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Circular No. 07 of 2018

No. IFA/133

Dated: 27.03.2018

To

All PIFAs/IFAs
(Through CGDA Website)

Sub: Inclusion of Taxes and Duties in procurement cost for determination of Competent Financial Authority (CFA) - regarding

A copy of MoD ID No. 1(13)/D(Acq)/16-Pt.II dated 14.03.2018 received under Government of India, Ministry of Defence (Acquisition Wing Secretariat), New Delhi regarding on the above subject is enclosed herewith for information, guidence and further necessary action.

This issues with the approval of Sr. Jt.CGDA(Fin).

AO (IFA Wing)



MINISTRY OF DEFENCE [Acquisition Wing Secretariat]

Subject: Inclusion of Taxes and Duties in procurement cost for determination of Competent Financial Authority (CFA).

Defence Secretary while reviewing the procurement cases including capital acquisition proposals of JS&AM(LS) and JS&AM(MS) wings in a meeting held on 19.1.2018, inter alia, directed that instructions should be issued for inclusion of taxes and duties in procurement cost for determination of Competent Financial Authority (CFA).

- Pursuant to the above directions of Defence Secretary, it has been decided that taxes and duties will be included in all defence capital procurement cases for determination of the CFA in the following manner:
 - Cases where CNC is in progress: The final recommended by CNC shall be inclusive of all prices i.e. basic cost and all applicable taxes and duties.
 - Cases where CNC has been concluded and the case is at CFA stage: There will be no need to reconvene the CNC. The taxes and duties, as applicable, shall be added on the basis of figures given by SHQ.
- 3. Concerned authorities may kindly note the above instructions for immediate necessary action in the matter.
- These instructions are issued with the approval of Defence Secretary and with the concurrence of MoD(Fin) vide No.312/FM(MS)/18 dated 12.02.2018.

(V.K.Adhana) Director (Acq) Telefax: 23792865

CISC **VCOAS VCNS VCAS** DG(CG)

JS&AM(LS) JS&AM(MS) JS&AM(Air)

FM(MS) FM(LS) FM(Air)

TM(LS) TM(MS) TM(Air)

MoD ID No.1(13)/D(Acq)/16-Pt.II dated 14.03.2018

(i)Director, RM Office

SO to Defence Secretary (ii)

PPS to Secretary(DP) (iii)

(iv)PPS to Secretary(R&D)

PPS to FA(DS) (v) PPS to CGDA

PPS to AS(BM) (vii)

PPS to AS(JN) (viii)

(ix)PS to DG(Acq)

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