

आई.एफ.ए. सारांश

रक्षा सेवाओं के एकीकृत वित्तीय सलाहकारों का त्रैमासिक समाचार-पत्र

अंक 14

अक्तूबर 2014



प्राक्कथन

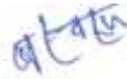
ई-समाचार पत्र "आई.एफ.ए. सारांश" के 14वें अंक का प्रकाशन हर्ष का विषय है। इस अंक में रक्षा वित्त से संबंधित कार्य-कलापों और एकीकृत वित्तीय सलाहकारों से जुड़ी गतिविधियों को समेटा गया है।

"आई.एफ.ए. सारांश" का उद्देश्य एकीकृत वित्तीय सलाह के मामलों के प्रति रूचि एवं जागरूकता पैदा करना है, और यह संतोष का विषय है कि अधिक से अधिक एकीकृत वित्तीय सलाहकार अपने अनुभव हमसे साझा कर रहे हैं तथा अपने संगठनों की घटनाओं और गतिविधियों की सूचना प्रेषित कर रहे हैं।

मैं समाचार पत्र के निरंतर सफल प्रकाशन के लिए आप सबका आभारी हूँ। नवीनतम आदेशों को रेखांकित किया जाना इस समाचार-पत्र का सबसे महत्वपूर्ण पहलू है, जिसे फील्ड एकीकृत वित्तीय सलाहकारों द्वारा भी सराहा गया है।

मेरे विचार में एकीकृत वित्तीय सलाहकारों द्वारा "आई.एफ.ए. सारांश" का व्यापक प्रचार-प्रसार किया जाना चाहिए ताकि आई.एफ.ए. प्रणाली में निहित जटिलताओं से सबको अवगत कराया जा सके और एक अधिक जागरूक एवं पारदर्शी वित्तीय प्रणाली गठित की जा सके।

नई दिल्ली
दिनांक : 07 अक्तूबर, 2014


(बनवारी स्वरूप)
रक्षा लेखा अपर महानियंत्रक

टिप्पणियां एवं सुझाव CGDAIFA@GMAIL.COM पर ई-मेल अथवा आई.एफ.ए. विंग, रक्षा लेखा महानियंत्रक कार्यालय, उलन बटार रोड (पालम रोड), दिल्ली छावनी-110101 को डाक द्वारा अथवा फैक्स सं. 011-25674820 पर भेजे जा सकते हैं।

Expenditure Review Meeting : ACSFP Funds

The Expenditure Review Annual Meeting for Army Commander Special Financial Powers (ACSFP) for vetting of supplementary Command PPPs and to review the expenditure incurred out of the ACSFP Fund till 31st Aug 2014, was held on 18.09.2014 at MGO Conference Hall, Sena Bhawan under the Chairmanship of MGO.

Sh. V.K Vijay, Jt. CGDA (IFA), Sh. Benamina, IFA (EC) and Sh. Dev Kumar, IFA (NC) were present on this occasion.

The issues concerning formulation of QRs of items in a structured & comprehensive manner obviate extension of delivery period and active association of IFAs in formulation of PPPs were discussed in the meeting.

Visit to IFA (Coast Guard)

Sh. Banwari Swarup, Addl. CGDA (IFA) and Sh. V.K Vijay, Jt. CGDA (IFA) visited the office of IFA (Coast Guard) on 19.09.2014. Presentation on the state of work was made by Sh. R.K Singh, IFA (Coast Gurad)



CIRCULARS

Implementation of comprehensive end-to-end e-procurement

In continuation of this Hqrs. Circular No. 02 of 2012, a copy of Dept of Expenditure, Public Procurement Cell OM No. 10/3/ 2012-PPC dated 30.03.2012 & dated 09.01.2014 on the above subject have been circulated amongst IFAs/PIFAs for information and necessary action.

(IFA Circular No. 06 of 2014)

Combining various stages of processing Defence Procurement Proposals

Through this Circular, PIFAs/IFAs have been asked to apprise executive authorities about the provisions of Para 5.5.1 of DPM 2009 regarding combining of various stages of processing of proposals for speedy financial concurrence of proposals.

(IFA Circular No. 08 of 2014)

Amendments to Defence Procurement Procedure (DPP)-2013

A copy of MoD (Acquisition Wing) ID No. 1(6)/D(Acq)/13 Dated 25.07.2014 & 19.08.2014 on the above subject have been circulated amongst IFAs/PIFAs for information and guidance.

(IFA Circular No. 09 of 2014)

Wishing Happy Birthday to :

N.R Biswas, IFA (HQ 4 Corps)	17 th Oct
S.N Bhattacharjee, Dy. IFA (ANC)	20 th Oct
Suchindra Misra, IFA (SC)	22 nd Oct
S.J Prasad, IFA COMCG (E) Chennai	07 th Nov
A Mukhopadhyay, Dy. IFA(EAC)	08 th Nov
A. Shukla, Dy. IFA (R&D)	13 th Nov
S. Kala, IFA COD (D/Road)	14 th Nov
P.L Negi, IFA (ANC)	22 nd Nov
Anoop Srivastva, IFA (R&D)	23 rd Nov
Dev Kumar, IFA (NC)	01 st Dec
K. Shiv Kumar, FA to MS (M)	07 th Dec
K.L.A Krishan, IFA COMCG (A&N)	07 th Dec
R. Tandon, Addl. IFA (Air HQ)	12 th Dec
K.S Raghavan, FA to ASD (V)	23 rd Dec
D.C.S Negi, Pr. IFA (IDS/SFC)	24 th Dec

Wishing Happy Retired Life:

- Sh. T.R Jain, Dy. IFA (Pr. IFA A/O)
- Sh. T.K Neogi, Dy. IFA (IFA A/Q)
- Sh. Bhupinder Singh, IFA (HQ 2 Corps)
- Sh. Pramod Narain, IFA (HQ 21 Corps)
- Sh. S.A Pokharnikar, IFA HQ MG&G Area
- Sh. C Rama Rao, IFA 43/44 ED AF
- Sh. S.K Mukhopadhyay, FA to MS (V)

Welcome to IFA Set Up:-

- Sh. D.C.S Negi, Pr. IFA (IDS/SFC)
- Sh. G.S. Das, IFA HQ 3 Corps
- Sh. Jagdish Singh, IFA HQ 15 Corps
- Sh. S.C Motan, IFA HQ 16 Corps
- Sh. S.K.Kekre, IFA HQ 21 Corps
- Sh. S.B Mathdevru, IFA, 9BRD/46 ED

Memorable Moments

CGDA HQrs. Volley Ball Team under the captaincy of Sh. Suman Kumar Jha, AAO serving in **IFA Wing** of this HQRs. office, has won the 5th All India Volleyball Tournament defeating CDA (Army) Meerut by 25-17 and 25-19 in the final match, held in Lucknow from 17th Sep to 19th Sep 2014.



Kum. Vandana Srivastava, CGDA was the Chief Guest on this occasion and gave away trophy & medals to winning team and appreciated the efforts of all the participants. She also appreciated the efforts of Smt. Rasika Chaube, PCDA (CC) for making this occasion as memorable event.

WHAT YOU GET BY ACHIEVING YOUR GOALS IS NOT AS IMPORTANT AS WHAT YOU BECOME BY ACHIEVING YOUR GOALS.

ZIG ZIGLAR

CASE STUDIES

1. Construction /Improvement of Road Daporijo-Nacho from Km 0.00 to Km 20. IFA (BR)

IFA (BR) received an AE for Construction/Improvement of Road Daporijo-Nacho from Km 0.00 to Km 20.00 from existing CI-9 to National Highway Double Lane (NHDL) under project 'Arunank' for an amount of Rs 10007.43 Lakh. The responsibility for its construction and maintenance is entrusted to 23 BRTF. The scope of work of the related AE entailed Formation Work like rough excavation in hard rock, soft rock, soil mixed boulder etc. , Permanent Work includes Excavation in trenches, plain cement concrete and Surfacing Work for preparation of sub grade in soft rock, hard rock, soil mix boulder, GSB, WMM, BM, SDBC etc.

IFA examined the proposal and observed that :-

1. The cost of the estimate was found to be high. In order to reduce the cost of work, IFA advised that feasibility of using centre shuttering plates more than 10 times may be worked out.
2. The muck disposal had been considered for 100% quantities. It was viewed that the full quantity cannot be retrieved for disposal and the same may be reduced accordingly. Also, muck was planned to be disposed off at 8.95 kms without placing on record the location of the authorized muck disposal points as allotted by the forest/revenue authorities. Further, IFA advised that if the approval of the forest/revenue authorities is not required in the case,

then the same may be disposed off at some closer locations and the disposal points may be identified and calculations may be amended accordingly.

3. The lead taken for transporting ready mix of WMM and BM was found to be incorrect. IFA advised that the same can be taken as 3.00 km for Hot Mix Plant and 0.60 km for Wet Mix Macadam plant.

The advice rendered by IFA was agreed to and accordingly, AE was redrawn and concurred for Rs 8600.97 Lakh against initial amount of Rs 10007.43 Lakh resulting in saving to the tune of Rs 1406.49 Lakh was achieved.

(Courtesy : IFA (BR))

2. Project Proposal under the Grant in aid project of ER&IPR. IFA (R&D), Delhi

IFA (R&D) received a proposal for the sanction of Grant in aid project of ER&IPR at an estimated cost of Rs 844.40 Lakh with a PDC of 5 years. IFA examined the case and advised to ER&IPR Dte to review the following:-

1. Provisions for travel related expenses contingencies, workshops, visiting faculty in view of the economy guidelines.
2. The requirement for desktops and printers (46) proposed to be procured under the project may be rationalized ensuring optimal utilization of the existing resources. Similarly, the project involved the purchase of 10 numbers of laptops which was not in consonance with MoD (F) letter on observance of austerity measures.

3. The overhead expenses were required to be restricted to 10% of the salary staff as per the guidelines issued by ER&IPR.

4. As per the documents placed in file, it was planned to hold 02 workshops per year with an estimated cost of Rs 04 Lakh per workshop. As such total number of workshops will be 10 during entire project period and the estimated cost of these workshops works out to be Rs 40 Lakh whereas the estimate projected is Rs 12 Lakh per year i.e., Rs 60 Lakh for 5 years.

5. On account of travel expenses estimate is Rs 29 Lakh per year i.e., Rs 145 Lakh for 5 years. The basis of projection of the travel cost is not clear. The estimation appeared to be in higher side and needed elucidation.

Accordingly, the requirement of laptops was dropped and expenditure on travel contingencies workshops were reviewed. The budget of the proposal has been revised to Rs 801.40 Lakh. As a result, saving of Rs 43 Lakh was achieved.

(Courtesy : IFA (R&D, Delhi)

3. Proposal for Major Overhaul of Port Diesel Alternator of INS Gharial, IFA (SNC)

HQrs SNC projected the proposal for Major Overhaul of Port Diesel Alternator of INS Gharial for an amount of Rs 2.84 crore on Single Tender Basis on OEM. After scrutiny of the proposal, IFA advised to tender out the Gutting/De-gutting jobs on competitive basis while the overhaul was to be done by the PAC holding OEM. A Budgetary quote received from the

authorized service partner and OEM for the said job which was for Rs 53.8 Lakh for Gutting/De-gutting job and Rs 215.3 Lakh for the overhaul. IFA accorded AON concurrence to the said amount view the Operational Defect (OPDEF) projected. Price reasonability was to be established prior to financial concurrence after receipt of firm quote. However, OEM/authorized representative did not respond to the RFP floated and hence, the proposal was closed for want of response.

Subsequently, HQrs SNC projected two separate proposals separating the Gutting/Degutting proposal from the Overhaul of Diesel Alternator. The Gutting/Degutting was tendered out on competitive basis. IFA accorded the AON concurrence for Rs 12 Lakh based on BQs from capable firms and post tendering. In tendering, L1 rate achieved was for Rs 6.5 Lakh compared to Rs 53.8 Lakh as proposed for Gutting-Degutting job in the BQ earlier. Similarly, the case for overhaul of diesel alternator was tendered out to the OEM on STE (PAC) basis. The case was negotiated with OEM with regard to scope of work and price and the final rate was achieved for Rs 165 Lakh as against quoted price for Rs 240 Lakh. Thus, total savings of Rs 122.3 Lakh was achieved in the instant case.

(Courtesy : IFA (SNC)

4. Rate Contracts of Naval Dockyard (Visakhapatnam), IFA (ENC)

Naval Dockyard (V) concluded the Rate Contract in r/o (i) Repairs on Trunkings and (ii) Structural Repairs – Above Water Hull. ND (V) concluded

these RCs for a period of 3 years with an annual ceiling of Rs 2 crore. However, during the contract period, due to increased flow of work, ND(V) approached HQrs ENC for approval of the C-in-C being the next higher CFA to enhance ceilings of these rate contracts to Rs 5 crore from 2 crore. However, IFA (ENC) suggested a review PNC to be concluded in r/o these two RCs as the original PNC was conducted and price concluded keeping in mind the initial estimation of Rs 2 crore only. Accordingly, a review PNC was conducted and prices were revised and brought down across all the serials of the Scope of Work. For the RC on "Repairs on Trunkings" after conclusion of Re-PNC, a total of 42 work orders had been placed during the next two years with re-negotiated rates. The total difference of the cost is Rs 2.61 crore. Similarly, for the RC "Structural Repairs - Above Water Hull" after conclusion of Re- PNC, a total of 32 work orders have been placed during the next one year with re-negotiated rates. The difference of the cost is Rs 31.54 Lakh. Thus, total savings of Rs 2.93 crore was achieved.

(Courtesy : IFA (ENC))

5. Proposal for Procurement of Quad Superhet Receivers for Programme SAMUDRIKA and HIMRAJ of Defence Electronics Research Laboratory, Hyderabad

IFA received a Proposal for Procurement of Quad Superhet Receivers for Programme SAMUDRIKA and HIMRAJ at an estimated cost of Rs 26.96 crore. During examination of the case, it was observed that a supply order was

placed on M/s BEL at a cost of Rs 66.78 Lakh in 2011 which was successfully produced. In the present case for bulk order, the cost estimate arrived at was Rs 96.71 Lakh. On review of material list, it was seen that it had only 20% import component and USD rates increase of 18% between 2011 to 2013 did not warrant a very high bulk production cost. Moreover, the development cost had already taken care of non recurring charges. Finance therefore viewed that there was no case for increasing the cost from Rs 66.78 Lakh. Accordingly, proposal was concurred for Rs 17.36 crore as against earlier cost of Rs 26.96 crore. Thus, saving of Rs 9.60 crore was achieved.

(Courtesy : IFA (R&D), Bengaluru)

6. Procurement of 31 lines of SSCVR (Consumable) Spares

IFA (MC) received a proposal for Procurement of 31 lines of SSCVR (Consumable) Spares on PAC basis from M/s ECIL Hyderabad. IFA vetted the RFP and recommended to be uploaded on CPP. The quotes were received for Rs 34.42 Lakh (inclusive of taxes). Being PAC procurement, IFA recommended for conducting PNC. During examination of the proposal, it was observed that the repair facility to the subject item did not exist in the depot and whenever a need for repair arose, the items were sent to M/s ECIL Hyderabad by raising an LRO. IFA advised 9 BRD to review the requirement of procurement of spares in absence of repair facility.

The unit agreed to the advice rendered by IFA and reviewed the requirement, dropping 19 lines as

against 31 lines. Thus, the cost came down to Rs 1.86 lakh/- (inclusive of taxes). As a result, a total saving of Rs 32.55 lacs was achieved.

(Courtesy : IFA (WNC))

7. Procurement of Moving Multi functional target System

IFA (TC) received a proposal for "Procurement of Moving Multi functional target System and multi functional electronic target system" at an estimated cost of Rs 25 Lakh. IFA examined the proposal in the light of orders and the latest directives from Air HQrs and the possibility of procuring from OFB. IFA accorded AON concurrence to the proposal for the same amount quoted by M/s Zen Technologies. IFA advised to go for OTE under two bid system as against LTE with a view to explore the possibilities of getting wide publicity. As a result, 05 bidders participated and L1 had quoted for Rs 9.99 Lakh whose bid was technically also qualified.

Accordingly, the proposal was processed through OTE instead of LTE as advice rendered by IFA. Thus, a saving of Rs 15.01 Lakh was achieved.

(Courtesy : IFA (TC))

8. Proposal for retaining the existing consultant of Phase - I and II for Phase - III, IFA (MAP), Delhi

CCE (COD) New Delhi is responsible for engaging consultancy services, concluding contracts etc for execution of pilot projects sanctioned by MoD to improve the Habitat and living conditions of troops posted in high altitude in the Eastern and Northern

sectors of India. Ministry of Defence issued sanction for incurring additional expenditure to the tune of Rs 63.65 crore towards executing Phase III of the said projects.

CCE (COD) submitted a proposal for retaining the existing consultant of Phase - I and II for Phase - III also and the consultant quoted consultancy charges @ 2.90% over the cost of project which was justified by CCE (COD). Thus, 2.90% of Rs 63.65 crore worked out to be Rs 1.84 crore. During examination of the case, it was observed that earlier, the same consultant was paid consultancy charges @ 1.90 % of Project cost for Phase - I and @ 1.70% of Project cost for Phase - II and after analyzing the inputs justifying the increase, CCE (COD) was advised to consider the fixing consultancy charges @ 1.90% which would adequately compensate his requirements.

The issue was deliberated in two meetings of Project Management Committee (PMC). Finally, after negotiation with the consultant, the PMC decided to agree to accept consultancy charges at 2.5% of the project cost which was worked out to be Rs 1.59 crore. Thus, a saving to the tune of Rs 25 Lakh was achieved.

(IFA (MAP), Delhi)

9. Construction of 30 Workboats (IFA Coast Guard), Delhi

A contract was concluded on 15th Oct 2009 for construction of 30 Workboats between MoD and M/s Timblo

Dry Docks Pvt Ltd, Goa at a cost of 41.54 crore which was subsequently amended to Rs 41.43 crore vide a corrigendum on a/c of B&D spares sanction. As per contract, the 1st Workboat was to be delivered by 15th April 2011 and the subsequent Workboats were to be delivered at an equal interval of 03 months each with the last Workboat contractually due for delivery on 15th July 2018. But, the shipyard failed to deliver a single vessel till date and there was no physical progress since June 2012.

The shipyard finally submitted its inability to progress ahead with the project due to incorrect inputs from their original designer resulting non fitting of equipment as per provision of contract during the meeting held at MoD on 12th March 2013. JS & AM (MS), the Chairman of the committee directed CG HQrs to set up a Technical Committee to examine the shipyard's proposal vis-à-vis contractual provisions. The committee recommended foreclosure of the project. The committee's report duly approved by DG ICG (CFA) was submitted to MoD for seeking approval of the CFA. The report of CG HQrs was examined from technical angle and concurred by TM (MS) with concurrence of MoD (Fin). DS (CG) has communicated that:-

MoD (Fin) has concurred with the proposal regarding foreclosure/termination of Rs 41.43 crore contract for construction of 30 Workboats by M/s Timblo Dry Docks, Goa with consequential recovery of stage 1 payment of Rs 1.74 crore made by ICG and encashment of 30 Performance Bonds amounting to Rs 2.07 crore equivalent to 5% value of the total project cost.

Now Service HQrs have been sanctioned enhanced delegated financial powers of Rs 150 crore for capital expenditure. CG HQrs may take further necessary action in the matter with approval of DG ICG as CFA.

IFA received the proposal for concurrence for approval of CFA. On scrutiny of the proposal, IFA observed that there is mark variation in the proposals inter alia previously submitted to MoD duly approved by CFA viz DG ICG. The proposal submitted to MoD mentioned that "Recovery of all payments made by ICG to shipyard till date along with applicable interest as per Govt norms.

In reply, CG HQrs submitted that the recovery of applicable interest for payment from the shipyard was not covered in the proposal of Directorate of Material for foreclosure/termination cleared by MoD/MoD (Fin). The recovery of interest was again emphasized by IFA and finally, the same was accepted by executive authorities and approved by CFA. As a result of IFA's advice, the following recovery has been effected:-

- ❖ A sum of Rs 1.74 crore was recovered on account of 1st stage payment.
- ❖ 30 nos. of Performance Bonds, one for each workboat with a sum of Rs 2.07 crore was encashed.
- ❖ A sum of Rs 75.07 Lakh was achieved on account of interest from the firm and credited into Govt treasury and money receivable order forwarded to the PCDA (Navy) Mumbai.