

“हर काम देश के नाम”



रक्षा लेखा महानियंत्रक

उलान बटाररोड, पालम, दिल्ली छावनी-110010

Controller General of Defence Accounts

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एकिकृत वित्तीय सलाहकार स्कन्ध (IFA Wing)

Phone: 011 – 25665571 Email: cgdaifa.dad@gov.in

No. IFA/309/NACL

Dated 07.12.2023

Instruction Order No. 09 of 2023

To

All PCsDA/PIFAs/CsDA/IFAs
(Through CGDA Website)

Sub: Clarification regarding release of payment to Fuel companies regarding supply of fuels.

The Services under Ministry of Defence viz. Indian Army, Indian Navy and Indian Air Force are used to place supply orders to M/s IOCL, M/s BPCI and M/s HPCL for supplying of various types of fuels against various rate contracts concluded by the Services and sanctioned by the Ministry of Defence. As per these rate contracts, all Direct Demanding Officers (DDOs) are authorised to place supply orders directly against these rate contract and copies of such orders are endorsed to PCDA/CDA (Paying Authority). On the basis of Supply order, paying authorities have been releasing payment to concerned fuel supplier PSUs without obtaining the expenditure angle sanction from the Competent Financial Authority.

2. Office of the Director General of Audit, New Delhi, has also raised the Audit Objection during audit examination of documents maintained by office of CDA (IDS) stating that “in accordance with provisions laid down under Rule 22 of GFR, 2017, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from public funds unless the same has been sanctioned by a competent authority. This is violation of GFR Rules stated above and needs regularization”.

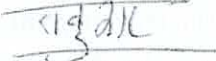
3. The matter has been examined in consultation with MoD (Fin). MoD (Fin), vide Circular No. 3(1)/2020-Fin (QB) dated 14th November, 2023 (copy enclosed) has clarified that “approval of respective CFA may be obtained, before placing firm supply order with the Oil companies in compliance of GFR and DPM provisions. The payment authorities would regulate the payment accordingly.

....contd./

4. The above instructions issued by MoD (Fin) may please be brought to the notice of all concerned who are assigned with this work, in order to ensure necessary compliance of GFR and DPM provisions.


This issues with the approval of Addl. CGDA (IFA).

Encl: As above.


(Rakesh Kumar)
Sr.Dy. CGDA (IFA)

Copy to:

1. PCDA (Navy)
Mumbai In supersession of CGDA HQrs office letter No. IFA/03/Navy Clarification/II dated 26.07.2019, a copy of MoD (Fin) Circular No. 3(1)/2020-Fin (QB) dated 14th November, 2023 has been forwarded herewith for information and necessary action please.
2. PCDA (AF) New Delhi for information and necessary action w.r.t. letter No. Store/1/Gen Corres dated 28.03.2023 please.
3. PCDA New Delhi for information and necessary action w.r.t. ketter Bi, PL/1/7005/Misc/Policy/2020-21 dated 07.03.2023 please.
4. CDA (IDS)
New Delhi for information and necessary action w.r.t. DO letter No. CDA/IDS/IA/165/Misc dated 03.10.2022 please.
5. CDA (Coast Guard) New Delhi for information and necessary action please.


(Rakesh Kumar)
Sr.Dy. CGDA (IFA)

File No.3(1)/2020-Fin(QB)
Government of India
Ministry of Defence
(Finance Q Division)

New Delhi, dated the 14th November, 2023

CIRCULAR

Sub: Compliance of GFR and DPM provisions while placing supply order with the Oil Companies for supplying fuels to Defence Forces - reg.

As per the existing contract between GoI, MoD and Oil PSUs viz. M/s IOCL, M/s BPCL and M/s HPCL for supply of Main grade Fuels (except ATF, Methanol and Navy specific products) to all three services for five years w.e.f. 01.04.2021 to 31.03.2026, all Direct Demanding Officer's(DDOs) are authorised to place supply orders directly against these contracts and they will endorse copies of such orders to PCDA/CDA(paying authority). On the basis of supply order, paying authorities have been releasing payment to concerned fuel supplier PSUs without obtaining the expenditure angle sanction from the CFA.

2. In accordance with provisions laid down under Rule 22 of GFR 2017, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys from investment or deposit from public funds unless the same has been sanctioned by a competent authority. Further, as per the format of supply order against Rate Contract given at Appendix 'F' of DPM-2009, following is required to be mentioned:

- (i) The expenditure involved for the purchase has been approved by the _____ as Competent Financial Authority;
- (ii) Relevant Schedule of delegated powers; and
- (iii) U.O. number and date of IFA concurrence.

3. However, it has been observed by audit authorities that supply orders are continuously being placed by Material Organization(MO) based on rate contract concluded with IOCL by IHQ(Navy) without expenditure sanction by CFA. Total expenditure incurred on procurement of fuel without sanction during year 2020-21 was Rs.171,54,89,754.00. Such cases may be existing in other Organizations also.

4. Accordingly, it is advised that approval of respective CFA may be obtained, before placing firm supply order with the Oil companies in compliance of GFR and DPM provisions. The paying authorities would regulate the payment accordingly.

5. These instructions may please be brought to the notice of all concerned who are assigned with this work, in order to ensure necessary compliance of GFR and DPM provisions.

6. This issues with the approval of FA(DS).


(Daulat Ram Meena)
Director(Fin/Q/Med Proc)

To
All Services HQs under Ministry of Defence

Copy to:-

1. MoD/D(QS)- for circulating the above instructions to all the three service HQs for compliance.
- ✓ 2. O/o CGDA- w.r.t. their letter with UO No.IFA/309/NACL dated 01.11.2023

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all
concerned
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