

IFA SARANSH

Quarterly Newsletter of Integrated Financial Advisors in Defence

Vol. 18

October 2015



Foreword

It gives me great pleasure to learn that the IFA wing is bringing out 'IFA SARANSH' a quarterly newsletter on IFA activities.

In the present scenario, the IFA functioning has undergone a lot of changes as a result of implementation of DFPDS-2015. There is an urgent need of data sharing/interaction amongst the IFAs to bring uniformity in handling of typical issues and sharpening of skills.

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 further helps in strengthening the IFA system in Defence. It is encouraging that IFAs are taking interest in the publication of E-newsletter, which is in line with our motto of 'In Service of the Services' can serve as a good management tool to serve the Services in a better manner.

New Delhi
Dt : 06 Oct 2015


(SS SANDHU)
Addl. Controller General of Defence Accounts

Comments and suggestions may be mailed to cgdaifa@gmail.com or sent by post to IFA Wing,

Office of the CGDA,

ULAN BATAR ROAD (PALAM ROAD), DELHI CANTT-110101. FAX-011-25674779

Expenditure Review Meeting: ACSFP Funds

A meeting to review the expenditure out of Army Commanders Special Financial Powers (ACSFP) by the command HQ was held on 18th September 2015 in MGO Branch under the chairmanship of MGO. Apart from executives from Command HQrs. Army command IFAs participated in this meeting. Ms. Nirupama, IDAS, Jt. CGDA (IFA) represented CGDA HQrs.

During the meeting Jt. CGDA (IFA) stressed the need for sharing of data, need for circulation of a list of items of foreign origin by MGO Branch with necessary QRs and need for formulation of QRs for commonly procured items under ACSFP, to ensure wider competition for achieving economy and obtaining best value for money.

Post Expenditure Review Meeting on ACSFP Fund at MGO Branch, meeting of command IFAs and PIFA (Army-O) was held on the same date at HQrs. office under the Chairmanship of Ms. Shobhana Joshi, Addl CGDA, Sh. S S Sandhu, Addl CGDA (IFA) & Ms. Nirupama, Jt. CGDA (IFA) were present on this occasion.

The issues concerning shortage of manpower, inspection of nominated IFAs, mapping of units/formations for providing IFA coverage, imparting training for officers and staff posted in IFA set up raised by the command IFAs were deliberated upon in the meeting.

Sh. S S Sandhu, Addl CGDA (IFA) stressed the need for sharing of data amongst the IFAs for better professional expertise and better understanding of common problems occurring in other areas. The issue regarding direct purchase of meat/chicken in fresh /frozen/chilled state at the pilot stations and the provisions relating to declaring of the rates quoted by the vendor lower than 20% of RR as fictitious in light of the provisions contained in Para 70 of GoI MoD Letter dated 26.09.2006 governing procedure for conclusion of ASC Contracts for perishable items were deliberated upon at length.

Addl. CGDA (SJ) in her concluding remarks, impressed upon the IFAs to start having budget meetings with CFAs for better budgetary control, which is also mandated in DFPDS-2015.

CFA-IFA Conference: HQ WAC

A Joint IFA-CFA conference under the jurisdiction of Western Air Command was held on 21/08/2015 at HQ WAC New Delhi to discuss the various issues relating to procurement after implementation of DFPDS-2015.



The inaugural session of the Conference was presided over by Air Vice Marshal O.E.M Menon, VSM in the presence of Shri R.K Karna, Jt. CGDA (IFA). The conference was attended by the Command Principal Staff Officers viz. Air Commodore A Menon CPSO; Air Commodore NV Srinivasa Rao, VSM, Command Accounts Officer, Smt. Alka N Arora, IFA WAC, local IFA's, AOCs/COs and other officers of units dealing with procurement. The conference was commenced with introductory speech by Smt. Alka N Arora IFA HQ WAC who welcomed the SOA, Jt. CGDA and other guests who attended the conference.



Issues like IMMOLS connectivity to local IFA's, Outsourcing of Services, Visit of local IFA's to units, shortage of manpower and other issues coming in the way of day to day functioning were also deliberated upon.

The second part of morning session of the conference was presided over by SASO Air Mshl B Suresh, AVSM, VM , ADC; in the presence of Ms Rasika Chaube, IDAS, PIFA (Air Force) and all other delegates from local IFAs and AOCs/COs of the units under AOR of WAC.



SASO highlighted the importance of IFA system and crucial role played by IFA in decision-making process after introduction of DFPDS-2015.

Pr. IFA (AF) also stressed the need for close coordination and proper liaisoning by CFA & IFAs for better understanding of each others point of view.

Post lunch a presentation was made by Wg Cdr K Rakesh on processing of works proposals.

Welcome to IFA Set Up:

- Sh. R K Karna, IFA (NC) Udhampur
- Sh. Rajesh Sharma, IFA (BR), N/Delhi
- Sh. A K Jena, IFA (Capital-Army) , New Delhi
- Sh. T Rambabu, IFA (WNC) Mumbai
- Sh. Vedveer Arya, IFA (SNC) Kochi
- Sh. K S Lather, IFA (Sea Bird) New Delhi
- Sh. Puneet Agarwal, IFA (SWAC), Gandhinagar

Smt. Sunita Chauhan, FA to ASD , Mumbai

Wishing Happy Birthday to :

Ms Juhi Verma, Dy. IFA(R&D)	07th Oct
S C Motan, Dy. IFA 16 Corps	08th Oct
N R Biswas, Dy. IFA 4 Corps	17th Oct
S N Bhattcharjee, Dy. IFA (ANC)	20th Oct
Suchindra Misra, IFA (SC)	22nd Oct
U.G Kurtkoti, Dy. IFA, CAFVD	24th Oct
Smt. Rasika Chaube, PIFA (Air Force)	31st Oct

Smt S Kala, Dy. IFA (5 BRD)	14th Nov
Dev Kumar, IFA (DGAFMS)	01st Dec
K Shiv Kumar, FA to MS (Mumbai)	07th Dec
Rejoy Krishnan, Dy. IFA (SNC)	15th Dec
Anoop Srivastava, IFA (TC)	23rd Dec
D C S Negi, PIFA (IDS)	24th Dec

Wishing Happy Retired Life:

- Sh. Banwari Swarup, Addl CGDA (IFA)**
- Sh. Jagdish Singh, Dy. IFA, 15 Corps**
- Sh. L Z Bansod, Dy. IFA, COD Cheokki**
- Smt. R K Rao, FA ASD (V)**
- Smt K K Velumayil, Dy. IFA, DSSC Wellington**

ASSUMPTION OF CHARGE

Shri S S Sandhu, IDAS of 1981 batch assumed charge of Addl. CGDA (IFA Wing) w.e.f 01.08.2015.

Ms. Nirupama, IDAS of 1990 batch assumed charge of Jt. CGDA (IFA) w.e.f 01.09.2015.

INSTRUCTIONS/CIRCULARS

Concurrence to financial proposals by co-located IFAs

It has been decided by the Hqrs. Office that the units/formations co-located with IFAs, may be

provided IFA coverage to the units/formations irrespective of the current jurisdiction/ affiliations as these co-located units/formations under the jurisdiction/affiliation of other commands/ Cops/Area cannot be treated as sans co-located IFA. PCsDA/CsDA may also issue suitable instructions to the sub offices nominated as IFAs to comply with the provisions contained in DFPDS-2015.

(Instruction No. 05 of 2015)

Repair of Transportation; Clarification reg.

The issue relating to obtaining of NAC/No capacity certificate from Depot/ Dependent Transport Wksp for repairs below Rs. 5,000/- as per Ser No. 31 of NI 1/S/06 after issuance of DFPDS-2015 has been examined in consultation with MoD (Fin) and it has been clarified that it should be left to the CFA concerned to get the repairs done either through outside agencies or through their repair agencies, depending upon the facilities available with the CFA themselves or with the nearest transport workshop. Any requirement of necessarily taking NAC from Transport workshops will cause severe operational constraints. This premise was accepted and promulgated in DFPDS-2015 accordingly in regard to repairs of transport vehicles.

(Instruction No. 06 of 2015)

Involvement of IFAs in Budgeting and Planning

Under the provisions of Para 2.5 of DFPDS-2015, IFAs involvement in budget estimation and monitoring exercise is crucial not only to bridge the existing and much felt gap in the role of a financial adviser, but also to lay a strong foundation for comprehensive budget review, which may also include, inter-alia, liability and expenditure management and programme financing requirements and prioritization.

It is, therefore, enjoined upon all PIFAs/IFAs to keep a watch on the progress of expenditure against sanctioned allotments and to ensure full utilization of allotted budget by timely and speedier processing of expenditure/procurement proposals. They may also bring to the notice of the CFAs, cases in which the progress of expenditure is, abnormally heavy or unusually low.

(Instruction No. 07 of 2015)

Cash & Carry Powers and Procurement Committee

i) MoD (Fin) vide their Letter No. File-Coord A/102C dated 25.05.2015 has clarified that the earlier so called “ Cash & Carry” Powers were not procurement powers but were part of payment mechanism for bills. These powers continue to be operative as the new NSP 2015 only contains procurement powers and not payment powers. As such, all units holding Imprest continue to enjoy payment of bills through Imprest, as authorized under existing instruction on the subject. However, procurement of items coming under such mechanism will be done as per procedure and enshrined in DFPDS-2015 and DPM 2009. Once the procurement is done through IFA (subject to Para 12.2.4, Part B of the DFPDS-2015)/CFAs as required under rules , the payment of bills can be done from Imprest by units holding Imprest and submitted for post audit to concerned CDA/PCDA. IFAs have no role to play in payment process of such bills.

ii) Constitution of PC in DFPDS-2015 was envisaged to reduce lead-time in Procurement Process. However, if due to reasons like non availability of IFA reps in PC, administrative inconvenience etc., it is not possible to constitute PCs by concerned CFA, then such CFAs will have the discretion to process the

procurement cases on file through IFA/CFA, as being done hitherto. CFAs are free to take a call on this issue.

(Circular No. 11 of 2015)

Delegation of Financial Powers to CFAs under DFPDS-2015

In response to references made to this Hqrs. Office by the field IFAs concerning authorization of financial powers to particular CFAs under DFPDS-2015, it has been clarified that since the financial powers have been delegated by the MoD (Fin) taking into consideration the requirements/issues raised by the Integrated Head Quarters of MoD and this Hqrs Office is not in a position to comment on such issues, it is, therefore, enjoined upon all PIFAs/IFAs that CFAs may be advised to take up such issues with MoD (Fin) through their respective Services Hqrs, whenever such correspondence is received from their CFAs.

(Circular No. 13 of 2015)

Implementation of comprehensive end-to-end e-procurement

References received from various field IFAs to provide the user ID/ Pass word and application software to enable them to play a meaningful role in e-procurement system, has been examined in consultation with Ordnance Services Computer Centre (OSCC) of MGO Branch.

OSCC of MGO Branch vide their letter dated 08.06.2015 has informed that no additional/specific software is required to access the e-procurement system as the ibid system is a web based application that can be accessed on the link:- <http://eprocare.gov.in>. and suggested certain pre-requisites. The same has been uploaded on the Website of Hqrs. Office (www.cgda.nic.in) for information and guidance.

(Circular No. 14 of 2015)

Instruction/Cautions for preparation of Revised/Budget Estimates

MoD (Fin) vide their ID No. 1(8-ATN)/Fin (MO/2014-2015/583 dated 24.07.2015 issue broad guidelines on preparation of Revised/Budget Estimates on realistic basis to avoid savings or excess w.r.t total allocations/grant under each sub/detailed head .

(Circular No. 17 of 2015)

CASE STUDIES

Improvement to certain OMQ's (Phase-II) at AFA, Hyderabad:-

A proposal for Improvement to 82 Officers Married Quarters in Phase – II was initiated by the AF Station at an estimated cost of Rs. 490.29 lakh. Provision of a number of items of work e.g., floor tiling, kitchen cabine, kota stone, tiling in kitchen and toilets, hardware fittings, plinth protection etc was catered by the AF station only to those quarters among the 82 OMQs found deficient in each item of work.

IFA examined the proposal as per BOO survey report and found that all the OMQs were not deficient of all items of work provisioned and survey report clearly showed the items of work required for each quarter. However, it was seen from AEs that all items of work were provisioned for all 82 OMQs which is contrary to BOO report. Hence, it was advised to reduce the works services as per actual requirement.

As a result, the estimated cost of the project was reduced from Rs. 490.29 lakh to Rs. 316.82 lakh. Hence, **saving to the tune of Rs 173.47 lakh was achieved.**

(Courtesy: IFA HQ (TC) Bangalore)

Provision of Eight additional Classrooms for WTI at AFS, Tambaram:-

A proposal for WTI entrusted to deliver training to MoD I, ab-initio and Mod II, in-service trainees of Workshop Fitter, met Asst and ESSA trade. As Mod III trainees are expected in the year 2017, AF Station has stated that the present infrastructure would be insufficient to train the additional trainees. Hence, it was proposed to provision for eight additional classroom alongwith all other infrastructure as per scales authorized for Educational building.

IFA examined the proposal and pointed out that the subject works has been approved in AMWP 2014-15 for Rs. 190 lakh, whereas work has been projected for Rs. 385.02 lakh, which is 102.64% more than the AMWP amount. There would be no sanctity to AMWP approval accorded by MoD with such huge escalation in cost. Moreover, it was pointed out that AFS, Tambaram already has an Educational building and also the basic requirement is of eight additional classrooms to cater for increased trainees, hence provisioning of Science/Computer Lab, Book store, Staff rooms, Officers room, Conference room, Training aids room, assembly, Examination hall meant for a full fledged Education Building needs to be removed from the works services. As such, provision of 8 classrooms with toilets could only be considered in the works services. It was also advised to change the specification of Bicycle shed from permanent specification to Galvalume sheet.

As a result, the estimated cost of the project was reduced from Rs. 385.02 lakh to Rs. 122.78 lakh resulting in **saving to the tune of Rs 262.24 lakh was achieved.**

(Courtesy: IFA HQ (TC) Bangalore)

Procurement of Klystron Tank with Inner Equipment :-

A case for Procurement of Klystron Tank with Inner Equipment for 3 lines amounting to Rs. 3,25,80,860/- was submitted for scrutiny and financial concurrence to IFA HQ MC as per the following details :-

Item & Qty	Unit Rate	Toatal Price
Capacitive Voltage Divider Qty: 2	113599.20	227198.40
Filament Transformer Qty: 2	1718600.00	3437200.00
Pulse Transformer Qty: 2	14458230.80	28916461.60

It was seen from the budgetary quote of M/S BEL that MOQ of 2 Nos was quoted for each of the above items. Hence HQ MC was asked whether there was an actual requirement of quantity 2 for all the items or 2 Nos. were proposed only because of MOQ condition given by BEL.

It was felt that if only quantity one of each of the lines was actually required, other one number spare will have to be stocked and would become non – moving for a considerable period. The cost of the spares was also high therefore, there was a need for judicious purchase. As BEL was an indigenous source and also a PSU, assurance level of spares was high which did not warrant their stocking for a long time.

HQ MC was requested to review their requirement. They were able to locate one Pulse Transformer at one of the units, hence the item was deleted from the SOR. HQ MC also asked M/S BEL to relax MOQ condition, which they agreed to. A revised proposal for two lines with quantity one number each for an amount of Rs.

19,23,809/- was submitted as per details below :
AON concurrence was accorded by IFA HQ MC.

Sl No.	Item & Qty	Rate
(a)	Capacitive Voltage Divider Qty :1	119279.00
(b)	Filament Transformer Qty :1	1804530.00
		1923809.00

Thus quantity reduction amounting to Rs. 3,06,57,051/- (Rs. 3,25,80,860/- Rs. 19,23,809/-) was achieved.

(Courtesy: IFA HQ (MC) Nagpur)

Procurement of Blanket AF Blue for issue to Airmen, Airmen Trainees & NCs (E)

A case for procurement of 1,27,000 blankets AF blue for Rs. 19,30,40,000/- for issue to Airmen, Airmen Trainees & NCs(E) for PR cycle 2010-15 was received by IFA (MC), Nagpur.

During scrutiny of the case, it was observed that in addition to requirement for regular issue, Airmen Trainees, NCs (E) & Camp Kits, Qty- 1,06,200 (i.e. 50 % of the requirement for airmen) was included for seasonal loan issue. As per Para-37 of IAF 1501 up to 2 blankets per Airman can be issued on loan basis during the cold season on recommendation of Medical officer and promulgated through the Station Routine Order by the CO of the unit. However, it was observed that no Station Routine Order was enclosed in the case file and seasonal issue was worked out in an ad hoc manner based on the strength of the airmen posted in cold climate. It was also observed that the criteria for considering 50% strength for loan issue was not submitted.

In reply HQMC submitted that 70% strength of Air Force was posted in the cold climates whereas they had projected extra blankets on account of

seasonal issue only for 50% strength. The consumption pattern was studied and it was observed that taking into account CAR (Current Annual Rate) for the item, the quantity projected should have been much less. HQMC accepted the advice of their office and reduced the SOR quantity from 1,27,000 to 1,00,000. As such the financial effect also got reduced from Rs. 19.30 crore to Rs. 15.20 crore resulting in a **saving of Rs. 4.10 crore.**

(Courtesy: IFA HQ (MC) Nagpur)

Procurement of non-mandatory consumable spares of VUC 201 A communication System :-

A proposal for procurement of 34 lines of non-mandatory consumable spares of VUC 201 A (communication system) was submitted to IFA HQMC (AF) for concurrence on AON & EAS angle. Value of the proposal was Rs. 22,50,12,134/- under code head 742/10 under schedule XII A of Delegation of Financial Powers. It had been proposed to procure the aforesaid spares by placing of RMSO on HAL.

The proposal for procurement of 34 lines of non-mandatory consumable spares of VUC 201A (communication system) was submitted to IFA HQMC (AF) for procurement based on the PR cycle – 2010-15. The total cost of proposal Rs. 22,50,12,134/- is based on the budgetary estimate submitted by M/s HAL (Hyd). The case was received in their office and recommended by penultimate CFAs for concurrence of IFA HQMC (AF).

On examination of the case it was observed that the quantity proposed for procurement were escalated to a great extent without any justification on the basis of generic statements. As the items are of high value their office had requested HQMC (AF) to re-consider the proposed quantities. In response to the advice of IFA HQMC the case was re-examined by HQMC (AF) all the relevant worksheet/SORs associated with quantity were re-calculated. On re-calculation the

value of the proposal reduced to Rs. 4,53,78,577/- . Accordingly, revised proposal amounting to Rs. 4,53,78,577/- was submitted for concurrence by IFA HQMC (AF) resulting in **saving to the tune of Rs 17,96,33,557/-** was achieved.

(Courtesy: IFA HQ (MC) Nagpur)

Procurement of Sight Bore Muzzle TXP – 7 – 195 by Ordnance Dte (Tech Stores) under MGO Branch :-

A proposal received for procurement of item Cat Part No. V5/4933-000380, Sight Bore Muzzle TXP-7-195 applicable to ICV BMP-I & II Common, ex-OLF Dehradun against APR 2014-15 deficiency, under the delegated financial powers of Addl DGOS (TS) as CFA in consultation with IFA, at the estimated cost @ Rs. 52908.42 per unit was on the basis of OLF letter No. OLF/P&P/109/Army dated 07 Oct 2014. Total amount approx. Rs. 3.82 Crore for Qty 722. The above case file was processed for quantity vetting/AON concurrence and vetting of indent to be placed to OLF Dehradun with the approval and sanction of CFA.

Pr.IFA scrutinized and observed in the instant case that as per DGOS policy (letter No. A/28592/OS-IC dated 19.11.2007) all cases of procurement from OFB are required to be processed with 24 months lead time. However the required Qty 722 was worked out/proposed taking lead time of 36 months, which was a case of over provisioning. It was also observed that Qty 722 worked out/projected was significantly higher w.r.t demand reflected/worked out in previous years reviews. Pr.IFA(Army-O) observations and advise in the instant case, Dte has made the agree to revise the proposed Qty and total deficiency was re-worked out as per DGOS policy of reduced lead time of 24 months, which led to reduction in total Qty from 722 to 598. Pr.IFA(Army-O) concurred the revised proposal of Qty 598. Intelligent scrutiny and correct advise in this case lead to **saving of Rs. 66 lakh.**

(Courtesy: Pr. IFA (Army-O, N/Delhi)

Outsourcing of conservancy services at Non-Cantonment Mil Stn Bhuj and Gandhidham for FY 2015-16 :-

IFA received a proposal for outsourcing of conservancy service at Military Stations Bhuj & Gandhidham for FY 2015-16 with 187 conservancy staff and 06 trips per day for garbage lifting and disposal at an estimated cost of Rs. 1,54,77,201/- for concurrence of Administrative Sanction.

IFA scrutinized the case and following observation were made:-

(a) The quantum of Open Space projected (1495990 Sq Mtrs) had increased by 210% compared to the quantum of open space in the proposal for FY 2014-15 (47113 Sq Mtrs).

(b) The length of Nallah projected (7.93 Km) had increased by 72 % over that mentioned in the proposal from 2014-15 (4.6 Km)

(c) 77 nos of conservancy staff were assessed for roads by considering the 'area' of road and not by considering length of road as per scale given in GoI MoD letter No. 6(2)/2011/D(Q&C) dated 18 March 2011.

(d) 24 nos of conservancy staff were estimated for married accommodation which was not authorized as per ibid letter dated 18 March 2011.

(e) While assessing requirement of conservancy staff, the required frequency of sweeping & cleaning of roads & open areas was not assessed.

IFA advised that the proposal should be reviewed holistically and realistic requirement be projected. The proposal was reviewed by the Stn HQrs, Bhuj and the requirement was reduced to 51 Nos and 05 trips per day for garbage lifting and disposal, at an estimated cost of Rs. 65,20,000/-, a **savings of Rs. 89,57,201/- lakhs was achieved.**

(Courtesy: IFA (SC) Pune)