Vitality of Stores Activities in CSIR

3rd Conclave of S&P Officers- April 2026

Presenting Group

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1. Support to Scientific Research

- Ensuring the timely **availability of routinely required** materials, chemicals and **research consumables** for scientific research
- **Efficient stores/inventory management** enables scientists to conduct experiments without interruption

2. Procurement Facilitation

Stores acts as a central node for procurement coordination by:

- **Maintaining stock** of frequently used R&D consumables
- This helps in **speedy availability** of routinely required items and **cost efficiency by minimising frequent purchases**

3. Inventory Management

Proper inventory control helps to:

- **Avoid stock-outs** and delays in research activities
- **Prevent excess procurement** and wastage
- Maintain **optimal stock** levels
- Identification of **Slow / non-moving** items

👉 **Control Point: Optimum inventory levels**

4. Receipt & Inspection of Goods

Receipt & Goods Handling

- Receipt of materials against Purchase Orders
- Entry in Daily Receipt Register (DRR)
- Coordination with security/gate entry
- Safe unloading and initial verification

👉 **Control Point:** No item enters stores without documentation

Inspection & Acceptance

- Technical inspection by indenter/scientist
- Recording of: Acceptance or Rejection / short supply
- Preparation of Goods Receipt Note (GRN)

👉 **Control Point:** Only accepted items enter stock

5. Asset Accountability

Stores plays a key role in **recording, tagging and tracking capital assets** procured through projects or institutional funds.

This ensures:

- **Safe custody** of Assets (**PIR/DIR** records)
- **100% Physical Verification** of Stock Inventory and Assets (PIR/DIR)
- **Transfer of Assets**
  - Inter-Lab transfers (In / Out)
  - Project asset transfers to CSIR assets

6. Financial Control and Transparency

Stores procedures ensure:

- **Compliance with Store rules** / procedure and **financial propriety**
- **Reconciliation of Assets** recorded in Balance sheet with Store Asset Records

7. Efficient Distribution

Stores ensures that **materials are issued** to scientists and departments promptly against **approved requisitions / issue slips.**

This includes:

- Issue of stock items
- **Monitoring consumption** patterns
- Maintaining **accountability of materials issued**

8. Disposal of Items

Stores **coordinates the process of disposal** of-

- Unserviceable & Obsolete equipment / instruments
- Scrap & non-moving (surplus) inventory
- Hazardous chemicals, Batteries, etc.
- End of Life vehicles
- Empties, packing material & waste paper

This **helps in space management, environmental friendly disposal and generating monetary value.**

9. Security & Safety Measures

1. Access Control & Security

- **Restrict access to-** Authorized personnel only
- Maintain- **Lockable storage** for sensitive items
- **Monitor- Entry/exit** of high-value materials

2. Fire & Explosion Safety

- **Installation and upkeep**
  - Fire extinguishers (CO_2, foam, dry powder as appropriate)
  - Smoke detectors & alarm systems
- **Maintain-** Fire exits and evacuation plans
- **Avoid-** Overstocking flammable materials
- **Periodic inspection** Solvent & UHP Gas Stores by **Safety Committee**

Conclusion

Stores activities form a vital backbone of scientific operations in CSIR laboratories.

Efficient store management ensures **availability of research consumables, accountability of assets, financial discipline, compliance with stores rules** and uninterrupted support to research activities.

Store Section - a Neglected Division in CSIR

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Store Section - a Neglected Division in CSIR

A Perspective

The perception that the Store Section is a neglected division in CSIR laboratories is often raised in discussions among administrative and technical staff.
However, this view is largely a misconception, though it may arise due to certain structural and functional realities.

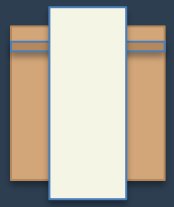
1. Nature of Work is Supportive, Not Visible

Stores functions are primarily support services, such as:

- Receipt and issue of materials
- Stock maintenance & Inventory control
- Asset management
- Disposal

Unlike scientific achievements or project outputs, these activities are not highly visible, which sometimes leads to the perception that the section is less important.

2. Critical Role in Research Operations



In reality, the Stores Section is a backbone of research infrastructure because it:

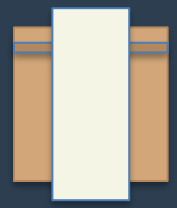
- Ensures availability of chemicals, equipment and research consumables
- Maintains inventory and asset records
- Supports scientists and projects with timely supply of routinely required items

Without efficient stores operations, research activities would be severely affected.

3. Limited Recognition Compared to Procurement

Factor	Purchase Section	Store Section
Visibility of Impact	Directly linked to procurement of equipment, tenders, vendor negotiations Seen as enabling new projects and scientific capability	Works in the background (receipt, issue, records) 👉 Result: Stores appear supportive, not strategic
Financial Perception	Tendering processes Financial approvals Vendor negotiations	Post-procurement processes 👉 Misconception: “Money is spent in purchase, not in stores” (Whereas stores actually control and account for assets)

3. Limited Recognition Compared to Procurement



Factor	Purchase Section	Store Section
Lack of Direct Performance Metrics	Measured by procurement **speed, savings, tendering efficiency**	**Impact is indirect** (accuracy, control, audit compliance) 👉 Difficult to quantify
Role	**Expertise and Experience required** in Decision making especially in high-value in complex procurements	Documentation-Heavy Nature Registers, ledgers, verification, reconciliation 👉 Perceived as **clerical or record-keeping work**, not decision-making
Delayed Modernization	**Faster adoption** of e-procurement systems	Often **partially manual or fragmented** 👉 Reduces efficiency and perception of importance

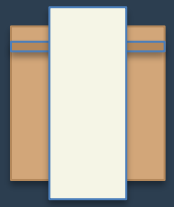
4. Resource and Staffing Constraints

Sometimes the perception of neglect arises due to:

- Limited dedicated manpower
- Priority to given to Purchase Section in Manpower allocation
- Lack of modern inventory systems
- Manual record keeping in some laboratories

These operational challenges can create an impression that the section is underdeveloped, though the work itself remains essential.

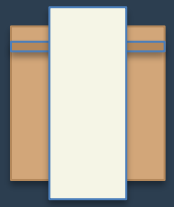
5. Audit and Compliance Importance



Although its work is **less visible compared to scientific or procurement activities**, the section plays a vital role in **ensuring smooth research operations, asset accountability and inventory management** within CSIR laboratories.

Audit observations often focus on stores **inventory management, asset record keeping, physical verification and disposal activities** demonstrating its institutional importance.

6. Growing Importance with Modern Inventory Systems



With the introduction of:

- ERP systems
- Digital asset registers
- Centralized procurement platforms

the role of stores management is becoming more structured and strategically important.

7. Conclusion

The notion that the Store Section is a neglected division in CSIR is **largely a misconception.**

👉 **Store Section controls:** Inventory worth crores
Asset accountability (AAR, PIR, DIR)
Audit compliance and financial integrity

👉 **Without strong stores: no control over assets**
Risk of: Loss, misuse, audit objections

Records Maintained by Store Section

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Key Records

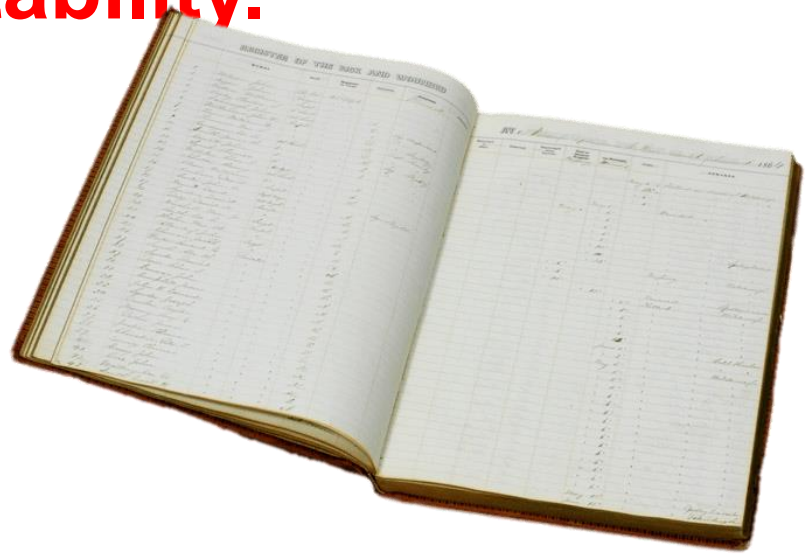
Records maintained by Stores Section are-

- Register of Registers
- Daily Receipt Register
- Store Ledgers- Consumable items
- Asset Register & Abstract Asset Register
- PIR & DIR
- Discrepancy Register
- Issue Control Register
- Registers for Samples

Importance of Store Ledgers

Store Ledgers maintained in CSIR laboratories contain **vital and comprehensive information** about laboratory **equipment, materials and assets**.

These records play a crucial role in **inventory control, asset tracking and financial accountability.**



1. Recording of Equipment and Materials

Store Ledgers serve as the **primary record for receipt and issue of equipment and materials.**

They contain **essential details** such as:

- Name and description of equipment/material
- Make, model, and specifications
- Quantity received
- Purchase Order number and date
- Supplier details
- Cost of equipment/material
- Date of receipt and issue

These details ensure **complete documentation of all items entering the stores** system.

2. Asset Tracking

For laboratory equipment and capital assets, store ledgers help in:

- **Identifying the location of equipment**
- **Recording custody and user department**
- **Maintaining historical purchase information**

This information is **essential during physical verification** of assets and internal / external audits.

3. Financial Compliance

Store Ledgers are important for maintaining financial discipline and transparency because they:

- **Provide documentary evidence of procurement and stock management**
- Support audit verification by internal auditors and CAG
- Ensure compliance with CSIR Store rules and GFR provisions

4. Inventory Control

By maintaining accurate entries in store ledgers, laboratories can:

- Monitor stock levels of consumables
- **Avoid overstocking or shortages**
- Maintain proper stock planning for R&D activities
- Identification of **Slow / non-moving** items

5. Physical Verification

During annual or periodic physical verification, Store Ledgers serve as the **reference document to verify:**

- **Existence of equipment** and assets
- **Quantity of consumables** in stock
- **Discrepancies** between records and physical stock

Conclusion

- Store Ledgers in CSIR laboratories are critical records containing vital details of laboratory equipment and materials.
- Proper maintenance of these ledgers **ensures efficient inventory management, financial accountability, and compliance with audit requirements**, thereby supporting the smooth functioning of scientific research activities.

Store Ledger for consumables

1. Accounting of Consumable Inventory

Records:

- Receipts (purchases)
- Issues (consumption)
- Balance stock

👉 Provides a **running quantitative and value-based record**

2. Control over Consumption

Tracks:

- Which division/person consumed materials
- Rate and pattern of usage

👉 **Helps prevent:**

- **Overuse**
- **Pilferage**
- **Unauthorized issue**

Store Ledger for consumables

3. Stock Position Monitoring

Shows:

- Current balance
- Reorder level and Maximum level: Inventory Control

👉 **Helps in:**

- **Avoiding stock-outs**
- **Preventing overstocking**

4. Input for Physical Verification

Ledger balance is compared with:

- **Physical stock during verification**

👉 **Helps identify:**

- **Shortages**
- **Excess**

Asset Register

1. Complete Record of Capital Assets

- Captures details of each asset:
  - Description, make/model
  - Cost & date of acquisition
  - Location & custodian

👉 **Ensures every asset is formally recorded and traceable**

2. Ownership & Custody Tracking

- Links assets to:
  - Division (DIR)
  - Individual user (PIR)

👉 **Ensures safe custody and fixes responsibility & accountability**

Asset Register

3. Physical Verification & Reconciliation

Used as reference during:

Annual / periodic verification

👉 **Helps identify:**

- ➢ **Missing assets**
- ➢ **Unserviceable items**
- ➢ **Idle equipment**

4. Lifecycle Management of Assets

- **Tracks:**
  - **Acquisition → Usage → Transfer → Disposal**

👉 **Supports:**

- Timely condemnation
- Replacement planning

Abstract Asset Register (AAR)

Consolidated summary of all assets

1. **Segregation by:**
   - **Asset category** (Apparatus & Equipment, Computers, Furniture, Vehicles, Workshop Machinery)
   - **Funding source** (CSIR Infra / External Funds)

2. **Typical Structure of AAR**
   - Opening balance (category-wise)
   - Asset additions during the year
   - Deletions (disposal/write-off, transfer)
   - Closing balance

Abstract Asset Register (AAR)

3. Serves as a bridge between Stores and Finance/Accounts

Linkage with Balance Sheet

- AAR figures are used for:
  - **Fixed Assets schedule** in annual accounts
- Ensures:
  - Proper capitalization
  - Accurate financial reporting- 👉 **Critical for closing of accounts**

4. Sponsored Project Assets Tracking

- Separately captures- Assets created under **externally funded projects**

  👉 **Facilitates: Transfer to CSIR assets after Sponsored project closure**

Personal & Divisional Inventory Records

- **Personal Inventory Records (PIR):**
  - **Tracks assets issued to individuals**
  - Helps establish custodian-level accountability
- **Divisional Inventory Records (DIR):**
  - **Tracks assets located in divisions/labs**
  - Ensures department-level control

Daily Receipt Register

1. **Primary Record of All Receipts**
   - Captures **every consignment received** in the laboratory
   - Maintained **date-wise (chronological order)**
     👉 **Ensures nothing enters the lab without documentation**
2. **Gate-to-Store Control Mechanism**

   Acts as a bridge between:
   - **Gate Entry / Security** & **Stores Section**
     👉 **Prevents: Unauthorized or unrecorded receipts**
3. **Basis for Further Processing**

   DRR entry triggers:
   - Inspection
   - Goods Receipt Note (GRN) preparation
   - Stock/asset entry 👉 **It is the starting point of the stores workflow**

Daily Receipt Register

4. Tracking of Consignments

Helps monitor:

- Pending inspection items
- Delayed processing

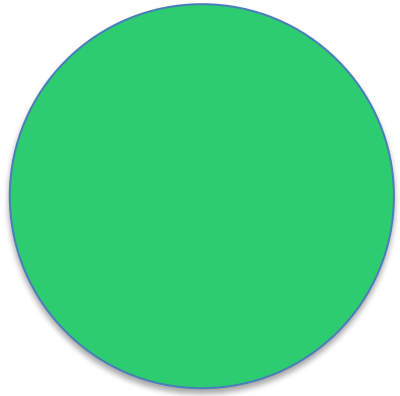
👉 **Avoids: Material lying unattended**

5. Typical Contents of DRR

- Date of receipt
- DRR serial number
- Supplier name
- Purchase Order reference
- Description of goods
- Number of packages
- Remarks (damaged/short supply, etc.)

Discrepancy Register

*The Discrepancy Register is maintained in CSIR stores to record and **monitor shortages, excesses and irregularities in stock and supplies**, ensuring timely corrective action*



Audit Importance

- Frequently checked by **CAG/Internal Audit**
- **Ensures:**
  - **No discrepancies are ignored**
  - **Proper follow-up action taken**
- Lack of register → **serious audit objection**

Types of Discrepancies Recorded

- **At Receipt Stage:**
  - Short supply / Excess supply / Damaged goods / Wrong specifications
- **During Storage/Issue:**
  - Stock mismatch / Missing items
  - Deterioration/expiry
- **During Physical Verification:**
  - Shortage / Excess / Unaccounted items

Discrepancy Register

Procedure

- Detection of discrepancy
- Immediate entry in register
- Verification & investigation
- Report to competent authority
- **Action taken, such as:**
  - **Replacement from supplier**
  - **Adjustment in stock**
  - **Write-off**
  - **Fixing responsibility (if necessary)**

Link with Other Registers / Records

- Stock Register → **for quantity comparison**
- GRR (Goods Daily Receipt Register) → **for receipt discrepancies**
- Inspection Note → **for quality issues**
- Write-off Register → **for losses**

Issue Control Register

Issue control register maintained in the Stores Section **as per category by each Storekeeper** to record **all material issues** made against authorized indents, ensuring that every issue is:

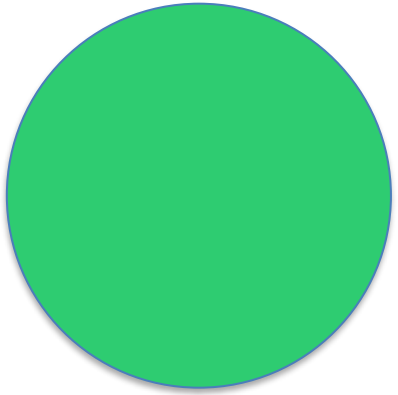
- **Properly authorized**
- **Correctly accounted**
- **Linked with stock records**

Purpose

- **Prevent unauthorized or excess issue of materials**
- Cross-check **issue vouchers vs stock register entries**
- Maintain **day-to-day control over store issues**
- Facilitate **audit verification**

Procedure

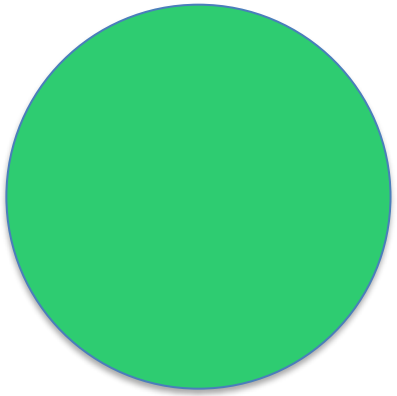
- Preparation of Issue Voucher (slip)- Signed by authorized officer
- **Receipt of Issue Voucher (slip)- Verified for authorization**
- Issue of Material- As per stock availability
- **Entry in Issue Control Register- Voucher-wise recording**
- **ICR entry number recorded on Issue Voucher (slip) for cross reference**
- Update Stock Register- Balance reduced accordingly



Issue Control Register

Key Control Features

- **Sequential voucher numbering**
- Ensures **no issue without record**
- **Helps detect:**
  - Over-issue
  - Duplicate issue
  - Unauthorized withdrawals



Audit Importance

- Cross-verification with Stock Register and Issue Voucher

  👉 Any mismatch may lead to **audit objection**

Practical Understanding

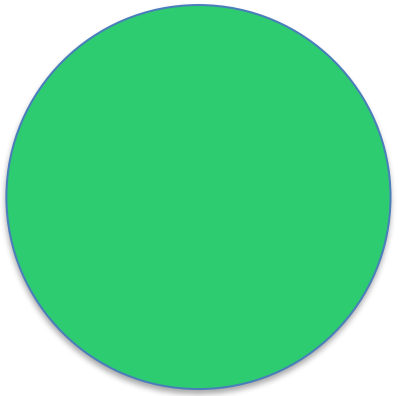
- Issue Control Register = **Control summary**
  Stock Register = **Item-wise detailed record**
- Both must always **tally**

Register of Registers

A **Register of Registers** is a consolidated record listing **all registers maintained in the Stores Section**, along with their details, custody, and status.

Purpose

- Master index of all store-related registers
- Ensures **systematic documentation**
- Helps in **audit verification (CAG/Internal Audit)**
- Prevents duplication or loss of records
- **Tracks opening/closing of registers**



Key Features

- Each register is assigned a **unique identification number**
- Pages are **machine-numbered / certified**
- **Opening and closing entries are authenticated**
- Periodic **review by Store Officer**

Important Audit Points

- All active registers must be **listed in this master register**
- **No unauthorized register should exist**
- Closed registers should be **properly recorded and archived**
- **Helps auditors verify completeness of records**

Register of Samples

Stores Section (Register Entry & Custody)

- Maintains as **central register**
- Ensures **proper entry, custody and tracking**

User Scientist (Testing/Evaluation)

- Receives samples for **testing/evaluation**
- Records observations and submits **feedback/report**
- Returns or certifies consumption of sample

Competent Authority- Approves final disposal

- **Return to vendor**
- **Consumption in testing**
- **Regularization (if to be retained/purchased)**

Why Stores Records are Critical for Accountability

Stores records play a fundamental role in ensuring proper accountability, transparency, and control over assets and materials in CSIR laboratories.

1. Ensuring Traceability of Procured Items

Stores records provide a complete trail of procurement, starting from the receipt of goods to their issue and utilization.

2. Supporting Asset Identification and Custody

Scientific equipment and other capital assets are often received through stores before being issued to the concerned divisions or scientists.

3. Facilitating Physical Verification

Store records serve as the reference documents during verification, enabling comparison between recorded data and actual physical availability.

Accountability Continued

4. Strengthening Financial Control

Accurate store records help ensure that procured materials are properly accounted for and utilized for their intended purposes.

5. Supporting Audit and Compliance Requirements

Audit authorities rely heavily on stores records to verify procurement, stock management, and asset accounting.

6. Preventing Loss, Misuse or Misplacement

Maintaining systematic records reduces the risk of loss, misuse, or unauthorized movement of assets.

7. Enabling Efficient Inventory Management

Stores records help laboratories monitor stock levels, consumption patterns, and future requirements.

Strengthening Store Ledgers

1. Proper Classification of Items

Ensure that items are correctly classified and grouped.

2. Unique Item Identification

Assign unique item codes or stock numbers for each inventory item.

3. Accurate Recording of Receipts

Record all goods received in stores immediately after inspection and acceptanc

4. Proper Recording of Issues

Issues from stores should be recorded only against authorized requisitions or indents.

5. Running Balance Maintenance

Maintain running balance after every receipt or issue transaction.

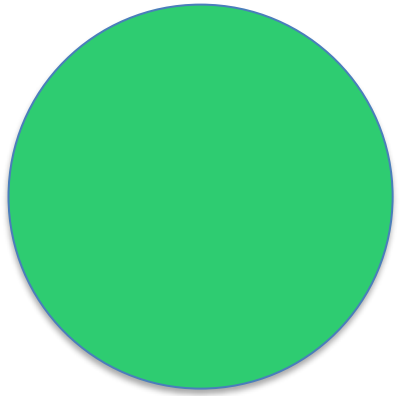
6. Periodic Verification of Ledger Entries

Store officials should periodically verify that ledger balances match with physical stock.

Strengthening Store Ledgers

7. Proper Authorization and Signatures

All ledger entries should be authenticated by authorized store personnel.



8. Integration with Procurement and Issue Records

Store ledgers should be linked with procurement records.

9. Support for Physical Verification

Organize ledgers to facilitate easy physical verification.

10. Reconciliation with Financial Records

Ensure periodic reconciliation between store ledger, procurement, and accounts.

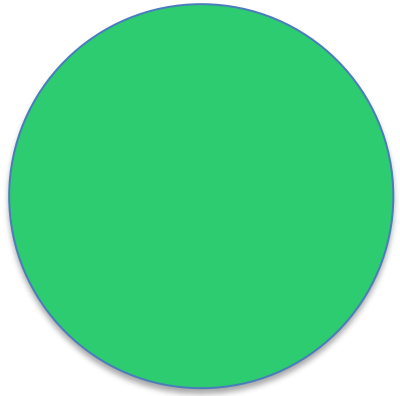
11. Identification of Non-Moving Items

Review ledger entries periodically to identify slow-moving or obsolete stock.

12. Digitization of Store Ledgers

Adopt digital inventory management systems or ERP platforms.

Strengthening PIR and DIR



1. Clear Identification of Assets

Every asset should have a unique asset number physically tagged.

2. Complete Asset Details

Each entry should contain complete information (Make, Model, Cost, PO, Location).

3. Proper Custodian Assignment

In PIR, the individual employee is custodian. In DIR, the Head of Division is identified.

4. Regular Updating of Records

Update whenever new assets are procured, transferred, issued, or condemned.

5. Linkage with Central Asset Records

Cross-reference entries with the central Asset Register maintained by Stores.

6. Recording Asset Transfers

Formally record movements between divisions or individuals.

Strengthening PIR and DIR

7. Periodic Physical Verification

Conduct annual physical verification of assets recorded in PIR and DIR.

8. Signature of Custodian

PIR should carry employee signature; DIR should be verified by Head of Division.

9. Clearance during Transfer / Retirement

Personal Inventory Record must be verified before transfer or retirement.

10. Identification of Non-Functional Assets

Identify obsolete or non-functional assets for repair or disposal.

11. Avoidance of Duplicate Entries

Ensure no asset is recorded multiple times without linkage.

12. Digitization of Inventory Records

Maintain digital databases or ERP-based asset tracking systems.

AAR & IMPORT GOODS

In CSIR laboratories, **procurement of imported scientific equipment** involves foreign exchange **(FOREX) payments and custom clearance charges**.

Proper recording of these components in the **Abstract Asset Register (AAR) is essential to reflect the true capital cost of assets** and ensure accurate linkage with financial accounts and Balance Sheet.

The value recorded in the Abstract Asset Register should **represent the total landed cost of the asset, not just the invoice value.**

Total Asset Cost Includes

Total Asset Cost Includes:

A) Bank Transactions

- Basic cost of equipment remitted to Foreign Supplier (**converted to INR**)

  + **Bank Charges (Debit Notes)**

B) Paid to CHA (Payment in INR)

- Forwarding charges, **Freight & insurance, Custom duty, IGST**, Port handling / terminal charges, Custom clearance charges
- Inland Transportation charges and Unloading charges

C) Indigenous supplies, Installation and commissioning (Payment in INR)

- All these expenses should be added to the asset cost and **not to be treated as revenue expenditure (for capital items)**

Linkage with Finance & Balance Sheet

The value recorded in AAR must match:

- **Capital expenditure recorded in Accounts Section**
- Value reflected in Balance Sheet under Fixed Assets

Periodic reconciliation with Accounts

- Record full landed cost in AAR
- Maintain clear audit trail for FOREX conversion
- Ensure close coordination with Finance Section
- **Attach cost breakup sheet with asset entry**

Common Audit Observations

- Asset recorded only at invoice value (excluding duties)
- **Mismatch between AAR and Accounts value**
- Incorrect exchange rate applied
- **Custom charges treated as revenue instead of capital**
- Lack of supporting documents

Conclusion

Proper recording of FOREX transactions and custom clearance expenditure in the Abstract Asset Register ensures that **the true value of imported assets is captured.**

This is essential for **accurate financial reporting and audit compliance** of public funds in CSIR laboratories.

Why 100% Physical Verification is Difficult but Necessary in Large CSIR Laboratories? Rational Timeline for completing 100% Physical Verification

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1. Introduction

In large CSIR laboratories, 100% physical verification of assets and inventory is an **essential financial control mechanism**.

However, due to the **scale, complexity, and diversity of assets in research institutions,** conducting complete verification can be **challenging.**

Despite these difficulties, the **exercise remains necessary to ensure accuracy of records, accountability and compliance** with audit requirements.

2. Challenges in Conducting 100% Physical Verification

a) Large Number of Assets

CSIR laboratories typically possess thousands of scientific instruments, computers, furniture items, and other assets spread across multiple divisions and departments.

Verifying every item physically requires significant time and effort.

b) Wide Distribution of Equipment

Equipment and instruments are often located in different buildings, laboratories, field stations, or specialized facilities, making it difficult to access and verify all items within a limited time.

d) Continuous Movement of Equipment

In research environments, equipment may be temporarily shifted between laboratories, divisions, or projects, creating challenges in tracking their exact location during verification.

e) Limited Administrative Resources

Physical verification requires dedicated committees, coordination with divisions, and detailed documentation, which can be demanding for Store staff in large institutions.

3. Why 100% Physical Verification is Still Necessary

a) Ensuring Asset Accountability

Complete verification ensures that all assets procured from public funds are accounted for and available in the institution.

b) Maintaining Accuracy of Asset Registers

Verification helps ensure that entries in Asset Registers and Abstract Asset Registers match the actual assets on the ground.

c) Detecting Missing or Unserviceable Assets

The process helps identify missing, damaged, obsolete, or non-functional equipment, enabling corrective actions such as repair or disposal.

d) Supporting Asset Lifecycle Management

The exercise also helps identify obsolete, unserviceable, or surplus items, which can then be considered for repair, replacement, or disposal in accordance with established procedures.

e) Improving Inventory Planning

Verification provides insights into actual stock levels and consumption patterns, enabling better planning for procurement and stock management.

4. Improving Effectiveness

To overcome difficulties, laboratories can adopt measures such as:

- **Digital asset management systems**
- **Barcode or RFID tagging of assets**
- Periodic verification instead of only annual checks
- Better coordination between Stores and Scientific divisions

These practices can significantly **improve efficiency and accuracy in asset verification.**

Conclusion

Although conducting 100% physical verification in large CSIR laboratories can be challenging, it remains a critical exercise for maintaining transparency, accountability, and reliability of institutional asset records.

By adopting modern inventory management practices and systematic verification procedures, laboratories can effectively manage their extensive asset base while supporting smooth research operations.

100% Physical Verification in CSIR Laboratories

1. Introduction

- 100% physical verification in CSIR laboratories refers to the **complete verification of all assets (not sample-based)** and **inventory items** recorded in the **Asset Registers, Store Ledgers and PIR & DIR.**
- It is conducted **annually** and this process ensures that the **book records accurately reflect the actual physical availability** of equipment, instruments, and materials within the laboratory.

2. Typically includes:

- Store stock inventory
- PIR & DIR
- Guest House, Canteen and Hostel Inventories

100% Physical Verification in CSIR Laboratories

3. Process / Procedure

Step 1: Constitution of Verification Committee

- Committee appointed by Director/Competent Authority
- Independent members (not store custodian)

Step 2: Preparation

- Stock registers
- Asset register
- Updated PIR & DIR
- Freeze transactions (cut-off date)

Step 3: Physical Counting & Verification

Item-wise physical checking:

- Quantity
- Location
- Condition (working/non-working)

Match with:

- Ledger balances
- Inventory Records

100% Physical Verification in CSIR Laboratories

Step 4: Identification

Check:

- Asset tagging / numbering
- Serial numbers (for equipment)

Step 5: Recording Discrepancies

- Shortage
- Excess
- Damaged/obsolete items
- Unrecorded items

Step 6: Report Preparation

Verification Report with:

- Summary of discrepancies
- Item-wise details
- Recommendations

Rational Timeline for Completion of 100% Physical Verification

- In large CSIR laboratories, 100% physical verification of Stock Inventory, Assets, Personal Inventory Records (PIR) and Divisional Inventory Records (DIR) is a **complex exercise due to the large volume** of scientific equipment, multiple divisions, and distributed locations.
- Therefore, **a realistic and rational timeline** is essential to ensure accuracy while completing the exercise within the financial year.
- A well-structured verification cycle can **normally be completed within 3–4 months.**
- Suggested **Rational Timeline (12–16 Weeks)**

Rational Timeline for Completion of 100% Physical Verification

Phase 1: Planning and Preparation (2 Weeks)

- **Issue Office Order constituting Physical Verification Committees**
  - Separate Committee for **verification of Stock inventory** of each Store
  - **PIR** to be verified by designated Staff in the Division and Verification Report approved by HoD
  - **DIR verified Committee** constituted by each HoD
  - Separate Committee for **verification of inventory of Guest House, Canteen and Student Hostels**
- Inform divisions and custodians in advance

Outcome: All verification teams are formed before field verification begins

Phases 2 & 3: Physical Verification

Phase 2: Record Updating and Pre-Verification Checks (2 Weeks)

- Freeze transactions (cut-off date)
- Update: Store Ledgers, Asset Register, Abstract Asset Register, PIR and DIR.

Outcome: Records are clean and ready for verification

Phase 3: Physical Verification (2 to 6 weeks)

- **Store Stock Inventory- 2 Weeks**
- **PIR Verification- 4 weeks**
- **DIR Verification- 4 to 6 weeks**
- Verification of inventory of Guest House, Canteen and Student Hostels- **4 weeks**

Parallel verification can be done by Committees

Phase 4 & Phase 5

Phase 4: Reconciliation and Discrepancy Resolution (2–3 Weeks)

Identify: Shortages, Excess items, Misplaced or transferred assets

- Verify assets: Under repair, Under installation, Shifted between divisions
- Update records accordingly.

Outcome: Book balance aligned with physical balance

Phase 5: Final Reporting and Approval (1 Week)

Preparation of Consolidated Physical Verification Report

- Certification by verification teams
- Submission to Competent Authority / Director
- Initiation of corrective actions where required

Outcome: Official closure of the verification exercise

Factors Affecting Verification Timeline

The duration may vary depending on:

- **Size of the laboratory**
- **Number of scientific divisions**
- **Volume of assets and inventory**
- **Availability of staff for verification**
- **Extent of digitization of asset records**

Large CSIR labs with thousands of assets may require additional verification time.

Conclusion

3 to 4 month structured timeline is a practical and rational approach for completing 100% physical verification of stock inventory, assets, PIR and DIR in CSIR laboratories.

With proper planning, and timely reconciliation, laboratories can ensure accurate asset records, improved accountability and strong audit readiness.

Consumable & Non-Consumable Goods

Asset Management and its proper Accounting

3rd Conclave of S&P Officers- April 2026

Presenting Group

Shri Virendra R Patil, CoSP

Smt. Rubai Ray, CoSP

Shri Ram Badal, SPO

Shri Ashok K Yadav, SPO

Supporting Group

Shri Mahipal Singh, CoSP

Shri Nripendra Chandalia, SO(S&P)

Shri Govind Kumar Jha, SO(S&P)

Shri Rakesh K Mago, SO(S&P)

Purpose of appropriate classification

In CSIR laboratories, goods are broadly classified into **consumable, non-consumable and capital goods** for purposes of **procurement, asset management and accounting.**

- **Asset management-**

  Safe custody and accountability during its useful life

- **Accounting-**

  Expenditure in appropriate Budget Head:

  Consumable (Revenue) or Capital (Asset) to ensure correct reflection in Balance sheet

Consumable Goods- Meaning

Consumable goods are items that are **used up, exhausted or significantly altered during use** and **do not retain their original identity or utility** after use.

Key Characteristics:

- Short life span and **cannot be reused in original form**
- Normally **not taken** on stock ledger **as assets** (however, may be **tracked as inventory items)**
- Expensed in the year of purchase
- **Expenditure in Consumable Budget Head only**

Examples :

- Chemicals, reagents, Fuel, gases
- Glassware (if fragile/low value)
- Laboratory disposables (gloves, syringes, filters)
- Stationery items and Computer consumables (printer ink, toner)

Capital Goods- Meaning

High-value, durable goods **having long useful life**, that are **capitalized in accounts** and provide **long-term economic or research benefit**.

Key Points:

- **High cost and Long useful life**
- Recorded in **asset register and PIR or DIR**
- **Subject to depreciation**
- Require formal **condemnation/disposal procedure**

Examples:

- Scientific equipment
- Workshop Machinery
- High-end computers/servers
- Furniture
- Vehicles

Non-Consumable Goods: Meaning

Non-consumable goods are items that **retain their identity during use, have a longer life and can be used repeatedly over time.**

All capital goods are non-consumable, but **all non-consumables are not capital goods**.

Key Characteristics:

- All Capital Goods
- Goods **procured under Consumable Budget Head** but fulfilling following criteria:
  - **Durable in nature**
  - Not exhausted after a single use
  - **Recorded in PIR or DIR**
  - **Not recorded in AAR**
- **Subject to physical verification**
- May require condemnation/disposal procedures

Examples:

- Handheld Scientific instruments
- Flash drives, Hard Disks
- Tools and Locks

Grey Area in Laboratories

Some items may be classified differently based on:

- **Value threshold**
- **Nature of use**

Examples:

- **Low-cost glassware** → **Consumable**
- **High-value specialized glass apparatus** → **Non-consumable**
- **Small tools** → May be treated as **consumable or non-consumable** depending on Lab policy

Software as Capital Goods

Treated as Capital Goods (Intangible Asset) when:

- Purchased as a **standalone software/license**
- **High value** (above capitalization threshold, ₹1 lakh or as prescribed)
- Provides **long-term benefit (>1 year)**

Examples:

- Scientific software (MATLAB, ANSYS, AspenOne, simulation tools)
- ERP systems, licensed OS for servers

👉 Accounting Treatment:

- Capitalized as **intangible asset**
- Entered in **asset register**
- Subject to **amortization/depreciation**

Software as Consumable

Treated as Consumable (Revenue) when:

- **Low value** or routine purchase
- **Subscription-based / annual license**
- **Antivirus, small utility software**
- Short-term or recurring usage

👉 **Accounting Treatment:**

- Charged to **revenue expenditure**
- Not capitalized

Spares, replacement components and accessories-
Consumable or Non-consumable

In CSIR labs, **replacement components, accessories and spares** are **not automatically capital or consumable—the treatment depends on purpose, value and impact on the parent asset.**

Core Principle :

"Does it merely maintain the asset, or does it enhance/extend its useful life?"

- **Maintain → Consumable (Revenue)**
- **Enhance / extend life / major value → Capital**

Spares Classification

Treated as Consumable when:

- Used for **routine maintenance**
- **Frequently replaced**
- **Low value**

Examples:

- Fuses, belts, filters, minor electronic parts

👉 Charged to **maintenance/consumables head**

Spares Classification

Treated as Capital Goods when:

- **Essential/critical spares** for major equipment
- **High value and not frequently replaced**
- Life is linked with the main equipment
- Procured along with equipment or separately but **capitalized**

👉 Examples:

- **Specialized spare module or Component of a spectrometer**
- **Backup control unit of a major machine**

👉 Accounting Treatment:

- Capitalized (often along with main asset or separately tagged)
- Entered in **asset register**

Replacement Components

Treat as Consumable (Revenue) when:

- **Replacement is for normal wear & tear**
- Restores original performance only (no enhancement)
- Low to moderate value

Examples:

- **Replacing a faulty circuit board, pump, motor part**
- Routine part replacement in instruments

👉 Book under **repairs & maintenance**

Replacement Components

Treat as Capital Goods when:

- Replacement is **major/high-value**
- **Enhances capacity, efficiency, or life** of equipment
- Effectively amounts to **upgradation**

Examples:

- Replacing entire control system with advanced version
- Major module upgrade in scientific equipment

👉 **Capitalize (add to asset value or create sub-asset)**

Practical Decision Rules

For Software:

- Long-term + high value → Capital
- Short-term / subscription → Consumable

For Spares / Replacement component:

- Routine replacement → Consumable
- Critical + high value + long life → Capital

THANK YOU.

Any questions ?