularize pursuant to the prevailing law.

*[Deleted by the First Amendment.]*
(2) The Accounts Responsible Officer shall, in the case of those irregularities which he himself cannot directly regularize but he may regularize by inquiring any Office or authority or the concerned person or employee, regularize such irregularities by so holding inquiry.

(3) The Accounts Responsible Officer of the concerned Ministry, Secretariat or constitutional body and organ may, on the recommendation of the Office In-charge and the Departmental Head, regularize such irregularities as seem to have been irregular merely because of failure to meet the requirements to be met pursuant to the prevailing law but no governmental loss and damage has been caused therefrom. In so regularizing the irregularities, the reasons for not causing such loss and damage shall be made clear as far as possible.

(4) In cases where the Accounts Responsible Officer has a reasonable reason for regularizing the irregularities other than those mentioned in Sub-rules (1), (2) and (3) and remission has to be granted to regularize the same, the concerned Secretary or the administrative chief of a constitutional organ or body may remit a sum not exceeding One Hundred Thousand Rupees, the Secretary at the concerned Ministry or Secretariat may, on the advice of the Ministry of Finance, remit a sum more than that but not exceeding One Million Rupees, and the concerned Ministry or Secretariat may remit a sum exceeding that amount, with the consent of the Ministry of Finance and by getting a resolution adopted by the Council of Ministers to that effect. An action relating to such remission has to be completed within Two years of occurrence of the event.

150. **Irregularity Settlement Evaluation and Monitoring Committee:**
(1) Government of Nepal may form an irregularity settlement evaluation and monitoring committee to bring about effectiveness in the acts and
actions relating to settlement of irregularities by monitoring the settlement of irregularities \(^a\) carried out by the Office.

(2) The committee referred to in Sub-rule (1) shall consist of the following members:

(a) Chief Secretary - Chairman

(b) Secretary, Ministry of Finance - Member

(c) Secretary, Ministry of General Administration - Member

(d) The Comptroller General - Member

(e) A person nominated by Government of Nepal - Member

-Secretary

(3) The functions, duties and powers of the committee referred to in Sub-rule (1) shall be as follows:

(a) To examine and evaluate the irregularities set in carrying out audit by the Department of the Auditor General of the concerned Ministry, Secretariat or Department, and acts and actions relating to the settlement of irregularities,

(b) To require the chief of the Ministry, Secretariat or Department which settles the set irregularities in

\(^a\) Amended by the First Amendment.
lower level or does not settle them to appear before the committee and hold discussions with him,

(c) To direct the concerned Ministry to take action, on the basis of the evaluation, against the Office In-charge and the employee who do not settle or cause to be settled the set irregularities, and make recommendation to Government of Nepal to take departmental action against the Accounts Responsible Officer if he is found not to have taken action as per the direction so given,

(d) To give necessary direction to the concerned Ministry, Secretariat or Department to settle the irregularities, and monitor as to whether action on settlement of irregularities has been initiated or not, or the irregular amounts held to be recoverable have been recovered or not within the specified time or whether the same has been sent to the Central Revenue Collection Office or not,

(e) To prepare a progress report of the concerned Ministry, Secretariat or Department in respect of the acts and actions relating to settlement of irregularities in every Six months and submit such report to the Secretariat of the Council of Ministers and submit yearly report to the Council of Ministers,

\[\text{Amended by the First Amendment.}\]

\[\text{Inserted by the First Amendment.}\]
(f) The remuneration and facilities of the member-secretary shall be as prescribed by Government of Nepal.

(4) The committee formed pursuant to Sub-rule (1) may set its rules of procedure on its own.

(5) The secretariat of the committee shall be seated in the Ministry of Finance.

151. Duty of Accounts Responsible Officer: It shall be the responsibility of the Accounts Responsible Officer to maintain accounts and submit account statements and see and inspect whether audit has been done or not pursuant to this Rules, to make comments on the annual report of the Auditor General and to carry out, on cause to be carried out, actions relating to settlement of irregularities by taking part in the discussions held at the Public Accounts Committee of Parliament.

152. To Forward Inventory of Irregularities: (1) The concerned Office shall recover the amount held to be recovered. If the concerned Office fails to recover it within One year it shall submit it, accompanied by the reasons for failure to recover such amount despite its frequent actions. The Accounts Responsible Officer shall forward to the Central Revenue Collection Office an inventory, accompanied by the details so submitted, and filled in the format referred to in Schedule-15.

(2) The Central Revenue Collection Office shall examine the inventory received pursuant to Sub-rule (1) and maintain records thereof within Seven days if the inventory is found to meet the requirements and give information thereof to the concerned body. The concerned body

a Amended by the First Amendment.
shall, on the basis thereof, have to cross off, or cause to be crossed off, the inventory of its irregularities.

(3) If, in examining the inventory received pursuant to Sub-rule (1), there appears a mathematical error, the Central Revenue Collection Office shall write to the Accounts Responsible Officer for review.

153. Functions, Duties and Powers of Central Revenue Collection Office: The functions, duties and powers of the Central Revenue Collection Office shall be as follows, in addition to the functions, duties and powers mentioned in Section 30 of the Act:

(a) To recover and settle the amounts mentioned in the inventory received pursuant to Rule 152 for recovery,

(b) To withhold the salary, allowance, pension, gratuity of, and any amount whatsoever payable to, the Responsible Person, in the course of getting recovery of governmental amount,

-(b1) To recover in accordance with the procedures mentioned in this Rules if so mentioned in this Rules, and if not mentioned in this Rules, in accordance with the prevailing law,

-(b2) To update each year the inventory of the persons, firms, companies or organizations from whom governmental dues are recoverable of which records are maintained in the Office and of the amounts due and payable and send it to the concerned Ministry,

(c) To look for the assets of the Responsible Person or his guarantor and withhold and auction the assets, in the course of getting recovery of governmental amount, and

- Inserted by the First Amendment.
(d) To act as the secretariat of the irregularity settlement committee referred to in Section 23 of the Act.

154. **Process of Recovery Settlement by Central Revenue Collection Office**: (1) After an inventory has been received in the Central Revenue Collection Office to recover the governmental due amount as referred to in Rule 152 or the amount held to be recoverable pursuant to other prevailing law, the Central Revenue Collection Office shall send a notice to the Responsible Person to pay the amount within Thirty-Five days.

   **Explanation**: For purposes of this Rule, "responsible person", in the case of an organization or company, means the executive chief of that organization or company.

(2) If the Responsible Person, having been unable to pay the amount within the time-limit referred to in Sub-rule (1), makes a request, accompanied by sufficient reasons therefor, for extension of the time-limit, the Central Revenue Collection Office may extend the time-limit for up to Six months.

(3) The Central Revenue Collection Office may recover the amount from the Responsible Person who does not pay the amount even within the time-limit referred to in Sub-rules (1) and (2) by deducting the amount from the remuneration of the Responsible Person if he is a governmental employee, from the pension payable to the Responsible Person if he has already got retirement from the governmental service and from the amount, if any, due and payable by any governmental body to the Responsible Person if he is a non-governmental person.

[181]
(4) As and when requested by the Central Revenue Collection Office to recover the amount as referred to in Sub-rule (1), the concerned Office In-charge shall recover the amount required to be recovered from the Responsible Person by deducting that amount from the amount payable to such a person. The Central Revenue Collection Office shall write to the concerned Ministry to take departmental action against the Office In-charge who fails to recover the amount, in accordance with the prevailing law.

(5) The Central Revenue Collection Office may auction off the assets of the person from whom the amount has to be recovered or hold such person in detention to recover the amount incapable of being recovered or that could not be recovered.

(6) In recovering the amount by auctioning off the assets pursuant to Sub-rule (5), the Central Revenue Collection Office shall follow the process as mentioned below:

(a) In cases where the details of the security of the assets are not received, along with the inventory of the amount to be recovered, the Central Revenue Collection Office shall make a request, accompanied by the information on three-generation of the person from whom the amount has to be recovered, to concerned Land Revenue Office to look for and withhold the assets of such a person. The concerned Land Revenue Office shall, when so requested, look for and withhold the assets of such person and give information thereof to the Central Revenue Collection Office. If there be not any assets in his
name in that district, information to that effect has to be given.

(b) The Central Revenue Collection Office shall publish a public notice, accompanied by the details of the security received with the inventory or of the assets obtained pursuant to Clause (a), in a national daily newspaper by giving a time-limit of Thirty Five days to auction off the same by way of sealed tender or public auction. In so selling by auction, only such portion or the assets shall be auctioned off as may be sufficient to cover the amount to be recovered.

(7) In cases where the auction is not confirmed after auctioning off even for Two times pursuant to Clause (b) of Sub-rule (6), or where the offered and confirmed amount happens to be lower even than such minimum price of the assets subject to auction as fixed by the concerned Land Revenue Office for the purpose of registration and is also insufficient to cover the amount to be repaid by the person from whom it has to be recovered, then the committee formed pursuant to Sub-rule (2) of Rule 155 shall, by a decision to that effect, take such assets under ownership of Government of Nepal.

Provided that, if, within Six months of the settlement of the ownership of Government of Nepal, the person required to repay the amount makes a request, accompanied with the amount due or payable by him as well as the amount of all the expenditure incurred in the act related with the auction sale and in publishing the notice therefor, to have the assets returned to him, the committee formed pursuant to Sub-rule (2) of Rule 155 may decide to return such assets.
(8) Government of Nepal may transfer the asset come under ownership of Government of Nepal pursuant to Sub-rule (7) to any governmental office or local body.

(9) In recovering the governmental dues by holding in detention the person from whom the amount has to be recovered, the Central Revenue Collection Office shall follow the following procedures:

(a) It should write the concerned District Police Office to get the person from whom the amount has to be recovered to appear at the Central Revenue Collection Office. The concerned District Police Office shall, when so written to, get such a person to appear at the Central Revenue Collection Office.

(b) If the person so got appeared fails to repay the amount immediately, the Central Revenue Collection Office may take the assets bail from him and give a time-limit of Sixty days in maximum to repay that amount. Such person who does not repay the amount immediately or furnish the assets bail should be held in detention being entitled to the ration of class "A" unless and until all the amounts to be repaid by him are repaid in full.

(c) If the amounts be not repaid within the time-limit mentioned in Clause (b), the amounts shall be recovered by auctioning off or forfeiting the assets bail taken pursuant to this Rules.

(10) The amounts which are held to be recovered pursuant to other prevailing law and recorded in the Central Revenue Collection Office
shall also be recovered and settled in accordance with the provisions contained in this Rules.

(11) In recovering the governmental dues pursuant to this Rules, the Central Revenue Collection Office may follow such procedures out of those mentioned in this Rules as it may think fit.

155. **Provisions relating to Remission**  

(1) If remission has to be given pursuant to Section 29 of the Act, Government of Nepal (the Cabinet) may give remission on the recommendation of the committee referred to in Sub-rule (2).

(2) There shall be formed a committee as follows to remit an amount not exceeding One Million Rupees pursuant to Sub-rule (1) and make recommendation for remission of an amount in excess of that amount:-

(a) Chief Secretary - Chairperson
(b) Secretary at the Ministry of Finance - Member
(c) Comptroller General - Member
(d) In-charge of Central Revenue Collection Office - Member-Secretary

(3) The committee formed pursuant to Sub-rule (2) may establish its rules of procedure on its own.

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a Amended by the First Amendment.
Chapter -15

Financial Administration Related Functions and Duties of Offices and Office -bearers

156. Functions and Duties of Funds and Accounts Comptroller Office: In addition to the functions and duties mentioned elsewhere in this Rules, the functions and duties of the Funds and Accounts Comptroller Office shall be as follows:

(a) To prepare and update an inventory of the Offices situated within its area,

(b) As a representative of the Office of the Financial Comptroller General, to look after and inspect the financial transactions of the Offices in the district, and render opinion and advice to the Offices, subject to the policy and direction of the Office of the Financial Comptroller General and the prevailing law,

(c) To maintain an integrated accounts of the revenue by verifying the statements to be obtained pursuant to Rule 12, in accordance with the procedures specified by the Office of the Financial Comptroller General, and give report thereof to the concerned body,

(d) To obtain monthly statement of appropriation, income and expenditure of revenue and deposit from the Offices, prepare district-wise monthly statements thereof and forward the same to the Office of the Financial Comptroller General,

(e) To carry out internal audit of the revenue, appropriation, deposit, goods in-kind of the governmental Offices situated in the district as well as of such bodies as may be so specified by the Office of
the Financial Comptroller General or by other prevailing law or by a decision of Government of Nepal as to be internally audited by the Funds and Accounts Comptroller Office,

(f) To maintain an Office-wise and general accounts of the amount to be sanctioned pursuant to the authorization and allocation of budget given to the Office pursuant to this Rules, give sanction thereof and get the statement of the sanctioned amounts attested by the bank and forward the same to the Office of the Financial Comptroller General,

(g) To prepare yearly financial statements of the amounts sanctioned to the Offices after the annual closing and forward them to the Office of the Financial Comptroller General and the Pertinent Superior Office of the concerned Office,

(h) To examine whether the Offices have deposited in the Consolidated Fund the appropriated amount remained balance at the expiration of the Fiscal Year, or not, and if they have not so deposited, to get them to deposit the same,

(i) To inspect the Offices as per necessity in respect of settlement of revenue accounts and receipts and deposit accounts, and give a report thereof to the Office of the Financial Comptroller General and the Pertinent Higher Department of the Office, and to act as per the direction received in that respect,

(j) To inspect the Offices in respect of appropriation accounts, cash balance and settlement of irregularities and forward an inspection report to the Office of the Financial Comptroller General and the Pertinent Higher Department of the concerned Office, and act as
per the direction received from the Office of the Financial Comptroller General,

(k) If, in the course of doing inspection, any Office is found not to have maintained the books of account accurately or found to have carried out such other acts as required to be carried out pursuant to this Rules, to withhold the bank account of that Office and give information thereof to the Pertinent Superior Office,

(l) To carry out such other functions as may be specified by the Office of the Financial Comptroller General from time to time.

157. **Functions and Duties of Office:** In addition to the functions and duties mentioned elsewhere in this Rules, the financial administration related functions and duties of the Office shall be as follows:

(a) To make requisition to the concerned Funds and Accounts Comptroller Office for the appropriated amount, debit the amount sanctioned, and make expenditure subject to the approved budget and programme, and the authorization given by the Pertinent Higher Department and by fulfilling the requirements referred to in this Rules, maintain accounts thereof and submit them for audit,

(b) To forward the monthly statements of revenue, deposit and appropriation and other details/statements to the concerned Funds and Accounts Comptroller Office within the period of time as mentioned in this Rules,

(c) To get the appropriation, revenue, deposit and accounts audited internally by the concerned Funds and Accounts Comptroller Office and get regularized the remarks/objections prior to the final audit,
(d) To submit annual financial transactions report and annual work performance report pursuant to this Rules,

(e) To carry out all the financial transactions, bear responsibilities and settle irregularities and submit statements pursuant to this Rules,

(f) To maintain an inventory of the irregularities indicated by the Department of the Auditor General in the format specified by that Department and update the records of settlement.

158. Functions and Duties of Office In-charge: (1) In addition to the functions and duties mentioned elsewhere in this Rules, the financial administration related functions and duties of the Office In-charge shall be as follows:

(a) To take over the charge in the event of new assumption of Office as the Office In-charge,

(b) In the event of getting transferred, to prepare an inventory indicating the account of income and expenditure, list of irregularities during his time, and real financial, physical and manpower situation of the Office and hand over the charge to the successor,

(c) To maintain an account of the governmental amounts tendered to the Office and bear the responsibility for all the financial transactions of the Office,

(d) To have control in a manner to prevent the cash and goods in-kind of the Office from being lost and damaged,
(e) To maintain, and cause to be maintained, fiscal discipline in the Office,

(f) To abide by, or cause to be abided by, this Rules, other prevailing law relating to financial administration, and

(g) To make prompt reply to the irregularities detected from the audit, monitor whether they have been settled accordingly; and if they have not been settled through the reply or evidence made or submitted, to submit them again and get the irregularities settled.

(2) He shall be responsible for those items of expenditure incurred through a decision made without seeking opinion of, or against the opinion of, the chief of financial administration section in doing financial transactions. He shall also be jointly responsible for the amount in respect of which the chief of financial administration section has rendered opinion.

159. Functions and Duties of Constitutional Organ and Body and Ministry: In addition to the functions and duties mentioned in the Act and elsewhere in this Rules, the financial administration related functions and duties of the administrative chief of a constitutional organ and body and the Secretary of a Ministry shall be as follows:

(a) To prepare the budget and programme as per the budget manual and as prescribed by the National Planning Commission and the Ministry of Finance from time to time, and submit the same to the concerned body,
(b) If the sanction of any amount of a Subordinate Office has to be withheld fully or partly, to accordingly withheld the amount, and give a notice thereof to the Ministry of Finance, Office of the Financial Comptroller General, concerned Funds and Accounts Comptroller Office and the Subordinate Office,

(c) To maintain the central accounts on the basis of information obtained from the Funds and Accounts Comptroller Office and subordinate Offices,

(d) Based on the central account prepared pursuant to Clause (c), to prepare a central financial statement comprising, inter alia, the foreign loan and assistance, submit it to the Department of the Auditor General and get the same audited; and to forward a copy of such financial statement also to the Office of the Financial Comptroller General,

(e) To maintain, in the approved format, the inventory of such irregularities in respect of the revenue appropriation, expenditure, deposits and goods in-kind under budget heads and sub-heads, get them settled, and to forward the monthly statement thereof to the irregularity settlement evaluation and monitoring committee, and also to forward the annual statement of irregularities settlement to the Office of the Financial Comptroller General,

(f) If an amount additional to the budget amount approved for any Office has to be managed or budget transfer of an amount beyond his authority has to be made, to get the same sanctioned by the Ministry of Finance and forward it to the concerned Office,
(g) To supervise and monitor, or cause to be supervised and monitored, the subordinate Offices, and get them to maintain and abide by fiscal discipline and directions,

(h) To keep informed as to whether the subordinate Offices have got their accounts audited or not, whether they have made reply to the irregularities, if any, detected from the audit or not, whether they have been settled or not in cases where reply or evidence has been submitted, and to get the unsettled irregularities settled by looking after, monitoring and inspecting them, and

(i) To forward an account of the fund established under the work operation fund and of other governmental fund to the Department of the Auditor General and Office of the Financial Comptroller General.

160. **Functions and Duties of Office of the Financial Comptroller General**: In addition to the functions and duties mentioned in the Act and elsewhere in this Rules, the financial administration related functions and duties of the Office of the Financial Comptroller General shall be as follows:

(a) To get the accounting format approved by the Department of the Auditor General and introduce the format,

(b) To maintain the central account of appropriation, revenue and deposit, the account of assistance, grant, loan and interest and dividend, prepare central financial statement, and submit the same for audit,
(c) To maintain, and cause to be maintained, accounts of the Consolidated Fund, Contingency Fund and other governmental fund,

(d) To maintain accounts of the amounts invested by Government of Nepal and of the loans borrowed by Government of Nepal,

(e) To inspect the Offices as per necessity and give necessary direction in respect of the mobilization of appropriation, revenue, deposit, other governmental fund and goods, in-kind and stocks/balances,

(f) To give opinion on and settle any dispute arisen in respect of financial administration in implementation of this Rules,

(g) To maintain an inventory of irregularities on the basis of annual statements on irregularities obtained from the constitutional organs and bodies and Ministries, and

(h) To carry out such other functions as may be specified by Government of Nepal in respect of the implementation of this Rules.

161. **Functions and Duties of the Ministry of Finance**: In addition to the functions and duties mentioned elsewhere in this Rules, the financial administration related functions and duties of the Ministry of Finance shall be as follows:

(a) In cases where the sanction of any amount to any Office has to be withheld fully or partly, to withhold the sanction accordingly and give a notice thereof to the Office of the Financial Comptroller General, the concerned Funds and Accounts Comptroller Office and constitutional organ ad body and the concerned Ministry.
(b) In cases where any amount additional to the budget amount approved for any Office has to be provided or budget transfer made, to give sanction thereof subject to the limits of the yearly Appropriation Act and give a reference copy thereof to the Department of the Auditor General and Office of the Financial Comptroller General

162. **Functions and Duties of Chief of Financial Administration**

**Section:** (1) The functions and duties of the chief of financial administration section shall, under the responsibility of the Office In-charge, be as follows:

(a) To formulate the regular budget and development budget in coordination with the concerned section or division looking after the planning and programme,

(b) To perform and bear the act and responsibility related with financial transactions, and make arrangement to make requisition for sanction pursuant to this Rules,

(c) To duly maintain accounts of expenditure of the amount sanctioned, prepare an inventory of expenditure and financial statement. To get such an inventory and financial statement approved by the Office In-charge and forward them to the concerned body and get them audited in time,

(d) To maintain an inventory of the irregularities set from the audit and collect evidence to settle the irregularities and submit, and cause to be submitted,
such evidence. To submit those matters which are to be regularized for getting them regularized,

(e) In his getting transferred or promoted, to hand over all the books of account, cash and bank balances, inventory of irregularities, and records in his charge to the successor or to a subordinate employee who is, in turn, required to hand over the same to the successor,

(f) The chief of financial administration division or section may allocate business and assign the responsibility of carrying out the functions mentioned in Clauses (a) through (e) to his subordinate officer or other assistant employee.

(2) He shall examine whether the requirements referred in the prevailing law have been met or not in carrying out financial transaction, and submit for payment where such requirements have been met; and where such requirements have not been met or any item of such amount failing to meet the requirements, is put before him for payment as was approved without seeking his opinion, he shall submit it to the Office In-charge in writing clearly setting out the matter of failing to meet the requirements, and do as per the written order of the Office In-charge.

(3) If the Office In-charge gives an order to make expenditure pursuant to Sub-rule (3) of Rule 34, the chief of the financial administration section shall make expenditure accordingly and make a submission to the Office In-charge to regularize the amount so expended within seven days of the performance of such act. The Office In-charge shall be responsible to get regularized the expenditure so submitted.
(4) He shall carry out such financial transaction related function as may be assigned to him by the Office In-charge, and render opinion to the Office In-charge in financial transactions.

(5) He shall bear responsibility for amounts or items of amounts decided as per his opinion.

(6) The Office of the Financial Comptroller General may prepare and enforce distinct job description in respect of the functions and duties of each post which pertains to financial administration.

Chapter – 16

Provisions relating to Daily and Travelling Allowance

163. Authority to Assign to Travelling on, or Depute for, Government Business: (1) Government of Nepal may assign or depute the Secretary of Government of Nepal and an officer equivalent or senior thereto in level, and the concerned Secretary or the officer empowered by him may assign or depute an employee junior to the above-mentioned levels, to travelling on, or for, a governmental business within the country.

(2) In cases where the Office In-charge of an Office located outside the Kathmandu Valley is to perform travelling on duty in his area, he may go on travelling by giving a notice thereof, setting out the reason for the travelling, to the Pertinent Superior Office.

(3) Government of Nepal may assign or depute any employee of Gazetted Second Class and senior to that in level, and the concerned Secretary or the officer empowered by him may assign or depute any
employee of Gazetted Third Class and junior to that level, to travelling on, or for, a governmental business outside the country.

164. **Duty of the Authority to Assign to Travelling on or to Depute and to Examine the Accounts**: (1) In assigning to travelling on, or to depute for, a governmental business, it shall be the duty of the authority which may assign to travelling or make deputation to have a travelling order filled in the form prescribed by the Department of the Auditor General, to maintain records in the format as referred to in Schedule–16 and to prescribe in such a travelling order the performance of travelling through such route or by such means as is inexpensive to the extent possible.

   (2) In cases where the period of travelling or deputation be lengthened owing to an act of God or any other reasonable ground, and the travelling employee makes a report, accompanied by the reason therefor explicitly set out, the authority assigning to travelling or making deputation may also approve the period of travelling or deputation so lengthened.

   (3) Without for adequate reasons, no assignment to travelling or deputation shall be made.

165. **Mode of Travelling**: While travelling, it shall be performed as specified in the travelling order.

166. **Categorization of Employees**: For purposes of providing daily and travelling allowances pursuant to this Chapter, the employees are categorized as follows:

   (a) Employees of Gazetted First Class and there above - First level
(b) Employees of Gazetted Second and Third Class - Second level

(c) Non-gazetted and other classless employees - except those mentioned in Clause (b) - Third level

(d) Classless employees - of peon level - Fourth level

167. **Travelling Allowance to be Provided** : (1) If, in travelling within Nepal in the course of a governmental business, a ticket has to be bought for travelling, payment of expenditure for the ticket shall be given. Travelling by means of travelling of which class is specified, the travelling allowance shall be provided as follows:

(a) Travelling expenses of first class to the employees of the first and second level or persons equivalent thereto, as far as such class is available in the means of travelling.

(b) Travelling expenses of second class to the employees of the third and fourth level or persons equivalent thereto, as far as such class is available in the means of travelling.

(2) Where a means of travelling be not available, and travelling is to be performed on foot, the travelling allowance as referred to in Schedule–17 shall be provided.

(3) In cases where any employee has already purchased a ticket of any means of travelling and the ticket is to be returned by virtue of the order of the authority ordering the travelling, he shall be entitled to have a

- Inserted by the First Amendment.
refund from the Office of the charge incurred in returning the ticket. In cases where the ticket has to be so returned or he has to return back to his house because of cancellation of the flight on that day owing to alteration in the date of flight, such an employee may get payment from the Office of taxi, rickshaw, bus fare, by getting it certified by the concerned body.

(4) If a gazetted employee performs travelling by a means of public transport (bus, minibus) pursuant to these Rules in a place where facilities of air transport are not available, he shall be provided with two-fold amount of the rate of fare of such means of transport. The employee and his/her family shall also receive such facility in cases referred to in Rules 171.

"………………..

(5) Where one performs the travelling using a governmental horse, only two-thirds (2/3) of the allowances payable in the event of travelling on foot shall be provided.

(6) Notwithstanding anything contained elsewhere in this Rules if an employee appointed to carry loads such as a post-man and messenger, chain-man, surveyor is to perform travelling on foot on the assigned work, he shall not be entitled to the travelling allowance and miscellaneous expenses.

168. **Daily Allowance to be Provided** : (1) Any employee who has been assigned to travelling or deputed in any place which is a Four Kosh (i.e. 

- Inserted by the First Amendment.
- Deleted by the First Amendment.
- Amended by the First Amendment.
(2) The employee assigned on travelling or deputation shall be provided with an additional sum by the percentage as referred to in Schedule – 19, in addition to the daily allowance as referred to in Sub-rule (1).

(3) The employee assigned on travelling or deputation shall be provided with half of the daily allowance in respect of the day of his return from the travelling to the headquarters where his Office is located and that of his arrival at the headquarters of his Office while travelling thereto by being transferred or promoted.

(4) In addition to the daily allowance referred to in Sub-rule (1), Thirty-Five and Twenty-Five per cent thereof shall be provided in the municipal area and the district headquarters, respectively.

Provided that, if a district headquarters falls in the municipal area, only the additional allowance in respect of the municipal area shall be provided.

(5) Any employee who is deputed for any governmental business in any place where the facility of bus or other public transport service is available, in such a manner that he is to return on that very day of his departure shall be entitled only to the travelling allowance payable pursuant to this Rules.
a(6) Those employees who have their permanent abode in their own or in their family's name in the municipal area of the Kathmandu Valley shall not be provided with the daily allowance when they are deputed for service from any place out of the Valley to any place within the municipal area where they have their permanent abode in their own or in their family's name.

Provided that, nothing shall prevent the providing of the travelling allowance pursuant to this Rules while assigning on travelling or deputation in any place where public transport service is available and which is outside of the municipal area of the Valley; and that if the assignee has to perform the travelling on foot for more than Eight miles (Four Kosh) from the place where public transport is available, he shall be entitled also to the daily allowance pursuant to this Rules.

169. **Daily and Travelling Allowance Not to be Granted Where an Employee Assigned on Travelling or Deputation Goes on Leave:** If any employee goes on leave in the course of travelling or deputation, he shall not be entitled to the daily and travelling allowance for the period during which he goes on such leave.

170. **Employee Transferred, Promoted or Freshly Appointed To Receive Daily and Travelling Allowance:** While travelling from one district to another district upon being transferred or promoted, and in the event of fresh appointment, while travelling from the place where the appointment is received to assume office of the post appointed to, the daily and travelling allowance shall be provided pursuant to this Rules.

\[\text{Amended by the First Amendment.}\]
171. **Daily and Travelling Allowance to be Provided While Travelling upon Being Transferred or Promoted** : (1) Any employee who travels from one district to another district or from one Office to another Office with a distance of more than Twelve miles (Six Kosh) from the former Office in the same district upon being transferred, promoted or assigned as the acting shall submit an inventory of the amount for the daily and travelling allowance to which he and his family are entitled to the present Office in the format specified by the Department of the Auditor General.

a(2) The Office shall examine the inventory received pursuant to Sub-rule (1) and ascertain the amount payable to the employee as per the law and make a requisition to the concerned Funds and Accounts Comptroller Office for sanction thereof. The following procedures shall be followed while making such a requisition for sanction:

(a) The fare for air ticket and the daily allowance, insurance expenditure profitable pursuant to this Rules shall be given to the employee and his/her family referred to in Clauses (a) and (b) of Rule 166 and extra luggage charge and miscellaneous expenditure shall be provided to the concerned employee when he/she performs travelling, upon being transferred or promoted.

(b) A sum of One Thousand Rupees shall be given for the air ticket (including the flight tax) and for extra luggage for upto Twenty kilograms, insurance expenditure and miscellaneous expenditure. Where

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a Amended by the First Amendment.
the miscellaneous expenditure is so provided, no claim for expenses like taxi, rickshaw, goods transport fare shall be allowed to be made.

(c) The fare for a bus, minibus ticket and the daily allowance, insurance expenditure, profitable pursuant to this Rules shall be given to the employee and his/her family referred to in Clauses (c) and (d) of Rule 166, and extra luggage charge and miscellaneous expenditure shall be given to the concerned employee when he/she performs travelling, upon being transferred or promoted.

(d) A sum of One Thousand Rupees shall be given for miscellaneous expenditure for the bus, minibus fare and for extra luggage bus fare, insurance expenditure as referred to in Clause (c). Where miscellaneous expenditure is so provided, no separate claim for expenses like taxi, rickshaw, goods transport fare etc. shall be allowed to be made.

(e) In making a requisition for sanction or payment of the daily and travelling allowance payable to the employee as well as to his family, who travels, upon being transferred or promoted, to the district other than that with the air and road transport facility or from such district to a district with the air and road transport facility, to reach the district to which he is transferred or promoted, there shall be requested sanction of other expenditures to which such employee is entitled pursuant to this Rules, and the
amount of the daily and travelling allowance to be set at the rate of Eight miles (Four Kosh) each day while travelling on foot, and porter expenditure at the rate of Two Hundred Rupees each day. When the porter expenditure is claimed in performing travelling on foot, no amount for miscellaneous expenditure shall be claimed.

Provided that, if the employee has to travel both on foot and by a motor vehicle to reach the destination, the employee shall get porter expenditure and miscellaneous expenditure as well.

(3) If the requisition for sanction of the amount for the travelling and daily allowances has been made pursuant to Sub-rule (2), the concerned Funds and Accounts Comptroller Office shall examine the statement and sanction the amount from the budget sub-head specified by the Ministry of Finance.

~(3a) In cases where the budget sub-heading has not been specified by the Ministry of Finance pursuant to Sub-rule (3), the amount of travelling bill shall be sent to the Funds and Accounts Comptroller Office for ascertainment, and it shall be debited from the budget expenditure heading of the Office after it has been ascertained.

(4) The concerned Office shall credit the amount sanctioned pursuant to Sub-rule (3) in the name of the concerned employee.

a(5) The expenditure to be incurred for the employee to carry the father, mother, husband or wife and two children under Eighteen years of

- Inserted by the First Amendment.

a Amended by the First Amendment.
age living in the same joint family shall, for the purpose of this Rule, be fixed and provided on the basis of the recommendation of the Office In-
charge. In the case of woman employee, the expenditure to be incurred to carry her mother, father or father-in-law, mother-in-law shall be provided.

(6) "... ... ..."

a(7) In travelling the country or abroad by air, sea, train, bus, minibus etc.. The employee shall be entitled to the expenditure to be incurred for procuring the insurance of seven hundred fifty thousand rupees during the period of his travelling or deputation, in travelling to and from the place to which he has been deputed.

(8) If any employee has to return to his abode upon getting retirement from the government service due to any reason whatsoever, the daily and travelling allowance according to the rank from which he has got retirement, and the daily and travelling allowance to which his family is entitled pursuant to this Rules and porter allowance as well shall be provided to him from the Office where he has got retirement.

(9) The facility referred to in Sub-rules (1) and (8) shall not be provided to a temporary employee.

(10) In the event of death of any employee in the district of his assignment, the daily and travelling allowance as well as the porter allowance payable under this Rules shall be provided by the Office of the employee's assignment to his family, while returning to the abode.

* Deleted by the First Amendment.

a Amended by the First Amendment.
Provided that, the daily allowance referred to in this Sub-rule shall not be provided to the family member having gone and stayed elsewhere outside the district of the employee's assignment.

(11) The Office which has made payment of the daily and travelling allowances pursuant to Sub-rule (2) shall provide an inventory of such allowance, the name and address of the concerned employee and his family.

(12) Any employee who is deputed from an Office located in any district to any Office located in another district for more than Three months shall be provided with the daily and travelling allowances pursuant to these Rules, while carrying the family to or returning the family from the place of such deputation.

Provided that, no daily allowance shall be provided in cases where any employee gets deputed from one Office to another upon his application or being deputed from any Office situated in any district of the Kathmandu Valley to another Office situated in another district of the Kathmandu Valley and in carrying and taking the family.

~(13) If it is less expensive to perform travelling by air, the Competent Authority may order the employee of any level to use air transport means. In so making an order, it shall be clearly specified as to from which place to which place the air transport means should be used.

~(14) The family member of the employee shall receive such daily and travelling allowances as the employee is entitled to receive under this Rule.

- Inserted by the First Amendment.
172. **Daily and Travelling Allowance to be Provided on Assignment**

**As the Acting:** (1) An employee who is travelling from one district where his Office is located to another district upon being assigned as the acting shall be entitled to the daily and travelling allowance of the post to which he has been assigned as the acting; and in the event of his returning back from the district of his assignment as the acting upon expiry of his acting assignment, he shall be entitled to such allowance as is corresponding to the daily and travelling allowance of the post which he received in his previous travelling.

173. **In the Event of Employee on Travelling Being Ill:** (1) If any employee happens to be seriously ill on the way while travelling on foot in the course of a governmental business, he shall inform the nearby police post or District Police Office. Even if any member of the family accompanying the employee while travelling on foot in the course of going from one Office to another Office upon being transferred, promoted or designated as the acting happens to be seriously ill on the way, it shall be done accordingly.

(2) Upon receipt of the information pursuant to Sub-rule (1), the nearby Police Office or Police Post shall carry the employee or his family member so fallen ill to a hospital.

(3) The Police Post shall request through the District Police Office, for reimbursement of the expenditure incurred in carrying the employee or his family member to the hospital pursuant to Sub-rule (2) and the District Police Office shall debit such expenditure from its own budget and request the concerned Funds and Accounts Comptroller Office for reimbursement thereof.
(4) The concerned Funds and Accounts Comptroller Office shall immediately sanction the amount requested to be so sanctioned pursuant to Sub-rule (3) out of the appropriated budget amount.

(5) If any employee dies in travelling in the course of a governmental business pursuant to these Rules, arrangement shall be made to carry the corpse of the deceased employee to the place requested by his family for cremation. In so arranging for carrying the corpse of the deceased employee, arrangement shall also be made to carry the family of the deceased employee attending the corpse to that place.

(6) The concerned Royal Nepalese Embassy or Mission, in the case of abroad, and the District Police Office of the district concerned in the case within the country, shall make arrangement to make expenditure and obtain sanction pursuant to Sub-rules (3) and (4).

174. **Deputation Allowance Not To Be Provided** : Any employee who has his own permanent abode in his or his family name within Eight miles (Four Kosh) from the Office to which he has been deputed shall not be entitled to the daily allowance under this Rules in spite of his deputation to that Office.

175. **Bills and Vouchers relating to Travelling** : (1) Any employee who is assigned on travelling, in other cases save those mentioned in Rule 171, shall, upon completion of the travelling, fill up the bill of travelling allowance to which he is entitled and submit the necessary bills and vouchers along with the travelling report.

Provided that, in the case of flight insurance, submission of the number of insurance only shall suffice.

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a Amended by the First Amendment.
(2) Any employee having been assigned on travelling as mentioned in Rule 171 shall not be required to submit other bills and vouchers except the requisition letter and approval letter.

“(3) Notwithstanding anything contained in Sub-rule (2), any employee who uses the facility of air transport pursuant to Rule 171 shall get payment for the amount therefor only if the employee submits the air ticket. If any employee who cannot submit the air ticket immediately uses the air transport facility, the employee may submit the air ticket to the Office to be attended by that employee and make a demand for payment of the amount therefor. In making a demand for payment, certified document of the daily and travelling bill obtained from the previous Office has to be attached. If the air ticket is so obtained, the amount paid in travelling by the previous means of travelling and the amount to be set by the use of aircraft shall be ascertained and only the shortfall amount shall be paid by the Office to the concerned employee within Seven days. If there be no budget amount to make payment, liability shall be carried forward for the forthcoming Fiscal Year and payment shall be made with first priority.

176. To Maintain Details of Distance: (1) The concerned District Development Committee shall prepare and maintain details of distances of various places in the district and provide such details, to all the Offices in the district.

(2) The Ministry of Local Development shall prepare details of distance between the headquarters of one district to that of another district and provide the details to the concerned District Development Committee and other Ministries.

* Inserted by the First Amendment.
(3) The concerned Office shall calculate the miles (Kosh) on the basis of Sub-rules (1) and (2).

177. **Daily and Travelling Allowance and Clothing Allowance to be Provided to Other Person**: (1) If Government of Nepal makes a decision to have a non-governmental person perform travelling in the Kingdom or abroad, the daily and travelling allowances and other facilities to be provided to him shall be as mentioned in the decision made by Government of Nepal.

   (2) While submitting a proposal for the decision of Government of Nepal for the purpose of Sub-rule (1), it shall be submitted, with clearly setting out the matter that the daily and travelling allowance and clothing allowance as well, equal to that to which the employees of a certain level are entitled, if daily and travelling allowance and clothing allowance are to be provided to such a person.

178. **Travelling Allowance for Travelling Abroad**: While travelling abroad by air in the course of a governmental business, an employee shall be entitled to the travelling expense of economic class.

179. **Daily Allowance for Travelling Abroad**: (1) While travelling in the countries set forth in Schedule–20 in the course of an international conference, seminar, function, invitation, meeting, training, study tour and any other governmental business, any employee shall be provided with the daily allowance at the rate as set forth in Schedule – 21.

   Provided that, in the event of submission of the hotel bill, he shall be provided with the amount indicated in the bill for accommodation expenditure and the daily allowance of only forty per cent of the daily allowance specified for that country. No payment for accommodation expenditure shall be made in excess of the daily allowance rate.
(2) If the daily allowance is to be made available under this Rules while so travelling abroad pursuant to Sub-rule (1), an employee shall be entitled to the full daily allowance of the day of his departure, and in regard to the day of return from the travelling, to half of the daily allowance of the preceding day of that day to which he is entitled.

(3) In cases where, while performing traveling for an international conference, seminar, ceremony, invitation, negotiation or meeting under Sub-rule (1), arrangement of accommodation and feeding has been made on behalf of any friendly country or international institution but no arrangement has been made to provide any amount for pocket expenses, such an employee shall be provided, as pocket expenses, with one-fourth amount of the daily allowance specified for that country. Where an employee has performed travelling for training or study, he shall not be entitled to pocket expenses.

(4) In cases where any friendly country or international institution is to provide the amount for accommodation and feeding, the pocket expenses shall not be provided under Sub-rule (3).

Provided that, while performing travelling for other work except a "… … … training or study under Sub-rule (1), if the amount to be received pursuant to Sub-rule (4) be less than the daily allowance payable under this Rules, an amount only to the extent of such shortfall shall be provided as the daily allowance.

(~4a) If a governmental office or organization has so deputed someone to a seminar, training or study that it will bear expenditure

* Deleted by the First Amendment.
* Inserted by the First Amendment.
through its own source, and the amount to be receivable by that person be less than that by the rate referred to in Schedule-21, Government of Nepal shall pay the amount which is so short fallen.

(5) In regard to the countries an route to and from the country to which any employee has been assigned to travel, he shall be entitled only to such allowance as has been provided to be granted in regard to those countries.

(6) If, one has to take a night haltage in any country en route to and from abroad pursuant to Sub-rule (1) and if the institution providing the vehicle does not make arrangements for accommodation and foooding, the expenditure as referred to in Sub-rule (1) shall be provided is cases where a night haltage has been so taken.

(7) No daily allowance shall be provided for more days, which one employee spends at his own will, than the days required en route to an international conference, seminar etc. and from the previous day of the opening day of the conference upto the following day of the concluding day of the conference.

(8) If while travelling abroad pursuant to Sub-rule (1) one suddenly falls ill and has to be admitted to a hospital for treatment, Government of Nepal shall pay the certified amount incurred in such treatment if the concerned organization does not bear such amount.

(9) Notwithstanding anything contained elsewhere in this Rules, in travelling the places referred to in Schedule–22, the daily allowance as mentioned in Sub-rule (1) of Rule 168 shall be provided. Hotel expenditure shall be provided subject to the limitation of Sub-rule (1) of this Rule.
180. **To Receive Leader Allowance**: While travelling to participate, as a formal delegation, in an international conference, ceremony, negotiation or meeting, one who leads such delegation shall be entitled to an additional leader allowance at the rate of Twenty Five per cent of the daily allowance specified for that country.

Provided that, while travelling to study or attend a training, study and observation tour, seminar or while travelling by one-man-delegation, the leader allowance shall not be provided.

181. **Provision on Incidental Expenses**: While travelling to take part in an international conference, seminar etc., such amount as may be decided by Government of Nepal shall be provided as an allowance for incidental expenses, without requirement of submission of bills and vouchers of such expenses.

182. **Clothing Allowance**: (1) An employee who is assigned by Government of Nepal to take part in an international conference, seminar, meeting, invitation, delegation, training, study, ceremony, festival etc. shall be entitled to the clothing allowance as referred to in Schedule–23; and while so providing the clothing allowance, fifty per cent amount of the clothing allowance shall be provided in foreign country.

Provided that, no clothing allowance shall generally be provided to any employee unless and until the travelling programme is settled.

(2) Notwithstanding anything contained in Sub-rule (1), no clothing allowance shall be provided in the following circumstances:

(a) While performing travel to a foreign boundary area adjoined to the boundary of Nepal, except for training.
(b) Where the clothing allowance is to be provided by any foreign government or institution, organization.

(3) In cases where, upon the provision of the clothing allowance after the settlement of the travelling programme under the proviso to Sub-rule (1), the employee is not to perform travel by virtue of the decision of Government of Nepal, he shall forthwith return the amount converted into foreign currency, and if he has spent the rest amount, he shall return the rest amount on one year installment basis, without any interest thereon.

(4) If any employee who is entitled to receive the clothing allowance does not intend to perform travelling personally or he resigns or relieves from the government service, he shall return the amount in lump sum within Thirty Five days of his so desiring not to perform travelling or of the acceptance of his resignation or relieving of the service.

(5) In cases where an employee is not to perform travelling owning to the circumstance referred to in Sub-rule (3), the authority providing the salary shall recover the amount by deducting it from his salary, if the employee is incumbent; and he shall return the amount within Thirty-Five day, if he has been relieved of the service. If he does not return the amount provided to him for the clothing allowance within Thirty-Five days, it shall be recovered from him as government dues.

(6) An employee who has once received the clothing allowance from Government of Nepal or an organization owned by Government of Nepal shall not be entitled to another clothing allowance until the expiry of Two years from the date on which he has received the clothing allowance.
(7) One who is to have sanction of the clothing allowance shall not take sanction of it so that it happens to be double. Departmental action shall be taken against the employee who knowingly receives the allowance in duplicity, and it shall be recovered from him by imposing a fine according to the amount in question.

(8) If one who performs travel abroad upon being designated by Government of Nepal to take part in an international conference etc. or in a training receives the clothing allowance from any governmental or any other organization, an additional sum only to the extent of such amount which falls short of the amount payable under this Rules shall be provided by Government of Nepal.

183. **Facility to Which the Person Designated as the Deputy or Acting is Entitled**: If any employee designated as an acting or deputy has to travel abroad, he shall be provided with the daily and travelling allowance applicable to the post in respect of which he has been designated as the acting or deputy.

184. **Special Provision**: Nothing contained in This Rules shall be deemed to be prejudicial to the provision of local allowance, clothing allowance, medical allowance or similar other allowing having been provided or to be provided, by virtue of a decision made by Government of Nepal from time to time, to those employees who serve in any part of Nepal, owing to geographical, natural or climatic difficulty.

185. **Action to Be Taken**: If one is held to have received payment by furnishing false details for the purpose of taking facility which can be provided under this Rules, two-fold amount of the amount of payment received by him by furnishing false details shall be recovered by deducting it from the salary payable to him if he is in governmental
service, and by deducting it from any amount whatsoever payable to him if he is any other person; if no such deduction is made, the concerned Secretary shall recover it also from the salary of that employee who does not make such deduction. Departmental action shall also be taken against him.

Chapter-17

Provisions relating to Evaluation of Tender

186. Tender Evaluation Committee: (1) There shall be a tender evaluation committee in each Office to make recommendation to the Office In-charge on the technical and financial aspects of the tender in making governmental procurement and having public works by inviting tenders as referred to in Chapter 7.

(2) The opinion of a majority of the member present at the meeting of the committee attended by Two-thirds of the members of the committee, along with the expert related with the subject, shall be deemed to be a decision of the committee.

187. Formation of Tender Evaluation Committee: (1) "… … …

(2) "… … …

(3) The concerned Office In-charge shall form in each Office an Office-level tender evaluation committee comprising the following members:-

(a) Office In-charge or senior Officer designated by him (Office In-charge,

* Deleted by the First Amendment.
if Officer be not available) (technical employee, if possible) - Chairman

(b) Chief of financial administration section if he be not of officer level, chief of the concerned Funds and Accounts Comptroller Office or officer designated by him - Member

(c) Technical expert related with the subject (Officer level, if possible) - Member

(d) Law Officer or where there is no Law Officer in the Office, the Government Advocate of the concerned District - Member

(4) In addition to the members referred to in Sub-rule "… … …

(3), the concerned experts or employees may also be invited at the meeting of the committee in consideration of the nature of work and as per necessity.

(5) In forming the tender evaluation committee pursuant to this Rule, an employee shall be designated to carry out administrative functions of the committee -and the period for completion of work by the committee shall also be specified.

(6) The concerned Office shall make available all the related documents along with a Muchulka deed executed in opening the tenders for their evaluation, within Seven days of the opening of the tenders.

- Inserted by the First Amendment.
188. **Functions, Duties and Powers of Tender Evaluation Committee:**

(1) The functions, duties and powers of the "… tender evaluation committee shall be as follows:

(a) To fix the technical and financial criteria to be followed in evaluating tenders no later than Thirty days of beginning of Fiscal Year,

(b) If the fixed criteria have to be altered according to the nature of work, to make recommendation thereof and do as per Clause (a) prior to publishing a notice for a tender,

(c) The criteria pursuant to Clause (a) shall be fixed taking into consideration of other provisions made in this Rules in respect of the tender and of the matters provided for in the standard bidding documents in force,

(d) To evaluate tenders on the basis of the criteria referred to in Clause (a) and make recommendation for acceptance,

(e) To form sub-committees as per necessity on the basis of the work load,

(f) To seek opinion of the consultants in the projects operated with foreign assistance, or invite them at the meeting,

________________________

Amended by the First Amendment.
(g) To follow the provisions mentioned in the agreement in proceeding with evaluation of the project operated with foreign source,

“(h) To pursue procurement provisions pursuant to Sub-rule (3) of Rule 58 and Clause (c) of Rule 59.

(2) "… … …

(3) "… … …

Chapter-18

Miscellaneous

189. **Power To Give Remission** : (1) The criteria as to which goods go worn and torn and *Jarti* and lost to what extent shall be as prescribed by the concerned Ministry. The Office In-charge shall have the powers to give remission, subject to the criteria so approved.

(2) Upon receipt of the inspection report of the goods in-kind, the Office In-charge shall maintain and repair the goods in-kind and keep such goods in an updated and safe manner. If in that very course, any goods seem to be remitted and of which records crossed off and to be rescinded/disposed of, the Office In-charge shall take action *vis-a-vis* remission once a year. If any goods seem to have been lost not because of anyone's recklessness but because of being very old or because of any Divine act or accidental event or any reasonable reason or any goods seem to be useless even after maintenance or repair thereof or it seems no

* Inserted by the First Amendment.
* Deleted by the First Amendment.
use of maintaining or repairing them, or it seems that they cannot also be auctioned off and the chief of financial administration section, store officer, main employee of the administration of the officer are all agreed on that matter upon submission of evidence or details as far as possible, the goods of which cost price being up to Rs. 25,000/- may be remitted by the Office In-charge, those of up to Rs. 75,000/- by the Departmental Head and those exceeding that but of up to Rs. 5,00,000/- by the concerned Secretary, as recommended by a committee specified by him to be under convenorship of a Gazetted First Class Officer and comprising the chief of financial administration section and officer level employee of the administration section which shall make such recommendation after holding inquiry. Government of Nepal may remit the goods valued at more than the said one.

(3) In the case of goods of which cost price could not be set out pursuant to Sub-rule (2), the committee referred to in Sub-rule (3) of Rule 104 shall fix, or cause to be fixed, the value taking into account, inter alia, of the market and utility. Remission may be granted pursuant to Sub-rule (2) on the basis of the value/price so fixed by the committee.

190. **Power to Make Internal Bye-law relating to Financial Procedures**: The Ministry may, subject to these Rules and with the consent of the Ministry of Finance, frame and enforce internal bye-laws relating to financial procedures so as to operate the financial transactions related with the projects or works operated under that Ministry in a well-planned manner.

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Insertion by the First Amendment.

Amended by the First Amendment.
191. **Special Power of Government of Nepal**: Notwithstanding anything contained elsewhere in this Rules, if any construction or procurement work has to be done, or caused to be done, or technical or consultancy service has to be procured in a speedy and qualitative manner owing to any special reason, such work can be done or cause to be done or such technical or consultancy service can be procured by following the procedures specified by the decision of Government of Nepal (the Cabinet) taking into consideration, inter alia, of the quality standards of the work or service to be so done or procured, the time required for completion of the work and other related matters.

192. **Delegation of Power**: (1) No power to give remission, to approve planning, to alter the cost estimate and to amend the bond as provided for in this Rules may be delegated.

   (2) Other powers, except those as referred to in Sub-rule (1), provided for in this Rules, may be delegated by the Competent Authority exercising those powers to the concerned officer at the responsibility of that authority.

   Provided that, in delegating the power of the subject which has to be decided by taking opinion of the chief of financial administration section, the power shall be delegated to an employee who is superior in level to the chief of financial administration section.

   (3) Without prejudice to Sub-rule (1), the concerned Secretary may at his own responsibility delegate the power relating to financial administration including the operation of accounts to the chief of financial administration section. The chief of financial administration section may at his own responsibility allocate the business related with accounts including the operation of accounts to the employees under him.
(4) The Authority who delegates the power pursuant to Sub-rule (1) shall keep on frequently having necessary information from the concerned authority in respect of the power delegated by him.

193. **To Give Dispatch Letter Only After Getting Audited**: (1) When the Office In-charge and the chief of financial administration section carrying out financial transactions are transferred, they have to get the accounts of transactions carried out during their charge audited internally, get the available reply and evidence submitted, and hand-over the charge to the successor or the subordinate employee who shall in turn hand-over it to the successor, and receive and give the dispatch letter only after the effect of charge hand-over. The successor shall also take over the charge accordingly and bear the responsibility for the final audit. In such a situation, the concerned Funds and Accounts Comptroller Office shall carry out such internal audit at once. The person obliged to hand over the charge shall prepare the books of accounts and submit them for internal audit within Seven days. He shall complete the charge hand-over also by giving replies to the irregularities detected from the internal audit within Seven days.

(2) In cases where the dispatch letter cannot be given after having the internal audit pursuant to Sub-rule (1), the dispatch letter shall be given only after obtaining approval of the concerned Secretary. Departmental action shall be taken against one who fails to submit books of accounts, to do, or cause to be done, the internal audit and becomes reluctant to furnish replies.

194. **Formation of Advisory Committee**: If any project or Office or Department comes across any serious technical, financial and social problem with construction and maintenance works, leading to such a situation as to obstruct the operation of the project, submission setting out
the matter shall be made to the concerned Secretary. The concerned Secretary shall form an advisory committee comprising the expert employee of his Office and that of other Ministry as well, if necessary, and give necessary direction as per the recommendation of that committee.

195. **Prohibition on Interference with Power**: (1) No Pertinent Superior Office or Office-bearer shall interfere with such power of an authority as entrusted to and as may be exercised by him pursuant to this Rules. If the Pertinent Superior Office is of the opinion that authority has been abused, it may immediately depute an employee to inquire into the matter or make a request, setting out all the matters, to the body for holding inquiry thereinto.

   (2) The provision referred to in Sub-rule (1) shall not be deemed to limit the powers of the Pertinent Superior Office to supervise, monitor and give direction.

196. **Holding Cash Balance**: (1) A central-level Office may hold a cash balance of up to Ten Thousand Rupees and any other Office may hold that of up to Five Thousand Rupees in the custody of any Office to meet petty expenses to be incurred by the Office daily. Reimbursement for the sum expended out of it shall be taken by submitting bills and vouchers thereof. The remaining cash balance shall be deposited in the bank within Twenty Fifth day of the month of *Ashad* (July 9) each year.

   (2) If the balance as referred to in Sub-rule (1) be insufficient to meet such expenses, the limit of such cash balance may be increased with the approval of the Office of the Financial Comptroller General.

197. **Period for Payment of Cheque**: The period for payment of a cheque drawn for payment out of the governmental fund shall be thirty days only.
198. **Meeting Allowance** : If any meeting of the committees formed pursuant to these Rules cannot be held within the office hours and has thus to be held before or after the office time, any member present at such meeting shall be provided with such meeting allowance as may be prescribed by the Ministry of Finance.

199. **Works May Be Procured Through Non-governmental Organization** : (1) If the Competent Authority deems it proper to have the works or services required to be procured pursuant to these Rules done or received through a non-governmental organization, such works or services can be procured through a national or regional or local non-governmental organization.

Provided that, such works or services shall be procured only through any non-governmental organization which has been registered pursuant to the prevailing law with a view to carrying out the works or rendering the services to be procured.

(2) In procuring the works or services through a non-governmental organization pursuant to Sub-rule (1), a proposal has to be invited by following the procedures as referred to in Rule 81, and such a proposal has to be accepted by following the process referred to in that Rule.

199A. **Power to Procure Service for Operation of Day-to-Day Function** : (1) The Competent Authority may, if he thinks proper, procure from any person, company or organization services for the security of the Office, delivering letters, sanitation, transportation means, machinery, telephone, electricity, operation and safeguard of water-tap, animal health and agro-publicity work, garden maintenance and safeguard

- Inserted by the First Amendment.
works, survey, design, graphic and other services required to operate day-to-day work.

(2) In procuring services pursuant to Sub-rule (1), the procedures referred to in Rule 58 shall be followed.

(3) Government of Nepal may frame and issue necessary direction on the procurement of services referred to in Sub-rule (1).

200. Preparation of Directives: (1) If it appears that necessary manual / directive has to be prepared clarifying any matter contained in this Rules, the Office of the Financial Comptroller General may, with the consent of Government of Nepal, prepare and enforce the manual/directive.

(2) Government of Nepal may frame and enforce separate manual/directive for the operation of multi-yearly projects.

(3) The Office of the Financial Comptroller General may frame and enforce separate manual/directive in order to manage the accounts of the transactions relating to investment of loans.

201. Requirement of Approval of the Ministry of Finance in Matters Causing Financial Liability: Except as mentioned in this Rules, any Office shall, while making, or causing to be made, such decision or carrying out such act as to cause financial liability by increasing additional facilities, obtain the approval of the Ministry of Finance.

202. To Set Out Details of Goods: Any person, firm or company which carries out governmental transactions shall clearly mention in his bills the name, measurement, size, number, per unit price, total price, name of manufacturing firm or company of those goods provided by him.

Amended by the First Amendment.
203. **Alteration in or Addition to or Deletion from Schedule**: The Ministry of Finance, Government of Nepal may, upon a notification published in the Nepal Gazette, make alteration in or addition to or deletion from the Schedules.

204. **Repeal and Saving**: (1) The following Rules are, hereby, repealed:


   (g) The Rules relating to Financial Administration, 2042 (1985).

   (h) The Deposit Rules, 2045 (1988).

(2) The acts done and actions taken under those Rules and Rules referred to in Sub-rule (1) prior to the commencement of this Rules shall be deemed to have been done or taken under this Rules.
Note: The term converted by the Rules Relating to Financial Administration (First Amendment), 2058 (2001): "Sealed quotation" instead of "Quotation".
Schedule – 1
(Relating to Rule 12)

Government of Nepal

.............Ministry

.............Office

.............Daily Entry Statement

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<th>S. No.</th>
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<th>Voucher No.</th>
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<th>Amount</th>
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Grand Total

Chief of financial administration section

The Office In-charge
Schedule – 2

(Relating to Sub-rule (2) of Rule 21 and Sub-rule (1) of Rule 25)

Government of Nepal

...............Ministry

Office/Project

From...............(Month).............(Year) to...............(Month) .............(Year)

Goal Progress Report

<table>
<thead>
<tr>
<th>Programme</th>
<th>Goal</th>
<th>Progress quantity</th>
<th>Progress percentage</th>
<th>Budget</th>
<th>Expenditure</th>
<th>If not any progress, reason therefor</th>
<th>Remarks</th>
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........................... Chief of financial administration section

........................... Chief of planning section

Signature of Office In-charge or project chief

[229]
### Schedule – 3
(Relating to Sub-rule (3) of Rule 21 and Sub-rule (2) of Rule 22)

**Government of Nepal**

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**Ministry**

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**Office/Project**

**Annual Programme of..........Fiscal Year.............**

<table>
<thead>
<tr>
<th>Programme (work)</th>
<th>Goal</th>
<th>Budget amount</th>
<th>Source</th>
<th>If foreign assistance, method of sanction</th>
<th>Details of special achievement from this programme</th>
<th>Remarks</th>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

-------------------
**Chief of financial administration section**

-------------------
**Chief of planning section**

-------------------
**Signature of Office In-charge /Project Chief**

---

**Note:** The method how the foreign assistance shall be obtained like commodity, direct payment, reimbursement should be indicated in column 10.
Schedule – 4

(Relating to Sub-rule (1) of Rule 23)

Basis for and Method of Project Approval

1.0 Basis for approval of project:

The Competent Authority shall approve a project or programme only on the basis of the following data and information:

1.1 Structure of the project:

1.1.1 Objectives of the project
1.1.2 Scope of the Project
1.1.3 Project execution period

1.2 Total cost estimate of the project: Rs.

1.2.1 Development and construction cost
1.2.2 Operational cost
1.2.3 Others (If any grant has to be given, specify it).

1.3 Source to bear the cost:

1.3.1 Government of Nepal
1.3.2 External assistance

Loan
Grant

1.4 Returns from the project:

1.4.1 Development and construction cost
1.4.2 Increase in employment
1.4.3 Internal return of the project
1.4.4 Other economic and social consideration

Economic

Social

1.5 Economic analysis of the project:

1.5.1 Estimated ratio of construction cost

1.5.2 Estimation of cost effectiveness

1.6 Project execution and expenditure schedule:

<table>
<thead>
<tr>
<th>Major works and results</th>
<th>Cost Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major works</th>
<th>Unit</th>
<th>Quantity</th>
<th>Development and Construction</th>
<th>Operation</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.7 Manpower and major construction materials required to execute the project:

1.7.1 Required manpower:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.7.2 **Construction materials**:

<table>
<thead>
<tr>
<th>Year</th>
<th>Description of construction materials</th>
<th>Unit</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>listening</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.8 **Project Operation Proposal**:

The matters as to how the project will be operated during its period of operation after the completion of the project construction phase, how much operational expenditure is likely to be incurred, and how much income can be earned or when it will be handed over to the consumers, should be set out.

1.8.1 Operational arrangement

1.8.2 Estimation of expenditure: For at least three years

1.8.3 In the case of a project to be handed over to the consumers, whether the assistance of Government of Nepal is required or not.

1.8.4 Possible income earning of at least three years.

2.0 **The process and authority to approve the project**:

1. The Ministry shall seek advice of the National Planning Commission as to whether the proposed project is in consonance with the objective of national development, sectoral working policy or not and whether it is included in the approved periodical plan or not.

2. Recommendation that the bases of expenditure proposed for the project works are reasonable on the basis of the prevailing price, profit, cost expenditure shall have been made by the Departmental Head presenting the project report.
3. The concerned Ministry shall, taking into consideration of the advice of the National Planning Commission, approve and execute the project as follows:

(a) In cases where the proposed project is included in the approved periodic plan and it appears that the project will yield benefit and incur expenditure as mentioned in that plan and the National Planning Commission has given positive opinion, the concerned Ministry is to give approval.

(b) In cases where project which is not included in the approved national periodic plan or which incurs more financial liability than that set aside in that plan has to be operated, the opinion of the National Planning Commission and the Ministry of Finance should be taken.

(c) If the opinion of the National Planning Commission or the Ministry of Finance be not positive, the concerned Ministry should submit a proposal, accompanied by that opinion, to Government of Nepal (the Cabinet). It shall be as decided in that respect.

4. In submitting the project proposal, a project operation plan on operation of the project in a smooth and sustainable manner following the completion of the project shall also have been submitted, along with the recommendation, by the Departmental Head presenting the project report.

5. In addition to the above-mentioned bases, such procedures as may be necessary for the propose of making the project/office disciplined and strengthened may be made clear by Government of Nepal from time to time.
## Schedule – 5

(Relating to Sub-rule (1) of Rule 27)

Loan/grant Amount Utilization Report Form

Status as at ...............  

<table>
<thead>
<tr>
<th>Head</th>
<th>Total amount provided for in the agreement</th>
<th>Sum received upto...</th>
<th>Balance of loan/grant amount</th>
<th>Amount of draw down request due to be drawn, (in Rs.)</th>
<th>Amount expended but of which draw down requisition has yet to be made, (in Rs.)</th>
<th>Amount allocated for expenditure (in Rs.)</th>
<th>Outstanding loan/grant (in Rs.)</th>
<th>Estimated amount to be expended in the rest period of this F.Y. (in Rs.)</th>
<th>Net due amount (in Rs.)</th>
</tr>
</thead>
</table>

[235]
<table>
<thead>
<tr>
<th>Number</th>
<th>Exchange rate</th>
<th>Sum equivalent to NRS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>5=3-4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>12=8 (9+10+11)</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>14=12-13</td>
</tr>
</tbody>
</table>

Chief of financial administration section

Office In-charge/project chief

Note: (1) Any project availing itself of a loan from the World Bank/ADB should:

(a) Show the amount in S.D.R. in column No. 3, 4 and 5.

(b) Put S.D.R./U.S.D. figure in column No. 6.

(c) Put U.S.D. figure in column No. 7.

(2) Any project availing itself of a loan/grant from other donor agency except the Word Bank/ADB should show the exchange rate in column 6, and need not fill up column 7.
## Schedule - 6

(Relating to Sub-rule (8) of Rule 39)

<table>
<thead>
<tr>
<th>Year</th>
<th>Particulars</th>
<th>Journal Voucher No.</th>
<th>Debit</th>
<th>Credit</th>
<th>Debit/Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chief of financial administration section  
Office In-charge

Note: The journal vouchers of the transactions of which payment is due should be prepared serially and entered in this account, which should be certified by the Office In-charge and the chief of financial administration section.

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Schedule – 7

(Relating to Sub-rule (1) of Rule 56)

Government of Nepal

……………..Ministry

……………..Department/Office

**Charge Hand-Over Certificate**

This is to certify that Mr. …………………………, at this Ministry/Department/Office, has already handed over the governmental cash, goods in-kind, documents and other properties in his custody/charge to the employee specified as his successor,

Charge Taken: Charge Handed Over: Office In-charge:

Over by: by: 

Name: Name: Name:

Signature: Signature: Signature:

Date: Date: Date:
Schedule – 7A  
(Relating to Sub-rule (3) of Rule 54)  
Government of Nepal  
…………… Ministry / Department / Office  
Inventory of House and Land

<table>
<thead>
<tr>
<th>Description</th>
<th>Source from which it was obtained</th>
<th>Inventory of house and land</th>
<th>Place where house is situated</th>
<th>Plot No.</th>
<th>Area</th>
<th>Four boundary</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of house</td>
<td>Type of land</td>
<td>Construction</td>
<td>Value</td>
<td>Landowner's name and certificate No.</td>
<td>of house</td>
<td>of land</td>
<td>total</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>
- **Schedule – 7B**

(Shedule Relating to Sub-rule (2) of Rule 63)

**Method of drawing out cost estimate of construction works**

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Total rate of item</th>
<th>Total quantity of item</th>
<th>Total cost of item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item (1)</td>
<td></td>
<td>(f)</td>
<td>(k)</td>
<td>(f) x (k)</td>
</tr>
<tr>
<td>Item (2)</td>
<td></td>
<td>(g)</td>
<td>(l)</td>
<td>(g) x (l)</td>
</tr>
<tr>
<td>Item (3) etc.</td>
<td></td>
<td>(h)</td>
<td>(m)</td>
<td>(h) x (m)</td>
</tr>
</tbody>
</table>

Total = (p) = (g) x (k) + (f) x (l) + (h) x (m) + ………………

Work change staff cost = by 2.5% of (p) = 0.025 x (p)

Other petty cost = by 2.5% of (p) = 0.025 x (p)

Figure of total cost estimate = 1.05 x (p)

Note: In comparing the tender figure, figure (p) of the cost estimate shall be considered.

**Method of drawing out total rate of item**

- Labour cost …………………………………. ………………………. (a)
- Construction materials cost ……………………………………… (b)
- Rent of mechanical equipment (including weigable substance) ……… (c)

- Inserted by the First Amendment.
Actual rate \((a+b+c) = (d)\)

\[
\text{Overhead of contract (15\% of (d) - 0.15 \times (d)}
\]

Total rate \((e) = 1.15 \times (d)\)

Note: After the cost estimate has been prepared as mentioned above, value added tax amount has to be added to the total cost estimate.
**Schedule – 7C**

*(Relating to Sub-rule (5) of Rule 97)*

**Description cost estimate of ration**

<table>
<thead>
<tr>
<th>Description of food</th>
<th>Unit</th>
<th>Quantity</th>
<th>Approved rate of last fiscal year</th>
<th>Price index of N.R.B.</th>
<th>Local market rate</th>
<th>Rate of the governmental body determining the value of the agro-products concerned</th>
<th>Approved cost estimate</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature

Chief District Officer

District Administration Office …………

Date: ………

Approved by ………

Signature of the Regional Administrator

Regional Administration Office … … …

Date: ………

- Inserted by the First Amendment.

[242]
aSchedule – 8  
(Relating to Sub-rules (7) and (8) of Rule 98)  
Government of Nepal  
...............Ministry  
...............Department/Office  

Comparative Schedule relating to Ration Contract

District … … … … … … Place

<table>
<thead>
<tr>
<th>S.N</th>
<th>Unit</th>
<th>Contract rate of previous year</th>
<th>Rate of approved cost estimate</th>
<th>Contract of this year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

__________________________

a Amended by the First Amendment.
Schedule – 9

(Relating to Sub-rule (1) of Rule 113)

Government of Nepal

...............Ministry

...............Department

...............Office

General Deposit Account

Fiscal Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Code No.</th>
<th>Sum received for deposit, Rs.</th>
<th>Settlement</th>
<th>Due</th>
<th>Remarks</th>
</tr>
</thead>
</table>

Entered by:
Name, surname:
Signature:
Date:

Certified by:
Name, surname:
Signature:
Date:
Schedule – 10

(Relating to Sub-rule (1) of Rule 113)

Government of Nepal

............Ministry

............Department

............Office

Personal Deposit Account

Deposit made by:

Name:

Address:

Fiscal Year........................Month....................

<table>
<thead>
<tr>
<th>Voucher No.</th>
<th>Date</th>
<th>Description</th>
<th>Total Debit</th>
<th>Expenditure/Credit</th>
<th>Balance Debit/Credit</th>
<th>Remarks</th>
</tr>
</thead>
</table>

Entered by:

Name, surname:

Signature:

Date:

Certified by:

Name, surname:

Signature:

Date:

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### Schedule – 11
(Relating to Sub-rule (3) of Rule 122)
Government of Nepal

Ministry
Office

**Letter of Credit Record Account**

<table>
<thead>
<tr>
<th>Name of the firm opening letter of credit</th>
<th>Letter of credit No. and date</th>
<th>Amount</th>
<th>Subject</th>
<th>Period</th>
<th>Name and address of the letter of credit issuing bank</th>
<th>Date of closing</th>
<th>Date of validity period extension</th>
<th>Date of closing of Account</th>
<th>Advance Account Page No.</th>
<th>Origin of goods</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Posted by:</th>
<th>Certified by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name, surname:</td>
<td>Name, surname:</td>
</tr>
<tr>
<td>Signature:</td>
<td>Signature:</td>
</tr>
<tr>
<td>Date:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

[248]
## Schedule – 12

(Relating to Sub-rule (1) of Rule 129)

Government of Nepal

...............Ministry

...............Office

Statement of deposits for telephone, water, electricity and similar other facilities

<table>
<thead>
<tr>
<th>Description on Deposits</th>
<th>Telephone No. Meter No.</th>
<th>Deposits</th>
<th>Inventory number of Funds and Accounts Comptroller Office (FACO) (To be filled up by FACO)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Of the Office In-charge making request to maintain inventory:
Name, surname:
Signature:
Date:

Of the officer of FACO preparing and certifying the inventory:
Name, surname:
Signature:
Date:

Note:

Two copies of this statement, accompanied with the certified duplicate copy of the receipt of amount, should be forwarded to the Funds and Accounts Comptroller Office. The Funds and Accounts Comptroller Office should return one copy thereof to the concerned Office, upon posting it on the inventory.

The date, and name and post as well of the beneficiary, if any, should be mentioned in the journal voucher in debiting the deposits in the description column.
Schedule – 13

(Relating to Sub-rule (1) of Rule 129)

Government of Nepal

Ministry of Finance

The Office of the Financial Comptroller General

The Funds and Accounts Comptroller Office

...............District

Ref. No. :

Subject: Annual statement of deposits for telephone, water, electricity and similar other facilities.

<table>
<thead>
<tr>
<th>Name of Office</th>
<th>Description of the deposits</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(Where the deposit has been credited into the Consolidated Fund or remitted, mention the same)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Telephone</th>
<th>Water</th>
<th>Electricity</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted by :</td>
<td>Certified by :</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name, surname :</td>
<td>Name, surname :</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signature :</td>
<td>Signature :</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date :</td>
<td>Date :</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[250]
Schedule – 14

(Relating to Sub-rule (1) of Rule 136)

Government of Nepal

...............Office

Short Annual Report of Financial Transactions of

Fiscal Year............

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular Revenue (including penalty, fine)</td>
<td></td>
</tr>
<tr>
<td>(a) Record :</td>
<td></td>
</tr>
<tr>
<td>1. Carried over from the previous year</td>
<td></td>
</tr>
<tr>
<td>2. Addition of this year</td>
<td></td>
</tr>
<tr>
<td>Total : a (1) + a (2)</td>
<td></td>
</tr>
<tr>
<td>(b) Recovered and Written off :</td>
<td></td>
</tr>
<tr>
<td>1. Written off upon recovery</td>
<td></td>
</tr>
<tr>
<td>2. Written off</td>
<td></td>
</tr>
<tr>
<td>Total : b (1) + b (2)</td>
<td></td>
</tr>
<tr>
<td>(c) Due/Outstanding : (a-b)</td>
<td></td>
</tr>
<tr>
<td>(d) Recovery :</td>
<td></td>
</tr>
<tr>
<td>1. Total recovery</td>
<td></td>
</tr>
<tr>
<td>2. Deposit in the revenue account</td>
<td></td>
</tr>
<tr>
<td>3. Due to be deposited in</td>
<td></td>
</tr>
<tr>
<td>Total : d (1)</td>
<td></td>
</tr>
<tr>
<td>2. Irregular revenue (miscellaneous receipts except the regular) :</td>
<td></td>
</tr>
<tr>
<td>(a) Receipts :</td>
<td></td>
</tr>
</tbody>
</table>
(b) Deposited in the revenue account:

(c) Due to be deposited in

3. **Total revenue : d (1) + 2 (a)**

4. Annual budget sanction expenditure and balance Budget sub-head No. :-
   programme :- Annual Budget :- Sanction :- expenditure :- balance :-

4.1 **According to the source :**

(a) Government of Nepal :-

(b) Foreign :-

   (i) Loan
      - Reimbursable
      - Cash
      - Direct payment

   (ii) Grant
      - Reimbursable
      - Cash
      - Direct payment
      - Commodity aid

   Total :

4.2 **Classification of expenditure :**

(a) Towards consumption expenditure:

(b) Towards capital expenditure:

   Total :

   Balance deposited in the Bank Rs. –
   Advance due to be settled Rs.

5. **Advance :**

Advances of previous F.Y.

Advances of this F.Y.

[252]
Total :-

Settlement :
Through ledger (*Phantbari*)
Through cash payment

Total :

Due and outstanding

Expired :-
Unexpired :-

Total :-

6. Deposits :

Receipts
Carried over from last year
Additional of this year

Total :-

Expenditure

Refunded

Written Off (*Syaha*)

Total

Balance

7. Payable liabilities :

Last year's :
This year's :

Total :-

Paid up :
Due:

Total :-

8. Auditor General Irregularity :
Up to last year
To be regularized
To be recovered

Total :-
Up to this F.Y.
To be regularized :-
To be recovered :

Total :-

Settlement :

By way of regularization/submission of evidence
By way of recovery

Total :-

Due

To be regularized
To be recovered

Total :-

9. Goods In-kind (Durable goods, buildings etc.) Total (in Rs.)

Receipts :

Stock carried over from last year
Procured this year
Obtained from assistance
Handed-over from elsewhere  
Total

Expenditure

Wear and tear remitted

Auction, sale

Handed-over to elsewhere

Total

Due/Balance Amount

(Inventory of the goods in-kind like building and equipment, water, bus, truck, heavy equipment etc. amounting to more than one hundred thousand rupees should be separately attached.)

Total :-

10. Production enterprise goods (amount in Rs.) :

Carried over from last year :

Addition in this year :

Total :

Sold :

Used in work :

Remitted :

Total

Due/Balance (amount in Rs.)

11. Office materials (consumable) :

Balance/due (amount in Rs.)

Chief of financial Office In-charge : administration section/branch :

Name, surname :

Signature :

Date :

Name, surname :

Signature :

Date :
Schedule – 15
( Relating to Sub-rule (1) of Rule 152)

Government of Nepal

..............Ministry

..............Department

Firm to be filled up for forwarding to maintain records

1. **Description of the Responsible Person**: 
   (a) Name, surname:
   (b) Address:
      
      Permanent:
      
      Temporary:
   (c) Father's name, surname:
   (d) Grand-father's name, surname:

2. **Description of Office assumption**: 
   (a) Office:
   (b) Designation:

3. **In the case of a retired employee**: 
   (a) Date of retirement:
   (b) Office of retirement:
   (c) If he has been receiving pension, authorization letter No. and the name of bank from which payment is received:

4. **Description of the amount required to be recovered**: 
   (a) Advance:
   (b) Irregularity:
(c) Compensation Rs.

(d) Penalty, fine Rs.

(e) Total Rs....................in words.............................

(f) Amount subject to interest:

(g) Interest rate

(h) Date whereon the interest charge begins:

5. Description of deposit and guarantee/security :

5.1 Description of the assets furnished as deposit :

(a) Name, surname of landowner:

(b) Father's name, surname:

(c) Grand-father's name, surname:

(d) Address:

5.2 Description of the house and land furnished as deposit:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>District</th>
<th>Municipality/ V.D.C.</th>
<th>Plot No.</th>
<th>Area</th>
<th>Type</th>
<th>Remarks</th>
</tr>
</thead>
</table>

6. Description of Guarantor:

(a) Name, surname:

(b) Father's name, surname:

(c) Grand-father's name, surname:
The inventory has been forwarded pursuant to Sub-rule (3) of Section 20 of the Financial Procedures Act, 2055 (1999) since the above-mentioned amount cannot be regularized pursuant to Section 21 of the Act and all the actions related therewith as referred to in this Rules have already been taken.

Signature of the Accounts Responsible Officer:

Note: The following documents as well should accompany the inventory description:

1. A duplicate copy of the decision made by the Accounts Responsible Officer to forward the inventory to the central Office to recover the amount as governmental dues,

2. The original copy of the land-ownership registration certificate of the assets encumbered with security, deposit, and the letter of the concerned Land Revenue Office withholding the assets,

3. The bond executed by the guarantor, original copy of the land-ownership registration certificate of the assets mentioned in that bond and the letter of the concerned Land Revenue Office withholding the assets,

4. The documents showing valuation of the house/building, if any, furnished as security/guarantee.
Schedule – 16

(Relating to Sub-rule (1) of Rule 164)

Government of Nepal

...............Ministry

...............Office

Travelling Records Account of Employee Assigned on Travelling

<table>
<thead>
<tr>
<th>Travelling order number</th>
<th>Of the employee assigned on travelling</th>
<th>Place of travelling</th>
<th>Budget sub-head number from which expenditure is made</th>
<th>Period of assignment on travelling</th>
<th>Period extended</th>
<th>Total days</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Designation</td>
<td>From</td>
<td>To</td>
<td>From</td>
<td>To</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The travelling order number should start with number one upon the beginning of a Fiscal Year and be closed upon the expiration of that Fiscal Year, which should be certified by the Office In-charge, and it should again start with number one upon the beginning of a new Fiscal Year; and the travelling order number should be put on the travelling order form.
### Schedule – 17

*(Relating to Sub-rule (2) of Rule 167)*

**Rate of Travelling Allowance (Per *Kosh* Rs.)*

<table>
<thead>
<tr>
<th>Level</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>First level</td>
<td>12</td>
</tr>
<tr>
<td>Second level</td>
<td>10</td>
</tr>
<tr>
<td>Third level</td>
<td>8</td>
</tr>
<tr>
<td>Fourth level</td>
<td>6</td>
</tr>
</tbody>
</table>
Schedule – 18

Rate of Daily Allowance

(Relating to Sub-rule (1) of Rule 168)

1. Employee of the first level  Rs.140/-
2. Employee of the second level  Rs.130/-
3. Employee of the third level  Rs.115/-
4. Employee of the fourth level  Rs.90/-

In cases where, in performing travelling within Nepal, travelling has to be performed via an Indian route and night haltage has to be made in India, an addition of 50% of the specified rate shall also be provided.
Schedule – 19
(Relating to Sub-rule (2) of Rule 168)

Classification of districts for the purpose of daily "… … … allowance"

**Districts of group (a)** – An addition of 75 per cent of the daily and travelling allowance rate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Sankhuwasabha (North of Num)</td>
<td>17. Solukhumbu (North of Chaurikharka)</td>
<td>18. Laptithum and Palchokthum (Helmu) of Sindhupalchok District</td>
</tr>
</tbody>
</table>

**Districts of group (b)** – An addition of 50 per cent of the daily allowance rate

"… … … allowance rate

<table>
<thead>
<tr>
<th>1. Darchula (the whole except Vyas Garkha)</th>
<th>2. Doti</th>
<th>3. Achham</th>
<th>4. Dailekh</th>
</tr>
</thead>
</table>

"Deleted by the notice published in the Nepal Gazette dated 2056-9-26 (Jan. 10, 2000)."
|-----|-------------|----------|----------|-----------|

**Districts of group (c) – An addition of 25 per cent of the daily allowance rate**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Dhankuta</td>
<td>10. Ilam</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Districts of group (d) – No additional allowance except the daily
"… … … allowance to be provided under the Rules shall be
provided.

|----------------|------------------------------------------------------|------------|---------|
Schedule – 20

(Relating to Sub-rule (1) of Rule 179)

Classification of countries for the purpose of daily and travelling allowance

Countries of category (a)

Countries of Europe, North America, Latin America, Caribbean Region, Africa, West Asia and Middle-East region and the countries of Asia and Pacific Region except those referred to in category (b).

Countries of category (b)

Countries of the SAARC Region except India

Countries of category (c)

India
### Schedule – 21

Rate of daily allowance while travelling abroad

(in US Dollars)

(Relating to Sub-rule (1) of Rule 179)

<table>
<thead>
<tr>
<th>Level of employee</th>
<th>For countries of category (a)</th>
<th>For countries of category (b)</th>
<th>For countries of category (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>For Delhi, Bombay, Madras, Calcutta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>For all the rest places of India except those mentioned in Schedule – 22</td>
</tr>
<tr>
<td>First</td>
<td>120</td>
<td>90</td>
<td>55</td>
</tr>
<tr>
<td>Second</td>
<td>100</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>Third</td>
<td>90</td>
<td>70</td>
<td>35</td>
</tr>
<tr>
<td>Fourth</td>
<td>75</td>
<td>60</td>
<td>30</td>
</tr>
</tbody>
</table>
Schedule – 22  
(Relating to Sub-rule (9) of Rule 179)  
Indian districts bordering with Nepal  

|-------------|---------------|------------|------------|
### Schedule – 23

**Clothing Allowance (In US Dollars)**

*(Relating to Sub-rule (1) of Rule 182)*

<table>
<thead>
<tr>
<th>Level of employee</th>
<th>For countries of category (a)</th>
<th>For countries of category (b)</th>
<th>For countries of category (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First and Second</td>
<td>80</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>Third and Fourth</td>
<td>60</td>
<td>40</td>
<td>30</td>
</tr>
</tbody>
</table>