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MOST URGENT

OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS

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ACCOUNTS IMPORTANT CIRCULAR No. 101 of 03/ 2014

No.A/I/113311/ACA/2013-2014

Dated: 03/03/2014.

To

**All Pr. Controllers/ Controllers (By Name)
(Including Zonal Office (DPD), Chennai,
AO (DAD), Ministry of Defence (Civil)
All DAD Cells, All EDP/DDP Center
CGDA Computer Centre, Director NIMA and RTCs.**

SUBJECT: - ANNUAL CLOSING OF ACCOUNTS FOR THE YEAR 2013-2014.

The following dates have been fixed for closing of accounts for March 2014 (Preliminary), (Supplementary) and (Supplementary Corrections) and for the submission of the Punching Media relating to these accounts by the Controllers to the DDP/EDP Centres, Punching Media Data should reach CGDA, Computer Centre, Ulan Batar Road, Palam, Delhi Cantt-10. It may be ensured that the prescribed dates are strictly adhered to: -

Month's Accounts	Date by which last batch of Punching Medium to reach DDP/EDP Centre (with requisite certificates).	Date by which the Punching Medium data should reach CGDA, Computer Centre, Ulan Batar Road, Palam, Delhi Cantt-10	Date of closing of accounts by the CGDA Computer Centre, Ulan Batar Road, Palam, Delhi Cantt-10 and despatch of printed compilation to all concerned.
March (Preliminary) 2014	10-04-2014	12-04-2014	24-04-2014
March (Supplementary) 2014	25-04-2014	30-04-2014	06-05-2014
March Supplementary Corrections 2014	05-05-2014	08-05-2014	12-05-2014

The Punching Media for March (Supplementary Corrections) Account are to be dispatched duly typed to the concerned DDP/EDP Centres/Sections in convenient weekly batches. The last batch should, however, be dispatched so as to reach the DDP/EDP Centres/Sections on 05.05.2014 latest.

2. Suitable arrangements may, therefore, kindly be made by the Controller Offices for receipt of Punching Media from their Sub- Offices and despatch thereof to the EDP/DDP Center/Computer Center of HQrs. office on the dates as prescribed. In the past years, some Punching Media involving large amounts were not included even in March (Supplementary) compilation due to delay in transit to DDP/EDP Centers. **Controller Offices may, therefore, ensure special dispatch arrangements to avoid non-inclusion of P.M. in the March (Supplementary) and March (Supplementary Corrections) Account. It may also please be ensured that maximum leftover bookings are made in (March Supplementary) Accounts positively and only in exceptional circumstances the bookings are made in March (Supplementary Corrections) Accounts.**

3.1. Detailed instructions to be followed by the Controller Offices in this regard are contained in the Annexure "A" to this circular. Special reference is invited to Para 3 thereof, regarding Manual Corrections that, all transactions relating to the year 2013-2014 are required to be brought to account before closing of final Accounts and **manual adjustment in respect of important unavoidable transactions and of large magnitude only** are proposed under the orders of Pr. CDA/CDA with reasons for non-booking in the March (Supplementary) and March (Supplementary Corrections) so as to reach HQrs Office by 13.05.2013 positively along-with a Soft Copy in CD. **The data in floppy will not be accepted. Proposals received after this date would not be accepted and cases of delay in readjustments and misclassifications will be viewed seriously. It may be stressed upon here that due to changes/ modifications given by the CGA with reference to Closing of Accounts, this year the dates have been preponed and may be strictly adhere to as these are being forwarded to CGA on e-lekha and not manually.**

3.2. Copies of original P.M. for Manual Corrections duly data entered in the CD (in DBF & FOX PRO mode) in original along with the approval of Pr. Controllers/CsDA should be sent to HQrs. office by name to Shri. **Kander Paul, SAO (Accounts)** in such a way that none of these documents, and CD in particular, is damaged in transit.

It is requested to ensure that maximum left over bookings for the year 2013-14 may be made in the month of March (Preliminary) and corrections/misclassifications should be carried out in March Supplementary Accounts positively. *Undermentioned transactions (items) are required to be completed before finalization of 14/2014 Accounts.*

- (i) Primary Education Less @ 2% and Secondary and Higher Education Less @ 1% to regard to eligible Tax collections (including Surcharge) should be accounted for correctly.
- (ii) "NO" amount should remain outstanding under "Expenditure Awaiting Transactions" and "Receipts Awaiting Transactions" at the close of Accounts for March 2014.
- (iii) Amounts pertaining to charged expenditure should be thoroughly checked and correctly accounted for.
- (iv) Reasons for minus transactions (if any) may be submitted with complete rationalization.
- (iv) "Nil" balances under 8342.00.117- Defined Contribution Pension Scheme for Government Employees may please be ensured.

As regard the March Manual Correction, it includes transactions of important unavoidable transactions and of large magnitude only in exceptional circumstances under the personnel orders of PCsDA/CsDA. The Controller Offices may make such mechanism that no bookings may be made in March Manual Correction Accounts (15 Accounts) and all the corrections/misclassification may be carried out in March Supplementary Accounts positively as there is only one week time for March Manual Correction Accounts (i.e. 15 Accounts)

Please acknowledge receipt.

Maushumi Rudra

(Maushumi Rudra)
Jt. CGDA (A&B)

Copy forwarded for information to:

1. The High Commission for India in U.K.
Accounts Department, India House,
Aldwych, London WC.

Kindly ensure that monthly remittances and classified Receipts and Disbursements Accounts for the year 2013-2014 are forwarded to Pr. CDA, New Delhi by 10.04.2013.

Receipts of this communication may please be acknowledged.

2. **Integrated HQrs of Ministry of Defence (Army), (Navy) & (Air Force).**

Necessary instructions may please be issued to all unit formations that vouchers for all inter-departmental transactions, which are settled through RBI, are finalised well in time before 31.03.2014 so that before **07.04.2014**, the date on which the Reserve Bank of India will close their books for inter-Governmental transactions for 2013-2014 or by the date as notified by them separately, accounts are finally processed and adjusted in Defence Proforma Account Integrated HQrs of Ministry of Defence may also kindly ensure that inter-departmental transactions, which are provided for in their estimates, are got effected by the Railways and P&T Accounts Officers concerned and that supporting vouchers/including all other accounts, are invariably sent to the Controller Offices not later than **10.04.2014** so that the same are adjusted in the financial year 2013-2014.

3. **All FA & CAOs Railways/DAs P &T.**
4. **Ministry of Defence (Finance/ Budget-I & II), (Fin/MO)/ DFAs.**
5. **Dte. of ~~Fin. Plannings~~ AHQrs, Room No.209, South Block, New Delhi.**
6. **Dte of Fin. Plannings Air HQrs Vayu Bhavan.**
7. **Dte of Naval Plannings NHQ Sena Bhavan.**
8. **CC R & D, DRDO Bhawan, Rajaji Marg, New Delhi.**
9. **Ordnance Factory Board, 10-A Saheed Khudiram Bosh Road, Kolkata-700 001.**
10. **Dte. Gen. Of Audit Defence Services.**
11. **Dte. of Audit of Commands.**
12. **Dte. Gen. Coast Guard HQrs, National Stadium Complex, New Delhi-01.**
13. **DGBR Budget Section (2 copies).**
14. **Audit Section GP-III A & B (Local).**
15. **All Groups in Accounts Section/Budget.**
16. **Master File.**
17. **SPs to CGDA.**
18. **SPs to Addl. CGDA**
19. **PAs to all Jt. CGDA in HQrs office.**
20. **EDP Section (Local) for uploading in the website.**

Kander Paul
(Kander Paul)
SAO (Accounts)

General: For Pr. Controllers and Controllers of Defence Accounts

The accounts for March (Supplementary) 2014 should for all intents and purposes be regarded as the final accounts for the year 2013-2014 barring a few unavoidable adjustments that may have to be included necessarily in the Accounts for March (Supplementary Corrections). Every endeavor should, therefore, be made to speed up adjustments by taking prompt and timely action to obtain wanting particulars and vouchers etc. wherever necessary.

2. It was noticed in the past that the P.M. for Supplementary and Corrections Accounts contained errors, fictitious code heads, code heads which are not to be operated by the Controller originating the Punching Medium etc. It is therefore, essential to scrutinize the Punching Medium very carefully as laid down in Para 57 of Defence Account Code (1994 Edition). In so far as sub-offices are concerned e.g. AOs GE, and PAO (ORs), DPDOs etc. which are at present authorized to send Punching Media direct to DDP/EDP Centres, the DDP/EDP may please ensure that Code Head Master is updated so that erroneous/fictitious code heads are identified and immediately got rectified, and Punching Media intended for March (Supplementary Corrections) 2014 are transmitted to EDP Center of HQrs. Office in prescribed time. Every endeavor should be made to avoid booking in March (Manual Corrections) 2014 Accounts.

3. Only inescapable and important transactions of large magnitude (Say Rs. 1,00,000 and above) should be proposed for inclusion in Manual Corrections Accounts implying that re-adjustments in correction of accounts considered absolutely necessary are only to be proposed.

While reviewing the Original PM received from various Controllers for inclusion in March Manual Corrections (i.e. 15 Accounts) , it has been observed that in several cases the original transactions (Class-I PM), left over transaction not included in month of transaction and undeserving transactions are being proposed for inclusion which are in contravention of rules and procedure. HQrs. office is often faced with embarrassing situation while explaining reason to higher accounting authorities i.e. CGA, Ministry of Finance, (Department of Expenditure) for floating Journal Entries (J.Es), It has been our experience, that numerous readjustment items of negligible value which could have been detected in normal course and rectified earlier are reported in Manual Correction Account (i.e. 15 Accounts) resulting in unnecessary work/other allied problems during the crucial final leg of closing of Annual Accounts.

Since the process of accounting of transactions, is continued till March (Supplementary Corrections) Accounts, there should not be any convincing reason to float J.Es (PM) at the Manual

Ministries/Government/Departments. Controllars should, therefore, endeavor to chalk out a strategy in order to identify all possible avenues of accounting lapses/omissions and take corrective measures leaving no room for criticism from any quarter at a later stage:

4. Therefore, while the Controllars will ensure that all transactions relating to the year 2013-2014 are brought to account before the final closing of accounts, the **manual adjustments in respect of very important unavoidable transactions and of large magnitude only should be proposed under the personal orders** of the Controllars/ Head of office so as to reach this office on or **before 13.05.2014. Punching Media of value below Rs. 1,00,000 will not be considered for inclusion in March Manual Corrections except where readjustment of errors in previous accounts is involved.** It has been our experience in the past that such proposals were sent to us very late (without indicating Controller's approval). The main reason for proposal of manual corrections was generally attributed to postal delays. In fact the proposal for manual corrections were dispatched on the last date prescribed for rendition of data or thereafter. Therefore, the Punching Media/other documents should be dispatched keeping in view the transit time. In case any unavoidable transactions come to light very late and it is not possible to forward the proposals so as to reach this office by due date, the handing over of Punching Media personally by the representative well conversant with the nature of transactions involved in such P.M. may be considered by the Controllars. In no case the couriers need be sent who are not well conversant with the transactions included in the P.M.

The Controllars should please ensure adherence of the above date i.e. **13.05.2014** by which their proposals for manual adjustments, duly approved by the Controller should reach this office for consideration and necessary action.

5. Expeditious action should therefore be taken to forward the vouchers/Schedules Accounts in respect of individual transaction of Rs.1,00,000/= and above, gross credits/debits for which have not been advised to the RBI before close of their books for the current year 2013-2014 and which are likely to affect the appropriations of the year or may remain outstanding under the Remittance Heads in the Defence Books, to the Civil Accounts Officers concerned and their acceptance for the debits/credits involved, obtained well in time by pursuing the matter vigorously. On receipt of acceptance from the parties concerned the details of the transactions should be reported to this office (in duplicate) latest by **07.05.2013** in a single batch in the Proforma appended as Annexure-B to this circular to enable us to obtain the approval of CGA under the provisions of note below **Para 86 of Defence Account Code, Nil reports are also required** for Proforma adjustment. No proposals for Proforma adjustment after **07.05.2013** will be entertained. **It should be ensured that cases where acceptance of the Accounts Officers have been obtained, are only reported to HQrs. Office and that number and date of their communication accepting the debit/credit are clearly indicated in column 5 of the proforma**

6. in addition to above, the following specific instructions are issued for compliance by PCsDA/CsDA:

(i). The provisions contained in Para 289, 290 and 291 O.M. Pt. II Vol-I (Chapter-III Accounts Section) in regard to review of compilation should be adhere to. As regards category code heads prefixed to Service/RD&R Heads, it should be ensured that category is prefixed to the correct code heads.

(ii). The outstanding under various categories of Suspense Head (Code Head 020/61) should be brought to NIL. In this regard instructions contained in our Important Circular No. A/I/12273/Suspence/2008-09 dated 13-11-2009 may please be referred to. It is however observed from the Suspense reports received from Controllers that heavy amounts are being transferred to Suspense Heads by the EDP Centre in rectification of amounts compiled to fictitious/erroneous code heads and also the closing and opening balances under the provisions contained in Para 22 and 71 O.M.Pt.XI, which tend to inflate the balances outstanding under these heads. As these outstanding attract criticism from PAC/Audit Authorities, it may please be ensured that expeditious action to re-adjust such items to the correct head of Account is taken by all concerned before closing of Accounts for 2013-2014.

(iii). No compilation under heads relating to transactions susceptible to adjustments centrally by one CDA be done by another Controller in March Manual Account.

(iv). The net amount compiled during the year under the Head "Deposits with the Reserve Bank (Code heads 021/00, 096/40 in the case of AO DAD MOD (CIVIL) and 099/25 in the case of CDA (CSD)" excluding the amount adjusted on Proforma basis outside the books of the RBI, CAS Nagpur should agree with the net closing balance intimated by the RBI, CAS, Nagpur in March 2014 Accounts at the close of Accounts for March (Supplementary). Difference if any should be transferred to PSB Suspense (020/76) and RB Suspense (Unclassified) (020/83) and proper record of each discrepancy should be recorded in RB Deposits Register.

(v) Expeditious action should be taken to adjust the debits received from Civil Accounts Officers to the final heads of accounts for 2013-2014. In case where vouchers/particulars in support of the debits have not been received, the same should be called for and pursued to finality with a view to ensuring adjustment of debits in question in the accounts for 2013-2014 themselves. In cases where debits are awaited from Civil Accounts Officers (wherever known) the same should be called for and vigorously pursued to facilitate adjustment in current year's accounts.

(vi). It may please be ensured that the Annual report on "Charged Expenditure" on CD for the year 2013-2014 is ordered by 20.08.2014 positively, keeping in view the instructions contained in this office circular No. A/II/11909/CH. Expdr. Dated 21.05.2002.

(vii). The Annual Review of Balances (AROB) for 14 Accounts has been discontinued due to short span of time between 14 and 15 accounts, Annual Review of Balances (AROB) along-with statements 5 & 13 for the year 2013-2014 for 15/2013 Accounts may please be furnished to this office not later than 06.06.2014. This may also be sent by name to Shri. Kander Paul, SAO (Accounts) Office of the CGDA, Ulan Batar Road, Palam Delhi Cantt-10 with copies to all concerned with the following action: -

(a). The outstanding balances under various Minor Heads below Major Head "8659"- Suspense Account (Defence)", "8787- Adjusting Account with Railways" at the end of 2013-2014 may be reviewed by the Controllers and suitable action may please be taken to clear all outstanding items to bring down the outstanding balances. The specific action taken during the year should also be mentioned in the "Action Taken Note" in the AROB.

(b). If there are any debit balances under heads against which there should normally be credit balances or vice-versa, the reasons for the adverse balances should be fully explained and action taken to liquidate the adverse balances also be indicated as 'Action Taken Note' in the AROB.

(c). There should normally be no minus transactions excepting suspense heads during the year. If there are any, full reasons thereof may please be indicated in the 'Action taken Note' in the AROB.

(d). It may please be ensured that proper record of outstanding balance reflected in the Annual Review of Balances are kept in the relevant ledgers/prescribed registers and the balances reflected in the Annual Review of Balances agree with those of ledgers/ prescribed registers. In this connection HQrs. office Circular office letter No. A/II/12273/ROB/Gen/2007-08 dated 05-11-2009 (Circular No. 44 of 11/2009) may please be referred to.

(e). It should be ensured that interest on accumulations in various Provident Fund Accounts or the year 2013-2014 is compiled in the accounts for March (Supplementary Corrections) 2014 positively. For this purpose, all fund transactions taking place during 2013-2014 should be booked within the currency of March (Supplementary) 2014 accounts, our circular No. A/II/13311/Funds dated 07-01-1999 is relevant in this regard.

For Computer Centre, CGDA, Ulan Batar Road, Palam, Delhi Cantt - 110014.

1. It is requested that the dates for closing of compilations for March 2014 (Preliminary) and (Supplementary) by the EDP/DDP Centers as well as the dates by which they should forward their data floppies/copies of the Sectional Compilations to your office have been indicated and notified to all concerned for strict adherence.
2. While finalising compilation for March (Supplementary Corrections), it may be ensured that all transfers in respect of Fund heads, Advances- Pay Accounts Offices etc. centrally done by your center as per extent orders are invariably affected in the Accounts. The balances compiled under Cat. Prefix "77" representing re-adjustment/rectification of error of past years will, however, be allowed to stand in the compilation, unless otherwise advised.
3. After closing of March (Supplementary Corrections) Account 2014, the Punching Media will be received in the office of concerned DDP/EDP Centres up to **05.05.2014** in convenient batches as specified in Sub Para 1 of Page 1. The DDP/EDP Centre should ensure that Punching Media received from each CDA are serially numbered and there is no break in the continuity of serial number and printed compilation is generated in the normal manner as for other months. DDP Center should make special arrangements so that data is received by the Computer Centre, CGDA Delhi Cantt on the date specified. DDP/EDP Centers, CGDA Computer Centre, Delhi Cantt may ensure watching last voucher certificates, to ensure that no P.M. is left over. CGDA Computer Centre, Delhi Cantt, after printing RD&R Consolidated compilation, should send to Ministry of Defence (Fin/Bud)/DGADS etc. by **12.05.2014**.
4. It may, however, be noted that punching media intended for March (Supplementary Corrections) 2014 received by DDP/EDP Centres/Section, after prescribed date and which could not be included in the Corrections Account 2014, may be returned to Controller Offices concerned for their inclusion in the March (Manual Corrections) Accounts and acknowledgement of Controllers concerned watched. Details of such cases may also be reported to this office.
5. The DDP/EDP Centres/Computer Centre, CGDA Delhi Cantt should scrutinize the Punching Medium for March (Supplementary Corrections) Accounts and try to settle discrepancies before printing of compilation. Any incorrect/doubtful compilation and compilation under fictitious code heads or Controller's own exchange account head which come to notice at the time of printing of compilations for March (Supplementary) 2014 and March (Supplementary Corrections) 2014 which cannot be rectified in consultation with the Controllers concerned, should be transferred to Suspense Head (29/020/61 & 75/020/61) as the case may be and complete details of such transfers furnished to **Controllers concerned and this office.**

In this connection HQrs Office Most Important Circular No. A/III/11365/020/61/Gen dated 04-05-2000, as amended vide even No. dated 01.12.2000, refers. No amount should be allowed to appear as progressive balance against fictitious Code Heads or Controller's own exchange account heads so far as compilations for March (Supplementary) 2014 is concerned. Correspondence relating to errors/operation of Fictitious Code Heads or any other observation on the Punching Media for (Supplementary) and (Corrections) Account be dealt with on 'Top Priority Basis'. It may please be ensured that the date for submission of printed compilation, for March (Supplementary Corrections) Account 2014 i.e. Consolidated All India Compilation, Consolidated RD&R Compilation, Balanced Account, Statement showing the group totals in respect of RD&R Heads and Annual Statements showing figures on account of Income Tax of this office is strictly adhered to, so that the consolidated balanced account is rendered by this office to CGA on due date.

CDA (CSD) Only:

The time schedule for submission of Commercial Annual Accounts for 2013-2014 will be notified separately by AT-III B Section.

ANNEXURE 'B'

CONTROLLER GENERAL OF DEFENCE ACCOUNTS,
PALAM, DELHI CANTT -110 010
CIRCULAR NO. A/1/13311/ACA/2012-13 DATED 03-03-2014

Statement showing the transactions requiring adjustment on Proforma basis outside the books of **Reserve Bank of India in the accounts for the year 2013-2014.**

Sl. No.	Account Officer with whom adjustment required to be made	Account required to be debited/credited to		Balance effected i.e. (Central) (Civil) Posts/Rlys	No.& date of communication under which the acceptance of the debit/credit has been intimated by Civil Accounts Officer	Details of transactions and reasons for non-adjustment in the Accounts for the year 2013-2014
		<u>Defence Balances</u>				
		Debit	Credit			
1	2	3	4	5	6	7

Certified that the items detailed in the above statement do not affect State Govt. balances and no adjustment in respect of these items has already been carried out either by this office or by the Civil Accountant General in the normal manner through the Reserve Bank of India in the accounts for the year 2013-2014.