

A/III/12157/ECS/Corres/IX
Office of the CGDA
Ulan Batar Road, Palam
Delhi Cantt.-10
Dated. 05.03.2012

To,

All PCsDA / CsDA .

Subject: **Implementation of E-Payment System in DAD**

In accordance with the guidelines issued by Hqrs. office/CVC, various DAD offices are making payments through RBI approved electronic platforms such as ECS, NEFT, RTGS, etc. Further the Controller Offices are implementing e-payment system through RBI/SBI and also through a couple of private banks such as HDFC, ICICI, etc., and each arrangement has a distinct procedure as regards to settlement between PCsDA/CsDA and banks as below:

2. In case of e-payment being effected through RBI, PCsDA/CsDA are passing payment instructions in electronic form without any consolidated cheque and RBI, after crediting beneficiaries accounts, debits PCsDA/CsDA account at CAS, Nagpur and total amount paid on behalf of that office is intimated. The failed transactions are intimated back to PCsDA/CsDA and for these there is no cash settlement involved as RBI is debiting only successful transaction amount. Whereas in cases of e-payments through SBI or other private banks, PCsDA/CsDA are enclosing a consolidated cheque for total amount to the concerned bank alongwith individual payment instructions. In this scenario, banks while informing failed transactions are either returning the amounts of failed transactions through demand draft or perhaps keeping the failed transaction amount in a suspense for later clearance/remittance once corrections are intimated by PCsDA/CsDA to the bank.

3. In terms of existing instructions, the appropriate procedure would be the banks returning the amount of failed transactions to PCsDA/CsDA through demand draft, which, in turn, gets deposited in Govt. treasury through MRO and fresh payments in respect of such failed transactions are subsequently processed through CDA-13.

4. Although instances of failed transactions would not arise if data get captured correctly, nonetheless, such instances, appear to be happening in various offices. As a result, the process involved in effecting credit subsequently through CDA -13 may be leading to delay in remittance. CDA (R&D), Hyderabad has raised this issue and suggested opening a separate public fund account for dealing such transactions in view of delay and procedural hassles involved in using CDA – 13 time and again (letter from CDA(R&D) Hyderabad enclosed).

5. In an another case, CDA, Chennai has reported that Cash Assignment holders are taking credit of all such refunds into their CA Public A/c even though such accounts are only a debit account (letter from CDA, Chennai is enclosed). This practice may not be appropriate. However, sending demand draft for failed transactions in such cases to PCsDA/CsDA by CA holder may lead to reconciliation and accounting issues.

6. In view of the foregoing, controllers are requested to review the procedure adopted in e-payment system and intimate position in respect of their offices with suggestion on the issues raised by CDA (R&D), Hyderabad and CDA, Chennai.

An early action is requested.



(R.K. Karia)

Jt. CGDA (A/cs & Budget)

FAX/SPEED POST

NO.D/1809/ECS-EFT/CORR/VOL II
Office of CDA R & D
C V Raman Nagar,
Bangalore-93.
Date: 10/10/2011.

TO,

Office of CGDA
Ulan Batar Road,
Palam,
Delhi Cantt-110010.

SUB: Electronic Fund Transfer: Permission for opening of Current Account with State Bank of India, HAL Bangalore Branch.

This office has a 'Memorandum of Understanding' with the above Bank for remitting of payments to all third parties through out India, and the payment of monthly salary of 11 DRDO Laboratories, situated at Bangalore.

However many a times the third party payments get rejected due to non furnishing of correct Bank Account particulars by the vendors. Such amounts are kept in a suspense account by the Bank and are later cleared once this office obtains the requisite details from the concerned Lab/Vendor and intimate the same to Bank.

In cases where delay is anticipated in getting the correct bank details immediately, the Bank remits such amounts to this office through Demand Draft, which is credited to Government. These undelivered payments are subsequently cleared after obtaining the required details by operating IAF CDA-13.

In the recent past, it is observed that occurrence of the above nature has increased mainly due to intimation of incorrect or invalid bank account number by vendor/lab resulting in increased number of operation of IAF CDA-13, which results in delay in releasing the payment to vendor.

In view of the above it might be appropriate to open a current account with the Bank by this office, for crediting the undelivered amount by Bank for any reason, so that necessary action can be taken by this office for re-credit of the amount to the concerned by furnishing requisite details and avoiding use of IAF CDA-13. The bank account will be in the name of this office in addition to the Public Fund Account.

Hqrs is therefore requested to kindly examine the same and permit this office to open a current account with the above Bank. Necessary action will be taken only on receipt of confirmation from Hqrs office.

CDA has seen.

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(S.M.Bannur)
ACDA

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रक्षा लेखा नियंत्रक कार्यालय

Office of the Controller of Defence Accounts

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A/I/1522/DCS

Dated: 18.01.2012

To

The CGDA
Ulan Batar Road,
Delhi Cantt.

Subject - Payments in Defence Transaction.

All payments including the contractors bill are being made through electronic mode as per the CVC guidelines. This office has come across certain cases where payments made from Cash Assignment account for the contractors bill could not be credited into the beneficiary account and eventually the amount being re-credited into the Cash Assignment account. Reconciliation of cash book becomes difficult in these cases and also Cash Assignment is an account where only a debit transaction can take place and the credit is always through a letter of credit issued by the CDAs office.

This office is of the view that the un-credited amount issued from the Cash Assignment account should be returned by the bank through a Demand Draft which can be credited into the public fund account and a fresh cheque issued. This will not only make the reconciliation of the Cash Book easier but also prevent the re-credit of the amount into the Cash Assignment account.

Hqrs office is requested to inform the procedure to be followed in this regard.

CDA has seen.

Jhaseed
Addl CDA

