

IFA SARANSH

Quarterly Newsletter of Integrated Financial Advisors in Defence

Vol. 19

January 2016



Foreword

It gives me immense pleasure to know that XIXth volume of quarterly e- newsletter “IFA SARANSH” is being published.

The interest shown by you all in making the publication of IFA SARANSH E-news letter is very encouraging. I appreciate the IFAs for their excellent contributions to the magazine. I feel that the IFA SARANSH can serve as a good management tool to serve the services in an even better manner.

On the occasion of New Year, I wish all members of DAD fraternity a **Very Happy and Prosperous New Year-2016.**

New Delhi
Dt : 06 Jan 2016

(N. NEHSIAL)

Addl. Controller General of Defence Accounts

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

Office of the CGDA,

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

Interactive Conference of Financial Advisors and Executives of the Indian Navy

The Interactive Conference of Financial Advisors and Executives of the Indian Navy was held at CENTRAD, New Delhi on 30.11.2015 Co-chaired by Smt. Shobhana Joshi, IDAS, Controller General of Defence Accounts and Vice Admiral P. Murugesan Vice Chief of Naval Staff to pen down important points relating to e-procurement and issues raised by the IFAs/CFAs for successful implementation of DFPDS-2015.



The above interactive conference was attended by Services/Command PIFA/IFAs and the executives from Naval HQrs/Command HQrs.



In the inaugural address, CGDA impressed upon the IFAs to avoid piecemeal observations while concurring financial proposals and stressed the need to raise the queries in a systematic manner. CGDA also talked about the e-procurement, e-concurrence, and FIS system, Automation of civilian pay bills, on line billing to have transparency and to avoid the need for more manpower. Formulation of Annual Revenue Procurement Plans in all major areas of procurement for optimum utilization especially as per Navy's perspective plans and also for association of IFA in Budget monitoring was the another major area the CGDA spoke about.

VCNS in his keynote address brought out that the conference will be extremely useful. Although the outcomes cannot be quantified immediately but definitely, it will go a long way in achieving the goals, which are the same for DAD as well as Indian Navy.



VCNS also mentioned that e-concurrence and e-procurement are part of e-governance and Indian Navy is taking a great interest to implement the same.

IFAs Conference : RTC Lucknow

One day Conference for field IFAs (Nominated and Dedicated) was organized at RTC Lucknow on 23rd of November 2015 by IFA (CC).



In his inaugural address Sh. Sanjeev Kumar, PCDA, CC, Lucknow impressed upon the nominated IFAs to keep themselves update with rules/regulations while dealing with the financial concurrence cases.



Sh. Vijay Kumar, IFA (CC) highlighted the need of holding such conferences to clarify the doubts of field IFAs post issue of DFPDS-2015.

Workshop on SAG Proposals

A workshop on processing of proposals related to Sports Activity Grant (SAG) for ARC and 58 Gorkha Training Centre was organized by IFA (EC) on 08.04.2015.

ASSUMPTION OF CHARGE

Shri N Neihisial, IDAS of 1981 batch assumed charge of Addl. CGDA (IFA Wing) w.e.f 01.12.2015.

Welcome to IFA Set Up:

V. Mani, ACGDA (IFA Wing)
Smt Dhani Ram, Dy. IFA (WC)
Sh Jagdish Prasad Sharma, Dy. IFA (15 Corps)
Sh R S Agarwal, Dy. IFA (21 Corps)
A V Joshi, Dy. IFA (CAFVD) Pune
Sh Sameer Nairantarya, Dy. IFA (WAC)
Sh Naseem Ahmed, Dy. IFA (WAC)
Sh Dhiraj Kumar, Dy. IFA (FOGA/FONA)
Sh S V Hirve, Dy. IFA (Ezhimala)
Sh. Kura Ram, Dy. IFA (3 BRD)

Wishing Happy Birthday to :

Manender, Dy. IFA (Coast Guard)	01 st Jan
R P Saxena, Dy. IFA (COD, Mumbai)	01 st Jan
Vijay Kumar, IFA (CC)	02 nd Jan
Sameer Nairantarya, Dy. IFA (WAC)	02 nd Jan
Jatinder Goswami, Dy. IFA (NC)	05 th Jan
Hanuman Yadav, Dy. IFA (EC)	05 th Jan
Dinesh Singh, IFA (SWC)	13 th Jan
Puneet Agarwal, IFA (SWAC)	15 th Jan
Manivelan K, Dy. IFA (TC)	16 th Jan
Mugdha K Jaggi, Dy. IFA (SWAC)	24 th Jan
Navpreet Kaur, Dy. IFA (WNC)	25 th Jan
Sumati Kumar, IFA (P-75)	28 th Jan

Sh J. Lhungdim, PIFA (Army-O)	2 nd Feb
Ambarish Barman, Jt. IFA (Navy)	03 rd Feb
B N Amresh, Dy. IFA (Capital)	10 th Feb
L.S Negi, Dy. IFA (2 Corps)	22 nd Feb
H S Solanki, Dy. IFA (WNC)	24 th Feb
J P Kukde, Dy. IFA (COD, D/Road)	27 th Feb

Benjamina, IFA (EC)	01 st Mar
T K Hangzo, IFA (EAC)	01 st Mar
R N Sarkar, Dy. IFA (33 Corps)	01 st Mar
T Rambabu, IFA (WNC)	12 th Mar
Sandeep Sarkar, IFA (Army-Q)	17 th Mar
K.S Lather, IFA (Sea Bird)	17 th Mar
Kura Ram, DY. IFA (3BRD)	20 th Mar

Wishing Happy Retired Life:

Sh. A.N Saxena, Addl CGDA (IFA)

Sh. M.S Thakur, Dy. IFA, (WC)

Smt. Anjla Lakhanpal, Dy. IFA (BR)

Sh U. G Kurtkoti, Dy. IFA, CAFVD (Pune)

Sh C Johnson Joseph, Dy. IFA MG & G Area

INSTRUCTIONS/CIRCULARS

Enhancement of concurrence powers in Works Cases

Post issue of DFPDS-2015, the financial powers of the CFAs have been substantially increased. Accordingly it has been decided by the Competent Authority to authorize JTS/STS level officers designated as IFAs to accord concurrence on issue of Admn Approval for Authorized works cases (AON & AE vetting) up to the amount of Rs 500 Lakh and Special works cases up to Rs 05.00 Lakh provided the Authorized works cases/proposals are approved in Annual Works Plan of the Command.

(Instruction No. 09 of 2015)

Authorizing SAOs & AOs to accord concurrence within the IFA Set up

Competent Authority has decided to authorize SAOs & AOs posted as dedicated IFAs for Army/Navy/Air Force/IDS & DGAFMS to accord concurrence on the procurement proposals having financial implication upto

Rs. 10 Lakh, irrespective of the rank of CFA except works cases.

(Instruction No. 10 of 2015)

Seeking clarification by PIFAs/IFAs from HQrs. Office

Some of the below command level IFAs are still referring the issues for clarification directly on which clarifications already stand issued by the MoD (F) or instruction orders issued by the IFA Wing of HQrs. Office and available on CGDA website.

Therefore, instruction issued vide IO No. 02 of 2014 has been reiterated that IFAs below command level will refer doubts/references to their respective Command IFAs only, to seek clarification on those issues and in case command IFAs are unable to resolve the issue and feel the necessity of consideration at HQrs. level the same will be taken up with HQrs. Office at appropriate level with full facts of the case for further consideration.

(Instruction No. 11 of 2015)

Restoration of Inherent Powers

Under the provisions of MoD (Fin) vide their Order No. Coord A-102 dated 26.10.2015 inherent powers of the CFAs has been restored as per 2006 till further orders and constituted a Committee to review DFPDS-2015 in consultation with the various stakeholders in a time-bound manner to

enable a smooth transition from DFP-2006 to DFPDS-2015. All the dispensation letter issued earlier have also been withdrawn.

(Circular No. 20 of 2015)

Review of DFPDS-2015

MoD (Fin) vide their File No. Coord A-102C dated 29.10.2015 has clarified that all sanctions/approvals accorded upto 20.10.2015 under inherent powers authorized vide DFPDS-2015, Addendum-I and Special Dispensation letter shall be valid. After 26.10.2015, all cases under inherent powers, pertaining to CFAs mentioned in DFPDS-2015, shall be processed as per inherent powers available to them in DFPR-2006 in a particular sub-schedule or an item within that sub-schedule. It has further clarified that cases may be continued to be sent to nominated IFAs, wherever they have been notified.

(Circular No. 21 of 2015)

Authorization of Central Space Heating Services under Scales of Accommodation

MoD vide their letter No. A/35105/79/ Q3W (Policy)/879/US/D(W-I) dated 24.09.2015 issue certain amendments/ additions under the provisions of Para 60.6.1 and Appx'E' of SOA 2009.

(Circular No. 22 of 2015)

CASE STUDIES

Provisioning

Procurement of Extinguisher Fire Mech Foam 9 Ltrs by Ordnance Dte (Combat Vehicles) under MGO Branch :-

A proposal was received for procurement of item Cat/Pt No. K7/4210-000227 Extinguisher Fire Mech Foam 9 Ltrs against APR 2014 deficiency, with source of procurement of ex-DGS&D Rate Contract, under the delegated financial powers of DGOS as CFA in consultation with IFA, at an estimated cost proposed @ Rs. 1480.07 (excluding taxes) per unit with total amount as Rs. 17,88,15,206 (all inclusive) for Qty 95578.

IFA examined and observed that against APR deficiency of 2014, Qty 95578 was proposed for AON concurrence/Qty vetting in the month of Jan 2015. IFA advised to review the projected deficiency in a realistic manner as per the DGOS Technical Instructions on the provisioning.

IFA also observed that the dues-out Qty 2343 in APR sheet pertained to the period before 3 years from the date of review i.e. 01.04.2014, It was hence advised to consider the consumption pattern of last 5 years and the lowest Average Monthly Usage (AMU) of 1504.646 to be considered for calculation of

Maintenance Period (MP), Interim Period (IP) and net deficiency. The proposal was also advised to be reviewed with the delivery period and monthly production capacity of the vendors indentified from the DGS&D rate contract.

The proposal was reviewed and revised Qty and total deficiency was worked out as 60,375 with net financial of RS. 11,47,76,190. This resulted in **saving of approx. Rs. 6,40,39,016.**

(Courtesy: PIFA (Army-O) New Delhi)

AON/PTY Vetting

Provisioning Review Pertaining to Ni-Cd Battery for Mig Variants :-

Proposal for Provisioning of Ni-Cad Battery for MIG Variants for one line (650 Nos of Battery) for an amount of Rs. 5,52,50,000/- was submitted to IFA HQMC for AON concurrence.

The case was examined and it was brought to the notice of HQMC that there was a phase out plan in offering in case of Mig-21 and in view of this phase out plan the quantity of 650 Nos. projected needed re-examination.

HQMC appreciated the point and considered reduction of 50 Nos of batteries in the proposal.

A revised proposal for 600 Nos of Battery amounting to Rs. 5,10,00,000/- was submitted for concurrence which was concurred in by IFA, HQMC. Thus a reduction in quantity to the **tune of Rs. 42,50,000/- (Rs. 5,52,50,000 – Rs. 5,10,00,000/-) was achieved.**

(Courtesy: IFA HQ (MC) Nagpur)

Mode of Tendering

Procurement of Communication/Security Equipments :

A proposal for procurement of security/communication equipment (consisting of 4 different items) at the estimated cost of Rs. 18,02,718/- for units under HQMC was initiated by Command HQ under schedule XX(i) of FR Part 1 Vol 1. The purpose of procurement of security/communication equipment is to meet the challenges with fst changing security scenario by providing speedy communication to all concerned in case of security threat.

The proposal was analyzed keeping in view the security aspects and the purported security threats from anti national elements. The case for procurement of Communication Equipment at an estimated expenditure of Rs. 17,26,994/- was initiated for procurement under schedule XX of GoI letter dt. 14th July 2006 under LTE. But was subsequently

changed the mode of procurement to PAC. A duly countersigned PAC was also enclosed with the proposal. But since initial LTE proposal had a list of vendors also the proposal was concurred from AoN angle under schedule XX of GoI letter dated 14th July 2006 on LTE basis. After AON sanction accorded by CFA, the tenders were issued to 9 firms under two bid system but response were received only from 2 firms namely M/s AE Telelink Systems Ltd, New Delhi and M/s Arya Communication & Electronics Services Pvt Ltd. This was considered as a very poor response/lack of competition. Still the quotes of both the vendors were examined by duly constituted TEC. The TEC found only one firm as technically qualified and recommended for opening of commercial bid of the said single firm. The proposal referred to resultant single vendor situation. It was also observed that the vendor was same against whom PAC was furnished. Pointing the said facts and limitation of competition it was suggested for re-tendering the case by reviewing the specifications to facilitate wider and adequate competition. This was approved by AOC-in-C as CFA. After revision in specifications, approved by CFA, the proposal was re-tendered on 14-11-12. Against which response were received from 3 firms namely M/s ICONET Services Chennai, M/s ESTEX

TELECOM PVT LTD New Delhi and M/s Arya Communication & Electronics Services Pvt. Ltd Delhi. TEC in its report submitted on 8th December 2012 recommended opening of price bids of all the three firms. Subsequent to opening of price bids the cost of Rs. 11,58,905/- (Inclusive of VAT, ST & Installation, commissioning) quoted by M/s ICONET services, Chennai was found to be lowest and hence accepted.

Initially the case was projected to be processed through LTE. A list of 9 firms to whom TE was required to be floated was also attached with the proposal thereby making it clear that the case falls under LTE where value was less than Rs. 25 lakh. Subsequently the mode of tendering was changed from LTE to PAC (from M/s Arya Communication & Electronics Services Pvt Ltd Delhi, who is the authorized distributor for Motorola Equipments). This was objected to, with the advice that more vendors could be included in the list to widen competition in order to obtain best value for money and also suggested that PAC cannot be resorted to for convenience. After LTE mode of tendering only 2 quotes were received which was also not accepted being poor response it was suggested to go in for re-tendering. After that the quotes were received and analyzed technically and

financially and cost quoted by L1 firm of Rs. 11,58,905/- was accepted which was less than the AON cost of RS. 17,26,994/-. Thus, due to advice at each stage of tendering and procurement procedure, their office could achieve a net savings of Rs. 5,68,089/-. The element of transparency was also maintained.

(Courtesy: IFA HQ (MC) Nagpur)

Repair/replacement and serviceability checks of UG cable of PAPI

IFA received a proposal from INS Rajali for AIP for undertaking repair/replacement and serviceability checks of UG cable of Precision Approach Path Indicator (PAPI) (sub system which is a part of Air Field Lighting System (AFSL) for Rs 24.77 lacs.

IFA examined the proposal and returned the file as there was a proposal in progress at IHQ which was noticed in the file for replacement of AFLS. HQ (ENC) further submitted the file for processing the same stating that the gestation period for the new installation would be 1 and ½ years and the existing PAPI sub system need to be maintained till then. However, IFA advised to rework the revised scope of work in view of the replacement envisaged.

The unit agreed to the advice rendered by IFA and dropped the proposal for repairs of PAPI system. The unit then forwarded another

proposal for CAMC of AFLS for Rs 14.76 lacs. The maintenance of cables pertaining to PAPI was included in the fresh proposal as such replacement of these cables was not required. AIP was accorded accordingly. Finally, IFA concurred the case of CAMC of AFLS for Rs 11.23 lacs. Thus, total savings of Rs 28.30 lacs (Rs 24.77 i.e., the proposal was dropped + Rs 3.52 lacs, by the time, the case was finalized).

(Courtesy: IFA (ENC))

BALANCE SHEET OF LIFE

Birth is your Opening stock
What comes to you is credit
What goes from you is debit
Death is your closing stock
Your ideas are your assets
Your views are your liabilities
Your happiness is your profit
Your sorrow is your loss
Your heart is you fixed assets
Your duties are your outstanding expenses
Your character is your capital
Your knowledge is your investment
Your patience is your bank balance
Your thinking is your current account
Your behavior is your journal entry
Bad things is your depreciation
Have a perfect balance sheet
Always remember GOD is your Auditor.