

# IFA SARANSH

*A Quarterly Newsletter of Integrated Financial Advisors in Defence*

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## Foreword

I am happy to know that the E-News letter IFA SARANSH in a very short period has been able to wedge the attention of not only officers and staff of our department but also the executives of Services.

IFA SARANSH provides a good opportunity for all of us to share our day to day experience in the field of finance with each other, which would help in strengthening the IFA system in Defence. It is encouraging that IFAs are taking keen interest in the publication of this E-newsletter.

I feel that the IFA SARANSH can serve as a good management tool to serve the services in a better manner.

New Delhi  
Dt : 02 April , 2012

  
(Priti Mohanty)  
Controller General of Defence Accounts

*Comments and suggestions may be mailed to [cgdaifa@gmail.com](mailto:cgdaifa@gmail.com) or sent by post to IFA Wing,  
Office of the CGDA,  
Ulan Batar Road (Palam Road), Delhi Cantt-110101. Fax-011-25674820*

## Apex Committee Meeting on IFA System

The second meeting of Apex level Committee on IFA System was held on 29-02-20102 at CENTRAD, BRAR Square, Delhi Cantt. Senior officers from HQrs IDS, Army, Navy, Air Force and Coast Guard and PIFAs of Service(s) participated in the meeting held to discuss the issues arising from CFA and IFA interaction. Smt. Priti Mohanty, IDAS, then Addl CGDA and Vice Admiral S. P. S. Cheema, AVSM, NM, DCIDS jointly chaired the meeting.



Smt. Priti Mohanty , then Addl CGDA in her opening remarks stressed the need for due diligence on the part of CFAs & IFAs while considering the proposals and to follow the provisions of DPM-2009/ GFR-2005 and other Govt. instructions in letter and spirit. The Vice Admiral S. P. S. Cheema, AVSM, NM, DCIDS mentioned that there is no escape from the rule book and it is good for Commanders working in field. At the same time, he stressed that it needs to be ensured by CFAs & IFAs that resources available are optimally utilized.

The DCIDS complimented that such type of interactions of APEX Level at regular intervals will go a long way in improvising the IFA System.

S/Sh. S L Singla, PIFA(CIDS), A. N. Saxena, PIFA (Air HQrs) , S. S. Sandhu, PIFA (Army-M), N. Neihisial, Pr.IFA (NHQ), Major Gen. V P Shrivastava, AVSM, ACIDS (FP), IG K. Natarajan, PTM,TM, DDG (P & P), Rear Adm A.K. Chawla, NM, ACNS (P&P) were also present on the occasion.

## Meeting on Army Commanders Special Financial Powers (ACSFP)

A meeting to review the progress of expenditure out of ACSFP grant was held on 20-12-2011 in MGO Branch under the Chairmanship of Lt Gen Rajender Singh, UYSM, SM, MGO. Apart from ADG Proc, MGGS (SD), MG EME Eastern Command all Command IFAs (Army) and Jt.CGDA (IFA) participated in the meeting.

The issues concerning merger of ACSFP Stores/Equpt with WET stores for the purpose of repair and Maintenance; revised SOP on EM policy for items/Equpt procured out of ACSFP Fund; Loading of Customs duty for determining CFA; Non intimation of fund booking status by DGS&D/DAD Cells on procurement against Rate contracts, were discussed.

The issue of internal audit by CDA (IA) was also raised by the service officers. The Jt. CGDA (IFA) mentioned that the services should make use of internal audit reports to plug the loop holes in the existing system to avoid Test Audit observations at a later stage. The MGO while endorsing the view points of Joint CGDA (IFA), emphasized that flexibility in the procedures and correct interpretation of rules should be done for the benefit of the organization. He advised the officers to make full use of expertise of IFAs at Command HQrs and seek their valuable advice for early finalization of procurement cases and ensure optimum utilization of funds.

## IFA (SNC) Organize Workshop at Kochi

A workshop on Procurement was organized on 05-09-2011 at Kochi. Officers from Material Organization MO (K) and IFA (SNC) participated in the workshop. The issues concerning adherence to time frame for procurement; excess Indented Quantity at NLC Stage; incorrect application of NI Schedule; incomplete information of LPP in indents; mistakes in calculation of indented quantity were discussed during the workshop.

### *Humour*

*If you owe the bank \$ 100 that's your problem. If you owe the bank \$ 100 Million that's the banks problem - J. Paul Getty*

## Circulars

### General guidelines for processing of procurement proposals :

*In order to ensure uniformity in approach in examination of procurement proposals, the provisions of DPM-2009/Supplement 2010 to DPM – 2009/GFR-2005/FR/GOI Instructions were re-iterated for guidance*

**(IFA Circular No. 01 of 2012 dt 14/02/2012)**

### Mandatory Publication of Tender Enquiries on the Central Public Procurement Portal :-

*A copy of Ministry of Finance, Dept of Expdr, Public Proc Cell OM No. 10/2/2011-PPC dt. 30.11.2011 regarding mandatory publication of tender enquiries on the Central Public Procurement Portal was circulated.*

**(IFA Circular No. 02 of 2012 dt 23/03/2012)**

## Defence Financial Management Course organized by RTC (Meerut & Bengaluru)

A Defence Financial Management Course was conducted under the aegis of RTC Meerut at Ambala from 20<sup>th</sup> to 24<sup>th</sup> Feb 2012. Maj Gen P.K. Srivastava, GOC, HQrs 40 Arty Div delivered the inaugural address. The lectures were delivered by Sh D. R. Negi, IFA (WC) Chandimandir, Sh Sham Dev, CDA (PD) Meerut, Army officers and officers from SBI, NACEN Faridabad, and Income Tax & Test Audit. Thirty officers from different branches of Army attended the course on finance.



RTC Bengaluru also organized a Defence Financial Management Course at HQrs Southern Air Command from 07<sup>th</sup> Dec 2011 to 09<sup>th</sup> Dec 2011.

## Cadre Review of the IDAS

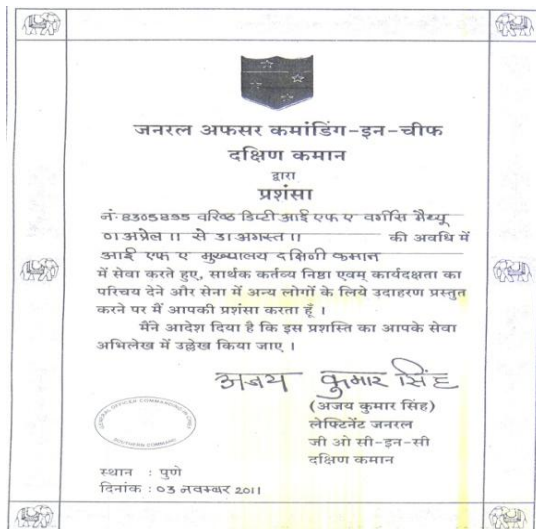
*HQrs office has constituted teams for finalizing cadre review proposals of six functional areas of the department. The team for IFA system includes S/ Sh D.R.Negi, IFA (WC), S. S. Pendharkar, IFA (SNC), KVR Murthy, IFA (R&D) New Delhi, M.K. Sinha, IFA HQ (MC), R. K. Singh, IFA (CG) New Delhi & A K Kadyan, Jt.CGDA (IFA)(Team Leader).*

## Commendation

**Sh. Vijay Kumar, IDAS (1991)** He has been awarded Commendation Card by Lt.Gen V.K. Ahluwalia, AVSM,YSM,VSM, GOC-in-C HQrs Central Command for the exemplary dedication shown by him in discharge of duty as IFA(CC).



GOC-in-C Southern Command awarded commendation certificate to **Shri Varghese Mathew, Sr.Dy IFA** for his efficient and exemplary services



## Interaction with the Executives

Sh. Arvind Kadyan, Jt.CGDA (IFA) visited HQrs Southern Air Command and HQrs 91 Bde to discuss about the functioning of IFA system on the station.



Jt.CGDA (IFA), Sh. Arvind Kadyan, with Air Marshal A.J. Chouhan, VSM, AVSM.

During meeting Air Marshal A. J. Chouhan, VSM, AVSM stressed on need for positioning of SAG level officer as IFA for Southern Air Command.

Station Commander Brig Pradeep Narayan requested that JTS/STS level IFAs may also be authorized to concur civil works proposal to meet the urgent requirement.



Jt.CGDA (IFA), Sh Arvind Kadyan, with Commander HQrs 91 Bde , Brig Pradeep Narayan

**The future has many names: For the weak, it means the unattainable. For the fearful, it means the unknown. For the courageous, it means opportunity.**  
~ Victor Hugo



## Visits to Army Establishments

IFA (WC) visited HQr 11 Corps and HQrs 26 Div HQrs during the month of January 2012. He addressed the officers of 11 Corps on 5<sup>th</sup> Jan, 2012.



The IFA (WC) discussed the issues concerning IFA system, Procurement procedures and current proposals in the pipeline. Sh Jagtar Singh IFA( HQ 11 Corps), Sh M S Thakur, AIFA and Sh S K Dutta, AAO and Sh P N Raina, AAO also attended the interactive sessions.



Sh D R Negi, IFA(WC) with GOC, 26 Inf. Div

### Inspection

Team nominated by Addl. CGDA inspected the offices of Pr.IFA (CIDS), IFA (HQrs SAC), IFA (Border Roads) and IFA (R&D) in Feb -March 2012.

## Wishing Happy Birthday to

Jagtar Singh, Dy.IFA (11 Corps)	1-Apr
Harish Kothari, Dy.IFA (SWAC)	5-Apr
P.K.Sethi, Dy.IFA (PMO)	6-Apr
R.M.Thomas, Dy.IFA (24 ED)	11-Apr
B.K.Seshadri, Dy.IFA (Jam agar)	11-Apr
G.D Pungle, IFA (SC)	22-Apr
Dr Jairaj Naik, Jt.IFA (Army/O)	25-Apr
R.K.Nayak, IFA (SWC)	1-May
M.C.Chakraborty, IFA ANC	1-May
M.K.Sinha, IFA HQ MC	10-May
Rajiv Ranjan, IFA CAC AF	12-May
Satish Kumar, Dy.IFA (Army/O)	1-Jun
B.S Raut, Sr.Dy.IFA (AFMSD-Mumbai)	1-Jun
Sudhir Kumar Anand, Dy.IFA (412 AF Stn)	1-Jun
S.H.Snasare, Dy.IFA (HQMC)	2-Jun
S.R.More, Sr.Dy.IFA (CAFVD)	2-Jun
A.V.Rao, IFA ENC	2-Jun
P.P.Sharma, Dy.IFA (12 Corps)	4-Jun
Smt.A.S. Datar, Dy.IFA (WNC)	6-Jun
W.N. Alexander, Dy.IFA (SAC)	7-Jun
S.L.Singla, PIFA CIDS &SFC	8-Jun
Alok Chaturvedi, IFA HQTC AF	11-Jun
R.K.Anand, IFA- P-75	22-Jun
S.K. Singh, IFA (EC)	25-Jun
R.L. Hingani, Dy.IFA (Kandivilli)	28-Jun

## Wishing you a happy Retired life

P.S. Rana, Dy. IFA CAC  
M P Sharma, IFA (21 Corps)  
V.Krishnamurthy, Sr.Dy.IFA, (COMCG)  
H.R.Sharma, Dy.IFA (ARTRAC)  
G. N. Upadhaya, IFA (4 Corps)  
S. W. Joshi, IFA (MC)

## Welcome to IFA Set up

J N Das, Pr.IFA Army/O  
Dr. Kum. Gurjot K. Sondhe, IFA(BR)  
Santosh Kumar, IFA Army/Q  
Smt Nirupama, IFA WNC  
Bhupinder Singh, IFA 2 Coprs  
Ashwini Trishal, IFA 16 Corps  
Vinod Anand, PIFA (Army-O)  
N C Gupta, IFA HQ Delhi Area  
Pritam Dutta, PIFA (Navy)  
Satish Kumar, PIFA (Army-O)  
M L Gupta, IFA (WAC)  
R G Padre, IFA (WNC)  
K. Shiv Kumar, IFA (RHQ CG), Mumbai

## Case Studies

### Defective Proposal submitted for AON

A proposal for procurement of Taxi Light assembly for Air Field lighting along with the proposal of isolated transformers for taxi lights at an estimated cost of Rs 2.17 lakh and Rs 4.55 lakh were received for AON Concurrence. IFA observed that :

- (a) The items are inter connected and can be clubbed together.
- (b) The Qty of both the items should have been in identical number which were found in different numbers.
- (c) Whether the execution/procurement of project can be executed through MES/PWD.

The observation resulted in withdrawal of the proposal amounting to Rs 2.17 lakhs.

**(Contributed by IFA HQrs SWAC-AF)**

### Non adherence to DPM Provision

A consolidated proposal for procurement of security equipment for an estimated cost of Rs 65.05 lakh was concurred by IFA from AON angle and approved by CFA for floating of RFP as two bid system i.e. techno commercial and price bid separately. The mode of tendering adopted was LTE on the ground of sensitive nature of item.

Consequent upon issue of AON/RFP, revised proposal was submitted to IFA for cancellation of the earlier approved RFP and issue of fresh RFP with revised specification. The executives mentioned that while floating the RFP the height of bullet proof morcha was mentioned as 1900mm x 850mm and weight as 152 KG. On receipt of RFP few vendor sought clarification on technical specification of bullet proof morcha. They submitted that the dimension given as 1900mm x 850mm is not feasible in the specified weight of 152 KG. It was suggested that the weight of morcha for referred specification should be 275 KG approximately.

On the suggestion of the vendors, amendment to the specification was issued by CFA without financial concurrence of IFA. In response to amendment to specification issued by HQrs MC, two firms sought the rationale for change of specification and submitted that the change of specification has been carried out to favour a group of firms.

The executives opined that as per Para 4.10.1 of DPM-2009, amendment to RFP can be carried out on the basis of feedback from the vendors on genuine mistakes. However, IFA observed that as per Para 4.21.1 (g) of DPM-2009 there should be no waiver of parameters after issue of RFP whereas amendment to specification which involves financial implication has been issued without financial concurrence.

In view of IFA's observation and vendors' representation the entire proceeding was cancelled and procedure started afresh.

**(Contributed by IFA HQrs Maintenance Command)**

### Clubbing of Quantities

A proposal for procurement of Gramin GPS MAP 495/496 was submitted by HQrs SWAC. The IFA observed that same item has also been authorized for procurement to other lodger units. He advised executives to submit a consolidated proposal taking into the requirement of all the dependant units. It was also advised to procure a cheaper variant of GPS Model No GPS 495 which serves the same purpose for navigation and was also cheaper by Rs 52,250 i.e. difference with the unit cost of GPS Model 496 and GPS Model 495 is Rs 1,40,000-Rs 87,750 = Rs52,250).

The advice of clubbing of proposals of dependant units and procurement of economically cheaper version of GPS navigation system resulted in reduction of Qty/financial value of proposal.

**(Contributed by IFA HQrs SWAC-AF)**

## **Important Orders**

### **Communication of Sanction in case where Competent Financial Authority (CFA) approves a proposal by overruling the concerned Financial Adviser**

*Based on guidelines issued by MoF, Deptt of Expenditure OM No F. No 1 (34)/E.II (A)/2010 dated 07-10-2010, following instructions were issued for incorporation of provisions in sanction letter.*

2. (a) Communication of sanction when the proposal is approved by Competent Financial Authority (CFA) with the consultation/ concurrence of concerned IFA

***“This sanction issues with the concurrence of PIFA/IFA vide UO No \_\_\_\_\_ dated\_\_\_\_\_”.***

2. (b) Communication of sanction where the proposal is approved by Competent Financial Authority (CFA) by overruling the concerned Financial Adviser

***“This sanction issues with the approval of the Competent Financial Authority (CFA) viz. \_\_\_\_\_(post & level of CFA is to be indicated). The advice of Integrated Financial Adviser was conveyed vide UO No \_\_\_\_\_dated\_\_\_\_\_.”***

3. The IFA office, while allotting UO No will make a note of overruling in remarks column of the UO Register maintained in the office.

**(IFA Instruction order No. 01 of 2012 dt. 13/02/2012)**

### **Sanction of Works cases under delegated financial powers in the Services - vetting of AON & AEs by IFAs**

*It has been decided to authorize STS/JTS level officers designated as IFAs to deal with authorized works cases (AON & AE Vetting) upto the amount of Rs 25 lakhs w.e.f*

*01.04.2012 provided the same are approved in the Annual Works Plan. The works cases having value more than Rs 25 lakhs will be dealt by the concerned Command IFAs/Pr.IFAs.*

**(IFA Instruction order No. 02 of 2012 dt 16/03/2012)**

### **Clarification on Financial Sanction for procurement proposals:**

*MoD (Fin) has clarified that:-*

(i) *Service HQrs may ‘outsource’ some work to lower formations so long as it is willing to take final responsibility by giving final expenditure sanction. The practice of asking lower formation for further processing of proposals including financial sanction under their delegated financial powers for competitive tendering, leads to diffusion of responsibility when something goes wrong.*

(ii) *If any proposal has been processed by Service HQrs under a particular SI No. of Schedule/Annexure for AON/AIP than financial sanction for the same is to be accorded under same SI No. of Schedule/Annexure by the same CFA at Service HQrs . The CFA can change only when the financial effect falls within the powers of higher CFA after tendering process.*

(iii) *If for any proposal AON/AIP has been accorded under any Schedule/Annexure by the Command or lower authorities and after tendering, financial effect of the proposal falls within the financial powers of Service HQrs, the financial sanction for the same is to be accorded by CFA at Service HQrs under the delegated financial powers.*

**(IFA Instruction order No. 03 of 2012 dt. 27/03/2012)**