

Policy for Purchase / Replacement/ Disposal of Telecommunications & Computing/ IT Products, Electronics items etc.

A. Entitlements:

Some Officials/ Employees of the University are provided with IT products/ electronic gadgets. The financial limits/ entitlements for procurement of mobile phone instruments and the recurring user charges are governed by the instructions issued by the ITKM to all employees at SRMUH. As for the computing equipment, these limits are fixed as under:

Sr. No.	Item	Entitled categories	Maximum Limit (INR)
i)	Laptops	Vice Chancellor / Registrar	1,50,000/-
		CoE, Director(s), Dy. Registrar, Dean(s), Emeritus Professor(s)	1,00,000/-
ii)	Desktop/ Laptop	Dy. Director(s), Ascc. Dean(s) and Professors	75,000/-
		Asst./ Ascc. Professor(s), Asst. Director(s)	60,000/-
		Other staff with due approval	50,000/-

B. Useful life of various Items and replacement

Depending upon the nature, usage, maintenance cost, obsolescence in terms of technology, up gradation of technology etc., the related items are classified in following categories for the purpose of disposal of these items: -

Category	Nature	Items	Useful/Productive Life
I	Immediate obsolescence/ use and throw products	Printing Consumables (InkToners), Floppies, CDs, DVDs, Digital Audio Tapes (DAT), Linear Tape Open (LTA), UPS Batteries	As per usage. No residual values determined. However, proper inventories of purchase, issue and final use/ disposal etc. would be maintained to keep an accounting system.
II	Low life/ Fast obsolescence products	Mobile Phones	Three years
		Laptops, Pen Drive, External Hard Disk Drive (HDD) etc.	Four years in case of Laptops, Pen Drive, HDD etc. for replacement. Residual values determined separately.



III	Medium obsolescence/ Medium life products	Desktops, Printers, Multi-functional Devices (MFDs), Scanners, Multi-media Projectors, UPS Systems etc.	Five years for replacement.
IV	Slow obsolescence/ Long life products	Fax, EPABX, Electronic items such as cameras, TVs, DVD Players, Public Address Systems, Electronic Calorie Meter, Electronic Thaw Unit, Sterilizers etc.	Seven years
V	Software	Software like MS office, Oracle, MS-SQL, MS-Windows, Antivirus etc.	As per licensing T&C
Note:	The above-mentioned items should be used beyond the mentioned/ specified life till such time these items continue to serve the purpose.		

1. Explanatory Notes on the items, as mentioned in the table, are given below:

- i. **Category-I: Use and throw products:** These products have no fixed life and can be used till these are consumed or are under replacement warranty (like SMF batteries are covered under 1 year replacement warranty from the manufacturer). However, the user departments must maintain proper inventory of purchase, issue, and disposal thereof to ensure prudent official use of these items.
- ii. **Low life products:** The general useful/ productive life in the case of products/ items in this category would be two years in the case of a Mobile Phone Instrument and three years in the case of laptops and other items mentioned therein for replacement purposes. However, one may use the same for longer period so long as the item/ equipment serves the purpose.
- iii. **Medium life products:** The useful/ productive life of products in this category is fixed at 5 years even though the products can be continued to

be used for longer period in an organization/ department, being a multiple level of usage in terms of level of works to be done like Software development/ testing, Data Processing, Information searching, Word processing etc. Accordingly, the life of these products is fixed as five years for replacement purposes. However, one can use the equipment for longer period so long as it fulfills the user requirements.

- iv. **Long life products:** It has been observed that these products can be used for more than 5 years due to comparative stability in specifications/ services. Accordingly, the replacement life of these products is fixed as 7 years. However, one can use the same for longer periods so long as these products serve the user requirements.
- v. **Software:** Purchase of software can be booked as a one-time office expenditure. The old software can be upgraded into latest version by taking the benefit of old purchase in case scheme is available from the developer/ principal Company. In the alternative, latest software can be purchased, and, in that case, the residual value of the old software can be treated as NIL.

C. Rates of Depreciation and the Residual Value:

The rates of depreciation and the method of working out the residual value of these store-items is explained as under:

No residual value is being assigned for **Category-I** items. However, the non-consumable items can be transferred to ITKM at zero value for electronic waste management purposes.

D. Category-II Items

1. The Bill Values and the illustrative depreciation rates/ amount for Mobile Phones, and Laptops & other items in this category are given in the following table:

Sr. No.	Items	On completion of				
		Year-1	Year-2	Year-3	Year-4	Year-5
II	Mobile Phones	60%	60%	75%	100%	
	Bill Value	Illustrative Residual value				
	Rs. 25,000/-	10,000/-	4,000/-	1,000/-	Nil	
	Rs. 20,000/-	8,000/-	3,200/-	800/-	Nil	
	Rs. 12,000/-	4,800/-	1,920/-	480/-	Nil	
	Rs. 8,000/-	3,200/-	1,280/-	320/-	Nil	
	Laptops/ Note-books/ HDD/ Pen-drives	40%	50%	70%	80%	100%



Bill Value	Illustrative residual value				
Rs. 70,000/-	42,000/-	21,000/-	6,300/-	1,260/-	Nil
Rs. 50,000/-	30,000/-	15,000/-	4,500/-	900/-	Nil

2. The ITKM policy permits the entitled class of users to purchase the equipment in the above categories at prices higher than the permissible limits subject to the reimbursement restricted to the prescribed limits. While calculating the residual value of the equipment, only the number of permissible limits shall be considered, and the amount spent by a user in excess thereof at the time of purchase shall not be considered.
3. The entitled users can seek the replacement of a Mobile Phone on completion of four years period from the date of purchase of the equipment and on completion of five years period after the date of purchase in the case of a laptop/ notebook.
4. Whenever an entitled user seeks to replace his item in this category on completion of the prescribed period, he has the option to either return the used/ old equipment to the ITKM Department or retain the same for his personal use at the residual value calculated in accordance with the above matrix. This option would also be available in the case of retiring officers/ entitled users.
5. In case a **laptop is used for 5 years/ mobile phone is used for 4 years** by an entitled user without seeking a replacement with a **new laptop/ new mobile phone**, there would be no need to return/ deposit the same in the store and it would be written off from the books as the value of the said item would be negligible. However, in case the **laptop/ mobile phone** is replaced with a new **laptop/mobile phone after 5/4 years** but before completion of **6/5 years**, the residual value of the **old laptop/ old mobile phone** will be calculated as per the depreciation rates given in the matrix D1.

E. Policy for Purchase and use of Electronic Gadgets by other staff members:

Keeping in view the increasing use of ICT in teaching, learning and administration process, the university encourages that employees who are not being officially issued electronic gadgets such as Laptops, Mobile phones, Printer, etc. can purchase within the stipulated limit as per A&D provided that the 50% of the actual amount is spent by the employee with proper invoices from authorized vendors only. The remaining 50% shall be borne by the University

(Registrar)

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Dr. V. S. M

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