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CLERKS AND AUDITORS INDUCTION TRAINING MATERIAL - 2018 VOLUME - II

RTC (SR) BANGALORE

Defence Accounts Department
Controller General of Defence Accounts

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PREFACE

INDUCTION FOR CLERKS AND AUDITORS
IN THE DEFENCE ACCOUNTS DEPARTMENT

With a history of more than two and a half centuries, the Defence Accounts Department (DAD) is one of the oldest departments under the Government of India and is an important, integral part of the Ministry of Defence. The Ministry of Defence (Raksha Mantralaya) is responsible for the "Defence of India and every part thereof including preparation for defence and all such acts as may be conducive in terms of war to its prosecution and after its termination to effective demobilisation".

The MoD has within its mandate, all Services, other Organisations and functions which are directly or indirectly connected with the Indian Defence. Therefore it includes the three armed forces/services, ie. Army, Navy and Air Force, their personnel management, covering pay & allowances, and all related activities such as Fund, Pension etc. It also includes the organisations like Defence Production, Ordnance Factories and Quality Assurance and Defence R&D (DRDO) which are engaged in developing and providing next generation defence weapons and technologies. Also covered are the Border Roads responsible for building and maintaining road on our strategic borders, the Canteen Stores Department (CSD) responsible for providing basic requirements to armed forces wherever in the country they may be located and MoD is responsible for the associated functions of all procurements, audit & payments, accounting of expenditure, management of the Defence Budget as a whole for all these departments and organisations. The MoD/DAD, therefore, deal with all the aspects of the life of Defence Personnel, both serving and superannuated as well as the organisation of Defence, broadly.

In the Government of India, the Budget is the mother of all transactions. All the functions, powers, activities are geared towards achieving the successful implementation of the policies of the Government of the day, as projected in the form of the budget. The MoD (Fin), through the DAD, is the custodian of the Defence Budget. The organisation and functions of the DAD are all working towards towards this role of the MoD.

The Parliament passes the Budget, which is distributed to the various budget holders i.e. the Services and other organisations in the Government. Here begins the cycle of expenditure, audit and payment, accounting and reporting back to the Parliament – and this is where the DAD steps in. The accounts section, in every Controllers/Principal Controllers' office, is the custodian of the budget for the defence organisations falling within the Controllers' jurisdiction, monitoring the budget and maintaining the accounts, based on inputs received from the audit

sections/bill payments groups. The Regional and Functional Controllers ensure that procedure has been followed, appropriate powers utilised – they audit, object, approve, pay, maintain accounts and also provide MIS to the MoD/GoI in the form of various audit reports.

The two Volumes of this Training Material cover the organisational set up and overview of the MoD, the DAD and the various organisations/Departments which are serviced by the DAD. The chapters in the 2 volumes focus on the Organisations which are serviced by the DAD- the Army, Navy, Air Force, DRDO, Ordnance Factories, Border Roads and Canteen Stores Department. It also includes an insight into the other two major aspects of a Defence personnel's life i.e. Fund and Pension – both herculean tasks and common to all the client organisations of the DAD. Each of these organisations has associated with it, the office of a Principal Controller or Controller of Defence Accounts and several sub-offices. The IFAs ensure that appropriate sanctions are accorded within the given delegated powers and procurement done as per the prevailing Procurement procedure (DPM, GFR) and within the funds allocated.

This training material is so designed as to give a ring- side view of the Defence Accounts Department to the newly inducted Clerks and Auditors and take them through the range of functions that the Department performs in the course of its responsibility as the custodian of the Defence Budget. The department, in order to keep pace with the changing dynamic environment and the evolving needs of the clients, requires grass root workers who are aware of the relevance and importance of their duties and functions, and the contribution to the security of the Nation. The vision of the CGDA is to create a skilled and capable workforce, with a wholistic understanding of the Department and the Ministry of Defence in particular, and the Government functioning in general.

K Inderjeet Kumar
CDA RTC (SR) Bangalore

REGIONAL TRAINING CENTRE (SR) BENGALURU

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ADMINISTRATION AND ESTABLISHMENT

An Organisation, no matter how well designed, is only as good as the people who live and work in it.

- Dee Hock

INTRODUCTION

ADMINISTRATION AND ESTABLISHMENT

Personnel Management is an integral part of the Defence Financial Management. If an Administration resorts to frequent adhoc measures, it definitely leaves its employees discontented. The Establishment and Administration of any Organisation must therefore have a good grip over the basic rules , regulations and orders pertaining to appointment, confirmation and promotion, privileges and welfare of the govt servants. The government employees at all levels are governed by Service and Conduct Rules, their hands have been increasingly strengthened by the Government – through provisions like the RTI, organisations like CVC & CAT etc. Every Office of the Defence Accounts Department has an Administration Section/Group of Sections, dealing with the issues pertaining to the Personnel Management – Pay, Conduct Rules, Discipline, Service issues etc. The Section on Administration and Administration deals with these matters which affect the government employees personally.

Also included herein are the empowering administrative reforms and initiatives which have evolved over the years like RTI etc, institutions like the CAT or CVC, which are of immense relevance to every Govt servant, across the spectrum.

While on the one hand these subjects enable the Heads of Departments/Offices to exercise their powers and discharge their responsibilities in conformity with the objectives of the Government, on the other these provide the employees with an appreciation of their status, rights and responsibilities.

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SERVICE RULES

- Recruitment, Reservation, compassionate appointment
- Promotions
- Service book, Retirement

1. Introduction:

There are multiple entry levels in the Department of Defence Accounts. The Gazetted Staff of the DAD consists of Group 'A' Officers of the IDAS and Group 'B' Officers designated as Senior Accounts Officer; Accounts Officers and Assistant Accounts Officers; Hindi officer and Senior Personal Assistant. The Non-Gazetted Staff consists of members of the Subordinate Accounts Service designated as SAS Apprentice and members of the Clerical Services designated as Senior Auditors, Auditors, Clerks, Typists, D.E.Os. and Stenographers. The establishment fixed for each Office also includes the required numbers of MTS posts of the Group “C” employees.

2. Recruitment

Recruitment to the IDAS is made partly by direct appointment and partly by promotion of Senior Accounts Officer (Group 'B'). The rules governing method etc. of recruitment and further promotion within the IDAS are contained in the IDAS Recruitment Rules, 2000, as amended from time to time. The acceptance of an appointment in the Indian Defence Accounts Service carries with it a definite liability for service in any part of India as well as for field service in and out of India. An officer appointed to the IDAS by direct recruitment shall be on initial probation for a period of two years from the date of his appointment, on expiry of which the suitability for confirmation of the Officer directly recruited to the IDAS will be determined by the Departmental Promotion Committee (DPC), duly constituted in accordance with IDAS rules as amended from time to time, based on the probation reports and passing of the prescribed departmental examination.

An officer promoted from Senior Accounts Officer's grade to the regular cadre of IDAS will be on initial probation for a period of two years from the date of his appointment in that grade. The assessment report in respect of each such officer shall be written commencing from the date of promotion to IDAS by the Principal Controller/Controller in whose organization he is posted.

The Apprentices directly recruited to the Subordinate Accounts Service will be required to pass the Departmental Subordinate Accounts Service Examination. Further detailed conditions are enumerated in Recruitment Rules (SRO No 07 of 2009). The apprentices shall be liable for field service in and out of India. The passing of the Subordinate Accounts Service Examination does not in itself establish a right to be promoted to the Assistant Accounts Officers’ (AAO) grade. No one will be appointed to that grade unless

vacancies exist and he is considered fully qualified by ability and experience to discharge the duties the AAO and has been adjudged fit for such promotion by the Local Promotion Committee. Short term vacancies whether single or part of a chain of vacancies may be filled by the Senior Auditors only when their duration exceeds 30 days. Officiating promotions to the AAO grade of those who have passed Part II of the Subordinate Accounts Service Examination but against whom charge sheets are pending will be regulated in accordance with Ministry of Home Affairs O.M. No. 39/3/59-Ests (A) dated 31-8-60 as amended.

Recruitment to the Clerical cadre for the Defence Accounts Department is also done on above lines by way of direct Recruitment by the Staff Selection Commission or by way of promotion. Further detailed conditions are enumerated in Recruitment Rules (SRO No 09 of 2011). The minimum educational qualification for direct recruits will be 12 class pass or equivalent from a recognised Board or University. A typing speed of 35 w.p.m in English or 30 w.p.m in Hindi on computer (35 w.p.m and 30 w.p.m correspond to10500 KDPH/9000 KDPH on an average of 5 key depressions for each word). GIO Incentives admissible on acquiring prescribed qualification w.e.f. 09-04-99. Direct recruitment of Auditors in group “C” with the grade pay of Rs. 2800 will be made on the basis of Examination conducted by Staff Selection Commission or by promotion or by deputation or absorption. Further detailed conditions are enumerated in Recruitment Rules (SRO No 22 of 2009). Manpower availability in the grade of Auditor is reviewed periodically with reference to the sanctioned strength by CGDA office and vacancies arising in the organisation will be reported to the Staff Selection Commission.

50% of the vacancies in the Auditors' grade are filled by promotion of Clerks according to seniority subject to fitness. Such promotions are made by the CGDA on All India basis on the recommendations of the PCsDA/ CsDA which are called by CGDA periodically whenever necessary. Clerks/Typists who pass Part I of the SAS Examination will be considered for promotion to Auditors' grade out of turn. The duration of appointment will be 2 years in the first instance, subject to satisfactory work and conduct. The service will be liable to termination at any time by notice in writing given by the individual to the appointing authority or vice versa. The period of notice will be one month. The men selected will, on appointment, be employed on specific routine duties such as diarising, dispatch, calculating, typing etc. Those selected as typists should be proficient in type-writing.

Recruitment to Stenographers grade-II is done by way of direct Recruitment through Staff Selection Commission. Appointment to the post of Hindi Officers (partly by direct recruitment and partly by promotion/deputation) for the department is done by the Union Public Service Commission.

3. Promotions

Promotions to and within the Indian Defence Accounts Service are made on the recommendations of the Departmental Promotion Committee. Accounts Officers who have completed three years' regular service in the Department on the crucial date are considered for appointment to the Senior Accounts Officer's grade by a Departmental Promotion Committee The number of vacancies in Accounts Officer's

grade during the vacancy year is worked out duly taking into account the clear vacancies arising in the post due to retirement, number of Sr AOs likely to be promoted to JTS of IDAS during the vacancy year, VRS, death, deputation exceeding one year and reversion from deputation due during the vacancy year etc. Based on estimated vacancies, the zone of consideration is prepared for consideration of the DPC for preparation of select panel of eligible AAOs for promotion to the grade of Accounts Officer.

Admission to the SAS examination is open to Senior Auditors/ Auditors/ Clerks/ Typist/ DEOs/ Stenographers/ Hindi Translators and Librarians. To be eligible for appearing in the Preliminary Test to SAS Part I examination, an individual must have put in two years' service (including continuous temporary service) in the Department provided that the candidate has cleared the probation period. This will be applicable to all candidates uniformly i.e. departmental candidates, or those who joined the Department through SSC or Inter-departmental transfer basis.

Under the MACP Scheme three financial Up-gradations are allowed on completion of 10, 20, 30 years of regular service, counted from the direct entry grade. The MACPS envisages merely placement in the immediate next higher grade pay. The MACPS is effective w.e.f. 01.09.2008 or on completion of 10, 20 & 30 years of continuous regular service, whichever is later.

4. Compassionate Appointment

The scheme of compassionate appointment in Defence Accounts Department is governed by Government of India orders on the subject issued time to time. The object of the Scheme is to grant appointment on compassionate grounds to a dependent family member of a Government servant dying in harness, thereby leaving his family in penury and without any means of livelihood, to relieve the family of the Government servant concerned from financial destitution and to help it get over the emergency. Compassionate appointments can be made against the direct recruitment quota to Group 'C' posts on regular basis and that too only if regular vacancies meant for that purpose are available.

5. Reservation

Schedule Castes Reservation of 15% of vacancies are filled by direct recruitment. Schedule Tribes Reservation of 7 1/2% of vacancies are filled by direct recruitment. Other Backward Castes Reservation of 27% vacancies are also filled by direct recruitment. (No reservation in promotion). There is also reservation of vacancies for persons with disability to Group 'C' and Group 'D' posts. There is a total of 3% reservation on total number of vacancies in the cadre strength.

6. Service Books

The Service Book is intended to include all important facts in the official career of an officer, including officiating appointments. Officiating appointments should be distinguished from substantive

appointments. Leave of all kinds, absence without leave or in excess of leave or of joining time should be noted across the pages; and if any period be allowed to count as service which should not ordinarily be allowed by the rules, or if any special privilege or disability affecting pay, pension or leave attaches to an officer, the fact should be similarly noted with quotation of the Government order.

Service Book and leave accounts of all the staff, SAOs/AOs and IDAS Officers are maintained in the Service Book form by the respective PCDA/CDA except for PCDA/CDA himself/herself. The service book of the PCDA/CDA and all Gazetted Officers serving in CGDA's Office are maintained by the CGDA's Office. The Service Book of aforesaid officers will be audited by the LAOs responsible for audit of Service Books of non gazetted staff. The history of services of Sr.AO/AOs of the Defence Accounts Department are maintained by the PCDA/CDA in the form of a register. The register should also contain a summary of leave etc. taken by the Sr.AOs/AOs during their previous service. On transfer of an officer from one PCDA/CDA to another PCDA/CDA, the Service Book of the officer will be forwarded to the PCDA/CDA. Duly completed up to date and verified in all respects.

7. Retirement

A Central Government servant retiring in accordance with the Pension Rules is entitled to receive superannuation pension on completion of at least 10 years of qualifying service. For those government employees who joined prior to 1st January, 2004, the government has a defined benefit pensionary scheme along with benefits like General Provident fund, Death cum Retirement Gratuity, etc. Post 2004, the government employees are part of the National Pension Scheme which is a contributory pension scheme. Superannuation pension is meant for those government officials who retire at the age of 60 years. Voluntary pension is awarded to those who wish to retire three months in advance after completing 20 years of service. Extraordinary pension is another pension scheme that is awarded to those government employees who are disabled or the families of those employees who lose their lives during the tenure of their job.

Learning from the session

- Entry level in the department includes entry at the IDAS level, direct entry to the Subordinate Accounts Service, at the Clerk/auditor level, to the post of Stenographers and Hindi officers.
- IDAS officers are either recruited directly through the Union Public Service Commission or through promotion from the Sr. Accounts Officers cadre.
- Promotion to the accounts officer cadre is from the Assistant Accounts officers who are either recruited directly or upon clerks/auditors/stenographers passing the Departmental Subordinate Accounts Service examination.
- Promotions are done through a Departmental Promotion Committee recommendation based upon the number of years of service and the grading received by the individual in his Annual Performance appraisal report.

Authority:

- **Recruitment Rules – SRO of 2009**
- **OM II**

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PROMOTIONAL AVENUES IN DAD THROUGH DEPARTMENTAL EXAMINATIONS AND SENIORITY

- General Promotion Aspects
- Avenues of promotion in DAD
- Departmental Examinations
- Promotion based on Seniority-cum-Fitness
- Time Scale Promotions – Senior and Junior Administrative Grades

1. Introduction:

Promotions to and within the Indian Defence Accounts Service are made on the recommendations of the Departmental Promotion Committee. The constitution of the Departmental Promotion Committees varies according to the level of promotions being adjudicated for. The promotions in the department are based on seniority, time scale and on passing the departmental examinations. Promotions in respect of personnel bring a change in the pay structure and designation and apart from the same, progressions are awarded to personnel in cases where hierarchial promotions are not feasible and they include financial implications only without change in the grade/duties & responsibilities.

2. General Promotion Aspects

Generally, promotions are released based on the vacancies arisen in the specific grades of the department. The basic level of staff viz., Multi-tasking staff are recruited through Staff Selection Commission and from then on, the promotional avenues are available for these personnel. Promotions in the cadre of Clerks, Auditors and Senior Auditors have parallel avenues viz., by means of clearing the departmental examination and also on the basis of seniority in the existing grade.

- Promotion is released based on the adjudication by the Departmental Promotion Committee.
- Promotion is considered based on the seniority in a specific grade automatically or on clearing the departmental examination.
- Largely promotion is accompanied with increase in pay as well as the grade/designation along with the responsibilities and nature of duties. However, in certain cases viz., Clerks to Auditors and Auditors to Senior Auditors, there is no change in nature of duties and involves only increase in pay and change in designation.
- There are instances when promotion is not feasible in certain cadres viz., Senior Auditors being the highest cadre in Group “C” (Non Gazetted), then the increase of pay on grant of Modified Assured Career Progression schemes are applicable.
- On being granted promotion, the person will be on probation for a period of two years from the date of promotion and the confirmation will be based on the assessment of the individuals during the two years.

3. Avenues of promotion in DAD

Promotions in the Defence Accounts Department are awarded in various grades and the avenues or the means of promotion is also varied. The time scale promotion generally in the Class I Officers viz., Officers of the Indian Defence Accounts Service comprising of Junior and Senior Time Scale is dependent upon the number of vacancies arising during a particular period and also based on the recommendations of the Departmental Promotion Committee adjudicating the Officials for promotion. The promotion in these cases are awarded based on seniority-cum-fitness. The other avenues are enumerated below.

(i) By Seniority

Promotions awarded through seniority and also based on vacancies arising during a particular time period.

(a) IDAS Officers who are direct recruits through the UPSC are promoted based on time scale.

ACDA → DCDA → JCDA → Addl. CDA → CDA → PCDA

Beyond PCDA, the promotions are cleared and Officers posted to HQrs. office only as Addl CGDA and CGDA. Beyond CGDA, the Officers are promoted as Secretary (Defence/Finance)/FA (DS). The promotion from the level of PCDA and above are cleared by the DPC constituted by the UPSC.

(b) Staff recruited as Multi-tasking Staff (MTS) are promoted on seniority basis as depicted below.

MTS → Clerk → Auditor → Senior Auditor

The recruitment of MTS/Clerk/Auditor is through Staff Selection Commission and consequently promoted as above. The promotion of Auditor to Senior Auditor is based on seniority and adjudication which is the stagnation. Continuous ten years of regular service in the grade of Senior Auditor without any promotion will have the privilege of Modified Assured Career Progression Scheme which gives a financial upgradation maximum upto three throughout the service.

(c) Officers directly recruited as SAS Apprentice (SO(A)/AAO) through the Staff Selection Commission are considered for promotion based on seniority as depicted below.

SO(A)/AAO → AO → SAO → ACDA → DCDA → JCDA

Under the normal circumstances owing to the total number of service of an employee, the promotions upto the level of DCDA is more likely and beyond that the chances are not popular.

(ii) By Passing Departmental Examinations

(a) Subordinate Accounts Service Examinations Part I and Part II
SAS Part I and Part II Examinations can be cleared by the staff in order to be promoted to the Supervisory Grade viz., AAO.

(b) Graduate Clerks Examinations
Graduates who are recruited as Clerks through Staff Selection Commission / Inter Departmental transfer / Compassionate Appointment on completion of five years of service can clear the examination held by the Department for promotion to the grade of Auditor. The examination is not a routine one and is declared by the Department based on the decisions taken from time to time on certain parameters.

All group "C" and "D" employees who fulfil the following conditions will be considered for promotion in situ to the next higher grade.

(i) Employees who are directly recruited to a Group C and D post.
(ii) Employees who have not been promoted on regular basis even after one year on reaching the maximum of the scale of such post.
(iii) Employees whose pay on appointment to such post is fixed at the minimum of the scale.

3. Departmental Examinations (Subordinate Accounts Service)

Subordinate Accounts Service Examinations are conducted by the Department independently on a regular basis. The examination comprises of three parts viz., Preliminary, Part I and Part II. The officials clearing the Preliminary qualify to appear in the Part I of the examination and further on clearing Part I they are promoted as Auditors in cases where the official is a Clerk and for officials who are already Auditors, they qualify for appearing in the Part II of the SAS Examination. The officials upon clearing the Part II are promoted as Assistant Accounts Officers categorised as Group "B" gazetted.

In order to qualify to attend the preliminary examination, the official has to clear his/her probation and needs to be confirmed in the grade. On obtaining the intentions of eligible candidates to appear for the examination, a committee will be constituted by the Head of Office to adjudicate the parameters for fitness of the candidates and forward the names to HQrs. Office for allotment of roll numbers and further course of action.

4. Promotion based on Seniority-cum-Fitness

The selection for promotion based on seniority-cum-fitness is based on the recommendations of the Departmental Promotion Committee. The number of vacancies of the specific grades due to arise are computed, and based on this data and other relevant factors, the number of Officials to be considered for promotion is arrived at.

In cases of promotion of AAO to AO, the DPC scrutinises the APARs of AAOs who fall within the promotion zone and draws up a list of AAOs selected for promotion by the selection method and a list of AAOs selected for promotion on the basis of seniority-cum-fitness. 33 1/3% of the vacancies will be filled by Selection and the remaining 66 2/3% on the basis of Seniority-cum-fitness.

The cadre of Senior Auditors is fixed at 80% of the strength of the Auditors authorised for the department from time to time. Auditors with at least 3 years' service in that grade and who have successfully completed probation wherever prescribed in that grade (i.e. in the case of individual directly recruited in the grade of Auditor) will be eligible for promotion to Senior Auditor's grade. The selection would be based on Seniority-cum-fitness subject to rejection of unfit cases. The recommendations of the DPC will be put up to the PCsDA/CsDA for their acceptance as the appointing authority.

40% of the vacancies in the Auditor's grade are filled by promotion of Clerks according to seniority subject to fitness. Such promotions are made by the CGDA on All India basis on the recommendations of the PCsDA/CsDA which are called by CGDA periodically whenever necessary.

5. Time Scale Promotions – Senior and Junior Administrative Grades

Promotions to and within the Indian Defence Accounts Service are made on the recommendations of the Departmental Promotion Committee. The constitution of the various promotion committees is given below.

(a) Promotion of SAOs to IDAS

(i) Member UPSC – Chairman
(ii) Controller General of Defence Accounts
(iii) Additional Financial Adviser & Joint Secretary, Ministry of Defence (Finance)
(iv) Two members drawn from CDA and
(v) Additional CGDA

(b) Promotion of IDAS Officers from Junior Time Scale to Senior Time Scale / Confirmation is Junior Time Scale

(i) CGDA / Senior most Addl. CGDA – Chairman
(ii) Two CsDA – Member

(c) Promotion from Senior Time Scale of the IDAS to the Junior Administrative Grade

(i) Chairman / Member, UPSC – Chairman
(ii) Financial Adviser (Defence Services)
(iii) CGDA
(iv) One CDA
(v) Addl. CGDA

(d) Promotion to Selection Grade of the Junior Administrative Grade

(i) Financial Adviser (Defence Services)
(ii) CGDA
(iii) One CDA
(iv) Addl. CGDA

(e) Promotion to the Senior Administrative Grade

(i) Chairman / Member, UPSC – Chairman
(ii) Financial Adviser (Defence Services)
(iii) CGDA

The recommendations of the Committee will be submitted to the Financial Adviser, Defence Services, for approval, and the latter will be responsible for obtaining approval of the Hon'ble Minister for the Defence, where necessary. Copies of the orders passed by the Government regarding the promotion /confirmation of the Officers recommended by the DPC, should invariably be forwarded to the Commission for their information.

An officer promoted from SAO's grade to the regular cadre of IDAS will be on probation for a period of two years from the date of his appointment in that grade. The assessment report in respect of each such officer shall be written on a yearly basis commencing from the date of promotion to IDAS by the Controller in whose organisation he is posted.

Auth : Para 72-81 of OM Part I

Learning from the session

- Promotions in the Department are based on selection basis, seniority cum fitness basis or on qualifying in the departmental examinations.
- Subordinate Accounts Service Examinations conducted in three parts viz., Preliminary being the qualifying, Part I for promotion from Clerks to Auditors grade and Part II for promotion to the grade of AAOs.
- The DPC constituted for the purpose adjudicates the fitness for promotion based on seniority-cum-fitness and selection criteria apart from clearing the departmental examinations.
- The IDAS Officers are given time scale promotions based on selection or seniority cum fitness in Junior Time Scale, Senior Time Scale, Junior Administrative Grade, Senior Administrative Grade and Higher Administrative Grade subject to clearance of the DPC conducted by the UPSC.

Authority:

- **Office Manual Part I Paras 66 to 141**

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PERFORMANCE APPRAISAL

- Introduction
- Evolution of the Annual Performance Appraisal Report
- Process

1. Introduction:

A performance appraisal is a systematic general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses, etc. Performance appraisals are used for compensation, performance improvement, promotions, termination, facilitate management-employee communication, etc.

Some of the benefits of performance appraisal are improvement in an organisation's effectiveness, feedback about job performance to individual workers, enhancement of employee focus, feedback from appraisal help in minimising employee's uncertainties, goal setting and desired performance reinforcement, performance improvement and determination of training needs. Some of the drawbacks associated with performance appraisals are subjective evaluations, errors in ratings, negative perception of the appraisal system and legal complications.

2. Evolution

In the government set up, the Annual confidential report was introduced in the 1940s. It was done annually and was mainly for promotion related decisions and the report was kept confidential. This document provided inputs for assessing performance – suitability for personal advancement, promotion, suitability for deputation or foreign or any other assignments. 60% weightage was given to personal attributes while 40% was given for work assessment. This system was deficient as targets could not be quantified, there was no scope for a two way consultative process, the system allowed sharing of only adverse grades and the process of representation against adverse grades was time consuming.

The Annual Performance Assessment Report (APAR) was introduced through the Public Service Bill, 2007 for the All India Services on the recommendations of Lt.Gen. Surinder Nath Committee in 2002. The Sixth Pay Commission report on "Performance Related Incentives" and the Second Administrative Reforms Commission also paved the way for a modified performance management system. This is a transparent approach where the appraisal is revealed to the personnel and it is interactive in nature in that it realistically sets targets and work plans for the year. Also, there are job specific performance appraisal formats which relate to individual tasks and organisational goals. It was introduced in the year 2008-09 and it has numerical

gradings from 1-10. The three attributes that are graded are Quality of work output (40%), Personal attributes (30%) and functional competence (30%). The overall grading is based on the mean value of the above three attributes.

3. Process

The APAR is maintained for all staff (other than Group D). This is usually written annually for each financial year i.e. 1st April to 31st March. It is written by the immediate superior who must take into account all the performance (good and bad) of the concerned employee over the period under report. The performance of every government servant is assessed annually through the Assessment Report that is written by his Superior Officer. Since the Assessment report guides him about his defects and shortcomings, which decides his future career advancement, it is supposed to be a very important document in his career. The system of APAR has two principal objectives. First and foremost is to improve the performance of the subordinate in his present job. The second one is to assess his potentialities and provide him appropriate feedback and guidance for correcting his deficiencies and improve his performance.

The time schedule for APAR is as below:

- Distribution – 31st march
- Submission of self-appraisal – 15th April
- Submission of report by Reporting Officer – 30th June
- Report of reviewing officer – 31st July
- Appraisal by accepting authority – 31st August
- Disclosure of APAR – 1st/15th September
- Representation – 15 days from date of receipt of APAR
- Disposal of Representation – within one month of receipt of representation.

(i) *Self-appraisal*: Self-assessments, also known as self-appraisals or self-evaluations, are popular tools used by higher management to learn how employees view their own performance. These assessments help close the gap between expectations and performance, and provide a channel to open communication about goals, opportunities and development. While managers and supervisors share their opinions of employee performance and ability to meet expectations during evaluations, the self-assessment lets employees discuss what they see as important projects completed, share new skills and techniques acquired, and remind employers of all the great work they have done since the last performance review.

The self-appraisal should include a detailed and comprehensive description of duties. The work plan that is assigned for the year to the individual should be clearly delineated. The achievements with respect to the work plan to be indicated. Usage of passive voice to be maximised while writing the self-appraisal.

4. Report writing as Supervisor

Reporting and reviewing Officers should have supervised the work of the official reported up on for at least three months during the period covered by the Annual Confidential report.

- The reporting officer while giving the pen picture of the official concerned should indicate the special characteristics, exceptional merit or capability, overall qualities of the official and areas of strengths or weaknesses.
- The reporting officer must fill up each column of APAR very carefully and his overall assessment must be based on assessment in each column. He should take into account the letters of appreciation/warning/ admonition/reprimand given during the year. This must be an objective assessment based on actual performance and matters on record.
- Wherever an entry is based on an actual incident, it should be indicated. The resume given by the official should be duly considered. The reporting officer will submit the APAR to the reviewing officer who may make his own assessment and record changes, if necessary, the report is finally put up the accepting authority.
- When the reporting officer retires or otherwise demits office, he may be allowed to give the report on his subordinates within a month of his retirement or demission of office. However, a reviewing authority cannot review the APAR after his retirement.
- Remarks like “doubtful character” complaints received about his taking illegal gratification” are not permissible. Entries should be based on established facts and not on mere suspicion.
- While grading, the reporting officer should justify in the pen picture by way of specific failures the grading of 1-2 and similarly a grading of 9-10 is to be justified with specific examples.

5. Benchmark for promotion

The Departmental Promotion Committee are constituted on a regular annual basis to draw panels to be utilised for promotions over a year. Action should be initiated well in advance without waiting till vacancy arises. The DPC reviews the seniority list, the annual performance appraisal reports, recruitment rules and

the list of eligible persons to be considered for promotion with full details of the number of vacancies, number of posts reserved for SCs/STs or any other reservations, etc. The grading in the APAR over the last 5 years preceding the DPC will be considered for benchmark.

APARs graded between 8 and 10 will be considered "outstanding" and given 9 for purposes of consideration for empanelment/promotion. APARs graded between 6 and 8 will be rated as "very good" and will be given a score of 7. APARs graded between 4 and 6 will be rated as "good" and given a score of 5. APARs graded below 4 will be given a score of zero.

The current benchmark for PB-2 and PB-3 i.e. up to Grade pay Rs.6,600 is "Good". For Grade pay Rs. 7,600/- and above the benchmark is "Very Good" as per the Seventh CPC recommendations. For higher scales, "Very Good" should be available in APARs of all five years. However, the DPC can make its own assessment of the officers without being merely guided by the grading, if any, recorded in the CRs. The DPC shall determine the merit of those being assessed for promotion with reference to the prescribed benchmark and accordingly grade the officers as 'fit' or 'unfit' only. There shall be no supersession in promotion among those who are graded 'fit'.

6. Current Developments

The Department of Personnel & Training (DoPT) in assistance with ministries has installed three new software portals to assess the performance of Central Government officers including IAS and IPS. They are named as Probity, Sparrow and Solve.

- Probity – This portal is used for assessing the integrity and performance levels of officers. The performance of government officials who have turned 50 or 55 or have completed 30 years of service are being monitored through this portal to decide whether they should be allowed to remain in service or asked to retire depending on their performance. This process is now completely online and the government gets a birds eye-view of the status on this portal.

- Sparrow – Sparrow or the Smart performance appraisal report recording online window system is being used to make the entire appraisal system digital which can then be accessed by the ministries concerned. This system is being extended to the entire department for the appraisal period of 2017-18.

- Solve – A system for online vigilance enquiry for board level appointees. This portal can be expanded for other employees so that the government can coordinate between 'Probity', 'Sparrow' and 'Solve' portals and assess performance and integrity of different bureaucrats.

Learning from the session

- An APAR provides the self-assessment of the individual along with the views/gradings given by the reporting/reviewing officer for a given period of time which is generally the financial year.
- Self-appraisal should indicate all the work done by the individual with reference to the goals set by his superior officers as well as his own perception of the learning, improvement and goals achieved.
- The reporting officer should be objective, fair and must base his grading not just on the self-appraisal but also on his own evaluation of the employee's performance.
- Probity, Solve and Sparrow are the three portals through which the government has introduced the online system of performance appraisal and vigilance enquiry.

Authority:

- **Chapter IV of OM I**

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CONDUCT RULES

- Applicability
- CCS (CCA) Rules

1. Introduction:

Maintenance of discipline in the office and good conduct of employees are important concerns for every organisation for the smooth conduct of work entrusted to that organisation. For this purpose, a set of Rules are framed by the Central Government for its employees namely, Central Civil Services (Conduct) Rules, 1964 (in short CCS (Conduct) Rules) and Central Civil Services (Classification, Control and Appeal) Rules, 1965 (in short CCS (CCA) Rules). While CCS (Conduct) Rules stipulates 'Do's' and 'Don'ts', CCS(CCA) Rules laid down the detailed procedure for imposing penalties in case of misconduct. There may be chances that employees are not satisfied/not in agreement with the decision taken by the employer in regard to any service matters including disciplinary proceedings. In such scenario, employees can approach Central Administrative Tribunal set up as per The Administrative Tribunals Act, 1985 to resolve their grievance.

2. Applicability

The important areas to which these rules apply are listed below:

- Activities requiring permission/sanction
- Activities not requiring permission/sanction
- Unauthorised absence – break in service
- Government servant and politics
- Property transactions
- Acceptance of gifts
- Restrictions regarding marriage
- Dowry
- Sexual harassment of working women
- Assistance to government servants in legal proceedings
- Rule 3: Every government Servant shall at all times- maintain integrity, devotion to duty and do nothing unbecoming of a government servant.
- Rule 3-A, B, C: a government servant shall act courteously, not delay disposal of work, work in accordance with government policies and not indulge in any act of sexual harassment of women.
- Rule 5: No government servant shall be a member of, or be otherwise associated with any political party or any organization which takes part in politics.
- Rule 6: No government servant shall join or continue to be a member of an association whose objects or activities are prejudicial to the interests of the sovereignty and integrity of India or public order or morality.

- Rule 7: No government servant shall join or support any illegal strike.
- Rule 9: No Government servant shall make adverse criticism of any current or recent policy or action of the Central Government or a State.
- Rule 13-A: No Government servant shall give or take or abet the giving or taking of dowry or demand directly or indirectly from the parent or guardian of a bride or bridegroom, any dowry.
- Rule 15: No Government servant shall, except with the previous sanction of the Government, engage directly or indirectly in any trade, business, employment, etc.
- Rule 16: No Government servant shall speculate in any stock or share, make or permit any members of his family to make an investment which is likely to influence him, lend or borrow or deposit money with a person with whom he has official dealings or lend money to any person at interest.
- Rule 17: A Government servant shall manage his private affairs so as to avoid habitual indebtedness or insolvency.
- Rule 18: Government servants entering into transaction of immovable property shall have to give prior intimation to the competent authority in the prescribed format. On the other hand, such transactions with a person having official dealings require prior sanction of the competent authority. Similarly, for movable property transactions (jewellery, insurance policies, securities, debentures, loans, vehicles, etc) intimation is to be given to the prescribed authority within one month. Here also, transactions with person having official dealing require prior sanction of the prescribed authority.
- Rule 20: No government servant shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under Government.
- Rule 21: No government servant shall enter into marriage with a person having a spouse living and no Government servant having a spouse living, shall enter into marriage with any person.
- Rule 22: A government servant shall abstain from drinks or drugs both during the course of his duty and also in a public place.

3. CCS(CCA) Rules :

Disciplinary proceedings need to be initiated strictly as per the procedure laid down in the Rules and supplementary instructions issued by the Government from time to time. The powers vested in the Disciplinary authorities are quasi-judicial in nature and any lapses in procedure may invite adverse criticism from appellate authorities, Tribunal or Courts or sometimes; for the very reason the entire proceedings may set aside by higher courts. When orders imposing penalty become void on such technical grounds, the very purpose of the act will not be served. Hence, dealing with disciplinary cases should be done with due care and attention and the dealing employees should have thorough knowledge in the Rules and procedures. The following are the penalties that may be imposed on a Government servant:

A. Minor Penalties:

(I) Censure;

(ii) Withholding of promotions;

(iii) Recovery from pay of the whole or part of any pecuniary loss to Government caused by the offical's negligence or breach of orders;

(iii-a) Reduction to a lower stage in the time-scale of pay by one stage for a period not exceeding three years, without cumulative effect and not adversely affecting his pension;

(iv) Withholding of future increments of pay.

B. Major Penalties:

(i) Reduction to a lower stage in the time scale of pay other than (iii-a);

(ii) Reduction to a lower time-scale of pay, grade, post or service for a period to be specified in the order of penalty;

(iii) Compulsory retirement;

(iv) Removal from service;

(v) Dismissal from service.

C. Suspension: Suspension is an executive action whereby a government servant is kept out of duty temporarily pending final action being taken against him for acts of indiscipline, delinquency, misdemeanour etc. Since suspension constitutes hardship, damage to the reputation of the Government employee, a decision on the same to be taken with due care after examining the circumstances of the case. A government servant may be placed under suspension in the following circumstances:

- When preliminary enquiry supports a case for initiating criminal/departmental proceeding likely to lead to his conviction
- When his continuance in office will prejudice investigation, trial or enquiry
- When he is suspected to have engaged in activities prejudicial to the security of the State
- When he is charged with misdemeanour involving moral turpitude, corruption, embezzlement or misappropriation of government money, serious negligence and dereliction of duty and refusal or deliberate failure to carry out written orders of superior officers.

The appointing authority, any authority to which it is subordinate, the disciplinary authority or any other authority empowered in that behalf by the President may place an official under suspension. An appeal can be preferred by Government Servant on an order of suspension within 45 days of receipt of such order.

Learning from the session

- Conduct rules lay down the rules for good conduct of the employee
- CCS (CCA) rules lay down the detailed procedure for imposition of penalties for misconduct.

Authority:

- **CCS (Conduct) Rules**
- **CCS (CCA) Rules**

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RECEIPT, DISBURSEMENT AND DESPATCH

- Receipt
- Despatch
- Disbursement

1. Introduction:

Dak includes every type of written communication such as letters, telegrams, inter Departmental notes, files, wireless message, telex, fax message, email etc., which is received by post, messenger or by other means. In the DAD offices, receipt of bills for payment is done by the Records section. The dak is generally received in the Record section (R section), from where it is distributed to the different sections based on the type of bill or communication received. Sometimes important or immediate dak is addressed by name or sent through a special messenger. In such cases, the dak will be received by the officer concerned or by his personal assistant.

2. Receipt

'R' Section is charged with the responsibility of receipt, issue and distribution of all incoming and outgoing dak. The R section functions with an objective to eliminate delays by prompt distribution of inward dak and prompt dispatch of outward dak. It is also responsible for the maintenance of an up to date library and record management. The Records Section will take delivery of all post addressed to the office including local dak received through messengers. The addresses on all covers are examined by the AAO/SO (A) or a senior Auditor to make sure that the covers are meant for the office. The contents of each cover are carefully taken out and each document will be stamped with the office date stamp.

The dak is sorted out into separate trays for the various Sections, letters and bills are kept separately. Arrangements are made for scrutiny of the dak by the Section representatives to ensure that all documents allotted to their Sections correctly pertain to them. After the sorting has been done, all letters (including those received by registered post) will be diarized Group-wise for each section separately by the Record Section. Only the number and date of the communication and the party from whom it has been received will be entered in the diary.

All bills (including those received by registered post) will be diarised Group-wise through computer vide Office Automation System (wherever available) for each Section separately. The DAK ID for each bill will be generated by the System and the bills will be distributed to the respective sections along with the top-list indicating the DAK ID numbers generated during the registration process. The Record Section will invariably verify that enclosures are attached to bills and make suitable remarks where necessary enclosures will also be checked by the Section representatives.

Valuable documents, viz., G.P. notes, fixed deposit receipts, post office cash certificates, cheques, drafts, sheet rolls, long rolls, medical history sheets, records of service, indemnity bonds, insurance policies, court attachment orders and other documents of a legal nature, will be diarized in a separate "Register of Valuable Documents". Reminders and complaints, whether marked as such or in the form of a letter, will be collected by the Record section from the dak and sent to the CDA, JCDA and the Officer-in Charge of the section concerned. Important communications from the Government of India, CGDA., Army Headquarters, etc., will be sent to the CDA, JCDA and DCsDA for perusal. All secret and confidential covers brought to the DCDA. or the officer-in-charge of the Administration section by the AAO, Record Section (or a reliable individual nominated by him) and will be opened by the DCDA/Officer-in-charge, Administration Section personally.

3. Despatch

The R section dispatches all outward letters, registered and insured parcels, maintains dispatch registers and records the number of letters sent. It also keeps stock of service labels and maintains a stamp account for the same. Important letters dispatched by ordinary post will also be recorded in the dispatch register like those sent by registered post, upon specific request of an officer. Secret and confidential covers are treated as "important" and even when they are not sent by registered post, they should be entered in the dispatch register. The dispatch of confidential correspondence may be made through the ordinary office dispatch register, but entries should afford no clue with respect to the contents of the documents and should refer only to the entries in the confidential register.

Full particulars of valuable documents issuing from the office will be recorded in the dispatch register. All covers will be neatly addressed and endorsed with full signature of the dispatcher and designation of the office of issue on the left hand bottom corner. Primarily, the Remotely Managed Franking Machines are being used for dispatch work wherein credit is being recouped by the post office concerned on demand.

4. Disbursement

The objective of the disbursement section is to arrange promptly for disbursement on behalf of the Defence Services and DAD in the allotted spheres, safeguarding the interest of Govt. The PCsDA/CsDA and other officers of the Defence Accounts Department authorised by PCsDA/CsDA in this behalf may draw cheques on any civil treasury or the Bank to meet the requirements of the Defence services. Payments are made either by cheques, cash or through electronic mode viz. NEFT, RTGS or SBI-CMP.

SBI-CMP or the Cash Management Product has been adopted by the Department to ensure optimization of collection and payouts while ensuring predictability in the cash flows. It ensures quick transfers, account reconciliation, easy disbursements, controlled processes and customized MIS. It also offers file upload facility on SBI's web based portal. SBI CMP is to be accessed through the DAD WAN. In this system payment advice containing details of transactions is uploaded on the bank portal and payment is authorized by two authorizers of the rank of Accounts Officers. The payment is then credited by the bank in

the beneficiaries account. A report containing the percentage of e-payment being effected has to be rendered to the CGDA by every Controller by the 15th of the following month.

The Audit Sections will authorize payments, prepare payment order and DP Sheet in respect of all passed bills. The Cheque Slip and related DP Sheets will be forwarded to the Disbursement Section for processing payment. The details of credited and un-credited amounts will also be available in CMP portal and downloadable pdf file. Access to these two MIS has been given to Disbursement Section. "D" Section will download these two MIS from the CMP portal on daily basis. A copy of the credited and un-credited items will be sent by the "D" Section to Accounts Section for linking and pairing of Schedule-III and for the reconciliation of the compilation figures. The details of the rejected items shall be given to the Audit Section concerned for further course of action for settlement. D Section will also receive Minus Debit Scroll along with the details of the rejected items. D Section will extract the rejected items which are not credited to the beneficiaries and forward the same to the Audit Section concerned. D Section will also maintain the register and watch the clearance of Suspense Head 0/020/96. The D Section will be responsible for clearing the Suspense Head 0/020/96 in consultation with Audit Section / Accounts Section and will also liaise with SBI-CMP Centre, Mumbai towards clearance of Suspense Head. Punching Medium will however, be prepared by Audit Section on receipt of rejection amounts mentioned in Minus Debit Scroll from D Section. A copy of the punching medium will be forwarded to Accounts Section and D Section for linking and clearing the suspense of rejected items.

The Schedule of monthly drawings called Schedule III is prepared by Disbursement Section. A separate Schedule III will be prepared for each section. Copies of Schedule III are sent to the Accounts for reconciliation purposes and one copy is retained in D section. Presently, three types of mechanisms are adopted by the Banks for effecting payments electronically. First is known as "Electronic Clearing Scheme(ECS) referred to as "ECS" and the second "National Electronic Fund Transfer" referred to as "NEFT" and the third is called Real Time Gross Settlement "RTGS". ECS caters to electronic payment of bulk and repetitive payments like salary and both NEFT and RTGS are nationwide payment system facilitating one to one funds transfer and caters to transfer of funds electronically from one bank branch to another- both inter-city and intra-city, for payment of suppliers bills in lieu of outstation cheques/ demand drafts etc. RTGS is primarily meant for large value transactions.

Learning from the session

- R Section is charged with the responsibility of receipt, issue and distribution of all incoming and outgoing dak.
- All bills (including those received by registered post) will be diarised Group-wise through computer vide Office Automation System (wherever available) for each Section separately.
- The R section dispatches all outward letters, registered and insured parcels, maintains dispatch registers and records the number of letters sent.
- The objective of the disbursement section is to arrange promptly for disbursement on behalf of the Defence Services and DAD.
- Payments are made either by cheques, cash or through electronic mode viz. NEFT, RTGS or SBI-CMP.

Authority:

- **OM II**

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FUNCTIONS OF ADMINISTRATION SECTION

- Duties
- Cash book, imprest, AN Pay
- Pension claims, maintenance of DAD buildings

1. Introduction:

Administration, in common parlance, is the management of an office, business, or organisation. It involves the efficient organisation of people, information, and other resources to achieve organisational objectives. It is the range of activities connected with organizing and supervising the way that an organization or institution functions. Every office has an administration section which looks after personnel management and is mandated to provide a healthy living and working condition for officers and staff.

2. Duties

The duties of the section include the general administration of the office and its sub-offices, maintenance of conduct and discipline, holding of departmental exams, maintenance of Annual Performance Assessment Reports, office security, diarization and distribution of secret, confidential and demi-official letters. One of the duties is the preparation of pay bills, medical, GPF and TA/DA bills of the staff of the office. This section also is in charge of the expenditure made from the office contingency and miscellaneous expenditure. Towards this, the section prepares the budget estimates for the Locally controlled heads under Head 4 (A) and (C) and cash requirement estimates of DAD. Maintenance of the Personnel Information system, holding of the JCM meetings and looking after recruitment, postings of the staff posted in that office are also some of the functions of this section.

(Para 74A of OM II)

3. AN Pay Section

The pay bills of officers and staffs of Defence Accounts Department are prepared by the AN-Pay section either individually or in a consolidated form for all officers serving at headquarters station and paid under the orders of the Group Officer-in-charge, AN Pay Section. The original pay bills bearing stamped receipts will be submitted to the Auditing PCDA/CDA by the 15th of the month following that in which they are paid and accounted. The Auditing PCDA/CDA will audit such pay bills in accordance with the general rules and the instructions laid down in Para, 183 and 184 of Defence Audit Code.

The number of regular monthly pay bills to be prepared every month for the different classes of establishment employed for different areas/sections is left to the discretion of the PCDA/CDA. The pay bills of staff who are about to retire, should, however, be drawn separately from the pay bills of the others for the

last three months and sent immediately after payment to the "Auditing PCDA/CDA" to enable him to carry out the service verification without having to wait for the receipt of establishment pay bills in the usual course.

(Para 76 to 79 of OM II)

The GPF schedules are prepared with reference to the pay bill of March and forwarded to CDA (Funds) Meerut. For subsequent months, only variation statements are forwarded to CDA (Funds) who post these into the ledger accounts of the subscribers. NPS schedules are prepared along with the pay bills and uploaded immediately. Bills of medical expenses of DAD staff posted under that organisation are scrutinized and passed by the Administration section. The grant of travelling allowance to the personnel of the Defence Accounts Department is governed by Supplementary Rules. Travel claims of the DAD personnel are dealt with by this section. Audit checks on the Travel and Medical claims are the same as those conducted for the Defence civilians as done in the Pay, Medical and TA/DA sections of the Regional Controller's offices.

4. Imprest and contingent expenditure

The amount of the permanent advance or Imprest in respect of a PCDA/CDA's Office is fixed by the C.G.D.A. to whom applications should be made for reduction or increase if necessity arises. The permanent advance sanctioned by the CGDA for a PCDA/CDA is exclusive of the amount of permanent advance required by their sub offices. In the case of Main Office, the cash balance of the permanent advance will be in the custody of the cashier, who will be responsible for it. The items of office contingent expenditure which can be paid out of the permanent advance are laid down in the clauses (i) to (xv) of Para-92 of OM II.

A register will be maintained on I.A.F.A. 481 in which all charges on account of office contingent expenditure will be recorded under each head of expenditure, for which a separate allotment of funds has been made by the C.G.D.A. Each entry in the register will be initialed by the cashier or by the clerk concerned and by the officer-in-charge Administration Section.

(*Para 88 to 92 of OM II)*

5. Cash Book

A cash book will be maintained on I.A.F.A.-125 by the cashier under the supervision of the DCDA/ ACDA (Administration) or, if no such officer is functioning, the officer-in-charge, Administration Section. All cheques drawn in favour of the PCDA/CDA and all payments made out of the cash obtained by encashing such cheques will be accounted for in the cash book. Payment must be supported by the acquittance of the payees and other connected vouchers, if any. All entries in the cash book and the register of acknowledgements and all acquittance rolls will be initialed by the officer-in-charge, Administration Section. The cash book will be closed monthly and balanced, and submitted to the DCDA/ ACDA (Administration) or the officer-in-charge, Administration Sections. The PCDA/CDA will also depute, at irregular intervals, an officer of the IDAS rank to conduct surprise checks of the actual cash in hand and as shown in the cash book. (*Paras 98 & 99 of OM II)*

6. Pension claims

As soon as an individual completes the first year of his permanent service, the Administration Section will prepare a verification statement (I.A.F.A. 357) for the first year of his permanent service as well as of any 82 qualifying service prior to his permanent appointment and forward it to the "Auditing PCDA/CDA" concerned for verification of service, rates of pay, leave, etc., from the audited pay bills, and return duly completed in all respects. Every six months i.e. on the 1st January and 1st July, a list of gazetted and non-gazetted staff, who will attain the age of superannuation 12 to 18 months hence is prepared. Data sheet, DO Pt II order notifying retirement, pension application (IAFA 356), photograph, specimen signature, nomination for death/retirement gratuity, identification marks of individual and spouse, detailed calculation sheet, sanction of competent authority for grant of pension are some of the important documents that are forwarded by the Admin section to PCDA (Pensions), Allahabad not later than six months before actual date of retirement of Government servant.

(Para 102 of OM II)

7. Maintenance of DAD buildings

Office and Residential accommodation have been constructed out of DAD Works Budget in various stations. Care, Custody, Repair and maintenance of these buildings are the responsibility of the MES. PCsDA/CsDA concerned should also maintain the Register of permanent building and keep it posted up to date in liaison with the G.E.Funds for the repairs/maintenance of the buildings including internal Electric installation and road will be projected by the G.E. computed on the basis of various scales laid down by the Govt. from time to time. PCsDA/CsDA should scrutinize the demands projected by the GE to ensure that it covers the entire requirements of the PCsDA/CsDA.

Once the funds required are allotted, depending upon the progress of work, the PCDA/CDA concerned may release the funds to the Command PCDA/CDA concerned that will be responsible for the payment through; AAO (GE)/ CsDA should decide the priorities about the repair/maintenance work to be carried out by the MES and keep a monthly watch over the expenditure out of the maintenance grants and ensure that the repair/maintenance works indicated by him to the GE have been carried out properly.

(*Para 154 of OM II)*

8. Regional Office Councils

Almost all Government establishments employing a sizeable number of persons have a officially, recognized employees union or a staff associations; who are further affiliated to larger bodies like the Central Government Employees Association. DAD itself has an All India Defence Accounts Employees Welfare Association which has branch offices in all PCDA/CDA offices. Staff has its opportunity of democratically electing representatives to represent their interest and grievances. Association or Union, however, represents one aspect. The other aspect is the management view. To provide an opportunity for meeting of these two divergent views and evolving a common approach, we have the JCM system wherein

the employee find representation through staff association and interact with the executive.The annual membership subscription is to be recovered by the DDOs through check off system in the pay for the month of July, on the basis of the consent note exercised by the members in April every year.
(Para 154G of OM II)

9. Budget

The budget estimates are prepared for locally controlled heads such as travelling and outstation allowances and miscellaneous expenses. Cash requirement expenses for Deposits and Advances and Loans and advances are also prepared by the Administration section. Advances are generally provided for purchase of motor conveyance, personal computers and for house building.

For expenditure, this section monitors the allotment, expenditure and balance in order to meet the requirements of the office and its sub-offices. The estimates are generally prepared on the basis of the actual compiled in the first six months and the anticipated increase in expenditure due to other reasons.

(Para 144 of OM II)

Learning from the session

- Every office has an administration section which looks after personnel management and is mandated to provide a healthy living and working condition for officers and staff.
- The duties of the section include the general administration of the office and its sub-offices, maintenance of conduct and discipline, holding of departmental exams, maintenance of Annual Performance Assessment Reports, office security, diarization and distribution of secret, confidential and demi-official letters.

Authority:

- **OM II**

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ATTENDANCE

1. Introduction:

"Better three hours too soon than a minute too late"

- William Shakespeare

Punctuality is a virtue and the importance of being on time cannot be emphasised more. The work culture of the office is defined by the staff and officers of the office for which punctuality is a major contributor. As per recent Government of India instructions, the bio-metric attendance system has been implemented in all offices which is connected centrally to the National Informatics Centre server. The implementation of the bio-metric attendance system has improved the punctuality in all offices across DAD.

2. Attendance

The normal hours of attendance at office are from 9.00 am to 5.30 pm or 9.30 am to 6.00 pm from Monday to Friday with a half an hour break either from 1.00 pm to 1.30 pm or 1.30 pm to 2.00 pm. Principal Controllers/Controllers may authorise at their discretion change in the opening and closing of office but in no case the working hours will be reduced below 40 hours on an average during the week. Where our staff function with other units/formations with different working hours/days, the 40 hour per week stipulation would still need to be maintained. Change in office hours should be reported to the CGDA.

(Para 259, OM I)

Attendance registers are maintained separately in a prescribed format in all sections of the office. The attendance register has to be signed by the AAO/Section in charge within five minutes of the official hour of opening of the office and submitted to the AO/SAO/ACDA in charge. At 9-00 A.M./9-30 A.M. (or other official hours of opening the office), the attendance register will be marked as under:

(i) Initial - for those present.
(ii) CL/EL - for those granted casual leave, earned leave etc.
(iii) RH - for those permitted to avail themselves of restricted holiday.
(iv) HL - for those granted half a day's casual leave for the forenoon session.
(v) CCL/PL - for those granted child care leave/Paternity Leave.
(vi) L - (in red ink) for others not present.

At the end of the month, a statement of late attendance is prepared by the AAO/Section in charge in a prescribed format I.A.F (CDA) – 635(Revised).

(Para 261, OM I)

Late attendance up to an hour at a time and on not more than two occasions in a month may be condoned by the Group officers of the sections at their discretion. Late attendance which is not condoned will be converted into half a day's casual leave and debited from the leave account of the individual. If punctuality does not improve, then suitable disciplinary action can be initiated.

Punctuality and regularity in attendance are considered important factors while writing the Annual Performance Appraisal Report of the individual, and while granting leave, etc. Surprise checks may also be carried out by the PCsDA/CsDA/Jt. CDA. In case of persistent late coming or staying away outside lunch hours, disciplinary action may be initiated.

(Para 264-265 of OM I)

3. Aadhar enabled Biometric Attendance System

AADHAAR Enabled Biometric Attendance System (AEBAS) is an attendance management system designed for government organizations by Government of India to improve productivity of employees, as a part of the Digital India Movement. The system authenticates attendance using AADHAAR number created by Unique Identification Authority of India (UIDAI). It is a cloud based BAS (Biometric Attendance System) that monitors attendance of government employees in real-time.

Government of India employs several thousand officials working across Ministries, Departments and various organizations under itself. The management of attendance of the employees is a complex but necessary task, since the presence of officials in offices directly impacts productivity and efficiency. Traditionally, attendance has been managed through registers where officials mark their attendance upon arrival in office. However, supervision of this system is difficult and is also liable to incorrect information being entered into the system. Late arrival and early departure of employees is a common occurrence across organizations. This creates a situation where the sincere and punctual employees feel discouraged and dis incentivized. Hence, a need was felt for the introduction of the Biometric attendance system.

4. Features

- This Biometric Attendance System is based on Aadhaar Authentication (Fingerprint and Iris Based Authentication).
- It is an attendance system with real time monitoring.
- The system has comprehensive MIS.
- This is a lightweight system which does not requires any special hardware or algorithm.
- It is compatible with multiple platforms (Windows, Android, etc.) and form factors (Laptop, Desktop and Tablets, etc.).
- Robust System -Self sustained for small power cuts as it uses tablets at the frontend.
- Time taken to Record Attendance is as low as 1-2 Seconds on Wi-Fi and 8-11 Seconds on GPRS (SIM) On-boarding Manual for Biometric Attendance System.

- System is tightly integrated with the communication channel of SMS. A user gets SMS from the systems at various levels like after registration, on non -marking of attendance and other conditions to empower the users of the system.
- The System has an in-built leave management system wherein an employee can be marked “on leave” so that the system recognizes him/her as on leave and does not send a late attendance SMS.
- The system maintenance is largely automated. Examples are: centralized monitoring of devices –through a dash-board, push-based updating of software on devices and PCsover the air, automatic fallback on SIM based connectivity once the Wi-Fi connectivity goes down and centralized scheduling of shut-down of devices during out of office hours. The efforts are on to make the system even smarter in future.

Learning from the session

- Punctuality is a virtue and it is important both personally and to maintain a good work culture in office.
- An average of 40 working hours has to be clocked by the individual for any given week.
- Office timing is generally 9.00 am-5.30pm or 9.30am-6.00pm with half an hour break for lunch. At the discretion of the Head of Office, timings can be changed but an average of 40 working hours has to be clocked every week.
- Attendance report is generated every month consolidating the data from the attendance registers.
- Late coming can be condoned on two occasions by the Group officer of the section concerned. Half a day Casual leave is debited for late coming which is not condoned.
- AADHAAR Enabled Biometric Attendance System (AEBAS) is an attendance management system designed for government organizations by Government of India to improve productivity of employees.

Authority:

- **Office Manual Part I**

सत्यमेव जयते
रक्षा लेखा विभाग
DEFENCE
ACCOUNTS
DEPARTMENT

52

LEAVE – VARIOUS PROVISIONS AND ENTITLEMENT

- Leave – Various types and entitlement
- Commutation of leave
- Leave account

1. Introduction:

Leave is a privilege offered by the Government for the employees to stay away from work during a working day. However, leave cannot be claimed as of right and when the exigencies of public service so require, leave of any kind may be refused or revoked by the authority competent to grant it, but it shall not be open to that authority to alter the kind of leave due and applied for except at the written request of the Government of India. A Government servant's claim to leave is regulated by the rules in force at the time the leave is applied for and granted.
(Para 7 of CCS Leave Rules)

2. Leave – Various Types and Entitlement

Government employees are entitled for various types of leave. Certain classes of leave are cumulative and some lapse after a specific time period. Every employee is entitled for Casual leave and restricted holiday which are not cumulative and lapse in case of not being availed by the employee.

(A) Casual leave : Casual leave is not a recognised form of leave and is not subject to any rules made by the intermitted. An official on casual leave is not treated as absent from duty and his pay is not intermitted.

(i) Casual leave can be combined with Special Casual Leave but not with any other kind of leave.
(ii) It cannot be combined with joining time.
(iii) Sundays and Holidays falling during a period of casual leave are not counted as a part of casual leave.
(iv) Sundays/public holidays/restricted holidays/weekly offs can be prefixed/suffixed to casual leave.
(v) Casual leave can be taken while on tour, but no daily allowance will be admissible for the period.
(vi) Casual leave can be taken for half day also.
(vii) Essentially intended for short periods. It should not normally be granted for more than 5 days at any one time.
(viii) Leave Travel Concession can be availed during Casual Leave.
(ix) Entitlement (per calendar year) -
8 days – for those entitled for 17 holidays
10 days – for those not entitled for 17 holidays.

(x) Officials joining during the middle of a year may avail casual leave proportionately of the full period at the discretion of the competent authority.

(Auth : Appendix III of CCS (Leave) Rules)

(B) Special casual leave: Special casual leave is given to the employees during special occasions as the name suggests and the same is not debited against any kind of leave that is entitled to an employee. Special casual leave is granted during the following circumstances.

(i) Sports events – At present Special Casual Leave is granted to Central Government servants for a period not exceeding 30 days in any one calendar year for –

a. Participating in sporting events of national / international importance;
b. Coaching/administration of teams participating in sporting events of national/international importance;
c. Attending coaching or training camps under Rajkumari Amrit Kaur Coaching Scheme or similar All India Coaching or Training Schemes;
d. Attending coaching or training camps at the National Institute of Sports, Patiala;
e. Participating in the mountaineering expeditions;
f. Attending coaching camps in sports organized by National Sports Federation / Sports Boards recognised by Government (Department of Youth Affairs and Sports); and
g. Participating in trekking expeditions.

(Auth: Appendix- III of CCS Leave Rules)

(ii) Cultural Activities – Government servants who participate in cultural activities, like dance, drama, music, poetic symposium, etc of an All-India, or Inter- State character organized by the Cabinet Secretariat Sports Control Board or on its behalf subject to the overall limit of 30 days referred to in paragraph (d) of that OM. Special casual leave will not be admissible for practice or for participation in cultural activities organized locally.

(Auth: GI, MHA OM No. 27/3/68-Ests. (B) dated 28-06-1969
Appendix III of CCS Leave Rules)

(iii) Mountaineering Expeditions – Government servants participating in the mountaineering expeditions may be granted special casual leave not exceeding 30 days in any one calendar year, subject to the following conditions:

(a) That the expedition has the approval of the Indian Mountaineering Foundation; and
(b) There will be no change in the overall limit of 30 days' special casual leave for one calendar year for participation in sporting event of National or International importance.

The period of absence in excess of 30 days should be treated as regular leave of the kind admissible under the leave rules applicable to the person concerned. For this purpose, Government servants may be permitted as a special case to combine special casual leave with regular leave.

(Auth: GI, MHA OM No. 27/4/68-Ests. (B) dated 06-11-1969
Appendix III of CCS Leave Rules)

(iv) Trekking Expeditions – As per the decisions of the Government, the Government employees participating in Trekking Expeditions may be regulated by the grant of special casual leave not exceeding 30 days in one calendar year, subject to the following conditions:

(a) That the expedition has the approval of the Indian Mountaineering Federation or is organized by Youth Hostels Association of India; and

(b) There will be no change in the overall limit of 30 days of special casual leave for an individual Government servant for one calendar year for participating in sporting events of National or International importance.

The period of absence in excess of 30 days should be treated as regular leave of the kind admissible under the leave rules applicable to the persons concerned. For this purpose, Government servants may be permitted as a special case, to combine special casual leave with regular leave.

(GoI, DOPT OM No. 28016/2/84-Estt. (A) dated 11-04-85 and 28016/3/89-Estt. (A) dated 25-10-89)

(v) For Family Planning: Special casual leave is entitled for Government employees during the following circumstances in case of family planning:

a. Male employees who undergo Vasectomy operation under the Family Welfare Programme for the first time may be granted special casual leave not exceeding six working days.
b. Female employees who undergo Tubectomy operations whether puerperal or non-puerperal may be granted special casual leave not exceeding 14 days.
c. Male Central Government employees whose wives undergo Tubectomy operation.
d. Special casual leave to women employees when their husbands undergo Vasectomy operation.
e. In case of post-sterilisation / operation complications.
f. Admissible for sterilization operation by laparoscopic method also.
g. No special casual leave for Salpingectomy operation undergone with 'induced abortion'.
h. For undergoing recanalization operation.
i. Special casual leave connected with sterilization / recanalization under family welfare programme may be suffixed as well as prefixed to regular leave or casual leave.
j. Benefit of special casual leave / special increment cannot be allowed to casual labour with temporary status who undergo sterilization of their own or of their spouse.

(vi) For Ex-Servicemen: Special casual leave is entitled for ex-servicemen for the purpose of appearing before Medical Re-Survey Boards and to go to Artificial Limb Centres for treatment, etc.

(vii) For Union / Association Activities: Special casual leave is entitled for the union and association activities in respect of relevant employees as mentioned below:

(a) Member / Leader / Secretary of Staff Side of the JCM.

(b) Union Office-bearers / delegates

(viii) Miscellaneous: Special casual leave is entitled for Government employees during the following miscellaneous circumstances apart from the above mentioned instances.

(a) Interview/Medical Examination to join Indian Naval Reserve

(b) Transit time to join training in Territorial Army, etc.

(c) To attend competitive examinations.

(d) To appear at the proficiency test conducted by the Subordinate Service Commission for grant of advance increments to Stenographers (Ordinary Grade).

(e) For looking after work of co-operative societies formed exclusively with the Central Government employees.

(f) Heads of Departments may grant special casual leave in cases of natural calamities, bandh etc.

(g) For participating in activities of Kendriya Sachivalaya Hindi Parishad.

(h) During elections.

(i) Special casual leave enhanced to 7 days to employees associated with the activities of St. John Ambulance Brigade.

(j) The competent authority can sanction casual leave in combination with special casual leave but in cases where it is permissible to grant regular leave in combination with special casual leave, casual leave should not be granted in combination with both special casual leave and regular leave.

(C) Earned Leave : The leave account of every Government servant (other than a military officer) who is serving in a Department other than a Vacation Department, shall be credited with earned leave, in advance, in two instalments of 15 days each on the first day of January and July of every calendar year. When a Government servant joins a new post without availing full joining time by reasons that he is ordered to join the new post at a new place of posting without availing of full joining time to which he is entitled, or he proceeds alone to the new place of posting and joins the post without availing full joining time and takes his family later within the permissible period of time for claiming traveling allowance for the family, the number of days of joining time as admissible under sub-rule (4) of Rule 5 of the Central Civil Services (Joining Time) Rules, 1979, subject to the maximum of 15 days reduced by the number of days actually availed of, shall be credited to his leave account as earned leave.

Government officers are allowed to encash ten days' earned leave at the time of availing of LTC to the extent of sixty days during the entire career. The leave encashed at the time of LTC will not be deducted from the maximum amount of earned leave encashable at the time of retirement.
(Rule 26, Chapter IV of CCS Leave Rules)

(D) Restricted Holiday : In addition to the 17 closed holidays each employee may also be permitted to avail himself of any two holidays, chosen by him out of the list of restricted holidays drawn up and notified every year, along with the list of closed holidays.

(E) Half Pay Leave : The half pay leave account of every Government servant (other than a military officer and those covered by Rule 28) shall be credited with half pay leave in advance, in two installments of ten

days each on the first day of January and July of every calendar year. (2)(a) The leave shall be credited to the said leave account at the rate of 5/3 days for each completed calendar month of service which he is likely to render in the half –year of the calendar year in which he is appointed. A Government servant who is eligible for Departmental leave under Rule 49 of CCS Leave Rules shall be entitled to half pay leave of 21 days on completion of twelve months of actual duty.

The leave under this rule may be granted on medical certificate or private affairs.

(Rule 29, Chapter IV of CCS Leave Rules)

(F) Commuted leave: Commuted leave not exceeding half the amount of half pay leave due may be granted on medical certificate to a Government servant (other than a military officer), subject to the fact that the authority competent to grant leave is satisfied that there is reasonable prospect of the Government servant returning to duty on its expiry and that when commuted leave is granted, twice the amount of such leave shall be debited against the half pay leave due. Half pay leave up to a maximum of 180 days may be allowed to be commuted during the entire service.
(Rule 30, Chapter IV of CCS Leave Rules)

(G) Leave not due : Save in the case of leave preparatory to retirement, Leave Not Due may be granted to a Government servant in permanent employ or quasi-permanent employ (other than a military officer) limited to a maximum of 360 days during the entire service on medical certificate subject to the following conditions:

(a) The authority competent to grant leave is satisfied that there is reasonable prospect of the Government servant returning to duty on its expiry;

(b) Leave Not Due shall be limited to the half pay leave he is likely to earn thereafter;

(c) Leave Not Due shall be debited against the half pay leave the Government servant may earn subsequently.

Leave not due may be granted to Government servants who are suffering from TB, Leprosy, Cancer of Mental Illness for a period not exceeding 360 days during entire service providing that he has put in a minimum of one year's service.

(Rule 31, Chapter IV of CCS Leave Rules)

(H) Extraordinary Leave: Extraordinary leave may be granted to a Government servant (other than a military officer) in special circumstances when no other leave is admissible or when other leave is admissible, but the Government servant applies in writing for the grant of extraordinary leave.
(Rule 32, Chapter IV of CCS Leave Rules)

(I) Paternity Leave: A male Government servant (including an apprentice) with less than two surviving children, may be granted Paternity Leave by an authority competent to grant leave for a period of 15 days, during the confinement of his wife for childbirth, i.e., up to 15 days before, or up to six months from the date of delivery of the child. Paternity leave can be combined with leave of any other kind and shall not be debited against the leave account. If not availed within period specified, such leave shall lapse.

(Rule 43-A of CCS Leave Rules)

(J) Maternity Leave: A female Government servant (including an apprentice) with less than two surviving children may be granted maternity leave by an authority competent to grant leave for a period of (180 days) from the date of its commencement. During such period, she shall be paid leave salary equal to the pay drawn immediately before proceeding on leave. Maternity leave may be combined with any other kind of leave and shall not be debited against the leave account.

(Rule 43 of CCS Leave Rules)

3. Commutation of Leave:

At the request of a Government servant, the authority which granted him leave may commute it retrospectively into leave of a different kind which was due and admissible to him at the time the leave was granted, but the Government servant cannot claim such commutation as a matter of right. The commutation of one kind of leave into another shall be subject to adjustment of leave salary on the basis of leave finally granted to the Government servant, that is to say, any amount paid to him in excess shall be recovered or any arrears due to him shall be paid.

(*Rule 10 of CCS Leave Rules)*

4. Leave account:

A leave account is maintained in Form 2 for each Government servant by the Audit Officer in the case of Gazetted Government servants and by the Head of Office or an officer authorized by him in the case of non-Gazetted Government servants. No leave shall be granted to a Government servant until a report regarding its admissibility has been obtained from the authority maintaining the leave account.

(Rule 15 & 16 of CCS Leave Rules)

Learning from the session

- Every Central Government employee is entitled to stay away from work under different circumstances and the privilege is termed as Leave.
- Casual leave is not a form of leave and is always treated as on duty for all purposes and every employee is credited with 8 days of the CL for a calendar year.
- Special casual leave is accorded to the Government employees under specified circumstances viz., to participate in sports/cultural activities with permission, certain medical circumstances and natural calamities/social restrictions.
- Other kinds of leave include restricted holiday, earned leave, half pay leave, maternity leave and paternity leave.
- Leave can be commuted retrospectively into another kind of leave which is due and admissible.

Authority:

- **Office Manual Part I**
- **CCS (Leave) Rules**

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RIGHT TO INFORMATION (RTI)
OVERVIEW OF THE RTI ACT, AND APPLICATION OF RTI ACT

- OBJECTIVES OF THE RTI ACT
- SCOPE AND EXTENT OF RTI ACT
- CASE STUDIES

1.1 Objective

'Right to Information' (RTI) refers to the right of every citizen to access information held by or under the control of public authorities. The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. It is said that information is the oxygen of democracy. If people do not know what is happening in their society, if the actions of those who rule them are hidden, then they cannot take a meaningful part in the affairs of the society. Access to information not only promotes openness, transparency and accountability in administration, but also facilitates active participation of people in the democratic governance process.

1.2 Scope and Extent, Date of Commencement

The RTI Act 2005 extends to whole of India except the State of Jammu and Kashmir. It covers all public authorities whether falling under jurisdiction of Central Government or a State Government. It entitles every citizen to seek information from a public authority in a prescribed manner. As regards the State of Jammu and Kashmir, the State Government has enacted the Jammu and Kashmir Right to Information Act, 2004.

The RTI Act has come into force on October 12, 2005. However, certain provisions to establish a working framework came into force w.e.f. the date of enactment i.e. June 15, 2005.

1.3 Information

Information is any material in any form. It includes records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form. It also includes information relating to any private body which can be accessed by the public authority under any law for the time being in force.

1.4 Public Authority

A "public authority" is any authority or body or institution of self government established or constituted by or under the Constitution; or by any other law made by the Parliament or a State Legislature;

or by notification issued or order made by the Central Government or a State Government. The bodies owned, controlled or substantially financed by the Central Government or a State Government and non-Government organisations substantially financed by the Central Government or a State Government also fall within the definition of public authority. The financing of the body or the NGO by the Government may be direct or indirect.

1.5 Public Information Officer

Public authorities have designated some of its officers as Public Information Officer. They are responsible to give information to a person who seeks information under the RTI Act.

1.6 Assistant Public Information Officer

These are the officers at sub-divisional level to whom a person can give his RTI application or appeal. These officers send the application or appeal to the Public Information Officer of the public authority or the concerned appellate authority. An Assistant Public Information Officer is not responsible to supply the information.

1.7 Right to Information under the Act

A citizen has a right to seek such information from a public authority which is held by the public authority or which is held under its control. This right includes inspection of work, documents and records; taking notes, extracts or certified copies of documents or records; and taking certified samples of material held by the public authority or held under the control of the public authority.

It is important to note that only such information can be supplied under the Act which already exists and is held by the public authority or held under the control of the public authority. The Public Information Officer is not supposed to create information, or to interpret information, or to solve the problems raised by the applicants, or to furnish replies to hypothetical questions.

The Act gives the citizens a right to information at par with the Members of Parliament and the Members of State Legislatures. According to the Act, the information which cannot be denied to the Parliament or a State Legislature, shall not be denied to any person.

A citizen has a right to obtain information from a public authority in the form of diskettes, floppies, tapes, video cassettes or in any other electronic mode or through print-outs provided such information is already stored in a computer or in any other device from which the information may be e-mailed or transferred to diskettes etc.

1.8 Information to the Applicant

The information to the applicant should ordinarily be provided in the form in which it is sought. However, if the supply of information sought in a particular form would disproportionately divert the resources of the public authority or may cause harm to the safety or preservation of the records, supply of information in that form may be denied.

In some cases, the applicants expect the Public Information Officer to give information in some particular proforma devised by them on the plea that they have a right to get information in the form in which it is sought. It need be noted that the provision in the Act simply means that if the information is sought in the form of photocopy, it shall be provided in the form of photocopy, or if it is sought in the form of a floppy, it shall be provided in that form subject to the conditions given in the Act. It does not mean that the PIO shall re-shape the information.

This is substantiated by the definition of the term 'right to information' as given in the Act, according to which, it includes right to obtaining information in the form of diskettes, floppies, tapes, video cassettes or in any other electronic mode or through print-outs provided such information is already stored in a computer or in any other device. Everywhere in the Act, the word 'form' has been used to represent this meaning.

Some Information seekers request the Public Information Officers to cull out information from some document(s) and give such extracted information to them. A citizen has a right to get 'material' from a public authority which is held by or under the control of that public authority. The Act, however, does not require the Public Information Officer to deduce some conclusion from the 'material' and supply the 'conclusion' so deduced to the applicant. It means that the Public Information Officer is required to supply the 'material' in the form as held by the public authority, but not to do research on behalf of the citizen to deduce anything from the material and then supply it to him.

1.9 Persons entitled to Right to Information

The Act gives the right to information only to the citizens of India. It does not make provision for giving information to Corporations, Associations, Companies etc. which are legal entities/persons, but not citizens. However, if an application is made by an employee or office-bearer of any Corporation, Association, Company, NGO etc. indicating his name and such employee/office bearer is a citizen of India, information may be supplied to him/her. In such cases, it would be presumed that a citizen has sought information at the address of the Corporation etc.

2.0 Fee for Seeking Information

A person who desires to seek some information from a public authority is required to send, along with the application, a demand draft or a banker's cheque or an Indian Postal Order of Rs. 10/- (Rupees ten), payable to the Accounts Officer of the public authority as fee prescribed for seeking information.

The payment of fee can also be made by way of cash to the Accounts Officer of the public authority or to the Assistant Public Information Officer against proper receipt.

The applicant may also be required to pay further fee towards the cost of providing the information, details of which shall be intimated to the applicant by the PIO as prescribed by the Right to Information (Regulation of Fee and Cost) Rules, 2005. Rates of fee as prescribed in the Rules are given below:

(a) Rupees two (Rs. 2/-) for each page (in A-4 or A-3 size paper) created or copied;
(b) Actual charge or cost price of a copy in larger size paper;
(c) Actual cost or price for samples or models;
(d) For information provided in diskette or floppy, rupees fifty (Rs. 50/-) per diskette or floppy; and
(e) For information provided in printed form, at the price fixed for such publication or Rupees two per page of photocopy for extracts from the publication.

As already pointed out, a citizen has a right to inspect the records of a public authority. For inspection of records, the public authority shall charge no fee for the first hour. But a fee of rupees five (Rs. 5/-) for each subsequent hour (or fraction thereof) shall be charged.

If the applicant belongs to below poverty line (BPL) category, he is not required to pay any fee. However, he should submit a proof in support of his claim to belong to the below poverty line. The application not accompanied by the prescribed fee of Rs. 10/- or proof of the applicant's belonging to below poverty line, as the case may be, shall not be a valid application under the Act. It may be pointed out that there is no bar on the public authority to supply information in response to such applications. However, provisions of Act would not apply to such cases.

2.1 Time-limit for disposal of request.

Sl.No.	Situation	Time limit for disposing off applications.
1.	Supply of information in normal course.	30 days
2.	Supply of information if it concerns the life or liberty of a person.	48 hours
3.	Supply of information if the application is received through APIO.	05 days shall be added to the time period indicated at Sr. No. 1 and 2.
4.	Supply of information if application/request is received after transfer from another public authority: (a) In normal course (b) In case the information concerns the life or liberty of a person.	(a) Within 30 days of the receipt of the application by the concerned public authority. (b) Within 48 hours of receipt of the application by the concerned public authority.

5.	Supply of information by organizations specified in the Second Schedule: (a) If information relates to allegations of violation of human rights. (b) In case information relates to allegations of corruption.	(a) 45 days from the receipt of application. (b) Within 30 days of the receipt of application.
6.	Supply of information where the applicant is asked to pay additional fee.	The period intervening between informing the applicant about additional fee and the payment of fee by the applicant shall be excluded for calculating the period of reply.
7.	Supply of information if it relates to third party and the third party has treated it as confidential.	Should be provided after following the procedure given in para 2.2 of this part of the document.

2.2 Disclosure of Third Party Information

'Third Party' is a person other than the citizen making a request for information and includes a public authority.

Information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, is exempt from disclosure. Such information shall not be disclosed unless the competent authority is satisfied that larger public interest warrants the disclosure of such information.

If an applicant seeks any information which relates to or has been supplied by a third party and that third party has treated that information as confidential, the Public Information Officer shall consider whether the information should be disclosed or not. The guiding principle in such cases is that except in the case of trade or commercial secrets protected by law, disclosure may be allowed if the public interest in disclosure outweighs in importance any possible harm or injury to the interests of such third party. However, the Public Information Officer would have to follow the following procedure before disclosing such information.

If the Public Information Officer intends to disclose the information, he shall within five days from the receipt of the application, give a written notice to the third party that the information has been sought by the applicant under the RTI Act and that he intends to disclose the information. He shall request the third party to make a submission in writing or orally, regarding whether the information may be disclosed. The third party shall be given a time of ten days, from the date of receipt of the notice by him, to make representation against the proposed disclosure, if any.

The Public Information Officer shall make a decision regarding disclosure of the information keeping in view the submission of the third party. Such a decision should be taken within forty days from the receipt of the request for information.

After taking the decision, the Public Information Officer should give a notice of his decision to the third party in writing. The notice given to the third party should include a statement that the third party is entitled to prefer an appeal under section 19 against the decision.

The third party can prefer an appeal to the First Appellate Authority against the decision made by the Public Information Officer within thirty days from the date of the receipt of notice. If not satisfied with the decision of the First Appellate Authority, the third party can prefer a second appeal to the Information Commission. If an appeal has been filed by the third party against the decision of the Public Information Officer to disclose the third party information, the information should not be disclosed till the appeal is decided.

2.3 Information exempted from disclosure

There is no obligation to give any citizen any information which may lead to the followings:

- Affect sovereignty and integrity, security, strategic scientific or economic interests of State, relation with Foreign State or lead to incitement of an offence.
- Contempt of court.
- Breach of privilege of Parliament or State Legislature.
- Harm competitive position of a third party (commercial confidence, trade secrets or intellectual property)
- Breach of fiduciary relationship.
- Confidential information from Foreign Government.
- That which would endanger the life or physical safety or identify the source of information given in confidence.
- Which would impede the process of investigations, apprehension or prosecution of offenders.
- Invasion of privacy - personal information.

  Cabinet papers – including records of deliberations of Council of Ministers, Secretaries and other Officers are also exempted.

2.4 Appeal

It is the responsibility of the Public Information Officer of a public authority to supply correct and complete information within the specified time to any person seeking information under the RTI Act, 2005. There are possibilities that a Public Information Officer may not act as per provisions of the Act or an applicant may not otherwise be satisfied with the decision of the Public Information Officer. The Act contains provision of two appeals to tide over such situations.

The first appeal lies within the public authority itself which is made to an officer designated as the First Appellate Authority by the concerned public authority. The First Appellate Authority happens to be an officer senior in rank to the Public Information Officer.

The second appeal lies with the Information Commission. The Central Information Commission (Appeal Procedure) Rules, 2005 govern the procedure for deciding appeals by the Central Information Commission.

2.5 Imposition of Penalty

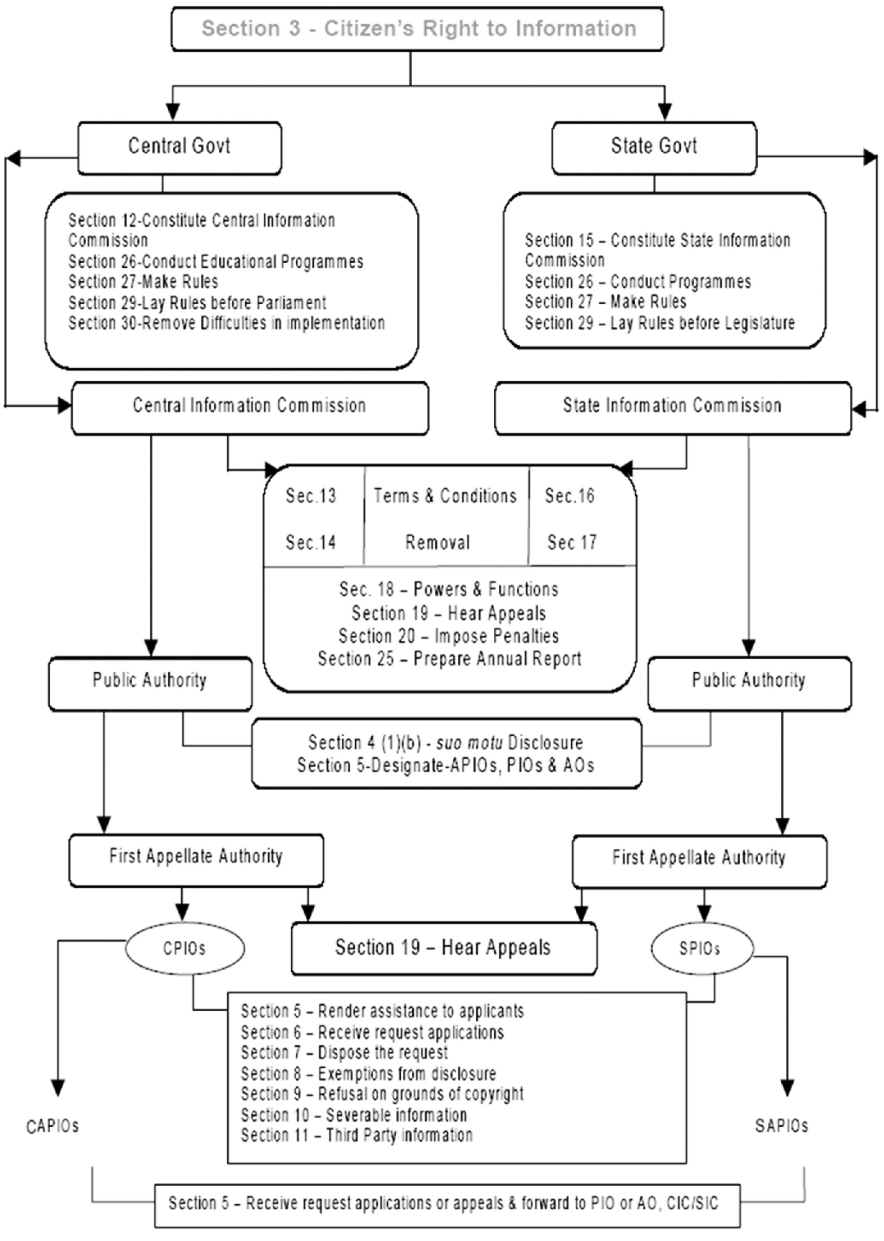
In case the Information Commission at the time of deciding any complaint or appeal is of the opinion that the Public Information Officer has without any reasonable cause, refused to receive an application for information or has not furnished information within the time specified or malafidely denied the request for information or knowingly given incorrect, incomplete or misleading information or destroyed information which was the subject of the request or obstructed in any manner in furnishing the information, it shall impose a penalty of two hundred and fifty rupees each day till application is received or information is furnished subject to the condition that the total amount of such penalty shall not exceed twenty-five thousand rupees. The Public Information Officer shall, however, be given a reasonable opportunity of being heard before any penalty is imposed on him. The burden of proving that he acted reasonably and diligently and in case of denial of a request that such denial was justified shall be on the Public Information Officer.
Application of RTI Act

3 Steps for Disposal of Requests

The procedure to be followed by the PIO right from the stage of receipt of application for information till the disposal involves a number of steps as follows:

- Receive application along with the application fee.
- Scrutinise the application received and the fees prescribed.
- If required, render reasonable assistance to the applicant by reducing the oral request to writing.
- Register the application in the Inward Register.
- Issue acknowledgement and receipt to the applicant.
- Seek information from other officials within the authority, or, if necessary, send the application to another official concerned (who becomes the PIO with respect to the application in question. A proper register has to be maintained to record all such action taken, as well, for such action is an action in good faith will be an action in good faith on the PIO's part.
- Transfer the application / part of it to another public authority, if the information sought pertains to or is closely related to the functions of another public authority, within 5 days of receipt.
- Inform the applicant about such transfers.
- Make necessary entries in the Register being maintained.
- Seek and consider representations of a 'third party', if applicable within 5 days of receipt.
- In case of rejection, convey reason for it, the period within which an appeal may be preferred and the details of the Appellate Authority to whom appeal can be preferred.

- Intimate the applicant the further fee, representing the cost of providing the information, to be paid along with its calculations.
- (Also) Intimate about the modalities of deposit of fee, the right of the applicant for seeking review of the fees charged and appeal against the calculation.
- Wherever required, provide assistance to citizens for inspection of works, materials, certified samples of materials.
- Waive fees for information requests from citizens belonging to the 'Below Poverty Line' category.
- Retain record on each application, disposal etc. so that materials as required may be furnished to appellate authorities in case first / second appeal is preferred and to the public authority concerned in connection with the furnishing of information for the Annual Report of the Information Commission.



1.2 Case Studies

Case Study 1:

Request for Application made to Police Commissioner Shri Ramesh Chandra Gupta applies to the office of the Police Commissioner, Delhi seeking information on the crime trend in the city for the last two years. Under normal circumstances of the implementation of the Act, the applicant has the right to receive a reply from the PIO. But in this case Mr. Gupta got a reply signed by the APIO.

- **Can an APIO Sign a Response Letter?**

The Act has limited the APIO's role only to receiving applications for information and appeals and transmitting the same to their proper destination. His responsibilities are not co-extensive with that of the PIO's. However, this action of the APIO should not create any special disability for the requester in exercising his / her rights under the Act.

In the normal circumstances the applicant will receive a reply from the PIO and the PIO only. There is however no legal difficulty for the PIO in using the services of the APIO to transmit his decision on the application to the requestor. Though, it is necessary to caution the Public Authority that any order issued by a APIO on behalf of the PIO must clearly state that the former was only transmitting the orders of the PIO and should also state the name and designation of the PIO on whose behalf he is acting.
CIC Decision: CIC/AT/A/2006/00059 – dt.5 May, 2006

Case Study 2:

A proposal to increase sales tax on a particular product range has been prepared by the Commissioner, Commercial Taxes and the concerned Minister will table the proposal in the forthcoming session of the House, after it is approved by the Cabinet. A manufacturer will be adversely affected by the Amendment and has asked for a copy of the proposal to the PIO.

- **Information Pertaining to Commercial and Trade Secrets**

As per the Section 8(1)(a) of the RTI Act, information disclosure of which would prejudicially affect the...economic interests of the state... is exempted.

Secondly, as per Section 8(1)(I) of the Act, there is no obligation to give any citizen cabinet papers including records, deliberations of Council of Ministers, Secretaries and other officers until the decision has been taken and the matter is complete.

Therefore the PIO needs to consider both the abovementioned provisions before taking a decision. If information is denied under any of these clauses, the PIO must communicate to the applicant reasons for applying these clauses.

Case Study 3:

Rajaram, a rickshaw-puller, has been admitted to a Government hospital in a serious condition. He has been treated at the hospital for a week but his condition has worsened. His wife has asked the PIO of the hospital to furnish details about the medicines and details of treatment administered to Rajaram after his admission. What action will the PIO take in this situation?

- **Access to Medical Information**

Although an applicant has to pay the prescribed fee to seek the information under Section 6(1), Rajaram's wife need not pay any fee as the Act provides that persons below poverty line need not pay any fee.

As per section 7(1) since the information sought relates to the life of Rajaram, the PIO is supposed to give the details of treatment given to Rajaram within 48 hours of the receipt of the request. The PIO may request the doctor treating the patient / official concerned to provide the necessary information; the liability of providing the information sought would, thus, rest on the official whose assistance is sought by the PIO who would then be considered as a deemed PIO.

Case Study 4:

In 1994, Public Interest Litigation was filed in the Bombay High Court regarding the malnutrition deaths of children in Melghat region of district Amravati, Maharashtra. A citizen of Uttaranchal has requested the Uttaranchal state government for a copy of the affidavit filed by the Maharashtra state government?

- **Information pertaining to Third Party**

The Application was received in Uttaranchal seeking information about Maharashtra under section 6(1) of the RTI Act.

Since another PA holds the matter it should be transferred to that Public Authority under section 6(3) within 5 days and the applicant should be informed.

Since affidavit is a public document, the concerned PIO in Maharashtra should furnish the information within in 30 days of the receipt of the application.

Case Study 5:

Mr X, an employee of a public authority has defaulted in paying back the full consumer loan amount, taken from a leading multinational bank. The Manager of the bank, Mr. Y, in favour of the bank, has filed an RTI application regarding furnishing of specific details of Mr X. Should the PIO of the public authority disclose such information to the bank manager?

- **Only citizens have the right to information**

Sec 3 of the Act stipulates that only citizens have the Right to Information. Since, Mr. Y, has sought the specific details in favour of the bank, a private entity, which does not come under the aegis of the Act, the PIO is not bound to disclose the sought for information.

Learning from the session

- Highlights of the RTI Act
- Importance Facts And Facets of the RTI Act were brought out
- Case studies were taken up to understand the Power of the RTI Act

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CENTRAL VIGILANCE COMMISSION

- Organisational structure
- Jurisdiction and hierarchy
- Powers and functions

1. Introduction

The Central Vigilance Commission was set up by the Government of India through a Resolution of 1964, as an apex body for prevention of corruption in Central Govt. institutions and public administration. It has the status of an autonomous body, free of control from any executive authority, charged with monitoring all vigilance activity under the Central Government of India, advising various authorities in central Government organizations in planning, executing, reviewing and reforming their vigilance work. Other agencies involved in the anti-corruption measures of the government include:

- The Administrative Vigilance Division – originally set up to look after the entire anti-corruption responsibility; after the CVC it is now responsible for the formulation and implementation of policies of the Central Government in the field of vigilance, integrity in public services, and anti-corruption.
- Central Bureau of Investigation
- Vigilance units in the Ministries/Departments of Government of India, Central Public Enterprises and other autonomous organisations.
- The disciplinary authorities;

The Central Vigilance Commission was set up on the basis of the recommendations made by the Committee on Prevention of Corruption (popularly known as the Santhanam Committee). The committee was accorded statutory status w.e.f. 25.08.1998 through "The Central Vigilance Commission Ordinance, 1998" based on the judgement of the Supreme Court in "Vineet Narain Vs. Union of India". The Central Vigilance Commission Act, 2003 came into effect from 11th September, 2003.

(Para 1.3.1 of CVC Act)

2. Organisational Structure

The Commission shall consist of a Central Vigilance Commissioner [Chairperson] and not more than two Vigilance Commissioners [Members]. The Central Vigilance Commissioner and the Vigilance Commissioners shall be appointed by the President on recommendation of a Committee consisting of the Prime Minister (Chairperson), the Minister of Home Affairs (Member) and the Leader of the Opposition in the House of the People (Member). The term of office of the Central Vigilance Commissioner and the Vigilance Commissioners would be four years from the date on which they enter their office or till they attain the age of 65 years, whichever is earlier. The Commission, while conducting the inquiry, shall have all the powers of a Civil Court with respect to certain aspects.

(Para 1.3.2 of CVC Act)

The Central Vigilance Commission is assisted by a Secretary (of the rank of Additional Secretary to the Government of India), four Additional Secretaries (of the rank of Joint Secretary to the Government of India) and other staff which include 28 officers (of the rank of Director/Deputy Secretaries), two OSDs and four Under Secretaries. This includes fourteen Commissioners for Departmental Inquiries (CDIs) (11 Director level and 03 Deputy Secretary level) who are nominated to conduct departmental inquiries relating to major penalty proceedings on behalf of the disciplinary authorities in serious and important disciplinary cases.

(Para 1.1.2 of Vigilance Manual 2017)

The Administrative Vigilance Division originally assumed overall responsibility for anti-corruption measures but now is responsible for the formulation and implementation of policies of the Central Government in the field of vigilance, integrity in public services, anti-corruption and to provide guidance and coordination to Ministries/Departments of GoI in matters requiring decisions of Government.

The Central Bureau of Investigation was constituted under a GoI Resolution dated 01.04.1963. CBI is the successor organisation to the Delhi Special Police Establishment with an enlarged Charter of Functions. The anti-corruption division of CBI is responsible for collection of intelligence with regard to corruption, maintaining liaison with the various departments through their Vigilance officers, inquiries into complaints about bribery and corruption, investigation and prosecution of offences pertaining to bribery and corruption.

(Para 1.1.3 of Vigilance Manual 2017)

3. Jurisdiction of the Commission

- Group 'A' officers of the Central Government;
- Members of All India Services serving in connection with the affairs of the Union and gazetted officers of the Central Government.
- Board level appointees and other senior officers up to two grades below the Board level, in the Public Sector Undertakings of the Central Government;
- Officers of the rank of Scale V and above in the Public Sector Banks;
- Officers of the rank of Assistant Manager and above in the Insurance Sector (covered by LIC and GIC and four non-life insurance companies in the Public sector); and
- Officers drawing basic pay of Rs. 8700/- (Pre-revised) per month and above in autonomous bodies/local authorities or societies owned or controlled by the Central Government.

(Para 1.3.4.1 of CVC act)

4. Powers and Functions of the Central Vigilance Commission

- The Commission shall have the powers to exercise superintendence over the functioning of the Delhi Special Police Establishment (DSPE) with respect to investigation under the Prevention of Corruption Act, 1988; or offence under the Criminal Procedure Code for certain categories of public servants and to give directions to the DSPE in discharging this responsibility;
- It shall also review the progress of investigations conducted by the DSPE into offences alleged to have been committed under the Prevention of Corruption (PC) Act;

- The Commission shall have the powers to inquire or cause an inquiry or investigation to be made on a reference made by the Central Government;
- The Commission shall have the powers to inquire or cause an inquiry or investigation to be made into any complaint received against any official under its jurisdiction under the Act;
- Review the progress of applications pending with the competent authorities for sanction of prosecution under the Prevention of Corruption Act, 1988;
- Tender advice to the Central Government, corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by the Central Government on referred matters;
- Exercise superintendence over the vigilance administration of the various Ministries of the Central Government or corporations established by or under any Central Act, Government companies, societies and local authorities owned or controlled by that Government.
- Appointment of Chief Vigilance officers and writing of their APARs.
- Tender advice for sanction of prosecution by CBI and to resolve differences between the CBI and administrative authorities.
- Tendering advice on procedural aspects and review of procedures and regulations as deemed necessary.

(Para 1.3.3 of CVC Act)

5. Chief Vigilance Officers

Each Department/Organization covered under the normal advisory jurisdiction of the Commission has a vigilance unit headed by the Chief Vigilance Officer (CVO). The CVOs are required to provide assistance to the head of the organization concerned in all matters relating to vigilance administration by providing appropriate advice/expertise to them as well as to establish effective systems and procedures, in order to plug systemic failures/loopholes. He also provides a link between his organisation and the Central Vigilance Commission on one hand and his organisation and the Central Bureau of Investigation on the other. The CVOs are also required to ensure speedy processing of vigilance matters, especially the disciplinary cases. The three pronged role of the CVOs include Preventive vigilance, punitive vigilance, and surveillance and detection. The Commission has a system of obtaining Monthly Reports and Annual Reports from the CVOs as an effective tool of communication with them, and holds annual zonal review meetings with the CVOs of all major government departments/organizations as a part of its review and monitoring mechanism. Besides, as and when required, the Commission invites the CVOs individually to discuss important issues relating to their organizations with them.

(Para 1.4 of CVC Act)

6. Disciplinary Authorities

In any organisation, the Disciplinary Authority (DA) means the authority who has been entrusted with powers to impose any penalty on its officers under its Discipline & Appeal Rules. It is the responsibility of the Disciplinary Vigilance Manual 2017 5 Chapter - I Vigilance Administration Authority to ensure discipline in the organisation and to deal with the misconduct by way of awarding suitable punishment.

(Para 1.1.5 of Vigilance Manual 2017)

7. Supervisory officers

It is the duty of every officer holding a Supervisory post in any organisation to take all possible steps to ensure the integrity and devotion to duty of all officials for the time being under his control and authority. The supervisory officer ensures that officers for the time being under his control maintain absolute integrity. A column has been introduced in the proforma for Annual Performance Appraisal Report (APAR) of officials in which the supervisory officer reports on the integrity of the officer reported upon.

(Para 1.1.6 of Vigilance Manual 2017)

8. Vigilance angle

The vigilance angle is defined as being obvious in the following acts:

- Demanding and / or accepting gratification other than legal remuneration in respect of an official act or for using his influence with any other official.
- Obtaining valuable thing, without consideration or with inadequate consideration from a person with whom he has or is likely to have official dealings or his subordinates have official dealings or where he can exert influence.
- Obtaining for himself or for any other person any valuable thing or pecuniary advantage by corrupt or illegal means or by abusing his position as a public servant.
- Possession of assets disproportionate to his known sources of income.
- Cases of misappropriation, forgery or cheating or other similar criminal offence

(Para 1.4 of Vigilance Manual 2017)

9. Vigilance in DAD

An officer of the rank of Jt. Secretary in the O/o CGDA is appointed as the Central Vigilance Officer for the department. The officer can suo-moto examine any vigilance related issues/references as also address complaints raised against individuals at all levels in the department. For ascertaining the facts and figures of the complaints/issues, the case is referred to the concerned HoD. Necessary action will be taken by the concerned offices and replies rendered to the CVO. References from CVC are also received by the CVO who will take necessary action on the same. For the vigilance clearance for promotions, deputations and foreign travel of all the officers, references are made through CVO to the CVC.

Learning from the session

- Central Vigilance commission was set up in 1964 on the recommendations of the Committee on Prevention of Corruption; statutory status was accorded in 1988 and the Central Vigilance Act came into effect in 2003.
- It consists of the Chief Vigilance Commissioner and not more than two Vigilance Commissioners appointed by the President on the recommendations of a committee consisting of the Prime Minister, the Minister for Home Affairs and the Leader of the Opposition.
- The commission has jurisdiction over vigilance matters for all Group A officers, members of the All India Services, officers above a certain category in Public Sector Undertakings and in the banking sector.
- Powers include tendering advice on prosecution, review of procedures and regulations, cause an inquiry into referred matters or complaints, superintendence of the Delhi SPE, appointment of CVOs, etc.
- Chief Vigilance Officers function as an extended arm of the CVC in various ministries/ departments

Authority:

- **Central Vigilance Act, 2003**
- **Vigilance Manual 2017**

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STATUTORY TAXES AND DUTIES

- Income tax
- Goods and Services Tax
- Customs duty

1. Introduction

Taxes are levied by governments on their citizens to generate income for undertaking projects to boost the economy of the country and to raise the standard of living of its citizens. The authority of the government to levy tax in India is derived from the Constitution of India, which allocates the power to levy taxes to the Central and State governments. All taxes levied within India need to be backed by an accompanying law passed by the Parliament or the State Legislature.

Taxes are of two distinct types, direct and indirect taxes. The difference comes in the way these taxes are implemented. Some are paid directly by the individual to the Government such as the income tax, wealth tax, corporate tax etc. while others are indirect taxes, such as the value added tax, service tax, sales tax, etc. Direct taxes are imposed directly on the people and organisations by the government. The tax liability cannot be transferred to any other entity for payment. Direct taxation in India is overseen by the Central Board of Direct Taxes or the CBDT, which was formed as a result of the Central Board of Revenue Act, 1924. The CBDT is a part of the Department of Revenue in the Ministry of Finance and is responsible for the administration of the direct tax laws. It also provides inputs and suggestions for policy and planning of the direct taxes in India.

Indirect taxes are basically the taxes which are not directly levied on the income of an individual but is indirectly levied on the expense incurred by the individual. This tax is basically levied on the seller of goods or the provider of service but in most cases, he passes it on to the end consumer and therefore, it is the end consumer who bears this in the form of an indirect tax. An indirect tax increases the price of the product or the service and is levied at the same rate to everyone irrespective of the income of the person whereas the rate of income tax varies depending upon the income of the individual. Examples of indirect taxes are excise duty, customs duty, entertainment tax, luxury tax, etc. Central Board of Excise and Customs (CBEC) is a part of the Department of Revenue under the Ministry of Finance, Government of India. It deals with the tasks of formulation of policy concerning levy and collection of Customs & Central Excise duties, prevention of smuggling and administration of matters relating to Customs, Central Excise, and Narcotics to the extent under CBEC's purview.

But, besides these two conventional taxes, there are also other taxes that have been brought into effect by the Central Government to serve a particular agenda. ‘Other taxes’ are levied on both direct and indirect taxes such as the recently introduced Swachh Bharat Cess tax, Krishi Kalyan Cess tax, and infrastructure Cess tax among others.

2. Income Tax

This is covered under the IT Act of 1961 and sets the rules that govern income tax in India. The income, which this act taxes, can come from any source like a business, owning a house or property, gains received from investments and salaries, etc. This is the act that defines how much the tax benefit on a fixed deposit or a life insurance premium will be. It is also the act that decides how much of your income can you save through investments and what the slab for the income tax will be. The tax rate is prescribed every year by Parliament in the Finance Act, popularly called the Budget. This is charged directly on the income of a person and the rate at which it is charged varies depending on the level of income. It is charged on individuals, co-operative societies, firms, companies, Hindu Undivided Families (HUFs), trusts and any artificial judicial person. It is levied differently for different people depending upon their residency status.

The concept of TDS was introduced with an aim to collect tax from the very source of income. As per this concept, a person (deductor) who is liable to make payment of specified nature to any other person (deductee) shall deduct tax at source and remit the same into the account of the Central Government. The deductee from whom income tax has been deducted at source would be entitled to get credit of the amount so deducted on the basis of Form 26AS or TDS certificate issued by the deductor. Taxes shall be deducted at the rates specified in the relevant provisions of the Act or the First Schedule to the Finance Act.

The Defence Accounts department plays the role of a deductor. For the individuals posted in the Defence Account Department and in the pay bills of the defence civilians, the department will make recoveries on account of income tax, remit the same to the Central government and issue a Form 16 to the individual to enable him to file his taxes. It is now mandatory to file periodical (Monthly/quarterly/annual) returns, both online and in paper form, to the Income Tax department. It is the responsibility of the section which passes the pay bills to ensure that the returns are filed and necessary tax deduction certificates are issued. In case of the Bill audit sections like Stores and Miscellaneous sections of the Regional Controller's Office, the section also deducts income tax from the suppliers'/contractor's bills, file the same and issue tax deduction certificates to the contractors after the end of the financial year.

3. Goods and Services Tax

The Goods and Services Tax is the biggest indirect tax reform in India. GST subsumed various taxes like the Central Excise Law, Service Tax Law, State VATs, Entry Tax, Luxury Taxes, Octroi etc. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, Goods and Service Tax is an indirect tax levied on the supply of goods and services. The Goods and Services Tax Bill was officially introduced in 2014 as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014. The tax came into effect from July 1, 2017 through the implementation of One Hundred and First Amendment of the Constitution of India. The tax rates, rules and regulations are governed by th Goods and Services Tax Council which comprises finance ministers of the Centre and all the states.

GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax/destination-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced. HSN (Harmonized System of Nomenclature) is an 8-digit code for identifying the applicable rate of GST on different products as per CGST rules. The GST is imposed at variable rates on variable items. As per latest classification, the government has categorised items in five major slabs – 0%, 5%, 12%, 18% and 28%.

The Goods and Service Tax Network (or GSTN) is a non-profit, non-government organization. It will manage the entire IT system of the GST portal, which is the mother database for everything GST. This portal will be used by the government to track every financial transaction, and will provide taxpayers with all services – from registration to filing taxes and maintaining all tax details. GSTN is the backbone of the Common Portal which is the interface between the taxpayers and the government. The entire process of GST is online starting from registration to the filing of returns. The GSTN will handle invoices, various returns, registrations and payments and refunds. The Goods and Service Tax Identification Number (GSTIN) is the unique number each taxpayer will receive once they have registered on the common portal. It is based on a taxpayer's PAN.

The E-way bill, short form for electronic way bill, is a document to be generated online under the GST system, when goods of the value of more than Rs. 50,000 are shipped inter-State or intra-State. The E-way bill must be raised before the goods are shipped and should include details of the goods, their consignor, recipient and transporter. A GST Return (GSTR) is a monthly or quarterly return that should be filed by every registered dealer. It contains details of all outward supplies i.e. sales. Return filing is mandatory under GST. Even if there is no transaction, you must file a Nil return. Late Fees for not filing GSTR-1 is Rs. 200 per day of delay.

4. Customs duty

A tax levied on imports (and, sometimes, on exports) by the customs authorities of a country to raise state revenue, and/or to protect domestic industries from more efficient or predatory competitors from abroad. Customs duty is based generally on the value of goods or upon the weight, dimensions, or some other criteria of the item (such as the size of the engine, in case of automobiles).

Prior to 1st April, 2016, customs duty exemption was provided for all defence contracts. W.e.f. 01.04.2016, exemption has been withdrawn and all defence contracts entailing foreign procurement need to pay Customs duty. The Customs department have implemented a software system called ICEGATE for making online customs duty payment whilst linking their payment transaction documents. Customs

department has made it mandatory for each importer whether private or government to effect payments through ICEGATE. As per CGDA instructions, as Customs duty is mandatory government levy, it is to be paid promptly and other than checking for fund availability, no pre-audit/additional verification is necessary.

Learning from the session

- Taxes paid directly by the individual to the Government such as the income tax, wealth tax, corporate tax etc. are direct taxes while others are indirect taxes, such as the value added tax, service tax, sales tax, etc.
- Income tax is charged directly on the income of a person and the rate at which it is charged varies depending on the level of income.
- Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.
- Customs duty is a tax levied on imports (and, sometimes, on exports) by the customs authorities of a country to raise state revenue, and/or to protect domestic industries from more efficient or predatory competitors from abroad.

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CENTRAL ADMINISTRATIVE TRIBUNAL

- Organisation Structure
- Functions
- Handling of CAT cases

1. Introduction:

The Central Administrative Tribunal was established under Article 323 - A of the Constitution for adjudication of disputes and complaints with respect to recruitment and conditions of service of persons appointed to public services and posts in connection with the affairs of the Union or other authorities under the control of the Government. There are 17 Benches and 20 Circuit Benches in the Central Administrative Tribunal all over India. In addition to the Ministries and Departments of Central Government, the Government of India has notified about 207 organizations under section 14 (2) of the Administrative Tribunals Act, 1985 to bring them within the jurisdiction of the Central Administrative Tribunal, from time to time. In addition, the Central Administrative Tribunal, Principal Bench is dealing with the matters of Govt. of National Capital Territory of Delhi.

2. Organisational Structure

There are 66 Members in various Benches of the Tribunal out of which 33 are Judicial Members, including the Chairman and 33 are Administrative Members. Subject to other provisions of the Act, a Bench consists of one Judicial Member and one Administrative Member. The Central Administrative Tribunal has been established as a specialist body comprising of Administrative Members and Judicial Members who by virtue of their specialized knowledge are better equipped to dispense speedy and effective justice. The conditions of service of Chairman and Members are the same as applicable to a Judge of High Court as per the Administrative Tribunals (Amendment) Act, 2006 (1 of 2007), which came into effect on 17.02.2007.

The employees of the Central Administrative Tribunal are required to discharge their duties under the general superintendence of the Chairman. Salaries and Allowances and Conditions of Service of the officers and other employees of the Tribunal are specified by the Central Government. Pursuant to these provisions, the Central Government has notified the Central Administrative Tribunal Staff (Condition of Service) Rules, 1985. There are 1303 posts classified in 36 categories for assisting the Tribunal in discharging its functions.

3. Functions

The Administrative Tribunal is distinguishable from the ordinary courts with regard to its jurisdiction and procedure. It exercises jurisdiction only in relation to the service matters of the parties covered by the Act. It is also free from the shackles of many of the technicalities of the ordinary Courts. The procedural simplicity of the Act can be appreciated from the fact that an aggrieved government employee can also

appear personally before the Tribunal. An Original Application can be filed by remitting a nominal fee of Rs. 50/- before the Tribunal. A provision has also been made in the Rules that where the Tribunal is satisfied that an applicant is unable to pay the prescribed fee on ground of indigence, it may exempt such an applicant from the payment of fee.

The Tribunal is guided by the principles of natural justice in deciding cases and is not bound by the procedure, prescribed by the Civil Procedure Code. The Central Administrative Tribunal is empowered to frame its own rules of procedure and practice. Under the said provision of the Act, the Central Administrative Tribunal (Procedure) Rules, 1987 and Central Administrative Tribunal Rules of Practice, 1993 have been notified to ensure smooth functioning of the Tribunal. Under Section 17 of the Administrative Tribunal Act, 1985, the Tribunal has been conferred with the power to exercise the same jurisdiction and authority in respect of contempt of itself as a High Court. Initially the decision of the Tribunal could be challenged before the Supreme Court by filing Special Leave Petition. However, after the Supreme Court's decision in L. Chandra Kumar's case, the orders of Central Administrative Tribunal are now being challenged by way of Writ Petition under Article 226/227 of the Constitution before respective High Court in whose territorial jurisdiction the Bench of the Tribunal is situated.

A person aggrieved by any order pertaining to any matter within the jurisdiction of a tribunal may make an application to the tribunal in the prescribed format for the redressal of grievance. Sometimes the grievance is not directed against any particular order. It may even arise due to inaction of the authorities in a particular case i.e. delay in confirmation, holding of DPC, grant of pension or other retirement benefits. Before approaching the CAT, the employee is expected to have exhausted the remedies available to him under the relevant service rules.

The various petitions/applications that can be filed in the CAT include Original Application (OA), Transferred application (TA), Review application (RA), Contempt petitions, petitions for transfer and miscellaneous application (MA). On receipt of a notice by the Head of the Department, a government counsel is appointed. Also, para-wise comments/replies are prepared based on the facts of the case which are then vetted by the government counsel and also through the legal advisor of the Ministry/department before the same is filed in the CAT registry.

4. Handling of CAT cases

Certain offices have been designated to handle the Court cases. In these offices, there is a separate Legal Cell that looks after the handling of these cases. A government counsel argues the cases on behalf of the Department. All replies to the court cases are approved by the Controllers of the designated offices based on the facts and figures and the approved reply is given to the Government Counsel. Discussions are held with the Government counsel to appraise him of the details of the case. A Nodal officer is also nominated for monitoring of CAT/Court cases in each of these offices.

A separate register is maintained for monitoring the progress of each Court case from filing of application (counter-affidavit) to the implementation of judgement or filing of review application or SLP (Special Leave Petition). There are also monthly and quarterly reports which are rendered to the O/o CGDA.

Learning from the session

- The Central Administrative Tribunal is responsible for the adjudication of disputes and complaints with respect to recruitment and conditions of service of persons appointed in the various departments of GoI.
- There are 17 Benches and 20 Circuit Benches in the Central Administrative Tribunal all over India.
- The various petitions/applications that can be filed in the CAT include Original Application (OA), Transferred application (TA), Review application (RA), Contempt petitions, petitions for transfer and miscellaneous application (MA).
- Legal cells in CDA's offices handle the court and CAT cases which are filed against the department.

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FUNCTIONS OF THE HINDI CELL AND OLIC

- Hindi Cell of a Controller's Office – Requirements
- Constitution/Authorisation of a Hindi Cell
- Appointment of Hindi Officer and Hindi Translators
- Quarterly Progress Reports
- OLIC, TOLIC and Parliamentary Committee Inspections

1. Introduction:

Every Controller's Office is equipped with a Hindi Cell which is posted with a Hindi Officer, Junior/ Senior Hindi Translators and Hindi typists. The Hindi Cell is responsible for the activities with regard to the implementation of Official language in the routine work of the Office. The Hindi Cell is entrusted with the task of ensuring that the orders on official language is carried out in order. The primary duty of the Hindi Cell is to ensure optimum utilisation of Hindi in official correspondence apart from conducting regular workshops/classes for noting and drafting in Hindi. The Hindi Fortnight is observed during September every year to emphasis the usage of Hindi in Official work and also to promote the same, different awards/prizes are announced and given to the officials.

2. Constitution / Authorisation of Hindi Cell

Hindi Cell of a Controller's Office is constituted with a Hindi Officer, Senior/Junior Hindi Translators and Hindi typists. The Hindi Cell will function from the Controller's Office in common for the Main Office and the sub offices as well. In case of a sub office with substantial strength of posted staff, a part of the Hindi Cell may be functional from the sub offices itself. However, the branch will be posted with a dedicated translator and/or typist who will report to the Main Office Hindi Cell for the functioning purposes.

3. Appointment of Hindi Officer and Hindi Translator

(a) Appointment to the post of Hindi Officers (partly by direct recruitment and partly by promotion/ deputation) for the department is done by the Union Public Service Commission.

(b) The educational qualification (essential and desirable) required for the post are as follows:

Essential

(i) Master's degree of a recognised University or equivalent in Hindi with English as a subject at the degree level. (OR)
Master's degree of a recognised University or equivalent in English with Hindi as a subject at the degree level.(OR)

Master's degree of a recognised University or equivalent in any subject with Hindi and English as subjects at a degree level.(OR)
Master's degree of a recognised University or equivalent in any subject with English medium and Hindi as a subject at the degree level.

(ii) 5 years' experience of terminological work in Hindi and/or translation work from English to Hindi or vice versa preferable of technical or scientific literature. (OR)
5 years' experience of teaching, research, writing or journalism in Hindi.

Desirable

(i) Knowledge of Sanskrit and/or a modern Indian language
(ii) Administrative experience
(iii) Experience of organizing Hindi class or workshops for noting and drafting.

(c) By Promotion

Vacancies in Hindi Officer's grade or filled by promotion for amongst Hindi Translators Grade I having three years' regular service in the grade according to seniority subject to fitness. The promotion is made on the recommendation of the Departmental Promotion Committee composition of which will be as in the case of Accounts Officer.

(d) Confirmation

Officiating Hindi Officers who have successfully completed their probation are considered by the DPC for confirmation in the Hindi Officer's grade in the order of their seniority and availability of vacancies.

Auth : Para 91A of OM Part I

Hindi Translators Grade I and II

(i) Appointment

(a) Appointment to Hindi Translator Grade - I (Partly by promotion and partly by transfer on deputation and failing which by direct recruitment) is made from Hindi Translators Grade II of the Department with a minimum of 5 years' service in the grade on the basis of seniority cum fitness. The suitability for promotion to the above post will be considered by a Board of officers consisting of PCDA/CDA/JCDA as Chairman and two DCDA/ACDA as members. The selection will be made on the basis of seniority-cum-fitness. The recommendations of the Selection Board will be subject to final approval by the CGDA.

(b) The appointment on transfer on deputation is made from amongst the persons holding anologus/equivalent posts and engaged in translation work in the Ministries/Departments and possessing the qualifications prescribed for direct recruitment. The period of deputation shall not ordinarily exceed 3 years. The selection of candidates on deputation basis will be subject to approval by the CGDA.

(c) The appointment by direct recruitment is resorted to in case, it is not possible to fill up the posts in the manner indicated at (b) above. The educational qualifications (essential and desirable) required for the above post are as follows:-

Essential

Master's degree in Hindi with English at Degree level or in English with Hindi as a subject at Degree level (OR) Master's Degree in any subject with Hindi medium and English as a subject at Degree level.

Desirable

(i) Sanskrit as one of the subject in the degree or equivalent.
(ii) Knowledge of any modern Indian language other than Hindi.

(ii) Confirmation

Hindi Translators Grade I will be considered by DPC for confirmation in the grade in the order of their seniority and availability of vacancies.

Auth : Para 103A of OM Part I

4. Quarterly Progress Reports

All the sections and sub offices of a Controller's Office are required to render a quarterly progress report on Official Language implementation to the Hindi Cell which is further consolidated and a final figure is rendered to HQrs. Office Hindi Cell. The report comprises of details as to the number of Hindi letters received in the section/sub office with the relevant responses that have been rendered in Hindi. It also includes the compliance of the instructions of the OL Act which states that all the documents falling under Section 3(3) of the OL Act viz., publications, notifications, Part I & II Office Orders, Circulars, instructions, any policy related correspondence have to be necessarily be printed in bilingual. The statistics on the above is called for vide the report.

The Country has been divided into regions in accordance with the usage of Hindi and acquaintance of the language among the common people. Region A and B comprise of substantial Hindi speaking public and

Region C is categorised as Non Hindi speaking region. Based on the same, the percentage of work to be done in Hindi is declared by the Government in the Annual Programme issued every year. Region A and B have to necessarily perform 100% of their correspondence in Hindi and Region C is required to do 55% of their work in Hindi. Apart from the above, any letter received in Hindi has to be necessarily be replied to in Hindi only and any English letter/communication/correspondence signed in Hindi is to be treated as Hindi letter.

According to Rule 2 of Official Language Act

Region "A" means the States of Bihar, Jharkhand, Haryana, Himachal Pradesh, Chhattisgarh, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttaranchal and Andaman and Nicobar Islands and the Union Territory of Delhi;

Region "B" means the States of Gujarat, Maharashtra and Punjab and the Union Territories of Chandigarh, Daman & Diu and Dadra & Nagar Haveli;

Region "C" means the Sates and the Union Territories other than those referred to in Region "A" and "B"

5. OLIC, TOLIC and Parliamentary Committee Inspections

Mahatma Gandhi, in his address to the Gujrat Education Conference at Bharuch in 1917 had stressed the need of a national language and expressed that Hindi is the only language which could be adopted as national language because this is a language spoken by majority of Indians. It has the potential of being used as an economic, religious and political communication link. The Constitution makers had deliberated the issue of Official Language in detail at the time of framing the Constitution and it was decided that Hindi in Devanagari script should be adopted as the official language of the Union. This is the basis of declaring Hindi as the Official language of the Union under Article 343 (1).

The Official Language Rules were framed in 1976 and provided for the setting up of a Committee on Official Language to review the progress made in the use of Hindi for the official purpose of the Union. The Committee comprises of 30 members of Parliament, 20 from Lok Sabha and 10 from Rajya Sabha. The functioning and activities of the Committee are contained mainly in section 4 of the Official Language Act. The Chairman of the Committee is elected by the members of the Committee. As a convention, the Union Minister has been elected as Chairman of the Committee from time to time.

The Secretariat of the Committee is located at 11, Teen Murti Marg, New Delhi. The Secretariat is headed by the Secretary of the Committee. The Secretary is assisted by the three officers of the level of Under Secretary and other officials. They extend all required assistance in performing the various activities of the Committee. For administrative purposes this office is subordinate office of Department of Official Language, Ministry of Home Affairs.

Town Official Language Implementation Committee

According to Department of Official Language OM No. 1/14011/12/76-OL (I-1) dated 22-11-1976, the Town Official Language Implementation Committees can be constituted in all such town of the country, where the number of the Central Government offices is 10 or more than that. The committees are constituted with the sanction of Secretary (OL), Government of India on the basis of proposals received from the Regional Implementation Offices of the Department of Official Language. Two meeting of the Committee are held every year.

The main objective of constituting these committees to review the implementation of Official Language Policy in the Central Government Offices/Undertakings/Banks etc., and to promote its use so that the problem arising in its implementation could be solved.

Learning from the session

- Every Controller's Office is equipped with Hindi Cell to promote usage of Hindi in routine work and adhere to the Official Language Act and Policy.
- Hindi Cell is comprising of Hindi Officers, Senior/Junior Hindi Translators and Hindi Typists to ensure smooth functioning.
- The Hindi Cell ensures the utilisation of Hindi as an Official Language as envisaged in the Official Language Act 1961 under the Constitution.
- A committee comprising of members of the parliament is constituted to review and increase the progress of work done in Hindi which is the Parliamentary Committee on Official Language.
- In order to facilitate smooth progress, the Town Official Language Implementation Committees are set up in Towns having 10 or more than 10 offices of the Central Government and Public Sector Undertakings.

Authority:

- **Office Manual Part I**
- **Official Language Act 1961**

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राजभाषा नीति
(OFFICIAL LANGUAGE ACT)

संविधान के अनुच्छेद 343(1) में यह उपबंधित है कि संघ की राजभाषा हिंदी और लिपि देवनागरी होगी । अनुच्छेद 342 में यह भी उपबंधित है कि संघ के शासकीय कार्यों के लिए अंग्रेजी भाषा का प्रयोग संविधान के प्रारंभ से 15 वर्ष की अवधि (अर्थात् 25 जनवरी, 1965) तक किया जाता रहेगा । अनुच्छेद 343 में संसद को यह उपबंधित करने की शक्ति दी है कि वह विधि द्वारा शासकीय प्रयोजन के लिए 25 जनवरी, 1965 के बाद भी अंग्रेजी का प्रयोग जारी रखवा सकेगी । तदनुसार, राजभाषा अधिनियम, 1963 (1967 में संशोधित) की धारा 3(2) में 25 जनवरी, 1965 के बाद भी शासकीय कार्य में अंग्रेजी का प्रयोग जारी रखने की व्यवस्था की गई है । इस अधिनियम में यह भी निर्धारित किया गया है कि हिंदी और अंग्रेजी दोनों ही भाषाओं का प्रयोग कतिपय विनिर्दिष्ट प्रयोजनों के लिए अनिवार्यत: किया जाएगा जैसे संकल्प, सामान्य आदेश, नियम, अधिसूचना, प्रशासनिक व अन्य प्रतिवेदन, प्रेस विज्ञप्तियां, संसद के किसी सदन या सदनों के समक्ष रखे जाने वाले प्रशासनिक तथा अन्य प्रतिवेदन और शासकीय कागज-पत्र; संविदा, करार, अनुज्ञप्ति, अनुज्ञा पत्र, निविदा सूचना और निविदा प्रपत्र आदि ।

- **संविधान** का अनुच्छेद 343(1) –संघ की राजभाषा हिंदी, लिपि देवनागरी, अंक अंतर्राष्ट्रीय रूप ।
- अनुच्छेद 343(2) के अनुसार संविधान के प्रारंभ से 15 वर्ष की अवधि तक हिंदी के साथ अंग्रेजी भाषा का प्रयोग ।
- संविधान का अनुच्छेद343(3) –26 जनवरी 1965 के बाद भी सरकारी कार्य में अंग्रेजी का प्रयोग जारी रखने हेतु अधिनियम संरचना का प्रावधान ।
- संविधान में भाषा संबंधी अन्य अनुच्छेद निम्नानुसार हैं :-

अनुच्छेद 120	संसद की भाषा
अनुच्छेद 345	राज्य की राजभाषा या राजभाषाएं
अनुच्छेद 346	एक राज्य और दूसरे राज्य के बीच या किसी राज्य और संघ के बीच पत्रादि की राजभाषा
अनुच्छेद 348	उच्चतम और उच्च न्यायालय के लिए प्रयोग की भाषा
अनुच्छेद 351	हिन्दी भाषा के विकास के लिए निदेश

राजभाषा अधिनियम, 1963

- **राजभाषा अधिनियम**, 1963(संविधान के अनुच्छेद 343(3) के प्रावधान के अनुसार वर्ष 1963 में पारित)
- धारा 3(1) - संविधान के प्रारंभ से 15 वर्ष की समाप्ति पर भी हिंदी के अतिरिक्त अंग्रेजी भाषा संघ के राजकीय कार्यों तथा संसद में कार्य के संव्यवहार के लिए प्रयोग में लाई जाती रहेगी ।
- धारा 3(3) -संकल्पों, साधारण आदेशों, नियमों, अधिसूचनाओं, प्रेस विज्ञप्तियों, संसद के समक्ष रखे जाने वाले कागज़ातों, विधियों, करारों, निविदा-प्रारूपों आदि में हिंदी और अंग्रेज़ी दोनों भाषाओं का प्रयोग किया जाए।
- धारा 4 - राजभाषा संसदीय समिति का गठन एवं कर्तव्य
- राजभाषा अधिनियम, 1963 समस्त भारत में लागू है, केवल धारा 6 और धारा 7 के उपबन्ध जम्मू-कश्मीर राज्य में लागू नहीं होते । (धारा 6 राज्य अधिनियमों के प्राधिकृत अनुवाद से संबंधित है एवं धारा 7 उच्च न्यायालय की भाषा से संबंधित है)

राजभाषा नियम, 1976

- हिंदी के अनुमानित ज्ञान के आधार पर देश के राज्यों/संघ शासित प्रदेशों को तीन क्षेत्रों, यथा - क, ख, ग में परिभाषित किया गया है ।
- राजभाषा नियम तमिलनाडू राज्य में लागू नहीं होते ।
- नियम 4 – पत्रादि की भाषा संबंधी नियम । उपरोक्त नियमानुसार एवं भाषाई क्षेत्रों के अनुसार हर वर्ष वार्षिक कार्यक्रम में पत्राचार के लक्ष्य निर्धारित किए जाते हैं । **वार्षिक कार्यक्रम** माननीय गृह मंत्री जी के अनुमोदन से जारी होता है । वर्तमान वित्त वर्ष में पत्राचार के निर्धारित लक्ष्य निम्न प्रकार हैं :-

	'क' क्षेत्र	'ख' क्षेत्र	'ग' क्षेत्र
हिन्दी में मूल पत्राचार	क क्षेत्र से क क्षेत्र को 100%	ख क्षेत्र से क क्षेत्र को 90%	ग क्षेत्र से क क्षेत्र को 55%
	क क्षेत्र से ख क्षेत्र को 100%	ख क्षेत्र से ख क्षेत्र को 90%	ग क्षेत्र से ख क्षेत्र को 55%
	क क्षेत्र से ग क्षेत्र को	ख क्षेत्र से ग क्षेत्र को	ग क्षेत्र से ग क्षेत्र को

	65% क क्षेत्र से क व ख क्षेत्र के राज्य/संघ राज्य क्षेत्र/व्यक्ति 100%	55% ख क्षेत्र से क व ख क्षेत्र के राज्य/संघ राज्य क्षेत्र/व्यक्ति 100%	55% ग क्षेत्र से क व ख क्षेत्र के राज्य/संघ राज्य क्षेत्र/व्यक्ति 85%

- नियम 5 - हिंदी में प्राप्त पत्रों के उत्तर हिंदी में दिए जाएं ।
- नियम 8(1) - कोई कर्मचारी किसी फाइल पर टिप्पणी या कार्यवृत्त हिंदी या अंग्रेजी में लिख सकता है। उससे यह अपेक्षा नहीं की जाएगी कि वह उसका अनुवाद दूसरी भाषा में प्रस्तुत करे ।
- नियम 8(4) –केन्द्र सरकार नियम 10(4) के अंतर्गत अधिसूचित कार्यालयों को विनिर्दिष्ट कर सकती है कि उनमें हिंदी में प्रवीण कर्मचारी टिप्पण और प्रारूप आदि में केवल हिंदी का प्रयोग करें ।
- नियम 9 –कोई कर्मचारी हिंदी में प्रवीण तभी माना जाएगा जब उसने मैट्रिक या उसके समतुल्य या उच्च स्तर की कोई परीक्षा हिंदी माध्यम से उत्तीर्ण की हो, या जिसने स्नातक परीक्षा में अथवा उसके समतुल्य अथवा उससे उच्चतर कोई परीक्षा हिंदी एक वैकल्पिक विषय से उत्तीर्ण की हो, या निर्धारित प्रारूप में हिंदी में प्रवीणता की घोषणा की हो ।
- नियम 10(1) - किसी कर्मचारी को हिंदी का कार्यसाधक ज्ञान तभी माना जाएगा जब उसने मैट्रिक या उसके समतुल्य या उच्च स्तर की कोई परीक्षा हिंदी विषय के साथ उत्तीर्ण की हो, या जिसने प्राज्ञ अथवा अन्य निर्धारित निम्नतर परीक्षा उत्तीर्ण की हो, या केन्द्र सरकार द्वारा उस निमित्त विनिर्दिष्ट कोई अन्य परीक्षा उत्तीर्ण की हो, या निर्धारित प्रारूप में हिंदी में कार्यसाधक ज्ञान की घोषणा की हो ।
- नियम 10(4) - यदि किसी कार्यालय में 80% या अधिक कर्मचारियों को हिंदी का कार्यसाधक ज्ञान प्राप्त हो तो उस कार्यालय का नाम राजपत्र में अधिसूचित किया जाए ।
- नियम 12 - केन्द्र सरकार के कार्यालय के प्रशासनिक प्रधान का यह दायित्व होगा कि वह राजभाषा अधिनियम और राजभाषा नियमों, इनके उपबंधों और इनके अधीन जारी

निर्देशों का समुचित अनुपालन सुनिश्चित करे तथा इसके लिए उपयुक्त व प्रभावकारी जांच बिन्दु बनाए ।

राजभाषा संकल्प– 1968

- सरकारी कामकाज में हिंदी का प्रयोग बढ़ाने के लिए अधिक गहन और व्यापक कार्यक्रम तैयार करना । (प्रतिवर्ष विभाग द्वारा एक वार्षिक कार्यक्रम जारी किया जाता है)
- हिंदी प्रयोग व प्रसार हेतु उठाए कदमों तथा प्रगति की समीक्षा को संसद के दोनों सदनों में वार्षिक मूल्यांकन रिपोर्ट के रुप में प्रस्तुत करना ।
- हिंदी व संविधान की 8वीं अनुसूची में सम्मिलित भाषाओं के समन्वित विकास के लिए कार्यक्रम तैयार करना ।
- त्रिभाषा फार्मूला लागू करना ।
- अन्यथा की स्थिति को छोड़ते हुए केंद्रीय सरकार के पदों पर भर्ती हेतु हिंदी अथवा अंग्रेजी, किसी एक भाषा का अनिवार्य ज्ञान होना ।
- अखिल भारतीय एवं उच्चतर केन्द्रीय सेवाओं संबंधी परीक्षाओं के लिए संविधान की आठवीं अनुसूची में सम्मिलित भाषाओं तथा अंग्रेजी को वैकल्पिक माध्यम के रूप में रखना

राजभाषा नीति की मुख्य बातें

i) केंद्र सरकार के कार्यालयों से संबंधित सभी नियम-पुस्तकें, संहिताएं और अन्य प्रक्रिया साहित्य हिंदी व अंग्रेजी दोनों भाषाओं में तैयार किए जाने अपेक्षित हैं । सभी फार्म, रजिस्टरों के शीर्षक, नामपट्ट, सूचनापट्ट व लेखन सामग्री की विभिन्न मदें आदि हिंदी व अंग्रेजी दोनों भाषाओं में होनी अपेक्षित हैं ।

ii) अधिकारी सुनिश्चित करेंगे कि अधिनियम की धारा 3(3) में विनिर्दिष्ट दस्तावेज हिंदी व अंग्रेजी दोनों भाषाओं में जारी किए जाएं ।

iii) केंद्र सरकार के प्रत्येक कार्यालय का प्रशासनिक प्रधान सुनिश्चित करेगा कि इस अधिनियम, नियमों के उपबंधों और नियम 12 के अधीन जारी निदेशों का समुचित पालन हो और इस प्रयोजन के लिए उपयुक्त तथा प्रभावी जांच-बिंदु बनाए जाएं ।

iv) राजभाषा नीति का अनुपालन प्रेरणा और प्रोत्साहन द्वारा किया जाता है और यह किसी पर थोपी नहीं जाती ।

मुख्य पृष्ठ

59

OFFICE COMMUNICATION

- Communications
- Movement of Files
- Office Notes
- Referencing & Linking

1. Introduction

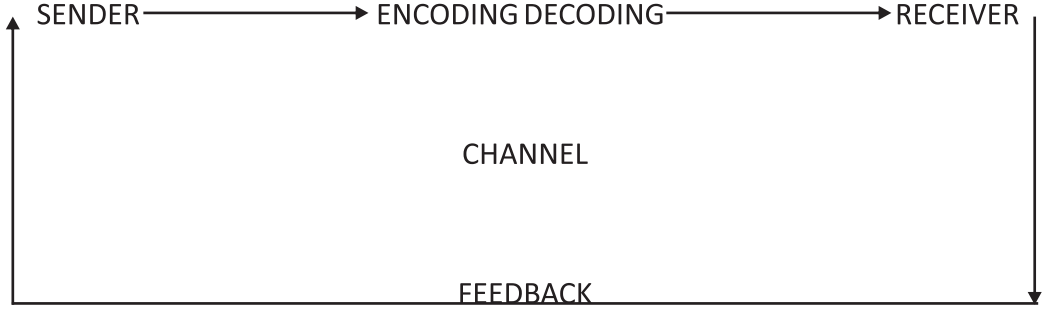
The word communication comes from the Latin word 'communico' meaning 'share'. Communication is a mutual exchange of facts, ideas, thoughts and perceptions, resulting in common understanding of all parties. On an average, a person spends approximately 70% of his/her waking life employing some form of communication – talking, listening, reading or writing. Thus it is of utmost importance that one focuses on making communication as effective as possible. The important aspects of communication are:

- Communication is purpose oriented.
- It is a two-way process.
- Thoughts, feelings, emotions and values are an integral part of communication.

Senders and receivers are vital in communication. There are many other subtle ways that we communicate (perhaps even unintentionally) with others, for example the tone of our voice can give clues to our mood or emotional state, whilst hand signals or gestures can add to a spoken message. Until recent times, relatively few writers and publishers were very powerful when it came to communicating the written word. Today we can all write and publish our ideas online, which has led to an explosion of information and communication possibilities. The ability to communicate effectively with superiors, colleagues, and staff is essential, no matter what industry you work in.

2. The Process of Communication:

The process of communication is very dynamic. It can be represented as follows:



The sender decides to send a message, for which he encodes the message i.e. he translates his idea into symbols and forms. To ensure that the message is understood the sender must ensure that the encoding is done right. The message when received by the receiver is decoded. In other words, he interprets it on the basis of his past experiences, expectations, etc. Most problems in communication arise when there is incongruence between the way the sender encodes the message and in the manner the receiver decodes it.

Feedback forms an integral part of a communication process. This tells the sender how much of the message has been understood, that it has been received in full. Thus the process continues ending in a constructive exercise. However, the process of communication is susceptible to breakdown due to various barriers or interference's that are a part of any organizational set-up.

3. Non-Verbal communication:

What is left unsaid is more important that what is said. A major component of the emotional impact of a message is communicated non-verbally – perhaps up to 90 percent. Some major aspects of non-verbal communication are posture, gestures, eye contact, gaze, facial expressions, voice, feelings, etc. The following are some indicators for good non-verbal communication:

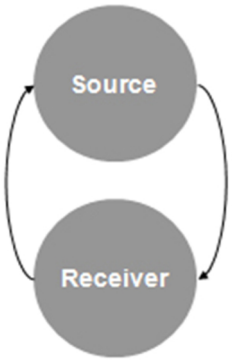
- Use an erect body posture when walking, standing, or sitting. Slouching and slumping are almost universally considered as indicators of low self-confidence.
- Patting other people on the back and slightly nodding while patting is the best way to show appreciation non-verbally.
- Stand with toes pointed outwards rather than inwards. Outward-pointing toes are usually perceived as indicators of superior status, while inward-pointing toes are perceived to indicate inferiority.
- Maintaining eye contact with those around you.
- Smile frequently in a relaxed, natural-appearing manner.
- Speak at a moderate pace, with loud, clear, confident tone, people lacking in self-confidence tend to speak too rapidly or too slowly.
- Stand up straight especially during a confrontation. Cowering is a sign of a loser even before the conversation has begun.
- Correct use of space. People immediately move away if they experience invasion of their territory. So maintain right distance and through your body language exhibit respect for the individual.
- Do not gesticulate too much, generally this is a sign of nervousness and lack of control of situation.

- During introductions offer your hand confidently and grasp the other individual's hand for a few seconds in a sure and warm handshake.
- Clothing, dress, and appearance are all means of non-verbal communication.

4. Types of Communication:

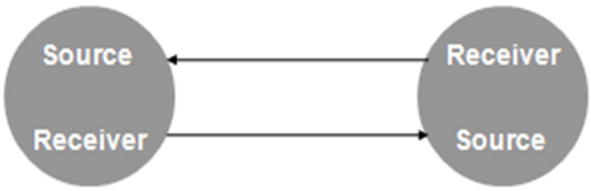
Communication means transferring messages from one to another through any medium. There are various levels in communication like Intrapersonal communication, Interpersonal communication, Group communication and Mass communication. Five major types of communication are:

(a) *Intrapersonal Communication*: Intrapersonal communication is a communication which happens within yourself. Here both Source (sender) and receiver is only one. So, the feedback works without any interruption. Example: A person can communicate with himself through pain, thinking, feelings and emotion etc.



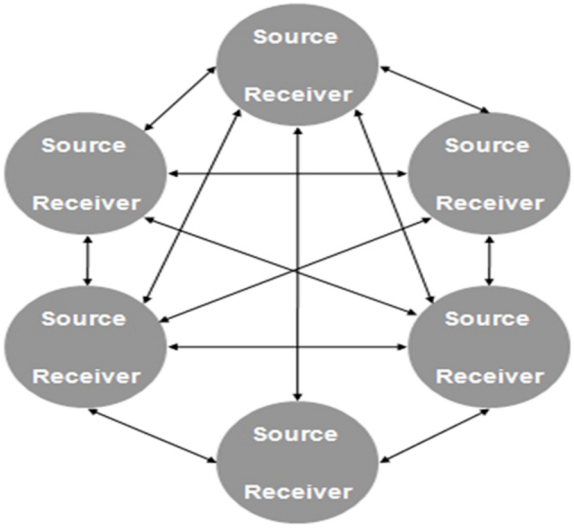
A. Intrapersonal communication

(b) *Dyadic Communication*: In Dyadic communication, two persons are involved. Here, the source becomes a receiver and receiver become source because of dynamic communication process where the feedbacks are shared between source and the receiver.



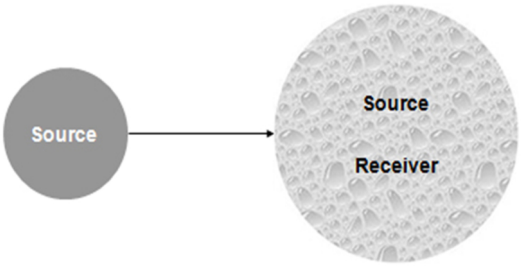
B. Dyadic communication

(c) *Small Group Communication*: When more than two members are involved in the communication process, it will become a group communication. In a small group communication, everyone becomes a source as well as receiver through sharing information and gives feedback to another.



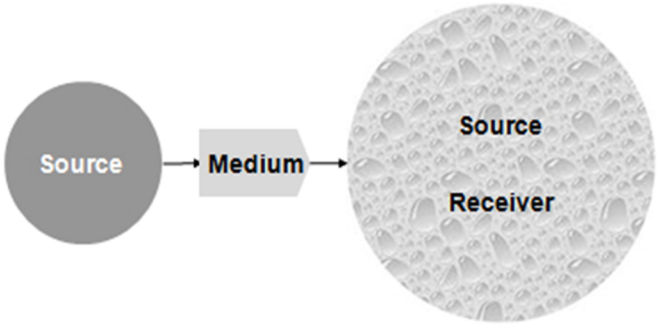
C. Small group communication

(d) *Public Communication* : In public communication, source or messages from a single person will reach or be received by huge number of people. But in this communication there is no mutual feedback between source and receiver like small group communication and it is only focused on the speaker.



D. Public communication

(e) *Mass Communication* : In mass communication, basically there is a large number of audience and they all can't be grouped together in one place, so we need certain tool or technology for communication process. But in mass communication, there is no direct access with receiver. So, for that they need media like newspaper, radio, television and internet. Here the audience feedback is very less or delayed.



E. Mass communication

5. Forms and Procedure of Communication :

The different forms of communication, its content and format generally used by a Department are reproduced below:-

(I) *Letter :* Used for corresponding with State Governments, various constitutional bodies, heads of attached and subordinate offices, public enterprises, statutory authorities, public bodies and members of the public generally.

(ii) *Demi-official letter:* Generally used in correspondence between Government officers for inviting their personal attention on the issue. Since demi-official letter is written in the first person in a personal and friendly tone, it should be addressed by an officer in a Ministry/ Department who is ordinarily not more than one or two levels below the officer to whom such communication is addressed. Communications to non-officials can also take the form of a demi-official letter.

(iii) *Office Memorandum:* Generally used for corresponding with other Departments or in calling for information from or conveying information to its employees. It may also be used in corresponding with attached and subordinate offices. It is written in the third person and bears no salutation or supersession except the name and designation of the officer signing it.

(iv) Inter-departmental note (earlier referred to as U.O. Note):

(a) Generally employed for obtaining the advice, views, concurrence or comments of other Departments on a proposal or in seeking clarification of the existing rules, instructions etc. It may also be used by a Department when consulting it's attached and subordinate offices and vice versa.

(b) The inter-Departmental note may either be recorded on a file or e-file (where two departments have connectivity) referred to another Department or may take the form of an independent self contained note.

(v) *Office Order:* Normally used for issuing instructions meant for internal administration, e.g., grant of regular leave, distribution of work among officers and sections, appointments and transfers etc.

(vi) *Order :* Generally used for issuing certain types of financial sanctions and for communicating government orders in disciplinary cases, etc., to the officials concerned.

(vii) *Notification:* Mostly used in notifying promulgation of statutory rules and orders, appointments and promotions of gazetted officers etc. through publications in the Gazette of India.

(viii) *Resolution :* This form of communication is used for making public announcement of decisions of government in important matters of policy in e.g. the policy of industrial licensing, appointment of committees or commissions of enquiry. Resolutions are also published in the Gazette of India.

(ix) *Press communiqué/note:* This form is used when it is proposed to give wide publicity to a decision of government. A press communiqué is more formal in character than a press note and is expected to be reproduced intact by the press. A press note, on the other hand, is intended to serve as a hand-out to the press which may edit, compress or enlarge it, as deemed fit.

(x) *Endorsement* : This form is used when a receipt has to be returned in original to the sender, or the receipt in original or its copy is sent to another Department or office, for information or action. It is also used when a copy of a communication is proposed to be forwarded to parties other than the one to which it is addressed. Normally this form will not be used in communicating copies to state governments. The appropriate form for such communication should be a letter.

(xi) *Minutes*: A record of discussions is prepared immediately after the meeting and circulated to the other Ministries/Departments concerned, giving date/time/venue of the meeting held, who chaired the meeting and list of participants, setting out the conclusions reached and indicating the Ministry(s)/Department(s) responsible for taking further action on each conclusion. In case it is perceived by a participant of the meeting, that the minutes recorded are not as per the understanding/perception of the participant, the same may be immediately referred in writing to the authority which has issued the minutes.

6. DAK :

A File is a collection of papers on a specific subject, assigned a number and consisting of one or more of the following parts: (a) Notes; (b) Correspondence; (c) Appendices to Notes/correspondence. All communication received/issued by an office/department is called dak. A case is a current file or a receipt together with other related papers, if any.

During office hours, the entire dak of the department including that addressed to Officers by name will be received in the Record section of the office. The receipt of dak, in person, will be acknowledged by the recipient signing his name in full and in ink with date and designation. E-mails received in the office will be downloaded centrally by the EDP section and the same forwarded to the officer concerned. E-mails addressed to Officers will be downloaded by them or their personal staff.

(Chapter IV of CMSOP)

7. Movement of files :

(i) Each Ministry/Department shall lay down a detailed scheme of delegation at all levels so that the decision making takes place at the most appropriate level. This shall be updated from time to time and placed in public domain.

(ii) The number of levels through which a file passes for a decision shall not exceed four.

(iii) Wherever level jumping is done in respect of any category of cases, each such case on its return, will pass through all the levels jumped over, who in suitable cases could resubmit the cases for reconsideration.

(iv) In case of urgent matters, the decisions may be conveyed directly to the officer concerned for implementation, who after doing the same, shall bring it to the notice of the levels of officers, that have been jumped in the hierarchy.

(v) For dealing with cases of repetitive nature e.g. leave sanction, GPF Advances, HBA etc., standard process sheets may be devised by the respective Ministries/Departments. No notes need be recorded in such cases.

(Para 14, Chapter V of CMSOP)

8. Guidelines for noting:

(i) All notes shall be concise and to the point. Additional material, if any, may be placed in the appendix. Black or Blue ink shall be used by all categories of staff and officers. In case of hand written noting, only black or blue ink shall be used.

(ii) The dealing hand shall append full signature, name and date on the left below the note. An officer shall append full signature on the right hand side of the note with name, designation and date.

(Para 15, Chapter V of CMSOP)

9. Modification of notes or orders :

(i) Senior officers should not require any modification in, or replacement of, the notes recorded by their juniors once they have been submitted to them. Instead, the higher officers should record their own notes giving their views on the subject, where necessary correcting or modifying the facts given in earlier notes.

(ii) Pasting over a note or a portion of it to conceal it, shall not be done. Where a note recorded in the first instance requires any modification on account of additional facts or any error having come to notice, a subsequent note may be recorded, keeping the earlier note intact.

(iii) Where a final decision already communicated to a party is found later on to have been given on a mistaken ground or incorrect facts or wrong interpretation of rules due to misunderstanding, such withdrawal may have also legal implications. Such a withdrawal should be permitted only after the approval of an officer higher than the one, who took the original decision, has been obtained and reasons for the reversal or modification of the earlier decision have been duly recorded on the file.

(Para 16, Chapter V of CMSOP)

10. Noting on files received from other departments:

(I) If the reference seeks the opinion, ruling or concurrence of the receiving Department and requires detailed examination, such examination may be done separately through routine notes on a separate file (which will be created by the receiving Department). Only the final result will be recorded on the file by the officer concerned.

(ii) The receiving Department shall open subject-wise file each year in which such routine notes will be kept. The inter-departmental note recorded on the file of the originating department will bear the subject file number to facilitate retrieval for future reference and storage in electronic environment.

(iii) Where the reference requires information of a factual nature or other action based on a clear precedent or practice, the dealing hand in the receiving department may note on the received file straightway.

(iv) Where a note is recorded by an officer after obtaining the orders of a higher officer, the fact that the views expressed therein have the approval of the latter should be specifically mentioned, in the note to be recorded on the file of the originating Department.

(Para 17, Chapter V of CMSOP)

11. Aids to processing :

Each section shall keep in the knowledge management system of the Department the following records/electronic records for important subjects dealt with by it:

(a) precedent book;

(b) standard process sheets; and

(c) transcripts of important discussions and minutes.

(d) copies of Acts, rules, orders and instructions concerning the subjects dealt with each Department shall be maintained both in physical form as well as on the website.;

(e) Guard file.

(Para 18, Chapter V of CMSOP)

12. Oral discussions:

(i) All points emerging from discussions (including telephonic discussions) between two or more officers of the same Department or from discussions between officers of different Departments, and the conclusions reached shall be recorded precisely on the relevant file at the earliest, by the officer authorizing action.

(ii) All discussions/instructions/decisions which the officer recording them considers to be important enough for the purpose, should be got confirmed by all those who have participated in or are responsible for them.

(iii) Oral instructions by higher officers:

(a) Where an officer is giving direction (including telephonic direction) for taking action in any case in respect of matters on which the officer or subordinate has powers to decide, the subordinate shall ordinarily do so in writing. If, however, the circumstances of the case are such that there is no time for giving the instructions in writing, they should follow it up by a written confirmation at the earliest.

(b) When an officer is acting under instructions of an official superior, he shall obtain the directions in writing wherever practical before carrying out the instructions. Where it is not possible to do so, he shall obtain written confirmation of the directions, as soon thereafter as possible. If the officer giving the instructions is not the immediate official superior but is one higher to the latter in the hierarchy, the officer shall bring such instructions to the notice of the immediate superior at the earliest, and thereafter the latter will obtain the written confirmation of the directions from the senior officer who gave the instructions.

(iv) Confirmation of oral instructions:

(a) If an officer seeks confirmation of oral instructions given by his superior, the latter should confirm it in writing whenever such confirmation is sought.

(b) Receipt of communications from junior officers seeking confirmation of oral instructions shall be acknowledged by the senior officers or their personal staff.

(Para 19,20,22, Chapter V of CMSOP)

13. Filing of papers :

(i) Papers required to be filed will be punched neatly on the left hand top corner and tagged onto the appropriate part of the file viz. notes, correspondence, appendix to notes and appendix to correspondence, in chronological order, from right to left.

(ii) Both "notes portion" and "correspondence portion" will be placed in a single file cover.

(a) Left end of tag in the note portion will be tagged on to the left side of the file cover and right end of the tag will remain as such i.e. untagged.

(b) In the case of correspondence portion, right side of the tag will be tagged onto the right side of the same file cover and left side of the tag will remain as such i.e. untagged.

(iii) Reference to previous communications should invariably indicated in the fresh receipt, if there is a mention about it.

(iv) If the file is not bulky, appendix to notes and appendix to correspondence may be kept along with the respective note portion or the correspondence portion of the main file if these are considered as integral and important part. If the file is bulky, separate file covers may be used for keeping appendix to notes and appendix to correspondence.

(v) When the notes plus the correspondence portion of the file become bulky (say exceeds 150-200 pages), it will be marked "Volume I". Further papers on the subject will be added to the new volume of the same file, which will be marked "Volume II", and so on. In Volume II and subsequent volumes of the same file, page numbering in notes portion and correspondence portion will be made in continuity of the last page number in note portion/correspondence portion of the earlier volume.

(vi) On top of the first page of the note portion in each volume of the file, file number, name of the Ministry/Department, name of branch/section subject of the file and classification of file will be mentioned. A similar procedure will be followed on file cover also.

(Para 23, Chapter V of CMSOP)

14. Arrangement of papers in a case:

The papers in a case will be arranged in the following order from top downwards:

(i) reference books;

(ii) notes portion of the current file ending with the note for consideration;

(iii) running summary of facts;

(iv) draft for approval, if any;

(v) correspondence portion of the current file ending with the latest receipt or issue, as the case may be;

(vi) appendix to notes and correspondence;
(vii) standing guard file, standing note or reference folder, if any;
(viii) other papers, if any, referred to e.g., extracts of notes or correspondence from other files, copies of orders, resolutions, gazettes, arranged in chronological order, the latest being placed on the top;
(ix) recorded files, if any, arranged in chronological order, the latest being placed on the top; and
(x) routine notes and papers arranged in chronological order and placed in a separate cover.

(Para 24, Chapter V of CMSOP)

15. Referencing:

(i) Every page in each part of the file (viz. Notes, correspondence, appendix to notes and appendix to correspondence) will be consecutively numbered in separate series on the top right hand corner. In an electronic environment the number of page and Serial number of Receipts/Issue will be generated automatically. The docketing will also take place immediately below the note which has culminated in issuance of fair signed communication(s) in question.
(ii) The drafts of letters issued having crucial policy, financial and vigilance implications, where the drafts have been changed by Senior Officers in the process of movement of files upwards, barring grammatical corrections should also form a part of the correspondence portion, which shall be numbered ad seriatim.
(iii) The document under consideration on a file shall be flagged "PUC" and the latest fresh receipt noted upon, as "FR". If there is more than one "FR" they shall be flagged separately as "FR-I", "FR-II" and so on.
(iv) To facilitate the identification of reference to documents contained in other files after the removal of linked file(s), the number of the file referred to will be quoted invariably in the note. Similarly, the number and date of orders, notifications and the resolutions, and, in the case of acts, rules and regulations, their brief title together with the number of the relevant section, rule paragraph or clause, referred to shall be quoted in the notes.

(Para 25, Chapter V of CMSOP)

16. Linking of files:

If the issues raised in two or more current files are inter-connected, the relevant files shall be linked. After completion of action, the linked files be de-linked after taking relevant extracts.

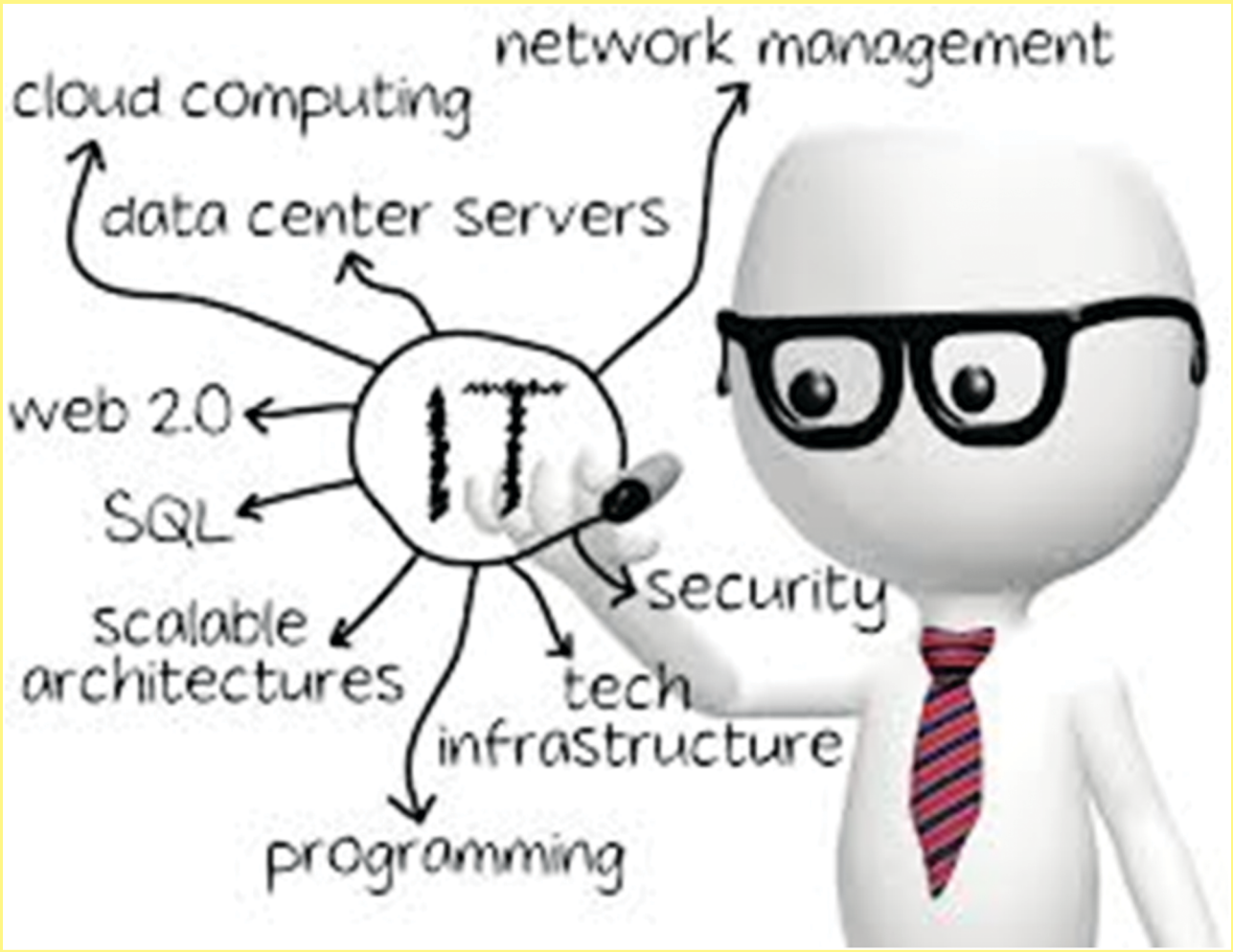
Learning from the session

- A File is a collection of papers on a specific subject, assigned a number and consisting of one or more of Notes, Correspondence, Appendices to Notes/correspondence.
- Every department has its own scheme of laying down powers for appropriate decision making at all levels.
- Notes should be written in blue or black ink and it should be concise and to the point with the dated signature, designation of the person initiating it.
- Every page in each part of the file (viz. Notes, correspondence, appendix to notes and appendix to correspondence) should be consecutively numbered in separate series on the top right hand corner.
- All oral orders or instructions would need to be confirmed in writing at a later point of time by the officer issuing the same.

Authority:

- **Central Secretariat Manual of Office Procedure, XIV edition**

सत्यमेव जयते
रक्षा लेखा विभाग
DEFENCE
ACCOUNTS
DEPARTMENT



INFORMATION TECHNOLOGY AND AUTOMATION

InformationTechnology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without the talking about the other.

-Bill Gates

INTRODUCTION
IT & AUTOMATION

DAD has been one of the pioneers in adopting and leveraging new and emerging technologies in Accounting, Internal Audit, Payment and Financial Advice functions. The Department started using IT as a tool with mechanisation of accounts in 1930s. The Department has since been developing new IT projects and keeping pace with the progressive availability of higher computing power. The initiatives taken by the Department in automating its functions are not only in tune with the Government's Digital India Plan but also provide value-added services in an efficient and effective manner to all our stakeholders.

The Department with its motto of "In the Services of the Services", is continuously striving to streamline and upgrade its services by leveraging Information Technology.

- IT has enabled the Department to switch over from the colonial era IRLA System to Monthly Pay System for 1.3 million JCOs/ORs through its in-house IT Programme 'Dolphin'.
- The Defence Travel System / e-Ticketing provides online rail and air ticket booking facility to around 3250 units of Armed Forces.
- The implementation of e-billing is aimed at bridging the time gap between forwarding of bills by Units/Offices and receipt of the same in Controllers' Offices.
- Real time reporting of all expenditure from the Defence Budget is done through Online Compilation System.
- Project), the Department fulfils it's the Departments mandate of timely and accurate disbursement of pension to the defence pensioner's/family pensioner's/defence civilian pensioners is fulfilled through project AASHRYA (Pension Disbursement)
- Recently, the Department has ensured expeditious payment of OROP dues amounting to Rs.354 crores to 2,21,205 defence pensioners drawing pension through DPDOs.

Proudly, the Department has moved from the era of Hollerith Machines, Electronic Data Processing Centres, to real time systems. Huge investments of human and financial resources have been made to equip the Department with knowledge and skills to keep pace with the galloping IT Sector. It is not so much a skill as much a tool to achieve organisational goals of speed, accuracy and efficient handling of mammoth Defence Budget.

IT, therefore needs to be exploited optimally and made the backbone of our regulatory systems. And there is no escape from the various flavours of IT, the hard core automation concepts, the overarching globalisation riding on the networking through Internet and WAN, the applications developed by the Department to automate our functions.

Therein lies the importance of this Section which deals with the various aspects of Information Technology as being utilised by the Department.

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IT INITIATIVES IN DAD

- Introduction
- Initiatives of the Department

1. Introduction

Defence Accounts Department has been one of the pioneers in adopting and leveraging new and emerging technologies in all areas including Accounting, Internal Audit, and Payment and Financial Advice functions. The purpose is to provide value-added services to the Services in an efficient and effective manner. In furtherance of this objective, the Defence Account Department came up with the idea of replacing the existing system of manual railway ticketing on warrants/Form D / concession vouchers with an electronic web-based system not only to address issues related to accounting, audit & monitoring in manual system but also to meet the current requirement of Services in a digitally enabled environment.

The Department has made remarkable progress in computerization of its functions as a result of which many areas - Pay and Provident Fund accounts of Army personnel, GREF personnel and Defence civilians, Pension Sanction and Pension Disbursement of Defence Personnel and Defence Civilians, Compilation of Defence Receipt and Expenditure, Third party payments, Pay roll and Provident Fund System of Industrial and Non-Industrial Employees of Ordnance Factories and Costing Accounts in Ordnance factories have been successfully computerized.

2. Initiatives

a) New Defence Travel System : To mitigate various constraints like time consuming manual process, waste of precious man-hours in visiting the PRS counters, difficulty in tracking of manual warrant, lengthy accounting process, budgeting and monitoring issues and with the aim of providing cashless travel booking facility to the units/formations for their employees' to meet all their travel needs, a new project 'Defence Travel System' was conceptualized by Defence Accounts Department in as early as 2009 by making use of latest digital technologies. The Defence Travel System was a major and right step in the direction of e-governance and digitization towards which a renewed thrust and focus is being laid by the Govt. of India. The services of DTS are available under DTS Travel portal on 24x7x365 days anywhere in India where this facility has been enabled.

The first phase of the project covering Rail Travel was launched in December 2009 in collaboration with IRCTC. Phase-II covering Air Travel has been launched in May 2015 in collaboration with M/s Balmer&Lawrie Co. Around 3200 units have been issued login IDs for using the system so far and approximately 5.10 lakh user profiles have been created so far and count on this account is increasing day by day. Extension of the system to defence civilians (Phase-III) is under implementation. As part of the fourth

phase of online submission of TA/DA claims, a module for on-line requisitioning of DA advance is being developed which will subsequently be integrated with the Pay Accounts Office for proper accounting and monitoring.

b) e-PPO: As per the existing procedure, sanction of pensionary benefit are being notified through Pension Payment Order. Under the e-PPO project, digitally signed e-PPO in pdf file format and PPO data in xml file format will be sent directly to banks through a Secured File Transfer Protocol (SFTP). This will hasten the timely payment of pensionary entitlement to the Defence Pensioner. This will also eliminate the manual intervention / data entry to a large extent at CPPC level. This initiative will contribute to the government's commitment to build a Digital India. Benefits of the e-PPO project are timely and correct payment of pension, enhanced security of PPO and minimum manual intervention and promotion of e-governance.

c) Aashraya: Defence Accounts Department is responsible for sanction and disbursement of Defence Pension to retired Service Officers, JCOs and ORs, Defence Civilians and their families. Efficient Disbursement of Pension to the Defence Pensioners is of prime concern to the Defence Accounts Department. Aashraya, Pension Disbursement System was launched in Jun-2010. Accordingly, the Project "Aashraya" was initiated. This software was developed by using open source platform i.e. PHP/ MySQL and runs on Linux/Windows etc. It has been designed, developed and implemented by an in-house team of officers without third party assistance and expenditure on this account. The software is very user friendly with role based authentications. Pensioner's profile module in the system enables DPDO staff to view the complete profile of a pensioner by entering the ID of pensioner and payment history for the purpose of redressal of grievances. Aashraya has made available the pensioner's information with every staff and officer of DPDO for faster redressal of grievances, if any, or otherwise with least manual effort. Aashraya has automated the disbursement of pension to 5 lac pensioners from 61 Defence Pension Disbursement (DPDO) offices across the country. This software has increased many folds the working efficiency of DPDOs staff as working on new system is very user friendly and faster.

d) Suvigya: Armed Forces Personnel generally retire at an early age. The pension structure compensates them for early retirement and also for acts of bravery, strain of active service and so, is very different from civil pension system. Pay Commissions and other authorities constantly keep improving their entitlements. Hence, Defence Service Pensions are far more complex. At present, pension is being disbursed to pensioners by Defence Pension Disbursement Offices, banks, State Government Treasuries and Post Offices. They also carry out table based pension revision. While the DPDO understands the technicalities of pension, being part of DAD, other agencies, especially bank branches have limitations. Experience at the Pension Adalats has been that most of the issues in pension arise at the bank level. In this backdrop, project SUVIGYA is a total in-house designed and developed Pension Enquiry System, which was taken up in July, 2010 with a view to empower the pensioners to know what their correct entitlement of pension is from time to time. It is a web-technique based system. The system requires very few basic inputs from the pensioner. Once data is entered, software calculates the pension and changes it from time to time. Pensioner can get a print out of inputs provided by him and of the outputs generated by the system. If a pensioner finds his/her pension

actually paid or being paid is less than the results given by the system, he/she can take up the matter with the Pension Sanctioning Authority or Pension Disbursing Agencies for rectification.

e) Project Samarth: Project Samarth is an effort to re-engineer the system of pay accounting of Army personnel, to ensure that (a) their pay accounts are closed every month and (b) their net monthly entitlements are remitted into their Bank Accounts, making use of the current facilities available in the banking sector. In any pay accounting system, accurate and timely action of inputs which affect the credits or debits is the most important factor. Therefore, the first priority was to shift the capture and action of the inputs from a quarterly cycle to a monthly cycle. In order to provide better customer satisfaction, the status of pay account of every Army personnel on monthly basis should be available to all stakeholders. The implementation of Project Samarth for Army personnel started in PAO (ORs) GRRC, Lucknow in August, 2009 and PAO (ORs) AMC Lucknow in Dec, 2009. Thereafter, Samarth was implemented in the remaining 42 PAOs in a phased manner. Samarth is a web based Monthly Pay System for JCOs/ORs developed using open source software i.e. Java/PostgreSQL and runs on Linux environment.

f) Project Dolphin: Project 'Dolphin' is an effort to shift the existing COBOL based system to more current RDBMS based on-line system. The project has been developed using open source software i.e. Java/PostgreSQL and runs on Linux environment. PAOs are now able to credit pay and allowances of PBORs on monthly basis. PBORs and units have login facility to see their statements of accounts, lodge grievance online and view reply online. PAOs will also launch their websites for login based display of accounts of PBORs on their websites.

g) Project VISHWAK: Project Vishwak has been developed for automation of the AO GE Offices under the jurisdiction of various Pr. Controllers' / Controllers' offices. Earlier to this, there was no automation in these offices and work was completely manual. This system enables these offices to capture the Admin Approval, Technical Sanctions, Contract Agreement details and processing of payments viz. RARs, Final Bills, Hand Receipts through the system and preparing monthly Punching Medium at a click of button. As the database is available in the system, manual registers for Admin Approvals, Technical Sanctions & Contract Agreements can be phased out.

h) Project Sankalan (E-MNB Module): Ready access to relevant government orders, manuals facilitate timely and correct disposal of cases. In this backdrop, an idea of e-MNB was conceived and the project SANKALAN was taken up in July 2010. This is a web based entirely in-house developed search engine. The most significant feature of this project is online availability of all important government Orders and circulars etc. pertaining to functioning of DAD and services have been added in order of their importance. Presently Sankalan is available on our WAN. In future these orders will be easily accessible on-line to all DAD functionaries across the globe.

I) Project Pawan: Air Force (Post Audit Module) :The project is a software development project for automation of Post-Audit of Pay Allowances, Medical and TA/DA Claim on r/o Air Force Personnel in the office of the CDA (Air Force).

j) Project "NIDHI" Fund (Main) System: About 2.3 lacs GPF accounts is being maintained by the CDA (Funds) Meerut. Accurate and efficient fund maintenance and management is a herculean task. Project Nidhi has made the maintenance of fund accounts more secure and instantly available to all the subscribers. It has brought in transparency and accuracy while minimizing the grievances at all stages. Data received in this system can be accurately watched and monitored at any stage as it automatically compares the data inflow vis-à-vis compilation. Apart from obviating unnecessary data entry every month this system enables review as well generation of overview/progress report instantaneously. Running on WAN, it can be accessed by the authorized user from any location for data submission as well as reports generation. This system has also been implemented in the PCDA, New Delhi and PCDA (R&D) New Delhi offices for total processing.

k) Project Bhawan: Project Bhawan deals with the work of AAO BSO Offices. It caters for maintaining the masters of Permanent/Temporary Defence Buildings, Occupation & Vacation Reports thereof, generation of Rent Bill & Allied charges for Officers, ORs, Third Parties, etc. Softcopy of rent bills in r/o Army Officers is being generated by Project Bhawan and used by PCDA(O). Provision is also being made to generate softcopy data of Rent Bills & Allied charges in respect of Air Force Officers and ORs. Uploading of soft copy data will avoid data entry at various stages and speed up the process of adjusting Rent bills & Allied charges.

l) Project Tulip: Project Tulip was conceptualized as a complete office automation system for Regional and certain Functional Controllers. In its entirety, it includes the DAD Personnel Management system and Civilian Pay packages along with the various audit and accounting modules for Stores and Miscellaneous procurements and payment. The project covers all the activities from diarization of dak, till payment of bills through e-payment mode. All the payments through project Tulip are done through e-payment mode i.e. through SBI CMP Portal.

j) New Compilation System: The online and real-time centralised new compilation system enabled the department to take a big leap forward in providing expenditure related data to various stakeholders in Ministry of Finance, Ministry of Defence, Service Hqrs, command Hqrs, field offices etc. on daily basis instead of monthly cycle being provided earlier. This faster dissemination of financial information facilitates better budgetary management at Apex level. This system has been effective on the CGDA WAN from 1st April, 2014 onwards. It is maintained centrally at HQrs office and validated data for compilation is uploaded daily by PCsDA/CsDA. It was envisaged that the office automation system (Tulip) will be linked to the compilation system so that expenditure data is ported on the latter in a seamless manner and without manual intervention. Further linkages with the Financial Information Systems of the Services for effective information interchange is also being envisaged.

Learning from the session

- The various initiatives of the DAD include:
  - New Defence Travel system – e-ticketing facility
  - e-PPO – Digitised PPO
  - Project Aashraya – Pension disbursement module
  - Project Suvigya – Pension enquiry module
  - Project Bhawan – AAO BSO module
  - Project Vishwak – AAO GE module
  - Project Dolphin – PBORs pay and allowances
  - Project Samarth – PBORs shift to monthly pay and allowances
  - Project Nidhi – Maintenance of GPF
  - Project Sankalan – e-Master Note Book
  - Project Tulip – Office automation
  - New compilation system

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AUTOMATION APPLICATIONS - INTERFACE WITH SERVICES

- AUDOLS & IMMOLS
- ILMS, ICMS & SSMS
- Arpan & Dakghar
- CICP
- PPC & e-tendering

1. Introduction

There are various levels of interface in the department with the executives for whom the payment, audit and accounting functions are being rendered by the Department. The levels of interface start from MoD (F) with SHQs(Planning) right down to the Dy. IFAs/LAO with the Unit level formations. This interface is required in order to facilitate decision making and also exchange of information. The communication channels are further necessitated due to the large delegation of powers and the budget allocations of the Executives. The different points of interface are financial advice, audit, payment and accounting.

The three services have proactively moved to automate their various functions, mainly the inventory management system which are at different stages of automation. Although the inventory management procedures vary amongst the different services, the overall audit requirements of DAD are same as far as inventory management is concerned. In order to leverage the automation, various initiatives have been undertaken by the Department to link our systems with that of the Services in order to have better access to the data and to ease the communication of data.

There have been various efforts for design and development of integrated comprehensive systems in collaboration with Defence Services. It is envisaged that the financial advice, payment, accounting and basic transaction audit activities be integrated into the respective inventory management system/ERP system of Army, Navy and Air Force. One of the first achievements was with Indian Air Force which provided an embedded utility on IMMOLS (Integrated Materials Management Online System) platform on AFNet through which an interface between executives and IFA functionaries for online financial concurrence up to AON stage was made available.

2. Interfaces

a) IMMOLS

Integrated Material Management System was introduced in the Air Force in 2003 at 22 pilot sites. It was finally launched in 2006 covering 130 sites. It has been custom designed to cater to all facets of inventory management. The infrastructure included nationwide installation of computing platforms, campus LANs and other hardware equipment. This work was outsourced to TCS. This module has been implemented in the PCDA(AF) Dehradun and JCDA(AF) Nagpur.

This is an on-line system where in the spares/items in Units i.e. weapon system sites, ASPs, EDs, BRDs are visible for maintenance/logistic hierarchy. The functions of this system are calculation of demand and provisioning accordingly. This system also has subsidiary/equipment accounting and has an auditing module in it. The advantage of this system is the visibility of entire AF assets to Air HQrs and HQ Maintenance Command. Also, there is asset visibility of units to each operational command. The system also enables inter and intra command assets transfer.

The advantages of IMMOLs are efficient materials management, asset visibility for better utilization of available resources, forward planning and procurement of materials, information triggers for mid-course corrections in various materials management processes. There is also reduction in inventory levels leading to significant cost savings. Implementation of IMMOLS has led to improved aircraft fleet serviceability. Real time availability of materials information flow has also led to reduction in paper work. Processes for demand collection, procurement and repair cycles have become considerably faster and efficient spares accounting is a major fallout of this system. Associated modules are the EQUOLS (Equipment on line system) and AUDOLS (Audit On line system) which has a backbone of C++.

Certain concerns in the system are that the system is very intricate and navigation is time consuming. The major drawback is that the system calculated requirement can be manually overridden. There is no real time data sharing with the IFA. The special review/Depot requirement is not being done through the IMMOLs. The Dues-In have been indicated as assets in IMMOLS which leads to accounting problems.

b) AUDOLS:

The Accounts maintained by all AF units / formations are subject to audit by a co-located LAO. Audit is generally based on a test check of some transactions. A hundred percent audit check is not feasible under present system with existing manpower and LAOs have discretion to select sample for test check. AUDOLS (Audit On-Line System) software enables the department to carry out Internal Audit in Logistic Section of Air Force Unit consequent on introduction of IMMOLS (Integrated Material Management On-Line System) in Air Force. AUDOLS has been developed by Tata Consultancy Services in C++. AUDOLS is an integrated software interlinked with IMMOLS. Information is extracted from IMMOLS through server installed at station Logistics section under LAN. Implementation of AUDOLS has been organized in three stages viz. Initial Audit; Audit supervised parallel run and e-audit. Certain units are visited by the LAO periodically / half yearly as directed by the CDA (AF). Subsequently, with an aim to computerize of subsidiary documents and correlated activities of equipment accounts sections in IAF, another software EQUOLS (Equipment On-Line System) was also introduced.

The IMMOLS module at PCDA (AF), Dehradun and JCDA (AF), Nagpur which caters for e-audit of cash accounts related to A&I notes has been implemented since February 2015. The system aims at e-auditability through e-vouchers. It has brought in enhanced transparency and probity in various functions relating to stores, financing and accounting of the logistics chain.

c) ILMS:

The Integrated Logistics Management System is a centralised database for the Naval Inventory system. This was launched in 1997 and covers the 5 depots at Vishakapatnam, Kochi, Karwar, Port Blair and Delhi. This system automates the logistics and material management functions. It also shows the location-wise details of stores and equipment.

This system has modules on Planning, procurement, warehousing and technical services. The backbone of this system is Sybase with Power Builder as the front end. There is also a provision for online monitoring of budget and online audit with access provided to Financial advisors. The Present version of ILMS is being upgraded to ILMS Ver 2.0 which will cover six depots and 250 ships/establishments across the country. The proposed version includes provisioning, procurement, warehousing, bill processing and Audit. The advantages of ILMS are that it has a robust MIS system which provides details of LPP and all related procurement data across all locations. Also, the financial advisor has access and visibility to all the transactions. There is total asset visibility of stocks across depots and there is also capturing of Capital Acquisition Purchase orders i.e. B&D spares.

ILMS-Air which is an offshoot of the ILMS is used for provisioning on the aviation spares and was implemented in 2002 and this is maintained in house. This has been upgraded in 2015 from Oracle database Ver. 8 to Ver. 11. The front end for this application is Oracle Developer Forms and Reports. The system caters to Demands, Issues, Return of Air Stores Inventory, Rotable management, Procurement, Provisioning, Audit and Decision support system for HQ NA and quality functions for Quality Assurance organisations.

d) SSMS & ICMS

Integrated Clothing Management System (ICMS) which is on Navy Enterprise Wide Network (NEWN) is a variation of the ILMS but is used for the clothing of the naval personnel. Ship Material Management System (SMMS) is not centralized but is a ship-wise inventory and is managed by the individual stations. The SSMS is used for provisioning of ship equipment spares. The SSMS was implemented in 2015 with a backend of Microsoft SQL and a front end of .NET.

The ILMS, SSMS and ICMS and their audit modules are some of the interfaces with the Naval authorities. Internal Audit of Naval Units is carried out primarily by PCDA (Navy) through a network of 9 NLAOs (Naval Local Audit Office) including the AO (Navy), Chennai and AO (Navy), Kolkata.

e) CICP

The CICP Phase I started with the Automation of Central Ordnance Depot, Delhi Cantt. This proved as a decision support system for Army Hqrs and MoD. The LAO is connected through an online audit system. This project was implemented by Tata Information Technology and the pilot project was from 1994 to 2002. The problem with this system was this was a distributed and standalone system. It lacked horizontal and vertical integration between Central Ordnance Depots, Regional Ordnance Depots and Divisional Ordnance Units.

The Computerised Inventory Control Project is a proposed inventory management system for the Ordnance depots of the Army. This system proposes both vertical and horizontal integration and is planned as a multi-user system. This involves the setting up of Data Center, Disaster Recovery Center and Near Primary DC for Army Ordnance Corps. The items which are proposed for coverage are clothing, armament (small arms to guns and spares), wireless equipment, biological and chemical equipment, ski and mountaineering equipment, ammunition, missiles, explosives, non-explosive stores and vehicle aircrafts. This system is being developed by L& T Infotech and is still under solution design phase. The design envisages a three layered implementation – a presentation layer with graphical user interface, an application layer with e-audit, e-concurrence and e-payment and a centralised database layer.

f) ARPAN:

ARPAN 3.0 was launched in 2015. This system provides access to the service records of Junior commissioned officers and Jawans of the Army. This has been hosted on the Army's intranet facility. This has been developed in house by Army Software Development Centre in collaboration with Tech Mahindra. This system provides details of all the personnel which include personal documentation, unit administration, salary, leave, transfer and postings besides various reports and returns.

This application will be used by the Record offices which cater to the PBORs of the Army to upload / download files and will be used by the PAO to upload files from their section (s) to the server. There will be no direct interaction between the two types of users. By default, two users of type system administrators one for the PAO side operations and the other for the Record Office side operations are provided by the system. Provision is made to add a maximum of three more users of type system administrators for each side. However, there is no limit on creation of users of type other than system administrator.

Each system administrator can create such users but will be able to access activities confined to their respective sides i.e. a system administrator of the PAO can create users and handle all activities defined for PAO and similarly a system administrator of the Record Office can create users and handle all activities defined for RO (Record Office). The power to add / revoke activities to such users lies with the respective system administrators.

g) DAKGHAR:

Consequent on implementation of HRMS2 in the units and Record Offices, DOs-II published by the units were transmitted to Record Office online and imported to a software installed in the PAO called Dolphin Dakghar. This system is being implemented in all the units / ROs in a phased manner and is achieving desired performance. As the DOs-II are received in the Record Office online, there is transparency is adjustment and also eliminates delay in adjustment of allowances.

h) PPC

There are two main interfaces with the Ordnance Factories and the Defence Accounts Department. This is the Production, Planning and Coordination (PPC) package and the e-tendering module that has been

implemented by all the 41 Ordnance Factories. The PPC modules was introduced in 1989 on an IBM based platform Informix. The modules in this include administration, database management, inventory maintenance, purchase order planning, payment analysis, costing, etc.

The demand generation in the factories is generated through this PPC package. The disadvantage in this system is that the PPC package is prone to manual intervention. This has led to the maintenance of separate inventory data by the Branch Accounts offices of the Ordnance Factories. However, there is no online vetting of the demands/indents unlike the ILMS. The Branch Accounts office also runs separate wage package, costing package and inventory package modules which are again standalone and not an integrated system.

The e- procurement in OFs introduced in 2007-2008 is a central server based system. This module helps in tender enquiry generation, issuing corrigendum to TEs, bid submission, Comparative statement of bids generation and generation of Supply order.

Learning from the session

- AUDOLS (Audit Online System) is the online internal audit module of the Air Force.
- IMMOLS (Integrated Material Management Online System) is the material management system of the Air Force.
- ARPAN is basically the inter-linkage between the PAOs and the Record Offices through which upload / download of files / documents take place.
- HRMS2 is the software application through which the units transmit the DOs-II to the Record Office and this is imported to the PAOs through the Dakghar application.
- ILMS (Integrated Logistics Management System) for the Navy is an online inventory management system.
- ICMS and SSMS are two other applications which have been implemented by the Navy through which the internal audit is carried out by PCDA (Navy) and its offices.
- PPC package and e-tendering are the two main systems of the Ordnance Factories.

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e-PROCUREMENT IN GoI

- Introduction
- E-Procurement
- Government e-Market

1. Introduction

e-Procurement or electronic procurement refers to the process of purchase and sale of goods or services through electronic methods, primarily the Internet. Government organizations invest a lot of resources in the process of procuring goods, services and raw materials. An e-Procurement solution can automate the whole process, thus saving the organizations from the hassle and irregularities involved in manual procurement. e-Procurement portals are designed for users to register as a buyer or supplier, submit all the relevant documents online and take part in the tendering process that follows.

e-Procurement in the Government of India aims at making government procurement simplified, transparent, and result-oriented. The objectives of e-Procurement are to establish a one stop-shop for all services related to government procurement, to reduce cycle time and cost of procurement, to enhance transparency in government procurement, to enhance efficiency of procurement and to bring about procurement reform across the government. Benefits of an e-Procurement system are reduced costs, transparent spending, increased productivity, eliminating paperwork, increased transaction speed, standardized buying and reduced errors.

2. E-Procurement in GoI

CVC in 2003 issued guidelines making it mandatory to use web-site in all cases where open tender system was being resorted to. In 2004, the CVC further mandated that payments to the vendors would be made on line. In pursuance of CVC guidelines, MoD has laid down that there would be mandatory publishing of RFPs through the e-procurement mode for all procurement cases above Rs.5 lakhs under delegated powers so as to bring about transparency, faster processing and efficiency in the procurement related activities. CPP Portal is the central source of procurement data for all Government of India entities. It has been developed by NIC, in response to the mandate from Department of Expenditure (DoE). It is meant to act as One Stop Shop for all Procurement related activities. It is available at http://eprocure.gov.in.

From 2012, all Government of India bodies are required to publish their tender enquiries, corrigenda thereon and details of bid awards on the CPP Portal using the e-Publishing module. This applies to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-Qualification, Empanelment, Registration or any other notice inviting bids or proposals in any form, issued on or after the dates indicated above, whether they are advertised, issued to limited number of parties or to a single party. For all procurement above Rs.2 lakhs, this portal is to be used.

(a) e-Publishing of tenders: This entails the publishing of all tender enquiries, corrigenda thereto and awards of contracts there on the CPP portal. Under this, the user organisation is required to define two roles for their officials – tender creator who is responsible for filling up and uploading the details of a tender enquiry/corrigenda/award of contract on the CPP portal; tender publisher who is responsible for publishing the tender enquiry/corrigenda/award of contract created by the tender creator on the CPP portal. All the authorised department users from the user organisation can login using a login ID and password assigned to them to operate the e-Publishing module of the CPP portal.

(b) e-Procurement: This covers the complete tendering process, online publishing of tenders, online bid submission, online bid opening, online bid evaluation and publication of award of contract. Thus, the complete tendering process becomes paperless. Users will need to have valid Digital Signature Certificates along with login ID and password.

Bidders are required to register on the CPP portal, using a valid Digital Signature Certificate and valid email address. The bidders will be required to submit their bids online in an encrypted format. There is a prescribed date within which the tenders have to be submitted online by the bidders. The tender opening date both for the technical and commercial bids are also given in the RFP uploaded.

In the two bid system, the technical bid is opened ahead of the commercial bid. The parameters on which the technical competence of the firm will be considered will form part of the RFP. The matrix giving the compliance or otherwise of the firms to these prescribed technical parameters is generated through the e-procurement portal. The physical presence of the vendors is not required in these cases. Upon opening of the technical bid and the generation of the Technical Evaluation committee (TEC), the vendor will be able to view online whether he has technically qualified or otherwise.

The financial bids of the vendors who have technically qualified are opened on the prescribed date. Upon opening of the financial bids, the comparative statement of tenders is generated which will give the basic prices quoted by the vendors along with the taxation for the items. The generation of this matrix will enable faster decision on the L-1 or the lowest bidder on whom the order is to be placed. Once the financial bids are opened, the bids of all vendors can be viewed by all participating vendors for a certain period of time. IFAs/Dy. IFAs participate in the opening of financial bids and preparation of Comparative statement of tenders to arrive at L1. This increases transparency in the process of selection of L1 also obviating the need for the physical presence of vendors at the time of bid opening.

The role of the bid opener is critical and the same should be identified for each tender at the time of publishing of the tender enquiry. The bid evaluator is authorised to upload the results of the various stages of bid evaluation on the CPP portal.

3. Government e-Market

Based on the recommendations of the Group of Secretaries made to the Prime Minister, the Government decided that GeM SPV will create a one stop Government e-Marketplace (GeM) to facilitate

online procurement of common use Goods & Services required by various Government Departments / Organizations / PSUs. GeM aims to enhance transparency, efficiency and speed in public procurement. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users, achieve the best value for their money. Government of India (Allocation of Business) Rules, 1961, vide notification dated 8th December 2017 has made the following entry "32 - Development, operation and maintenance of National Public Procurement Portal—Government e-Marketplace". The purchases through GeM by Government users have been authorized and made mandatory by Ministry of Finance by adding a new Rule No. 149 in the General Financial Rules, 2017.

As owner of the National Public Procurement Portal (section 8 Company registered under the companies Act, 2013), GeM SPV builds, operates and maintains the GeM platform, which provides for procurement of goods and services required by Central & State Government organizations. GeM SPV provides an end-to-end online Marketplace for Central and State Government Ministries / Departments, Central & State Public Undertakings (CPSUs & SPSUs), Autonomous institutions and Local bodies, for procurement of common use goods & services in transparent and efficient manner.

(a) Buyer Registration: The registration process on GeM, is driven by the principles of ease, convenience and minimal data entry. The registration process entails an appropriate authority (Primary user / Verifier) authorizing various users, based on their roles and responsibilities for GeM related transactions. All primary users get authenticated by AADHAR as well as from their verifying authorities, as part of registration process. "Post/Designation" as a concept has now been introduced on GeM, considering the diverse nature of government organization. It would ensure proper access control for various users and also facilitate a smooth transfer/transition across roles and organizations, as and when such a need arises. In GeM 3.0, the same user will be able to play different post/designations and Role as per his/her authority. "One Aadhar/mobile number will not be a constraint for the user to fulfill different roles across different offices/organizations." Buyer Registration module uses the constructs of 'User', 'Post/Designation', 'Role' to create interrelationships, which mirror the real world scenarios. This module incorporates the organization and post based hierarchies to come up with a decentralized system which will be used for on buyer onboarding.

(b) Procurement and Payment: The Government buyer i.e. the concerned Programme Division or Administrative unit will place the Contract/Supply order/Purchase order online after taking prior approval of the Competent authority for procuring a particular good or Service. The contract/supply order should contain the following fields – administrative approval of CFA with designation, IFA concurrence number and date, budget head of account and year, budget availability as on date, amount and if expenditure is committed for more than a year then the year wise details.

The GeM portal will generate a sanction order and the contract agreement/supply order/purchase order which will be digitally/e-signed by the Buyer. These documents duly digitally/e-signed by the Buyer will be made available online to the concerned DDO, OAI, Paying authority and seller. The DDO and PAO/Paying Authority shall have access to the Contract agreement/supply order/Purchase order online in

order to ensure that the bill is generated at the stage of payment in accordance with the contractual provisions.

The GeM portal will send the sanction order details to the respective payment authorities and on issue of sanction order and placing of contract, the amount required from the relevant Budget head gets blocked in the buyer's budget holding. On dispatch of goods, the seller shall prepare an electronic invoice, digitally/e-signed on GeM portal and shall submit the same online to the Buyer. GeM portal will send an SMS/email alert to the Buyer on submission of invoice. This invoice will contain mode of dispatch of goods, despatched/delivered quantity with date and all-inclusive price claimed based on digitally/e-signed contract. The buyer receives the goods/services and issues an online Provisional Receipt Certificate (PRC) within 48 hours on "said to contain basis" on the GeM portal with his/her digital signature mentioning the date of receipt.

On verification of quality and quantity and satisfactory installation of machinery and equipment wherever necessary, the Consignee will issue on-line e-signed Consignee's Receipt and Acceptance Certificate (CRAC) within 10 days of date of receipt indicated in PRC. If the consignee does not issue CRAC within 10 days, on 11th day from the date of receipt indicated in PRC, GeM portal would auto generate unsigned CRAC for corresponding quantity which shall be taken as deemed acceptance for payments in lieu of the requirement of digital CRC. After generation of CRAC, the buyer shall prepare "Payment advice" on GeM portal indicating any contractual deductions such as penalties for violation/Liquidated Damages for delayed supplies etc which will be used by GeM to compute the net amount. This claim for payment shall be made available to the DDO on GeM portal and requisite data will also be pushed online in the Public Financial Management System (PFMS). DDO will log in to PFMS and forward the same to the paying authority after statutory deductions including TDS.

(c) GeM payments in DAD: Phase wise implementation of GeM is underway in the Department. From 18th December, 2017, 6 controllers offices along with CGDA have been mandated to update their payment method and to select a valid CDA code. Bills of Defence users coming under the jurisdiction of these offices will be done online. The CDAs' will release payment based on the CRAC generated by the consignee. The bills for the supply orders will be pulled by the Honey B server installed in HQrs. Office for onward transmission to Tulip servers of the Controller offices.

Learning from the session

- e-Procurement or electronic procurement refers to the process of purchase and sale of goods or services through electronic methods, primarily the Internet.
- CPP Portal is the central source of procurement data for all Government of India entities.
- Government e-Marketplace (GeM) facilitates online procurement of common use Goods & Services required by various Government Departments / Organizations / PSUs with an aim to enhance transparency, efficiency and speed in public procurement.

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GOVERNMENT IT POLICY

- Policy
- Guidelines

1. Introduction:

Information Technology is a key driver of an increasingly knowledge based global economy. A knowledge based economy is now a *sine qua non* for leadership. Given its current global position in the IT and ITES sector, India is well positioned to enhance and leverage its IT capabilities towards this end.

The National Policy on IT focuses on application of technology-enabled approaches to overcome monumental developmental challenges in education, health, skill development, financial inclusion, employment generation, governance etc., to greatly enhance efficiency across the board in the economy. The policy seeks to achieve the twin goals of bringing the full power of ICT within the reach of the whole of India and harnessing the capability and human resources of the whole of India to enable India to emerge as the Global Hub and Destination for IT and ITES Services by 2020. The focus of the IT policy is therefore on deployment of ICT in all sectors of the economy and on providing IT solutions to the world. The Policy aims at attaining these objectives through coordinated action on the part of both the Central and State governments.

2. IT Policy:

Government of India has formulated the "Policy on Use of IT Resources". This document supports the implementation of this policy by providing the best practices related to use of desktop devices, portable devices, external storage media and peripheral devices such as printers and scanners.

3. Desktop Devices:

(I) *Use and Ownership:* Desktops shall normally be used only for transacting government work. Users shall exercise their own good judgment and discretion towards use of desktop devices for personal use to the minimum extent possible.

(ii) *Security and Proprietary Information:*

a) User shall take prior approval from the competent authority of their respective organizations to connect any access device to the Government network.

b) User shall keep their passwords secure and not share their account details. Users shall keep strong and secure passwords as per the password policy available at http://www.deity.gov.in/content/policies guidelines under the caption "Policy of Use of IT Resources".

c) All active desktop computers shall be secured with a password-protected screensaver which should be set with automatic activation at 10 minutes or less, or log-off when the system is unattended.

d) Users shall ensure that updated virus-scanning software is running in all systems. Users shall exercise due caution when opening e-mail attachments received from unknown senders as they may contain viruses, e-mail bombs, or Trojan horse code.

e) User shall report any loss of data or accessories to the competent authority of their respective organization.

f) User shall obtain authorization from the competent authority before taking any Government issued desktop outside the premises of their organization.

g) Users shall properly shut down the systems before leaving the office.

h) In case an organization does not have two networks, as recommended in the Policy on "Use of IT Resources", Classified/ sensitive data shall not be stored on the desktop connected to the internet.

I) Users shall encrypt all sensitive information while storing it on the desktop.

j) By default, all interfaces on the client system shall be disabled and those interfaces that are required are enabled.

k) Booting from removable media shall be disabled.

l) Users shall be given an account with limited privileges on the client systems. User shall not be given administrator privileges.

m) Users shall abide by instructions or procedures as directed by the IA /Nodal agency from time to time.

n) If users suspect that their computer has been infected with a virus (e.g. it might have become erratic or slow in response), it should be reported to the IA/Nodal Agency for corrective action.

o) The Annual Maintenance Contract with service providers should include a clause that Hard Disk should be retained by the Organization, even if it is faulty. While disposing the Hard disk, it should be destroyed so that data cannot be retrieved.

(iii) *Use of software on Desktop systems:*

a. Users shall not copy or install any software on their own on their desktop systems, including privately owned shareware and freeware without the approval of the competent authority.

b. A list of allowed software shall be made available by the IA. Apart from the software mentioned in the list, no other software will be installed on the client systems. Any addition to the list by the respective organizations should be done under intimation to IA.

(iv) *Sharing of data :* Users shall not share their account(s), passwords, security tokens (i.e. smartcard), Personal Identification Numbers (PIN), digital signatures certificate or similar information or devices which is used for identification and authorization purposes.

(v) *Use of network printers and scanners:*

a. User shall use a strong administrator password on the device to help defend against attacks and to prevent re-configuration by an unauthorized user.

b. Where the device supports Access Control Lists (ACLs), the devices shall be configured to block all traffic from outside the Organization's IP range.

c. FTP and telnet server on the printer shall be disabled.
d. User shall disable any protocol or service not required.

3.1 Use of Portable devices: Devices covered under this section include Government issued laptops, mobiles, iPads, tablets, PDAs etc. Use of the devices shall be governed by the following:

a. User shall be held responsible for any unauthorized usage of their Government issued access device by a third party.
b. Users shall keep the Government issued devices with them at all times or store them in a secured location when not in use. User should not leave the devices unattended in public locations (e.g. airport lounges, meeting rooms, restaurants, etc.).
c. User shall ensure that the portable devices are password protected and auto lockout enabled. The password used should be as strong as the device may support and should be as per the password policy available in "Password Policy" at http://www.deity.gov.in/content/policies guidelines under the caption "Policy of Use of IT Resources".
d. User shall ensure that remote wipe feature is enabled on the Government issued device, wherever technically feasible. Users shall not circumvent security features on their devices.
e. The concerned nodal officer of the organization shall ensure that the latest operating system, anti-virus and application patches are available on all the devices, in coordination with the User. Firewalls shall be enabled, if possible.
f. Users shall wipe or securely delete data from the device before returning/ disposing it.
g. Lost, stolen, or misplaced devices shall be immediately reported to the IA/Nodal agency and the competent authority of the organization.
h. Data transmissions from devices to the services on the Government network shall be over an encrypted channel.
i. When installing software, user shall review the application permissions to ensure that unwanted information regarding the user is not shared with the application provider.

4. External Storage Media: Devices covered under this section include Government issued CD/DVD's, USB storage devices etc. Use of these devices shall be governed by the following:

a. Use of external storage media, by default shall not be allowed in the Government network. If the use of external storage is necessary, due approval from the competent authority of that respective organization shall be taken.
b. Blocking access to external storage on a Government issued access devices like desktop/laptop etc. shall be implemented at all organizations within the Government. Users authorized by the competent authority of the organization to use the external storage will be allowed as per the policies configured by the IA/Nodal agency.
c. Users shall use only the media issued by the organization for all official work. The user shall be responsible for the safe custody of devices and contents stored in the devices which are in their possession.

d. Classified data shall be encrypted before transferring to the designated USB device. The decrypting key shall not exist on the same device where encryption data exists.
e. Classified/ sensitive information shall be stored on separate portable media. User shall exercise extreme caution while handling such media.
f. Unused data on USB devices shall be cleaned through multiple pass process (like wipe/eraser software).
g. Users shall not allow USB device belonging to outsiders to be mounted on Government systems.

4.1 Use of External storage media by a visitor:

a. Competent authority shall ensure that process is in place that visitors to an organization shall not be allowed to carry any portable media without permission.
b. If it is necessary to allow the visitor to use a USB memory device for any reason, it shall be used only on designated systems meant for presentation purpose. Under no circumstances the USB device belonging to visitors shall be mounted on systems that are connected and belong to the Government network.

4.2 Authority issuing External storage devices of each organization shall adhere to the following:

a. Competent Authority of an organization shall ensure that process is in place to maintain records for procurement, issue, return, movement and destruction of the storage devices.
b. All obsolete USB devices shall be physically destroyed to avoid misuse.
c. Self-certification for verification of USB devices by individuals at regular intervals of 6 months shall be carried out by issuing authority to ensure that devices issued to them are under their safe custody.

Learning from the session:

- Government of India has formulated the "Policy on Use of IT Resources" document which supports the implementation of this policy by providing the best practices related to use of desktop devices, portable devices, external storage media and peripheral devices such as printers and scanners.

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CYBER SECURITY

- Introduction
- Types of threats
- Systems at risk

1. Introduction:

Computer security, also known as cyber security or IT security, is the protection of computer systems from the theft or damage to the hardware, software or the information on them, as well as from disruption or misdirection of the services they provide. It includes controlling physical access to the hardware, as well as protecting against harm that may come via network access, data and code injection, and due to malpractice by operators, whether intentional, accidental, or due to them being tricked into deviating from secure procedures. The field is of growing importance due to the increasing reliance on computer systems and the Internet in most societies, wireless networks such as Bluetooth and Wi-Fi – and the growth of "smart" devices, including smartphones, televisions and tiny devices as part of the Internet of Things.

2. Types of threats:

To secure a computer system, it is important to understand the attacks that can be made against it, and these threats can typically be classified into one of the categories below:

a) Backdoors: A backdoor in a computer system, a cryptosystem or an algorithm, is any secret method of bypassing normal authentication or security controls. They may exist for a number of reasons, including by original design or from poor configuration.

b) Denial-of-service attack: Denial of service attacks (DoS) are designed to make a machine or network resource unavailable to its intended users. Attackers can deny service to individual victims, such as by deliberately entering a wrong password enough consecutive times to cause the victim account to be locked, or they may overload the capabilities of a machine or network and block all users at once.

c) Direct-access attacks: An unauthorized user gaining physical access to a computer is most likely able to directly copy data from it. They may also compromise security by making operating system modifications, installing software worms, keyloggers, covert listening devices or using wireless mice.

d) Eavesdropping: Eavesdropping is the act of surreptitiously listening to a private conversation, typically between hosts on a network. For instance, programs such as Carnivore and NarusInsight have been used by the FBI and NSA to eavesdrop on the systems of internet service providers.

e) Spoofing: Spoofing, in general, is a fraudulent or malicious practice in which communication is sent from an unknown source disguised as a source known to the receiver. Spoofing is most prevalent in communication mechanisms that lack a high level of security.

f) Tampering: Tampering describes a malicious modification of products. So-called "Evil Maid" attacks and security services planting of surveillance capability into routers are examples.

g) Privilege escalation: Privilege escalation describes a situation where an attacker with some level of restricted access is able to, without authorization, elevate their privileges or access level.

h) Phishing: Phishing is the attempt to acquire sensitive information such as user names, passwords, and credit card details directly from users. Phishing is typically carried out by email spoofing or instant messaging, and it often directs users to enter details at a fake website whose look and feel are almost identical to the legitimate one.

i) Clickjacking: Clickjacking, also known as "UI redress attack" or "User Interface redress attack", is a malicious technique in which an attacker tricks a user into clicking on a button or link on another webpage while the user intended to click on the top level page.

j) Social engineering: Social engineering aims to convince a user to disclose secrets such as passwords, card numbers, etc. by, for example, impersonating a bank, a contractor, or a customer.

3. Systems at Risk:

Computer security is critical in almost any industry which uses computers. Currently, most electronic devices such as computers, laptops and cellphones come with built in firewall security software, but despite this, computers are not 100 percent accurate and dependable to protect our data. There are many different ways of hacking into computers. It can be done through a network system, clicking into unknown links, connecting to unfamiliar Wi-Fi, downloading software and files from unsafe sites, power consumption, electromagnetic radiation waves, and many more. However, computers can be protected through well-built software and hardware.

Government and military computer systems are commonly attacked by activists and foreign powers. Local and regional government infrastructure such as traffic light controls, police and intelligence agency communications, personnel records, student records, and financial systems are also potential targets as they are now all largely computerized. Passports and government ID cards that control access to facilities which use RFID can be vulnerable to cloning.

4. Computer Protection (Counter measures) :

In computer security a counter measure is an action, device, procedure, or technique that reduces a vulnerability, or an attack by eliminating or preventing it, by minimizing the harm it can cause, or by discovering and reporting it so that corrective action can be taken. Some common countermeasures are listed in the following sections:

- ***Security by design:*** Security by design, or alternately secure by design, means that the software has been designed from the ground up to be secure. In this case, security is considered as a main feature.
- ***Security architecture:*** The Open Security Architecture organization defines IT security architecture as "the design artefacts that describe how the security controls (security countermeasures) are positioned, and how they relate to the overall information technology architecture. These controls serve the purpose to maintain the system's quality attributes: confidentiality, integrity, availability, accountability and assurance services".
- ***Security measures:*** A state of computer "security" is the conceptual ideal, attained by the use of the three processes: threat prevention, detection, and response. These processes are based on various policies and system components.

Today, computer security comprises mainly "preventive" measures, like firewalls or an exit procedure. A firewall can be defined as a way of filtering network data between a host or a network and another network, such as the Internet, and can be implemented as software running on the machine, hooking into the network stack (or, in the case of most UNIX-based operating systems such as Linux, built into the operating system kernel) to provide real time filtering and blocking. Another implementation is a so-called "physical firewall", which consists of a separate machine filtering network traffic. Firewalls are common amongst machines that are permanently connected to the Internet.

Cyber security is becoming increasingly important as more information and technology is being made available on cyberspace. There is growing concern among governments that cyberspace will become the next theatre of warfare. This has led to new terms such as cyber warfare and cyber terrorism. More and more critical infrastructure is being controlled via computer programs that, while increasing efficiency, exposes new vulnerabilities.

Some provisions for cyber security have been incorporated into rules framed under the Information Technology Act 2000. The National Cyber Security Policy 2013 is a policy framework by Department of Electronics and Information Technology (DeitY) which aims to protect the public and private infrastructure from cyber-attacks, and safeguard "information, such as personal information (of web users), financial and banking information and sovereign data". The Indian Companies Act 2013 has also introduced cyber law and cyber security obligations on the part of Indian directors.

Learning from the session

- Cyber security or IT security is the protection of computer systems from the theft or damage to the hardware, software or the information on them, as well as from disruption or misdirection of the services they provide.
- Different types of cyber-attacks include backdoors, denial of service attack, direct access attack, eavesdropping, spoofing, tampering, privilege escalation, phishing, clickjacking and social engineering.
- Counter measures include security by design, security architecture and security measures.

MISCELLANEOUS

While knowledge is orderly and cumulative,
information is random and miscellaneous.

-Daniel.J.Boorstin

INTRODUCTION

MISCELLANEOUS

Covered herein are a few important subjects of common interest in a little detail.

सत्यमेव जयते
रक्षा लेखा विभाग
DEFENCE
ACCOUNTS
DEPARTMENT

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IMPORTANT DPM 2009 PROVISIONS

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
1.	Applicability	The principles and procedures contained in this Manual are to be followed by all wings of the Ministry of Defence and the Defence Services, as well as all organizations and units/ establishments there under, for procurement of goods and services, expenditure on account of which is met from the revenue heads of the Defence Services Estimates (DSE) and any other type of purchases to which the provisions are made specifically applicable.	1.2.1
2.	Also applicable to	(a) the Coast Guard Organization and Jammu & Kashmir Light Infantry (JAKLI) for procurement under the revenue heads for which budgetary allocation is made in the Demand for Grant of the Ministry of Defence(Civil); (b) procurement of certain capital items, as notified by the Ministry of Defence from time to time; (c) procurement of medical equipment, both under revenue and capital heads; and (d) purchases made by the Defence Services from grants placed at their disposal by other Ministries / Departments like the Ministry of Home Affairs, Ministry of Environment and Forests, etc.	1.2.2
3.	Conformity of the Manual with other Govt. Orders	The provisions contained in this Manual are in conformity with other Government manuals like the General Financial Rules, Financial Regulations (Defence Services Regulations), as also other instructions issued by the Government and the Central Vigilance Commission from time to time, though changes have been made to meet the specific requirement of Defence Services and other Defence Organisation under MoD without violating the spirit of the rules / regulations / instructions, which form the basis of this Manual. If any instance of variance between the provisions of this Manual and other Government Manuals comes to notice, the matter should be immediately referred to the Ministry of Defence for clarification. In such cases, however, the on-going procurement need not be stopped pending resolution of the issue, if the requirement is operationally urgent or delay is likely to have any adverse implications.	1.5.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
4.	Deviation from procedure	There should Normally be no occasion to deviate from the procedure as sufficient flexibility has been built into the provisions of this Manual. However, if such a need arises, the matter should be referred through the Principal Staff Officer concerned to the JS and Additional Financial Advisor concerned for approval of Secretary (Defence Finance)/FA (DS) and Defence Secretary. Depending on the merit of a case, the matter may also be submitted for approval of the Raksha Mantri (RM). If considered necessary, the designated officer, referred to in paragraph 1.6.1 may be consulted before the matter is submitted to the Secretary (Defence Finance)/FA (DS) to maintain uniformity. In any case, brief particulars of all such deviations should be communicated to the said officer after approval of the Secretary (Defence Finance/FA (DS) and Defence Secretary/RM.	1.7.1
5.	Procurement of scaled items	Where scales of consumption or limits of stores have been laid down, the officer ordering a supply should certify on the purchase order/demands that the prescribed scales or limits are not exceeded.	2.2.2
6.	Capital Procurement	Prescribes the definition of Capital Procurement. Rule 90 and 91 (a) of GFR 2005 and procedure for capital procurement laid down in DPP 2008 is relevant.	2.4.1
7.	Revenue Procurement	Prescribes the definition of Revenue Procurement. Rule 91 of GFR 2005 and Chapter 1 of DPM 2009 is relevant.	2.4.2
8.	Government policy to encourage indigenization	States that States policy of the Government is to encourage indigenization particularly in the field of Defence to achieve self reliance. Hence indigenous firms should be given support to produce and supply quality goods conforming to specification. Proper laid down criteria for all taxes, duties and other expenses involved in procurement of items need to be applied to provide level playing field to the indigenous manufacturers. It also lays down conditions when procurement of goods of foreign origin from indigenous firms will not be treated as import .	2.4.4
9.	Intimation about LP of Centrally Provisioned Stores	Whenever LP is made due to non-availability of stores through central provisioning agency, intimation regarding such purchases should immediately be sent to the central provisioning agency so that the latter could take the quantities procured through LP into account	2.4.7

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
10.	Procurements from Ordnance Factories and Defence PSUs	Where they have set up the facilities for manufacture, overhaul or repairs exclusively for the Defence Services under TOT or through design and development (including procurement against PR for scaled items), such procurements will not be treated as STF/PAC procurements.	2.4.8
11.	Purchases through LP Committee	Purchase of goods costing above Rs. 15,000/-and upto Rs. 1,00,000/- on each occasion may be made on the recommendations of a duly constituted LP Committee consisting of three numbers of an appropriate level as decided by the CFA. The committee will be required to carry out market survey to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier and endorse necessary joint certificate to the effect.	2.4.10
12.	Obtaining of Quotations by Local Purchase (LP) Committee	The Competent Financial Authority may direct the local purchase committee responsible for carrying out the market survey to obtain quotations as apart of the market survey. Where no such direction has been given, it would be up to the purchase committee to decide whether or not to obtain quotations as a part of documentation of market survey. In either case, however, details of the market survey (suppliers contacted and the rates quoted by them) would be recorded by the local purchase committee.	2.4.11
13.	Purchase of Goods directly under Rate Contract	Where orders are placed directly on supplier for items on DGS&D Rate Contract, in case of drugs, consumables, FOL, hygiene chemicals etc inspection may be done by DGQA/NABL, but any costs incurred thereon should be borne by the suppliers.	2.4.12
14.	Non-applicability of provisions of DPM 2009 to Exercise of Emergency	Provisions of DPM 2009 are not applicable where procurements are made under delegated financial powers of certain specified authorities exercisable by them without IFA's concurrence during period preparatory to war, hostilities, special operations, natural calamities and .disasters. This provision will however, be invoked only on notification of the aforesaid eventualities by the Government.	2.4.13
15.	Cash and Carry procurement	Cash and Carry procurement is resorted to in case of extreme emergency or when the supplier is not willing to supply the required item on credit.	2.4.14

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
16.	Product Reservation for KVIC	All items of hand spun and hand-woven textiles (khadi goods) are reserved for purchase from KVlC and/or the notified hand loom units of ACASH. Form DPM-4 gives details of such items	2.5.1
17.	Items purchased from MSMEs	Some items are reserved for purchase from registered Micro, Small and Medium Enterprises (MSMEs). A list of 358 such items is given in form DPM-1.	2.5.2
18.	Purchase Preference for Products of Pharma Central Public Sector Enterprises (CPSEs) and their subsidiaries	Govt of India Dept of Chemicals & Petrochemicals has notified the Purchase Preference Policy for products of Central Pharma CPSEs ad their subsidiaries in respect of 102 medicines. Details are given in Form DPM-2 along with the list of medicines.	2.5.3
19.	Time Limit for Procurement and Accountability	Every individual in the chain of procurement process is accountable for taking action in a specified time period so that the requirement of defence departments is met on time.	2.6.1
20.	Identification of suitable Suppliers	The selection, registration, performance, appraisal and classification of firms must be clearly spelt out and properly disseminated.	3.1.1
21.	Registration of Agencies at Command Level	Apart from central procurement agencies at the Service Headquarters, firms should also be registered by the Command Headquarters, Depots, Workshops, Naval Dockyards etc	3.2.2
22.	Registration of Firms at Unit Level for LP	It would not be necessary to register the firms at the unit level for carrying out LP. However, reputation, capacity and credibility must be ascertained before obtaining quotations from or placing SOs on a particular firm	3.2.3
23.	Credentials of firms	The credential of the firms, their manufacturing and quality control facilities, the business ethics and their market standing should be thoroughly scrutinized before registering them as a approved source of supply.	3.2.4
24.	Inter-Services and Inter-Departmental Acceptability of Registration	A firm registered with any department of the Ministry of Defence, the Services or OFB or the Inter-services organizations, may be considered as a registered firm for procurement by other Departments of the ministry or the other services, for the same range of products/goods/services for which the firm is registered with any of the aforesaid organizations.	3.2.5

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
25.	Performance of Vendor	Performance of vendor must be reviewed by the procurement agency periodically. The performance criteria would be quality, delivery, price, response and product support.	3.3.1
26.	Common-use items	There are a large number of items in use by the defence departments and defence services, which are common-use items, freely available in the open market. As in the case of ad hoc specifications, specifications of common use items should also be broad enough to permit wider participation by the suppliers and should not be restrictive so that it does not pre-empt adequate competition.	3.6.1 (h)
27.	Limited Tender Enquiry (LTE) (Indigenous)	This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty-five lakhs. Normally, the number of supplier firms in Limited Tender Enquiry should be more than three. However, Limited Tender Enquiry may be resorted to also when there are only two or three known sources of supply.	4.3.1
28.	Limited Tender Enquiry in special circumstances (Indigenous)	Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty five lakhs, in the following circumstances, subject to approval by the CFA and in consultation with the IFA, where required as per delegation of financial powers: (a) The Indentor certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The nature of the urgency and reasons why the procurement could not be anticipated should also be placed on record. (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry. (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote. (d) The nature of item to be procured is such that pre-verification of the competence of the firms and their registration is essential.	4.3.2

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
29.	Single Tender Enquiry (STE) (Indigenous)	Procurement from a single source may be resorted to with the prior approval of the CFA and in consultation with the IFA, where required as per delegation of financial powers for reasons to be recorded in writing in the following circumstances,after determining reasonableness of the rates: (a) In a case of emergency/urgency, the required goods are necessarily to be purchased from a particular source. (b) On account of any other operational or technical requirement, which should, however, be clearly recorded.	4.4.1
30.	Advertised/ Open Tender Enquiry (OTE) (Indigenous)	The Open Tendering system should be the preferred mode for procurement of common use items of generic or commercial specifications which are readily available off-the-shelf (OTS) in the market from a wide range of sources/vendors. It must be adopted in all such cases in which the estimated value of the tender is more than Rs twenty five lakhs, subject to the exceptions as provided for in this Chapter.	4.2.1
31.	Global Tender Enquiry (GTE)	Where it is felt that the goods/services of the required quality, specifications, etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad,copies of the tender enquiry may be sent to the Indian embassies abroad as well as the foreign embassies in India. The selection of embassies would depend on the possibility of availability of the required goods/services in such countries. The tender enquiries may also be sent through the Defence Attachés wherever they are posted in the Embassies and High Commissions.	4.2.2
32.	Time to be given for submission of bids in LTE	Normally one to three weeks should be allowed for submission of bids in LTE.	4.3.4
33.	Validity of PAC	PAC once issued will be valid for two years from the date of issue unless cancelled earlier by the CFA. PAC procurement covers propriety product of manufacturing firm (OEMs) as well as repairs and servicing of through the sole dealers/agency, as authorized by the OEM, if the main equipment was purchased on the basis of PAC from such OEMs	4.5.1 and 4.5.2

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
34.	Two-bid System	For purchasing high value plant, machinery equipment, IT and communication systems and for turnkey projects, etc., which are of a complex and technical nature or for procurement of items which have indeterminable parameters, such as shade, tone, make-up, feel, finish and workmanship, etc., bids should normally be obtained in two parts as follows: (a) Technical bid consisting of all technical details along with commercial terms and conditions; (b) Financial bid (commercial bid) indicating item-wise price for the items mentioned in the technical bid and all other commercial terms and conditions.	4.6.2
35.	Cost of Tender/EMD	Lays down Cost of Tender and Bid Security/Earnest Money Deposit	4.7
36.	Bid Security	Bid security need not be asked for if the value of the tender is Rs. two Iakhs or less.	4.7.7
37.	Extension of Tender Opening Date	In those cases where extension of tender opening date does not become necessary due to change in RFP (due to change in QRs etc.) but on request of vendors extension upto 2 months may be accorded by CFA without consulting IFA even where CFA's power are exercisable with financial concurrence. For any further extension the IFA is to be consulted where mandated under delegation of powers. Such extension should however not exceed total delivery period in RFP. Any further extension would require approval of next higher CFA.	4.10.2
38.	Mandate of the TEC on Commercial Aspects	Though TEC is not authorised to discuss commercial aspects of a case, it should prepare a compliance statement in respect of commercial terms and conditions e.g. EMD, warranty, etc that are included in technical bid as per the RFP.	4.12.7
39.	Association of IFA with TEC Report	CFA may, if considered necessary, evolve a system of associating the IFA or his rep in examination of the TEC report in regard to compliance with commercial terms and conditions before opening of the price bid.	4.12.8
40.	Chairman of CNC	The CNC may be headed by an officer one rank below that of the CFA	4.13.5
41.	Resultant Single Vendor	A single acceptable quote against LTE or OTE may be accepted subject to verification of the conditions at (a) and (b) below and	4.15.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		examination of feasibility of (c) & (d) below. (a) Whether all necessary requirements such as standard tender enquiry conditions, industry-friendly specifications, wide publicity, and sufficient time for formulation of tenders had been taken care of while issuing the RFP. (b) Whether RFP had been properly despatched and duly received by the prospective bidders to whom these were sent (c) Whether the SQRs, particularly in the LTE cases,could be reformulated and made I1lore broad based to generate wider competition. (d) Whether time and criticality of requirement permits reformulation of the SQRs.	
42.	Instructions to bidders	Lays down instructions to bidders. Contains important instructions. Also lays down requirement of substantially responsive bid and essential and desirable parameters.	4.20.1 (a) to (i)
43.	Eligibility of Firms	A firm registered with any procurement/registering authority for the manufacture/supply of tendered goods/services would be eligible to bid.	4.20.1 (a)
44.	Quotations to be submitted under original memos	Bids should be forwarded by vendors under their original memo/ Ietter pad inter alia. furnishing TIN No,VAT/CST No,.Bank Address with EFT Account No. and the complete postal and e-mail address of the firm.	4.20.1 (c)
45.	Bid Validity	A bid valid for shorter period can be rejected by the purchaser as being non-responsive.	4.20.1.(e)
46.	Late Bid	In case of limited/advertised tender, bids received after the specified date and time should not be considered and returned unopened to the bidder	4.20.1 (f)
47.	Preliminary Examination, Discrepancy in total price and Trivial Errors	Instruction to Purchase Officers: (a) Purchaser shall evaluate the bids to determine - whether they are complete - whether any computational errors have been made - whether required sureties have been furnished	4.21.1 (a) to (c)

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		- whether essential documents such as the technical literature and Agency Agreement in the case of medical stores, etc., as specified in the RFP have been furnished; - whether the bid documents have been properly signed; and, - whether the bids are generally in order. (b) Discrepancy in quoted price: - If there is a discrepancy between unit price and the total price, the unit price shall prevail. - If there is a discrepancy between words and figures, the amount in words shall prevail. - If a supplier does not accept the correction of the errors, his bid should be rejected and the bid security may be forfeited. (c) Trivial errors such as omission to (i) enter the rates in words (ii) initial any alteration in rates or (iii) sign both the tender and the schedules may be corrected, initialled and dated both by the officers opening the tenders and signed and dated subsequently by the tenderer.	
48.	Processing of Procurement Proposals	Processing of Procurement Proposals All procurement proposals including PR (Provision Review) should be initiated in the form of Statement of case (SoC) as per format given in Appendix 'B' to DPM – 2009. A simplified SoC may be prepared in case of small value local procurements up to Rs. 5 Lakhs. However, it should contain all essential details relevant for taking purchase decision.	5.2.1
49.	Costing of Procurement Proposals	The level of approval by the CFA would depend on the entire cost of proposal inclusive of all taxes. levies and other charges.	5.2.2
50.	Ex-post facto financial concurrence	Where prior concurrence of IFA is not obtained. there is no provision for obtaining ex-post facto financial concurrence. Such cases would be treated as breach of rules and got regularised by next higher CFA in consultation with his IFA.	5.2.7

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
51.	AON for items included in Annual Procurement	Wherever Annual Procurement Plans are prepared in consultation with Integrated Finance, necessity for purchase of that item would deem to have been accepted. No separate concurrence for AON would be required for purchase of that item from the IFA but IFA would be consulted for vetting of quantities. mode of tendering, identification of vendors in case of LTE/STE/PAC and vetting of draft RFP.	5.3.4
52.	Vetting of quantity by IFA	IFA is supposed to vet the quantity indented and for ensuring that there is no in-fructuous provisioning, the IFA must have access to all inputs required to assess the basis of projection of indented quantity.	5.4.1
53.	Combining various stages of Processing	It is not necessary that a proposal should be processed sequentially for AON, Quantity Vetting, financial concurrence, etc. A proposal, when initiated, should be complete in all respects so that all the aspects relating to AON, quantity vetting, costing, vetting of NIT/RFP, etc., could be examined simultaneously by the IFA, where required as per the delegation of financial powers. Various stages of processing may generally be combined in case of local purchase	5.5.1
54.	Need for ensuring propriety of Procurement Process	All government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows: (I) the text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia: (a) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.; (b) eligibility criteria for goods, indicating any legal restrictions or conditions about the origin of goods	5.6.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		etc which may be required to be met by the successful bidder; (c) the procedure as well as date, time and place for sending the bids; (d) date, time and place of opening of the bid; (e) terms of delivery; (f) special terms affecting performance, if any. (ii) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid. (iii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document. (iv) The bidding document should indicate clearly that the resultant (v) The bidders should be given reasonable time to send their bids. (vi) The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening. (vii) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders,the specification should be broad based to the extent feasible. Efforts should also be made to use standard specifications which are widely known to the industry.	
55.	Accountability	The decentralization of decision making mechanism and delegation of financial powers are aimed at facilitating faster decision making and obtaining best value for money. However, the delegation of powers also implies 'authority with accountability'. The CFA approving the expenditure must ensure financial propriety and probity, transparency and fair play as well as optimum utilization of resources. The designated CFA and all members of committee CFA are accountable for all	5.7.3

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		decisions taken by them while approving any measure involving Government funds. This accountability is unconditional and absolute.	
56.	Need for Expeditious Processing	It is imperative that the procurement process is fully responsive to the need of the Defence Services and other Departments and facilitates expeditious procurement so that requirements are met on time. It is, therefore, essential that all prescribed activities are undertaken expeditiously and advice rendered within a specified time frame.	5.8.1
57.	Time Frame	The time frame as given in Appendix 'A' (as appended at the end of this Section) is suggested for all activities in the procurement process to ensure that the bids are finalized within validity period. In case, the prescribed time frame cannot be adhered to in any specific case, suitable extension of the validity of bids should invariably be asked for well in time.	5.8.2
58.	Signing of Contracts	**(A) Signing of Defence Contracts:-** All Defence Contracts are in the name and on behalf of the President of India A contract after approval by the CFA may be signed by a staff officer, duly authorised by the CFA in writing. The specimen signatures of such staff officer would be sent to all concerned. including the paying and inspecting authorities. As for the contractor, the person signing the contract is deemed to have been authorized by the supplier. **(B) Acceptance of Defence Contracts:-** Any contract, when not signed by both parties, namely the purchaser and the supplier, is deemed to come into force with the acceptance of the tender as per mutually agreed terms and conditions contained in the RFP and the firm's offer. However, in the case of supply orders, the firm should check the supply order and convey acceptance of the same within seven days of receipt of the supply order. If such an acceptance or communication conveying their objection to certain parts of the contract is not received within the stipulated period, the supply order is deemed to have been fully accepted by the firm. In case of foreign contract, normally both parties sign the document thus conveying their acceptance of the contract.	6.9.1 and 6.9.2

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
59.	Consultation with IFA for Amendments to Contracts	An amendment to contracts which have financial implications, including short closing and DP extensions (with or without LD) should be approved by the CFA in consultation with the IFA where the original contract was concluded with the concurrence of IFA.	6.11.7
60.	Amendments of Minor Nature	Amendments of minor nature concerning Drawing No, Part Nos, etc having no financial implication, may be approved by an authority one step below the contract approving authority, if such authority is specifically authorised by the CFA.	6.11.8
61.	Special Conditions of Contract	Special conditions of contract are supplementary conditions applicable to a specific tender and contract. Such conditions become essential particularly in cases of contract for supply of services or even equipment. Special conditions of contract are given in Part–IV of Appendix C, D, & E, which can be included on case-to-case basis. In addition, there may be a need to stipulate conditions like stage inspection, acceptance trials, installation, setting to work, and commissioning or pre-defined stages of payment for services. Such conditions should be decided while processing the proposal for CFA's approval and mentioned in the Request for Proposal (RFP) as well as the contract/supply order.	6.11.7
62.	Performance Security	Performance Bank Guarantee (PBG) has to be preferably payable by the supplier @5%-10% of the contract value. Apart from public sector banks, PBG could be got issued by only three-authorised private sector banks i.e. ICICI Bank, Axis Bank and HDFC Bank. PBG may not be taken in small value purchases up to Rs. 2 Lakhs.	7.7.1
63.	Maximum period of extension of DP	Extensions of DP should be given in such a way that original DP plus extension does not exceed twice the original DP. Extension beyond this period would require sanction of next higher Service / Administrative Authorities /CFA in Chain of Command.	7.9.5
64.	Quantum of LD	Total LD should not exceed value of 10% of total value of goods / services delayed beyond expected date of delivery / completion.	7.10.2
65.	Consequential Damages	Consequential damage is imposed over and above LD in case of time critical Turn-key Projects. Where considered absolutely necessary. this clause may be included in the RFP and in the Contract	7.10.5

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
66.	Force Majeure	Wherever considered absolutely necessary, this clause may be included in the RFP and in the contract. Refer to Appendix 'C', Part-IV (12) for the standard format of the Force Majeure Clause.	7.12.1 and 10.9
67.	Repeat Order and Option Clause	These clauses should not be routinely included in the RFP as they have an impact on prices. Either or both these clauses may be included in the RFP where consumption pattern is not predictable. Ceiling of 50% of the originally contracted quantity should not be exceeded whether either or both these clauses are invoked. They can be exercised more than once subject to limit of 50% of original quantity.	7.13.1
68.	Conditions Governing Repeat Order	Clause 7.13.5 of DPM 2009 lays down the conditions to be fulfilled for placing Repeat Orders	7.13.5
69.	Option Clause	Under this clause, the Purchaser retains the right to place orders for additional quantity up to a maximum of 50% of the originally contracted quantity at the same rate and terms of the contract. Such an option is available during the original period of contract provided this clause had been incorporated in the original contract with the supplier. Option quantity during extended DP is to be limited to 50% of balance quantity after original Delivery Period. This clause may be exercised in case of procurement from single vendor/OEM also subject to there being no downward trend in prices. However, in multi vendor contracts, great care should be exercised before operating the option clause.	7.13.2
70.	Conditions Governing Option Clause	Clause 7.13.3 of DPM 2009 lays down the conditions to be fulfilled for exercising Option Clause.	7.13.3
71.	Risk and Expense Purchase	Risk and Expense Purchase clause may be included in the RFP and the contract, if considered necessary. Risk and Expense purchase is undertaken by the purchaser in the event of the supplier failing to honour the contracted obligations within the stipulated period and where extension of delivery period is not	7.14.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		approved. While initiating risk purchase at the cost and expense of the supplier, the purchaser must satisfy himself that the supplier has failed to deliver and has been given adequate and proper notice to discharge his obligations. Whenever risk purchase is resorted to, the supplier is liable to pay the additional amount spent by the Government, if any, in procuring the said contracted goods/ services through a fresh contract, i.e. the defaulting supplier has to bear the excess cost incurred as compared with the amount contracted with him. Factors like method of recovering such amount should also be considered while taking a decision to invoke the provision for risk purchase. A Standard Risk & Expense Purchase clause is given in Part-IV of Appendix C.	
72.	Risk and Expense Clause not mandatory	As it may not be feasible to enforce recovery without legal action, this clause is not practical. Where item is proprietary or there is no possibility of procuring the same item from an alternative source, instead of R&E clause, the contract should have performance guarantee clause.	7.14.2
73.	Fall Clause	In cases where contracts have to be concluded with the firms whose RC with DGS&D or other central procurement agencies has expired and renewal of RC has not taken place, a 'fall clause' should be incorporated in the SO/contract that if RC is concluded at lower rates during the currency of the contract, lower rates of RC will apply.	7.18.1
74.	Parallel Rate Contracts	ParalIel RCs may be concluded with marginal price difference say up to. 5%. In such cases, approval of next higher CFA is mandatory.	8.6.1
75.	Performance Security in Rate Contracts	Depending upon the anticipated overall drawl against a RC and also, anticipated number of parallel RCs to be issued for an item., the authority concluding the RC may obtain performance security of reasonable amount norm RC holders. Performance security shall, however, not be demanded in the SOs issued against RCs.	8.7.3

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
76.	Renewal and Extension of Rate Contracts	In case RCs are not renewed timely, extension of RCs upto a maximum of 3 months may be done. If any of the RC holding firms does not agree for extension, they are not to be considered for renewal and extension.	8.8.1
77.	Global Tender Enquiry (GTE)	Global tendering, which is essentially the same as Advertised/Open tendering, is to be resorted for items of foreign origin, where competition from more than one source from different countries is envisaged. Apart from publishing the tenders in newspapers and journals, copies of the global tender documents should be sent to respective Indian Embassies and High Commissions to seek offers through their liaison. The RFP should also be posted on the Defence web site and that of the organization so that it could be downloaded by the prospective bidders for participating in the tender process. In cases of procurement of highly sensitive nature, which has national security implications, the tender documents are not to be posted on the web site. In such cases, specific reasons for not putting the RFP on the web site should be recorded while seeking CFA's approval for the procurement proposal.	9.5.2
78.	Limited Tender Enquiry (LTE) (Foreign Procurement)	In all cases of foreign procurement, where the indentor has not furnished a PAC, Limited Tender Enquiry (LTE) should be the preferred mode of tendering as procurement is to be done from OEMs or authorized stockists only. LTE should be sent to as many registered/known suppliers as possible, but normally the number of firms should not be less than six unless the available sources are limited and less than six.	9.5.3
79.	Single Tender Enquiry without PAC (Foreign Procurement)	Single Tender Enquiry without PAC may be adopted in the following circumstances: (a) Where different makes of any equipment are in use but it is preferred to procure only one specific make because of emergency/urgency of requirement, (b) For undertaking trials, (c) When there is only one known/established source, but the PAC status has not been approved by the CFA or (d) When there are operational or technical reasons for doing so, which should, however, be recorded.	9.5.4

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
80.	Delivery Schedule (Foreign Procurement)	The prescribed delivery schedule should be firm and not open-ended. Normally the delivery schedule should be fixed in such a manner that it is completed within ninety to one hundred and eighty days of the signing of contract, unless the circumstances warrant a longer delivery schedule. A staggered delivery schedule may be laid down, if necessary. It should be clearly mentioned in the RFP that the delivery schedule shall be counted from the date of signing of the contract by both the parties and include a reasonable time (which should also be specified) for the supplier to affect the supplies and then claim the payment. The date of delivery of the goods will be the date of Freight Forwarder's receipt, Master AWB or Bill of Lading as applicable. As per the mode of payment, the normal delivery schedule for spares procurement should be indicated in the RFP	9.7.11
81.	Mode of Payment (Foreign Procurement)	The normal mode of payment to foreign vendors is through irrevocable Letters of Credit or Direct Bank Transfer (DBT). The paying authority is the organization of the Principal Controller/Controller concerned. For contracts below USD 1,00,000.00, it should be specified in the RFP that the payment would be made through DBT. The format for Letter of Credit is given in Form DPM-12.	9.7.12
82.	Comparative Statement of Tenders (Foreign Procurement)	On receipt of all accepted tenders, the purchase cell should collate them in the form of a Comparative Statement of Tenders (CST). The CST should be exhaustive and must include all details given in the quotations. Deviation from the tender documents is to be brought out in the CST. Last Purchase Price (LPP), wherever available, should be indicated for a fair comparison of the offered prices. CST should be vetted by the IFA with reference to original quotations, indents and other supporting documents, where financial powers are to be exercised with the concurrence of integrated finance. The purchase officer should sign the CST.	9.8.4
83.	Obtaining best offer through fax (foreign procurement)	In case of foreign firms, which do not have their regional offices in India, it may not be possible for their representatives to come for CNC meetings except for high value items. In such cases, CNC/CFA may obtain the best revised offer with all terms clarified from the lowest bidder through fax before finalizing the price.	9.9.2

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
84.	Action by the CNC (foreign	CNC recommendation is to be clear and unambiguous. A counter offer may be made to the L1 firm only by the CNC. In case the CNC/CFA is unable to conclude the negotiations satisfactorily, it may refer the case to the next higher CFA for conducting negotiations. The minutes of all CNC meetings should be meticulously maintained and signed by all members.	9.9.3
85.	Determination of L1	Deals with Determination of L-1 on entire package.	9.9.6
86.	Preparation of Indents (Repair Contracts)	The repair indent, to be sent by the Indentor to the Procuring Agency, should clearly specify the type of equipment, Quantity, type of repairs, history of previous major repair, name of the manufacturer, Total Technical Life (TTL), assessed cost of the repair etc,. The amount should preferably be assessed or, if such assessment is not feasible, obtained through a non-obligatory budgetary quote from all the possible sources, including the OEM.	11.2.1
87.	Selection of Vendor (Repair Contracts)	The repair should be carried out by the original equipment manufacturer only. In case the original equipment manufacturer expresses inability to undertake the repairs, any agency authorized by the OEM may be approached. In the event of the OEM expressing difficulty to undertake repairs and there being no OEM authorized agency to undertake repairs, other possible sources may be approached. The contractor has to be made accountable for the performance of the equipments. There should be suitable PBG and Warranty Guarantee provisions in the contract. In the case of Local Repair Contracts the repairs may be got done directly through trade, if considered feasible, within the delegated powers of the CFAs.	11.2.2
88.	Costing of Procurement Proposal	Chapter 13 of DPM 2009 deals with evaluation of quotations and price reasonability.	13.1.1 to 13.8.6
89.	Medical Equipments-evaluating financial implication of offers	In case of medical equipment where five year warranty / guarantee is provided for, firms may be asked to quote comprehensive AMC rates for five years on expiry of warranty/guarantee and these should be loaded in CST and taken into consideration while deciding the LJ vendor. However, the evaluation criterion would be clearly indicated in the RFP in such cases.	13.3.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
90.	Determining CIF cost	When the quotation of foreign vendors are also to be compared with the quotation of indigenous suppliers, CIF cost of foreign supplier is to be taken into account	13.3.3
91.	Comparative Statement of Tenders	On receipt of all accepted tenders, the Procuring Agency should collate them in the form of a Comparative Statement of Tenders (CST). The prices quoted in foreign currencies should be converted into INR indicated in the CST. The rate of conversion of foreign currency into INR prevailing on the date of opening of the price bid may be taken into account for converting the quoted price into INR. The rate can be obtained from SBI Parliament Street, New Delhi. The CST should be exhaustive and it must include all details given in the quotations. Any deviation from the tender documents is to be brought out in the CST. LPP, wherever available, should be indicated in the CST for a fair comparison of the offered prices. The purchase officer should sign the CST and it should be vetted and countersigned by the IFA/IFA's representative with regard to original quotations, indents and other supporting documents, where financial powers are to be exercised with the concurrence of integrated finance.	13.3.4
92.	Negotiations	Negotiation can be held only with LI in exceptional situations that include procurement of proprietary items, quotation of a rate considered to be unreasonable with respect to assessed rates, items with limited source of supply and items where there is suspicion of cartel formation.	13.3.6
93.	Bench Marking	Before scheduled negotiation, (wherever considered necessary), it would be advisable to work out the estimated reasonable rate or the benchmark, to judge acceptability of the L1 offer based on available information. The approach to be adopted for assessing reasonability in different contingencies is given below.	13.3.7
94.	Reasonability of Prices	In the case of competitive tendering where two or more vendors are competing independently to secure a contract, the competitive bids form the basis for determining reasonableness of prices. Database maintained on cost, based on concluded contracts, price of the product available through market, etc. should also be used to assess reasonableness of the price offered.	13.4.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		(a) Evaluation of tenders is to be made on the basis of the ultimate cost to the user. (b) As a general principle, no offer involving any uncertain or indefinite liability or any condition of unusual character should be considered. (c) The reasonableness of the price proposed has to be established by taking into account the competition observed from the response of the trade to the enquiry, last purchase price, estimated value as given in the indent, database maintained on costs based on the past contracts entered into, market price, wherever available and changes in the indices of various raw materials, electricity, whole sale price index, and statutory changes in wages, rates etc. (d) For procurement of spare parts, consumables and small value contracts which are supplied in the past, the price reasonableness can be determined after comparing with last purchase price and factoring in changes in price indices published by the Government sources. (e) The reasonableness of price may also be examined by resorting to Cost Analysis in situations where there is a wide variance over the LPP, not explained by corresponding changes in indices. (f) Effort should be made to check cost break up details as per format of cost-analysis given in Form DPM-25, to the extent possible.	
95.	LPP	Last Purchase Price as a determinant of reasonable price: LPP is one of the relevant factors in deciding price reasonableness. However, following needs to be considered while comparing the quoted rates with the LPP: a) LPP of more than three years vintage is not a real scale for comparison. However, such LPP could be used as an input for assessing the rates by adding yearly escalation, if considered necessary. The rate of escalation may differ from case to case depending on the type of goods being procured. This escalation	13.5.1

IMPORTANT DPM 2009 PROVISIONS			
Sl. No	Procurement issues– reg.	Provisions under DPM 2009	Reference to DPM Paras
		factor should be carefully worked out on the basis of data of past purchases of the same/similar items or as per the Pricing Policy Agreements, if any. The escalation factor should be worked out by Procuring Agencies of the Services after mutual consultation so that different escalation factors are not applied by different Procuring Agencies for the same/ similar items and in respect of the same source or should be worked out as per pricing policy where such pricing IGA is in place. (b) LPP should pertain to a past successfully executed order of similar magnitude and scope of supply. (c) Factors like basket price and bulk discount offered need to be taken in to account while using LPP as a scale for comparing prices. (d) Price variation clause, if any, and the final cost paid by the user in respect of last purchase to which LPP pertains needs to be considered. (e) Factors like items supplied against LPP being of current production or ex-stock supply need to be taken into account. (f) Market conditions and other factors like re-starting production lines due to obsolescence may also have to be considered. (g) Where no other option to assess reasonable rate is feasible, LPP of by seller – 45 days more than three year vintage may also be taken into account but such situations should be rare.	
96.	When is the DCF to be used	The DCF method may be used to facilitate determination of L1 in the following procurement situations:¬ (a) To compare different payment terms of the vendors to a common denomination for determining L1status. (b) To deal with the cases where entering into AMC over a period of 10 to 11 years is a part of the contract for evaluating L1 status.	13.6.6

TIME FRAME FOR PROCUREMENT
[UNDER SINGLE AND TWO-BID SYSTEM]

RECEIPT OF INDENT			
Sr. No.	Activity	Under	
		Single Bid	Two-Bid
1	Vetting and Registration of Indent	1 week	1 week
2	Vendor Selection and Preparation of RFP	1 week	1 week
3	IFA's concurrence, CFA's approval and floating of RFP	2 weeks	2 weeks
PROCUREMENT ACTION			
4	Time allowed for submission of offers	1 to 3 weeks*	1 to 3 weeks*
5	Opening of Technical Bid and Technical Evaluation by TEC	NA	3 weeks
5A	Opening of Commercial Bids, Preparation of CST and vetting etc	2 weeks	2 weeks
6	Submission and proposal for procurement or making counter offer or for holding negotiations with the concurrence of the IFA and approval and proposal by the CFA	2 weeks	2 weeks
6A	Preparation of brief for the CNC, issuing notice for the CNC and actual conduct of CNC meetings	4 weeks	4 weeks
7	Preparation of the Minutes of the CNC Meeting and obtaining of signatures of the Members/Chairman of the CNC	1 week	1 week
8	IFA's concurrence and CFA's approval of the purchase proposal	2 weeks	2 weeks
9	Preparation and Despatch of the Supply Order/ signing of the Contract	1 week	1 week
	Total	17 to 19 weeks	20 to 23 weeks

* This may vary as per requirement. Refer chapter 4 of DPM 2009

A BRIEF OF APPENDICES AND FORMS TO DPM 2009

DPM 2009 has standardized formats to be adhered to for initiating and finalizing Procurement Proposals by Ministry of Defence and has insisted in adhering to the same. A brief of the same is given in the following statements:-

	APPENDICES
Appendix	**Particulars**
A	Time Frame for Procurement – Under Single and Two-Bid Systems
B	Format for the Statement of Case (SOC) Annexure A- Format for Quantity and Cost of Proposal Annexure B- Format regarding Certificate of Availability of Funds
C	Subsidiary Instructions to Buyer for framing Request for Proposal (RFP) Part I- General Information Part II- Essential details of items/services required Part III- Standard Conditions of RFP Part IV- Special Conditions of RFP Part V- Evaluation Criteria and Price Bid Issues
D	Subsidiary Instructions to Buyer for framing Supply Order Supply Order Format Part I- Supply Order - Preamble Part II- Essential details of items/services supply ordered Part III- Standard Conditions of Supply Order Part IV- Special Conditions of Supply Order Part V- Other details
E	Subsidiary Instructions to Buyer for framing Contract Part I- Contract Format - Preamble Part II- Essential details of items/services contract

Contd...

	Part III- Standard Conditions of Contract (SCOC) Part IV- Special Conditions of Contract Part V- Other details
F	Draft Supply Order against Rate Contract
G	Request for Proposal (RFP) Enclosure I- RFP for Offloading of Partial/Complete Refits/Repairs of Ships/Submarines/Crafts/Assets to Indian PSU/Private Shipyards/Trains Enclosure II- Schedule of Requirements (SOR) Enclosure III- Standard Condition of Contract (SCOC)-As per Appendix 'H'- Page 299 to 320 of DPM 2009 Enclosure IV- Guidelines for preparation of Technical Bid Enclosure V- Guidelines for preparation of Commercial Bid and sample format for commercial bid Enclosure VI- Summary Sheet for Costing/Quotation (Sample)
H	Standard Conditions of Contract for Partial / Complete Refit / Repairs of Ships/Submarines / Marine and Service Assets (Forms and Integral Part of the Contract to be sent as Enclosure III of RFP).
I	Draft Agreement for Design, Development and Fabrication Contracts
J	Fabrication Contract
K	Format for Issuing Sanctions

IMPORTANT CLAUSES OF STANDARD AND SPECIAL CONDITIONS OF RFPs CONTRACT/SUPPLY ORDERS

The IFAs while scrutinizing and finalizing procurement proposals at various stages of procurement and their finalization / according IFA concurrence are required to examine the applicability and incorporation of following main clauses in contracts/supply orders – standard and special conditions as per DPM 2009 provisions.

Sl. No	Important Clauses
	STANDARD CONDITIONS
1	Law
2	Effective Date of Contract
3	Arbitration
4	Penalty for use of undue influence
5	Agents/Agency Commission
6	Access to Books of Accounts
7	Non-disclosure of Contract Documents
8	Liquidated Damages
9	Termination of Contract
10	Notices
11	Transfer and Subletting
12	Patents and other Intellectual Property Rights
13	Amendments to Contracts
14	Taxes and Duties like Customs Duty, Excise Duty, Sales Tax/VAT, Octroi Duty and Local Taxes including general tax provisions
15	Pre-Integrity Pact Clause

SPECIAL CONDITIONS	
1	Performance Guarantee - for Indigenous and Foreign Cases
2	Option Clause
3	Repeat Order Clause
4	Tolerance Clause
5	Payment terms for Indigenous Sellers
6	Payment terms for Foreign Sellers
7	Advance Payments
8	Paying Authority - for Indigenous and Foreign Cases
9	Fall Clause
10	Exchange Rate Variation (ERV) Clause
11	Risk and Expense Clause
12	Force Majeure Clause
13	Buy Back Offer
14	Specification
15	OEM Certificate
16	Export License
17	Earliest acceptable year of manufacture
18	Buyer Furnished Equipment
19	Transportation - CIF / CIP, FOB / FAS or FCA

SPECIAL CONDITIONS	
20	Airlift
21	Packing and Marking
22	Quality
23	Quality Assurance
24	Inspection Authority
25	Pre-dispatch Inspection (PDI)
26	Joint Receipt Inspection (JRI)
27	Franking Clause
28	Claims
29	Warranty
30	Product Support
31	Annual Maintenance Contract (AMC)
32	Engineering Support Package (ESP) covering Repairs, Overhaul, MRLS, SMT, STE, MET etc
33	Price Variation (PV) Clause

सत्यमेव जयते
रक्षा लेखा विभाग
DEFENCE
ACCOUNTS
DEPARTMENT

66

FINANCIAL REGULATIONS PART I & II

- General principles
- Canons of financial propriety
- Budget
- Security deposit and Cash assignment

1. Introduction:

Financial regulations are essentially executive orders of the Central Government and mainly describe the financial powers and responsibilities of different authorities under them, on who devolves the responsibility for the administration of the Defence Forces of the Union. They lay down the procedure for the delegation and manner of exercise of the powers by different authorities, framing of Defence Services Estimates, control and spending of the funds placed- at their disposal with due regard to economy and efficiency, and the manner of entering into contracts etc., for the procurement of supplies and services required for the Defence Services.

2. General Principles

- As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the Government of India or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorised grants and appropriations for the year.
- Any amount provisionally included in the estimates is not available for expenditure, until the proposals to which it relates, have been finally sanctioned.

All the expenditure incurred from the Government funds are to be handled with utmost caution and justified in every aspect. In general, the Canons of Financial Propriety are to be followed in expending the Government money. The responsibilities lies in every hierarchy of the structure and are equally liable for following the laid down procedure.

3. Canons of Financial Propriety

(i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

(ii) The expenditure should not be prima facie more than the occasion demands.

(iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

(iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or section of the people, unless: -

(a) a claim for the amount could be enforced in a Court of Law, or

(b) the expenditure is in pursuance of a recognised policy or custom.

(v) The amount of allowances granted to meet expenditure of a particular type, should be so regulated that the allowances are not on the whole a source of profit to the recipient.

(vi) The responsibility and accountability of every authority delegated with financial powers to procure any item or services on Government account is total and indivisible. Government expects that the authority concerned will have the public interest uppermost in its mind while making a procurement decision. This responsibility is not discharged merely by the selection of the cheapest offer but must conform to the following yardsticks of financial propriety:

(1) Whether the offers have been invited in accordance with governing rules and after following a fair and reasonable procedure in the prevailing circumstances.

(2) Whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured.

(3) Whether the price on offer is reasonable and consistent with the quality required.

(4) Above all, whether the offer being accepted is the most appropriate one taking all relevant factors into account and in keeping with the standards of financial propriety.

(vii) Whenever called for, the concerned authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision.

4. Budget

The budget estimates relating to Defence Services arising in India and abroad during the financial year are submitted along with the main budget of the Central Government to the Parliament each year and the provision for gross expenditure is included in the Demands for Grants for obtaining the vote of the Parliament. Within the sums so voted, Ministry of Defence has to arrange for financing of services for which that Ministry is responsible.

(I) Estimates

The expenditure for which provision is made in the Defence Services Estimates falls broadly into the following categories.

(1) Pay and allowances of regular personnel of the Armed Forces.

(2) Payments to Industrial Establishment employed in store depots, factories, etc.,

(3) Transportation charges.

(4) Miscellaneous expenses.

(5) Payment for stores.

(6) Works expenditure and

(7) Pensions.

The time frame for preparation of the estimates for the three services is as mentioned below:

Sl No.		Details of the Estimates	For the Army	For the Navy	For the Air Force
1.		Preliminary Report for the current financial year.	10th August	25th July	10thAugust
2.	(a)	Preliminary Revised Estimates for the current financial year.	30th October	15th October	25th October
	(b)	Forecast Estimates For the ensuing financial year.	30th October	15th October	25th October
3.	(a)	Revised Estimates for the current financial year.	10th December	10th December	10th December
	(b)	Budget Estimates for the ensuing financial year (correction to item 2 above).	10th December	10th December	10th December
4.		Modified Appropriations for the current financial year.	28th February	20th February	5th March

The detailed heads under which budget provision, is made and charges incurred under Loans and advances are:

(i) Major Head 7610-Loans to Governments Servants etc.

201 House Building Advance

202 Advance for purchase of Motor Conveyance

203 Advance for purchase of other Motor Conveyances

800 Other Advances.

(ii) Major Head 767 -Miscellaneous Loans Regimental and other loans (Defence)

Miscellaneous Loans/Advances to other parties.

5. Re-Appropriation of Funds

Re-appropriation, which implies the transfer of funds from one primary unit of appropriation to another such unit within a grant, can be sanctioned under formal orders of a competent authority, only when it is known or anticipated that the appropriation for the unit from which funds are to be diverted will not be utilized in full, or that savings can be affected in the appropriation for that unit. In no case is it permissible to re-appropriate from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units in the year. Any allotment or re-appropriation within a grant or appropriation may be authorised at any time before but not after the expiry of the financial year to which such grant or appropriation relates.

Powers of re-appropriation are exercised only by the Government of India and by officers of: -¬

(a) Central Controlling authorities.

(b) Command Headquarters.,

(c) Independent Area Headquarters;

(d) I. A. F. Commands, and

(e) Independent Stations.

6. Purchase Of Stores

The policy of Government is to make their purchases of store for the public service in such a way as to encourage the development of the industries of the country to the utmost possible extent consistent with economy and efficiency. In particular, it is necessary to ensure that indigenous capacity is established for all items of, defence requirements as far as possible and care should be taken, therefore, when placing demands for procurement of stores from abroad to ensure that only such items and quantities are demanded as cannot be met from within the country.

7. Financial Irregularities And Loss

Loss statements for losses chargeable to the State will be priced as under:

	Depots/unit	Nature of stores	Pricing Authority
(I)	Ordnance/Inspection and M.T. Depots.	Ordnance, Clothing and M.T. Stores.	Executive
(ii)	Supply (ASC) Base Depots, Medical Store Sub-Depots, Medical Stores and Veterinary and other units.	Ordnance, clothing and M.T. Stores	LAOs/CsDA
(iii)	All units and formations	Supply (ASC) Stores	Executive
(iv)	Base Depots Medical Stores, Sub-Depots Stores Medical Stores; and Veterinary units.	Medical and Veterinary	Executive
(v)	All other units and formations.	Medical and Veterinary Stores	LAOs/CsDA

Financial irregularities including losses should be reported to the Controllers of Defence Accounts as soon as they are detected. Types of losses are indicated below:

All losses of public money and stores due to theft, fraud or neglect, if the value exceeds Rs. 500/-.

(b) All losses of public money and stores due to other causes, if value, exceeds, Rs. 1,000 except in case of loss of immovable property due to flood, earthquake or other natural calamities which should be reported only, if the value exceeds Rs. 5,000- .

(c) All losses of aircraft, helicopters etc.

(d) All losses of Naval aircraft, ships, submarines etc.

(e) Case of un-authorised issues of cash (including over issues of pay and allowances) and stores and un-authorised issue of railway warrants, credit notes, concession vouchers etc. or loss of these documents.

(f) Irregularities in the maintenance of cash and store accounts e.g., non-maintenance/ improper maintenance and malpractice in maintenance of accounts.

(g) Any irregularity/loss, irrespective of the type, monetary value or cause as mentioned above presenting unusual features or disclosing defects in rules of procedure.

A copy of the report received by the Controller of Defence Accounts will be furnished by him to the Local Audit authorities also. The reports should contain the following information and should be furnished in duplicate:-

(a) Nature of irregularity/loss.
(b) Period involved.
(c) Accounting documents affected.
(d) Modus operandi of the fraud, if it is a case of suspected fraud.
(e) How detected?
(f) Whether an enquiry has been ordered and if so, with what results; or whether sanction of the competent authority has been obtained for not holding a Court/Board of Inquiry.
(g) Whether any disciplinary action has been/is proposed to be taken and if disciplinary action has already been taken the nature of it and names and designations of the individuals affected.
(h) Remedial measures taken to avoid recurrence of the irregularity.
(i) Any other useful details.

8. Contracts

The general principles to be complied as per the financial regulations other than the contracts relating to the MES are as under:

01. The terms of a contract must be precise and definite and there must be no room for ambiguity or misconstruction therein.
02. As far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.
03. Standard forms of contracts should be adopted, wherever possible, and the terms be subject to adequate prior scrutiny.
04. The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract.
05. No contract involving an uncertain or indefinite liability or any, condition of an unusual character should be entered into without the previous consent of the competent financial authority.
06. Whenever practicable and advantageous, contracts should be placed only after tenders have been openly invited, and in cases where the lowest tender is not accepted, reasons should be recorded.
07. In selecting the tender to be accepted the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
08. Even in cases where a formal written contract is not made, no order for supplies, etc., should be placed without at least a written agreement as to the price.
09. Provision must be made in contracts for safeguarding Government property entrusted to contractor.

9. Sanctions and Modifications of Contract

01. Contracts must be sanctioned by competent authority and once sanctioned no contract rates may be increased without the sanction of the authority next higher to the one which sanctioned the contract. Special orders of the Chief of the Naval Staff should be obtained for increase of contract rates in the case of Navy.

02. In the case of contracts sanctioned by GO Cs-in-Chief of the Commands, the sanction of Army Headquarters will be necessary for the enhancement of contract rates.
03. Any enhancements in contract rates sanctioned by a lower authority will be communicated to Army Headquarters.
04. The financial concurrence of the Controller of Defence Accounts in-his capacity as financial adviser or the DFA, Ministry of Defence (Finance) concerned will invariably be obtained in all cases of enhancement of contract rates.

Modifications in the conditions of an existing contract which do involve an enhancement of the contract rates may be sanctioned by the authority sanctioning the contract provided no extra expense to the State is involved and that both parties to the contract are agreed, the contractor's agreement being taken in writing; but the competent authority will invariably consult the Controller of Defence Accounts concerned (in his capacity as financial adviser) before sanctioning any modification and, if there be any difference of opinion between the competent authority and the financial adviser, the matter will be referred, with full details, to the next higher competent authority for decision. All amendments must be signed by both parties to the contract. If at any stage, it is found that the terms of a contract are contrary to the original intentions or otherwise defective, steps should be taken forthwith to revise it in a suitable manner.

10. Earnest Money Deposits

Earnest money deposits for intending bidders of the Defence Services will be received at treasuries/banks without any receivable order but the depositor must state the designation of the officer in whose favour he makes the deposit; that designation shall be entered on the receipt given by the treasury/bank. For MES contracts the procedure is laid down in the Regulations for the MES and relevant contract forms. Government dues to be promptly credited into a treasury or the bank.

All moneys received by or tendered to Government officers watch are due to or are required to be deposited with Government, shall, without undue delay, be paid in full into a Government treasury or into the bank to be credited to the appropriate account or they shall be credited through the pay bill or other public account, if it is so authorised. The appropriation of receipt to meet expenditure, except when specially authorised, is strictly, prohibited.

11. Security Deposits

(i) For Government Servants

Unless specifically exempted under Government orders, every civilian who functions as a cashier, assistant cashier, godown keeper, store keeper, and duties where custody of cash is entrusted will required to:

(a) furnish security the amount of which will be regulated according to circumstances and the focal conditions in each case under the sanction of competent authority, and
(b) execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

(ii) Calculations of Security Deposit

The amount of security deposits will be calculated as follows, in tens of rupees, on the value of the estimated quantity of supplies during the, period of the contract at the rates accepted.

a. for a contract not exceeding Rs. 10,000 in Value -10 percent with a minimum of Rs. 25;
b. for a contract between Rs. 10,000 and Rs. 30,000 in value -7 percent with a minimum of Rs. 1,000 and a maximum of Rs. 2,000;
c. for a contract exceeding Rs. 30,000 in value - 5 per cent with a minimum of Rs. 2,000. If the security deposit exceeds Rs. 6,000 the amount may be specially fixed by the administrative officer concerned (the Chief of the Naval Staff in the case of Navy and the Chief of the Air Staff in the case of Air Force), who may also at his discretion increase or decrease the amount of the security to be furnished with reference to the probable loss or inconvenience that would result to Government from failure on the part of the contractor.
d. In the case of Army Service Corps and Military Farms the security deposits for contracts exceeding the value of Rs. 1,20,000 (Rupees One lakh and twenty thousand only) will be fixed as under:
   i. Five per cent of the value of the contract up to Rs. 1,20,000 (Rupees One lakh and twenty thousand only).
   ii. Two and a half per cent of the balance of the value of the contract.
   iii. Amount arrived at by the adding (a) and (b) above will be rounded off to the nearest hundred rupees.
e. Where short term agreements are entered into by the Army Service Corps for obtaining fresh articles of Army Service Corps Supply, hired transport at places outside Jammu and Kashmir and for supplies required by Military Farms, the security deposits will be fixed is in clauses (i) to (iv) above in the case of registered contractors and at 10% of the total value of the agreement in the case of unregistered contractors.

(iii) Forms of Security Deposits

The security taken from a Government servant or contractor should be in one of the following forms subject to the conditions noted against each partly in one and partly in another of these forms when this specially permitted by the authority authorised to accept the security:

	Forms	Conditions
(i)	Cash	Government will not pay any interest on any deposit held in the form of cash.
(ii)	Promissory Notes and Stock Certificates of the Central Government, Municipal Debentures or Port Trust Bonds.	These securities should be accepted at 5 percent below the market price or at the face value whichever is less, and should be dealt with in accordance with the rules in Chapter IX of the Government Securities Manual.

(iii)	Treasury Savings Deposit Certificates and National Plan Certificates.	These securities should be accepted at their surrender value.
(iv)	Post Office Saving Bank Pass Books	A Pass Book for a deposit made under the Post Office Savings Bank Rules may be accepted as security, provided that the depositor has signed and delivered to the Postmaster a letter in the prescribed form as required b these rules.
(v)	Post Office Cash Certificates, Defence Savings Certificates and National Savings Certificates.	The certificates should be formally transferred to the departmental authority which takes the deposit with the sanction of the Head Postmaster and should be accepted at their surrender value at the time of tender.
(vi)	Deposit Receipts of the State Bank of India	1. The deposit receipt should be made out in the name of the pledgee or, if it is made out in name of pledger, the bank should certify on it that the deposit be withdrawn only on the demand or with the sanction of the pledgee. 2. The depositor should agree in writing to undertake any risks involved in the investment. 3. The bank should agree that, on receiving a signed treasury, challan and a withdrawal order from the pledgee in respect of the deposit or any part thereof, it will at once remit the amount specified into the nearest treasury along with the challan and send the treasury receipt to the pledgee. 4. The responsibility of the pledgee on connection with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends intimation to the bank that he has done so.
(vii)	Fidelity bonds in the forms prescribed by Government only from the Life Insurance Corporation of India.	A fidelity bond may be accepted as security from the Government servant but not from private party.
(viii)	12 year National Defence Certificates.	These certificates will be accepted at their surrender value.

(ix)	Other forms of security specifically approved by Government or acceptance in any particular department e.g., mortgages on real property, personal security, etc.	Security in any such form may be accepted only in accordance with the rules and conditions laid own in relevant departmental regulations or by special orders of Government.

12. Cash Assignments

- Within the limits of budget provision, Controllers of Defence Accounts are authorised to draw cheques on the Reserve Bank of India in Calcutta, Bombay, Madras and Delhi, the State Bank of India at places where the cash business of Government is conducted by that bank, or on a Government treasury or sub-treasury at any other place in India.
- In-case of other defence disbursing officers who are allowed to draw funds by cheques for their own disbursements, assignments of funds are arranged with treasuries by the Controllers of Defence Accounts who will forward copies of such assignments, if necessary to the Reserve Bank of India or the State Bank of India, as the case may be. Ordinarily annual estimates of such assignments are prepared, but supplementary assignments ate also arrange by the Controllers of Defence Accounts when necessity arises.
- As regards the transfer of an assignment from one Defence disbursing officer to another, the necessary funds should be surrendered to the Controller of Defence Accounts by the officer desiring such a transfer. The former will arrange for a supplementary assignment for the requisite amount in favour of the other disbursing officer.

(i) Procedure for drawing and obtaining cash assignments

- Every disbursing officer is required to furnish to the Controller of Defence Accounts, by the first January in each year, with an estimate (IAFA-213) of his cash requirements for the ensuing year, showing the amount necessary for each month and the Treasury or the Bank at which the assignments are required.
- He will draw against the sum assigned to him exclusively by cheques for which purpose separate cheque books for each Treasury or the Bank, to be drawn upon will be supplied by the Controller of Defence Accounts concerned.
- In the case of periodically recurring payments which have to be made at stations other than that at which a disbursing officer is located, he will arrange for cash assignments on the Treasuries or the Bank nearest to the stations at which the payments are to be made.
- Care must be taken that assignment are obtained in all cases where this method is suitable i.e., where the fact of regular payments having to be made, can be foreseen and provided for.
- The drawings of any month added to the sums drawn in previous months of the same official year must not exceed the amount for which provision has been made up to that period in the annual of supplementary estimate.
- Any balance unpaid on the last day of the financial year will lapse, except as regards cheques drawn before but paid after the end of the year, the amounts of which will be taken against the balance of the assignment of the year in which the cheques, were drawn.

The book on Financial Regulations II deals with the general rules of procedure applicable to the three Services. No deviation from these rules is permitted without the approval of the Government of India. The FR II contains four main sections :

Section I – General rules of procedure applicable to the three Services.
Section II – Rules applicable to the Army.
Section III – Rules applicable to the Navy.
Section IV– Rules applicable to the Air Force.

Learning from the session

- Financial regulations are executive orders of the Central Government and mainly describe the financial powers and responsibilities of different authorities under them, on who devolves the responsibility for the administration of the Defence Forces of the Union.
- All expenditure in the government should be governed by the Canons of Financial Propriety.
- The budget estimates relating to Defence Services arising in India and abroad during the financial year are submitted along with the main budget of the Central Government to the Parliament each year and the provision for gross expenditure is included in the Demands for Grants for obtaining the vote of the Parliament.

Authority:

- **FR Part I & II**

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GENERAL FINANCIAL RULES - 2017 AT A GLANCE

GENERAL FINANCIAL RULES 2005 AND 2017 AT A GLANCE

Sl. No.	CHAPTER	GFR 2017	GFR 2005	
1.	Introduction	01 TO 06	01 TO 06	Some changes
2.	General System of Financial Management	07 TO 41	07 TO 41	Some new rules introduced
3.	Budget formulation and implementation	42 TO 70	42 TO 64	Some new rules introduced
4.	Government Accounts	71 TO 129	65 TO 122	Some new rules introduced
5.	Works	130 TO 141	123 TO 134	Some new rules introduced
6.	Procurement of Goods and Services	142 TO 206	135 TO 185	Some new rules introduced
7.	Inventory Management	207 TO 223	186 TO 202	Some new rules introduced
8.	Contract Management	224 TO 227	203 TO 205	Some new rules introduced
9.	Grants-in-Aid and Loans	228 TO 263	206 TO 233	Some new rules introduced
10.	Budgeting and Accounting for Externally Aided Projects	264 TO 274	234 TO 244	Some new rules introduced
11.	Government Guarantees	275 TO 283	245 TO 252	Some new rules introduced
12.	Miscellaneous Subjects (Establishment, Refund of Revenue, Debt and misc. obligation of Govt. etc.)	284 TO 324	253 TO 293	Some new rules introduced

GFR – 2017

SALIENT FEATURES :

1. The General Financial Rules – 2017, will enable an improved, efficient and effective framework of fiscal management while providing the necessary flexibility to facilitate timely delivery of services.
2. Encourage greater transparency in government purchases through e-procurement and the recently unveiled Government e-Market place (GeM), the Centre's Amazon-like platform.
3. The General Financial Rules – 2017, have decided to bar those convicted under the anti-corruption law or under the Indian Penal Code for causing death, injury or hazarding public health from bidding for contracts for three years.
4. The General Financial Rules – 2017, aims to provide a framework within which an organisation manages its business in a financially prudent manner without compromising its flexibility to deal with varied situations.

Sl. No.	GFR – 2005	GFR – 2017	CHANGES FROM GFR-2005 GFR-2017	NEW RULES INTRODUCED IN IN GFR-2017
1.	Rule - 02 (Definition)	Rule 02	-	1/xvi) Government Account ..... 2/xxxi) CAPEX MODEL ..... 3/xxxii) OPEX MODEL .....
2.	Rule 27. Date of effect of sanction subject to fulfilment of the provisions of Rule 6 of the Delegation of Financial Powers Rules, 1978, all rules, sanctions or orders shall come into force from the date of issue unless any other date from which they shall come into force is specified therein	Rule 27	Date of effect of sanction subject to fulfilment o subject to fulfilment of the provisions contained in the Delegation of Financial Powers Rules, all rules, sanctions or orders shall come into force from the date of issue unless any other date from which they shall come into force is specified therein	
3.	Rule 33. Report of Loss -es:(i) Any loss, the following losses need not be reported (ii) Petty losses of value not exceeding Rupees Ten Thousand	Rule 33 (1)	Rule 33 (I). Report of Losses..... (ii) Petty losses of value not exceeding Rupees Ten Thousand	
4.		Rule 46		Rule 46 : Non-Tax Revenues
5.		Rule 47		Rule 47 : User charges is an important component of the non-tax revenues.....
6.		Rule 48		Rule 48 : Dividends and Profits. Dividends and Profits including the transfer of surplus from Reserve Bank of India .....
7.		Rule 49		Rule 49 : Receipts Portal. The Government has provided a public portal for online collection of various non-tax

Sl. No.	GFR – 2005	GFR – 2017	CHANGES FROM GFR-2005 GFR-2017	NEW RULES INTRODUCED IN IN GFR-2017
				revenues including various fees and user charges through e-Receipts. All Ministries / Departments, shall take prompt measures for migration to e-Receipts, to ensure customer convenience and immediate credit of receipts to the Government account.
8.		Rule 86		Rule 86 : Public Financial Management System (PFMS) – 1) Public Financial Management System (PFMS), an integrated Financial Management System of Controller General of Accounts, Government of India, shall be used for sanction preparation, bill processing, payment, receipt management, Direct Benefit Transfer, fund flow management and financial reporting. 2) All the ministries sanctioning grant-in-aid shall register all implementing agencies till last level of implementation on PFMS to track fund flow and unspent balances. 3) All the payment, to the extent possible, shall be released 'just in time' by the Ministries through PFMS. 4) Detailed Demand for Grants

Sl. No.	GFR – 2005	GFR – 2017	CHANGES FROM GFR-2005 GFR-2017	NEW RULES INTRODUCED IN IN GFR-2017
				(DDG) approved must be uploaded on PFMS at the start of each Financial Year. 5) All the re-appropriation orders, surrender order shall be generated through PFMS system 6) All grantee institutions shall submit Utilisation Certificates on PFMS.
9.		Rule 87		Rule 87–Direct Benefit Transfer 1) Transfer of benefits should be done directly to beneficiaries under various.... 2) DBT should include in-kind and cash transfers to beneficiaries as well as transfers / honorariums given to various enablers of government schemes like community workers, etc. for successful implementation of the schemes. 3) Transfer of cash benefits from Ministries / Departments should be done directly to beneficiaries ..... 4) In-kind Transfer to Individual Beneficiary/Household/ Service Provider includes schemes ..... 5) Ministries / Departments will use PFMS platform for processing of payments for cash / in kind transfers ..... 6) Implementing Agencies shall generate Electronic Utilisation Certificate (E-UCs)

Sl. No.	GFR – 2005	GFR – 2017	CHANGES FROM GFR-2005 GFR-2017	NEW RULES INTRODUCED IN IN GFR-2017
				on PFMS portal and submit them online... 7) Transaction charges for the financial intermediaries facilitating DBT payments shall be paid as stipulated by Ministry of Finance.
10.	Rule 137. Fundamental principles of public buying : Every authority delegated with the financial powers of procuring goods in interest shall have the responsibility and account ability to bring efficiency, economy, transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement	Rule 144	Rule 144 Fundamental principles of public buying (for all procurements including procurement of works). (ii) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisa-tions. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. (iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs. (v) Offers should be invited following a fair, transparent and reasonable procedure.(vi)The procuring authority should be satisfied that the selected offer	.....of public buying (for all procurements including procurement of works). (i) The description of the subject matter of procurement to the extent practicable should - a) be objective, functional, generic and measurable and specify technical qualitative and performance characteristics. b) not indicate a requirement for a particular trade mark, trade name or brand. (iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognised national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be

Sl. No.	GFR – 2005	GFR – 2017	CHANGES FROM GFR-2005 GFR-2017	NEW RULES INTRODUCED IN IN GFR-2017
			adequately meets the requirement in all respects. (vii) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required. (viii) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.	framed based on requirements and standards of the host beneficiary Government, where such standards exist. Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification. (ix) A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued. (x) All Ministries / Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.
11.		Rule 149		Rule 149 – Government e -Market Place (GeM) : The procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilised

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				by the Government buyers for direct online purchases as under : (i) Upto Rs. 50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period. (ii) Above Rs. 50,000/- and up to Rs. 30,00,000/- through the GeM seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by (iii) Above Rs. 30,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM. (iv) The invitation for the online e-bidding / reverse auction will be available to all the existing sellers or other sellers registered on the portal and who have offered their goods / services under the particular product / service category, as per terms and

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				conditions of GeM. (v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant Rules shall apply. (vi) The Ministries /Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement / suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of Goods and Services on GeM portal within 30 days of Budget approval. (vii) The Government buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price (LPP) on GeM, Department's own Last Purchase Price, etc. (viii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L_1 buying / bidding / reverse

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				auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.
12.	Rule 142 – Registration of Suppliers…….	Rule 150	Rule 150 – Registration of Suppliers	(v) The list of registered suppliers for the subject matter of procurement be exhibited on the Central Public Procurement Portal and websites of the Procuring Entity / e-Procurement portals.
13.		Rule 151		Rule 151 – Debarment from bidding : (i) A bidder shall be debarred if he has been convicted of an offence - (a) under the Prevention of Corruption Act, 1988 or (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract. (ii) A bidder debarred under sub-section (i)or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of

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				Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.
14.	Rule 145 – Purchase of goods without quotation : Purchase of goods upto the value of Rs. 15,000/- (Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format. "I, _____am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price".	Rule 154	Rule 154 – Purchase of goods without quotation upto the value of Rs.25,000. (Rupees Twenty Five Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format. "I, _____ am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price".	Purchase of goods upto the value of Rs. 25,000/- (Rupees Twenty Five Thousand) only on each occasion.
15.	Rule 146 – Purchase of goods by purchase committee ..... ''Certified that we _____, members of the purchase committee are jointly and	Rule 155	Rule 155 – Purchase of goods by Purchase of goods costing above Rs. 25,000/- (Rupees Twenty Five Thousand only) and upto Rs. 2,50,000. (Rupees Two Lakh and Fifty Thousand only) on each	Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under. "Certified that we, members of the purchase committee are jointly and individually satisfied

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	individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question.		occasion may be made on the recommendations of a duly constituted Local Purchase Committee (LPC) consisting of three members of an appropriate level as decided by the Head of the Department	that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce Ministry / Department concerned.
16.	Rule 149 – Purchase of goods by obtaining bids: Except in cases covered under Rule 145, 146 and 147 (1), Ministries or Departments shall procure goods under the powers referred to in Rule 140 above by following the standard method of obtaining bids in : i) Advertised Tender Enquiry; ii) Limited Tender Enquiry; iii) Single Tender Enquiry.	Rule 158	Rule 158 – Purchase of goods by obtaining bids except in cases covered under Rule 154, 155 and 156 (I), Ministries or Departments shall procure goods under the powers referred to in **Rule 140 / Rule 147** above by following the standard method of obtaining bids in: (i) Advertised Tender Enquiry; ii) Limited Tender Enquiry iii) Two-stage Bidding (iv) Single Tender Enquiry (v) Electronic Reverse Auctions (iii) Two-stage Bidding (v) Electronic Reverse Auctions	(iii) Two-stage Bidding (v) Electronic Reverse Auctions Rule 158 – Purchase of goods by obtaining bids except in cases covered under Rule 154, 155 and 156 (I), Ministries or Departments shall procure goods under the powers referred to in Rule 140 / Rule 147 above by following the standard method of obtaining bids in : (i) Advertised Tender Enquiry; ii) Limited Tender Enquiry iii) Two-stage Bidding (iv) Single Tender Enquiry (v)Electronic Reverse Auctions (iii) Two-stage Bidding (v) Electronic Reverse Auctions (I) It is mandatory for all Ministries / Departments of the Central Government, their attached and Subordinate Office and Autonomous /

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17.		Rule 159		Statutory Bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP) (ii) Individual cases where confidentiality is required, for reasons of national security, would be exempted from the mandatory e-publishing requirement (iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-qualification / Registration or any other notice, inviting bids or proposal in any from whether they are advertised, issued to limited number of parties or to a single party. (v) These instructions would not apply to procurements made in terms of provisions of Rule 154 (Purchase of Goods without quotations) or Rule 155 (Purchase of goods by Purchase Committee) of General Financial Rules.
18.		Rule 160		Rule 160 e-Procurement (i) It is mandatory for Ministries / Departments to receive all bids through e-procurement portal in respect of all procurements.

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19.	Rule 150 – Advertised Tender Enquiry : (i) Subject to exceptions incorporated under Rules 151 and 154, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25 Lakh (Rupees Twenty Five Lakh) and above. Advertisement in such case should be given in the Indian Trade journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata and atleast in one national daily having wide circulation	Rule 161	Rule 161 – Advertised Tender Enquiry (1) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25 Lakhs (Rupees Twenty Five Lakh) and above. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. (iv) In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.	

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			(v) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability.	
20.	Rule 151 – Limited Tender Enquiry: i) This method may be adopted when estimated value of the goods to be procured is upto Rupees Twenty Five Lakhs. Copies of the bidding document should be sent directly by speed post / registered post / courier / e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 142 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher	Rule 162	Rule 162 – Limited Tender Enquiry I) This method may be adopted when estimated value of the goods to be procured is upto Rupees Twenty Five Lakhs. Copies of the bidding document should be sent directly by speed post / registered post / courier / e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on. Further, an organisation should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP, the organisations should	

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	number of approved suppliers to obtain more responsive bids on competitive basis...		publish the tender enquiries on the Department's or Ministry's website.	
21.		Rule 164		Rule 164 – Two-stage Bidding (Obtain bids in two stages with receipt of financial bids after receipt and evaluation of technical bids) i) Ministry / Department may procure that subject matter of procurement by the method of two-stage bidding, if (a) It is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders; or (b) the character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both; or © Ministry / Department seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of items in quantities sufficient to establish their commercial viability or to recover research and development costs; or

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				(d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive Assessment of risks, costs and obligations associated with the particular procurement. ii) The procedure for two stage bidding shall include the following, namely : a) in the first stage of the bidding process, the Ministry / Department shall invite bids through advertised tender containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price; b) all first stage bids, which are otherwise eligible, shall be evaluated through an appropriate committee constituted by the Ministry / Department; © the committee may hold discussions with the bidders and if any such discussion is held, equal opportunity shall be given to all bidders to participate in the discussions. (d) in revising the relevant terms and conditions of the procurement, the procuring entity shall not modify the fundamental nature of the procurement itself, but may

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				add, amend or omit any specification of the subject matter of procurement or criterion for evaluation; (e) in the second stage of the bidding process, the procuring entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bidwith bid prices in response to a revised set of terms and conditions of the procurement. (f) any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalised in any way, by declaring his intention to withdraw from the procure-ment proceedings with adequate
22.		Rule 167		Rule 167 Electronic Reverse Auction (I) Electronic Reverse Auction means an online real-time purchasing technique utilised by the procuring entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a

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				scheduled period of time and automatic evaluation of bids. (ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if: a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement; b) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective completion is ensured; c) The criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms and (iii) The procedure for electronic reverse auction shall include the following, namely : a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be published or communicated in accordance with the provisions similar to e-procurement and b) The invitation shall, in addition to the information as specified in e-procurement, include details relating to access to and registration for the auction, opening and

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				closing of the auction and Norms for conduct of the auction.
23.	Rule 160 Transparency, competition, fairness and elimination of arbitrariness in the procurement process...	Rule 173	Rule 173 Transparency, competition, fairness and elimination of arbitrariness in the procurement process. All Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows: (I) the text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in thebidding. Document in simple language. **The condition of prior turnover and prior experience may be relaxed for startups (as defined by Department ofIndustrial Policy and promotion) subject to meeting of quality and technical specifications and**	Rule 173 (xix) shall not be determined safely on the basis of number of Bidders. Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied; (a) the procurement was satisfactorily advertised and sufficient time was given for submission of bids. (b) the qualification criteria were not unduly restrictive; and (c) prices are reasonable in comparison to market values (xxi) When a limited or open tender results in only one effective offer, it shall be treated as single tender contract. (xxii) In case a Purchase Committee is constituted to purchase or recommend the

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			<u>making suitable provisions in the bidding document.</u> (a) Description and specifications of goods including the nature, quantity, time and place or places of delivery. (b) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position, etc., or limitation for participation of the bidders, if any. (c) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods, etc., which may require to be met by the successful bidder. (d) the procedure as well as date, time and place for sending the bids. (e) date, time and place of opening of the bid, criteria for evaluation of bids. (f) special terms affecting performance, if any. (g) Essential terms of the procurement contract.(h) Bidding Documents should include a clause that "if a firm quotes NIL charges /consideration, the bill shall be treated as unres-ponsive and will not be considered."	procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of Procurement exceeds Rs. 25 lakhs. The condition of prior turnover and prior experience may be relaxed for startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality and technical specifications and making suitable provisions in the bidding document. iii) Modification to bidding document: a) In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was (b) In case a clarification or modification is issued to the bidding document, the procuring entity shall, before the last date for submission of bids, extend such time limit, if, in its opinion more time is

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			(ii) Any other information which the procuring entity considers necessary for the bidders to submit their bids. (iii) Modification to bidding document: a) In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was made. (b) In case a clarification or modification is issued to the bidding document, the procuring entity shall before the last date for submission of bids, extend such time limit, if, in its opinion more time is required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids. (xvii) Procurement of Energy Efficient Electrical Appliances : Ministries/ Departments while procuring electrical appliances notified by	required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids. © Any bidder who has submitted his bid in response to the original invitation shall have the opportunity to modify or resubmit it, as the case may be or withdraw such bid in case the modification to bidding document materially affect the essential terms of the procurement, within the period initially allotted or such extended time as may be allowed for submission of bids, after the modifications are made to the bidding document by the procuring entity ; provided that the bid last submitted or the bid as modified by the bidder shall be considered for evaluation.

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			Department of Expenditure shall ensure that they carry the notified threshold or higher Star Rating of Bureau of Energy Efficiency (BEE) (xviii) The name of the successful bidder awarded the contract should be mentioned in the CPPP, Ministries or Departments website and their notice board or bulletin (xix) Rejection of all Bids is justified when (a) effective competition is lacking. (b) all Bids and Proposals are not substantially responsive to the requirements of the Procurement Documents. (c) the Bids'/ Proposals' prices are substantially higher than the updated cost estimate or available budget, or (d) none of the technical proposals meet the mini-mum (xx) Lack of competition in Rule 173 (xix) shall not be determined safely on the basis of number of Bidders. Even when only one Bid is submitted, the process may be considered valid provided following cond-itions are satisfied;	

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			(a) the procurement was satisfactorily advertised and sufficient time was given for submission of bids. (b) the qualification criteria were not unduly restrictive; and (c) prices are reasonable in comparison to market values (xxi) When a limited or open tender results in only one effective offer, it shall be treated as single tender contract. (xxii) In case a Purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of Procurement exceeds Rs. 25 lakhs.	
24.		Rule 175		Rule 175 (1) Code of Integrity : No official of procuring entity or a bidder shall act in contravention of the codes which includes (i) prohibition of (a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the Procurement process.

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				(b) any omission, or misre-presentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided. (c) any collusion, bid rigging or anti-competitive behaviour that may impair the transparency, fairness and the progress of the procurement process. (d) improper use of information provided by the procuring entity to the bidder with an intent to gain
25.		Rule 191		Rule 191. Methods of Selection/Evaluation of Consultancy Proposals. The basis of selection of the consultant shall follow any of the methods given in Rule 192 to 194 as appropriate for the circumstances in each case. Rule 192. Quality and Cost Based Selection(QCBS): QCBS may be used for Procurement of consultancy services, where quality of con-sultancy is of prime concern.

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26.		Rule 192		(I) In QCBS initially the quality of technical proposal is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further. (ii) After opening and scoring, the Financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving pre-defined relative weightages for the score of quality of the technical proposal. (iii) The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weightages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-à-vis cost aspects in the assignment, (e.g., 70:30, 60:40, 50:50, etc.,) The proposal with the highest weighted combined score (quality and cost) shall be selected. (iv) The weightage of the technical parameters i.e. non-financial parameters in no case should exceed 80 percent.

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27.		Rule 193		Rule 193 – Least Cost System (LCS) : LCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well established methodologies, practices and standards exist. Unlike QCBS, there is no weightage for Technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be qualified.
28.		Rule 225	Rule 225 General principles for contract ..... (iv) (a) Ministry or Department may, at its discretion make purchases of value up to Rupees Two Lakh and Fifty Thousand by issuing purchase orders containing basic terms and conditions. (b) In respect of Woks Contracts, or Contracts for purchases valued between (Rupees One lakh/2.5 Lakhs) to Rupees ten lakhs, where tender documents include the General Conditions of Contract (GCC), Special Conditions of Contract (SCC) and scope of work, the letter of acceptance will result in a binding contract.....	

Note : Kindly may refer the original GFR – 2017, published by the MoF on March 8th, 2017.

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What is GST (GOODS AND SERVICES TAX)

Goods and Services Tax (GST) is the biggest indirect tax reform of India. GST will subsume Central Excise Law, Service Tax Law, State VATs, Entry Tax, Luxury Taxes, Octroi etc. Earlier, there were so many taxes which were levied on goods such as Excise, VAR, entry tax, octroi. Similarly, service tax, entertainment tax, luxury tax were levied on services. Now, there will be only single tax i.e. GST and it will make dream of One Nation, One Tax feasible.

What is GST in India?

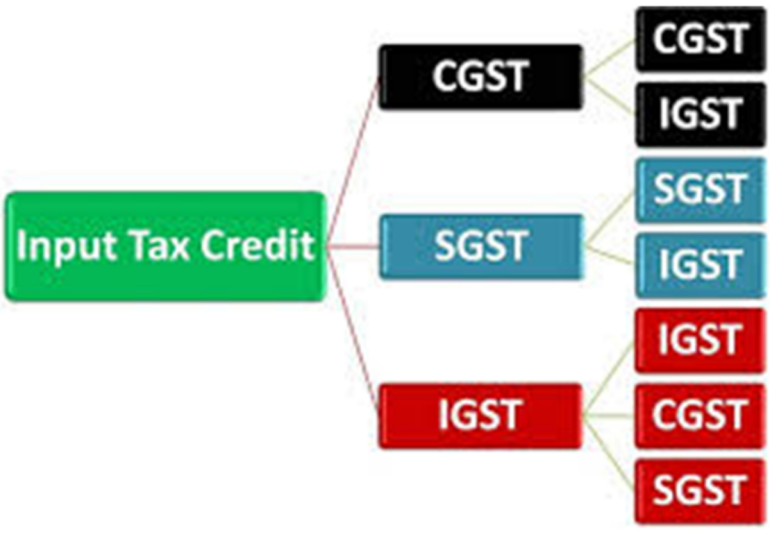
GST is one indirect tax for the whole nation, which will make India one unified common market. GST is a single tax on the supply of goods and services. GST is a destination based tax which is levied only on value addition at each stage because credits of input taxes paid at procurement of inputs will be available. Thus, the final consumer will bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages

What taxes will be levied under GST?

Since India is federal country, Centre Government and State Government both have powers to levy taxes. Under GST regime, Centre and State both have power to levy GST. Therefore, GST in India is divided into two parts:

1. Central GST (CGST)
2. State GST (SGST)

GST will be divided into two components, one is CGST which is levied by Central Government and other is SGST which is levied by State Government.



However, there will be one more type of GST is Integrated GST (IGST). IGST will be levied on inter-state transactions. Since, there are chances that people will get confused in case of transactions between two persons of two different States and there will be difficulty setting off dues of taxes between two States, thus IGST will be levied by Centre. Now, Centre will apportion the State's portion of GST from IGST to relevant State.

The main objective of GST is to remove cascading effects of taxes and keep check on unorganized sector by regulating it. How a person would assess whether he is liable to pay taxes in GST or not.
What are the benefits of GST?

The major benefits of GST are:

1. Make compliance easy by providing all tax payer services like registration, returns, payment etc. online through use of Information Technology.
2. Same tax structure across country making One Nation, One tax.
3. Seamless flow of credit of all taxes paid in earlier stage and therefore reduce inflation by removing cascading effect.
4. More transparency in "Doing Business" and creating competitiveness in Industry.
5. Uniformity of taxes and Compliances will reduce compliance costs for industry.
6. Less chances to avoid taxes and more control over tax evaders will help in better administration.
7. More revenue collection and decrease cost of collection due to use of IT by GSTIN.
8. Tax burden will reduce due to seamless credit and prices of commodities and services will reduce eventually.

When would one be liable to pay taxes under GST?

A person would be liable to pay taxes, if he is registered or liable to be registered under GST. A person would be liable to be registered in GST:

a) If he is mandatorily required to be registered under GST
b) If he is making a taxable supply of goods or services or both and his aggregate turnover under same PAN in the entire country exceeds the threshold limit as provided in GST. Threshold limit in GST is Rs.10 Lakh/ 20 Lakh (for persons in Specified States/ Non Specified States) for person having only within State supplies and there would be no threshold limit for persons having Inter State Supplies.

The concept of liability of a person liable to pay tax in GST revolves around registered person or person liable to be registered under the law.

What would be the time limit for registration in GST once a person is liable to pay taxes in GST?
A person would have to register himself within 30 days from the day when he becomes liable to be registered. He can also register himself voluntarily under GST

TYPES OF GST :

There would be three different types of levies in GST:

1. CGST
2. SGST/UTGST
3. IGST

SGST would be leviable along with CGST on the supply made by a registered person within a State.

Just as SGST is leviable along with CGST on the supply made by registered person within a State, UTGST would be levied along with CGST on the supply made by a registered person within a Union Territory.

However, in no case, both SGST and UTGST would be leviable on an invoice of supply of goods or services or both. It would either be SGST or UTGST along with CGST would be leviable on the invoice.

IGST would be leviable on Import or Inter-State supply of goods or services or both. IGST would be equivalent to sum total of CGST and SGST/UTGST.

सत्यमेव जयते
रक्षा लेखा विभाग
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ACCOUNTS
DEPARTMENT

LIST OF PROMINENT CODES, REGULATIONS AND OFFICE MANUALS RELEVANT TO THE DEFENCE ACCOUNTS FUNCTIONING

	Manual/Code/Regulation	Subject
1.	OM-I	Organisation and Functions of DAD
2.	OM-II Vol-I	Works related to Regional PCDA/CDA
3.	OM-II Vol-II	Fly leaf instructions
4.	OM-III	Air Force
5.	OM-IV	Pension
6.	OM-V	Fund
7.	OM-VI Vol- I & II	Ordnance Factories
8.	OM-VII	Navy
9.	OM-VIII	Conduct and disposal of MES work dealt within the Audit sections PCDA/CDA
10.	OM-IX	Manual for Army Officers- PCDA(O)
11.	OM-X Vol-I & II	Manual for Army PBORs -Functioning of PAO(ORs)
12.	OM-XI	EDP Manual (Compilation of Accounts of Defence Services)
13.	OM-XII	Manual for PCDA (HQrs) New Delhi
14.	OM-XIII Vol - I & II	Duties and Functions of Border Roads
15.	OM-XIV	Procedure to be followed in Organisation of PCDA (R&D) /CDA (R&D)
16.	OM-XV	Manual for DPDOs
17.	Financial Regulations Part I Vol.I	Financial Regulations
18.	DFPDS 2016* APPENDIX II OF FR PART-I VOL-II	Delegation of Financial Powers to the Defence Services
19.	Army Local Audit Manual Part I and II	Local Audit
20.	Stores Accounting Instructions	
21.	Travel regulations	
22.	Pay and Allowances Regulations (Officers) Army	
23.	Leave Rules for the Army and CCS Leave Rules	
24.	Pension Regulations Pt. I	
25.	Pension Regulations Pt. II	
26.	DSR - Regulations for the Army (Vol- I & II)	

27.	Army Act 1950 and Army Rules 1954	
28.	General Financial Rules 2017	
29.	CCS (Conduct) Rules	
30.	CCS (CCA) Rules	
31.	RTI Act	
32.	Scales of Accommodations for Defence Services	
33.	M.E.S. Regulations	
34.	Defence Works Procedure and Operational Works Procedure	
35.	MES SSR Part-I Specifications	
36.	MES SSR Part-II Rates (2010-2)	
37.	Defence Account Code	
38.	Introduction to Indian Govt. Accounts and Audit	Indian Audit and Accounts publication

ACKNOWLEDGEMENT

CORE TEAM

Smt. K Inderjeet Kumar, *IDAS, CDA*

Smt. V Yogitha, *IDAS, DFA (R&D)*

Smt. Anusha Madhanraj, *AAO*

Shri. V Madhusudhan, *PS*

Smt. Rajani H.R, *Sr. Auditor*

Shri. R Sridhar, *AAO (Retd.)*

सत्यमेव जयते
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