



Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt – 110010
Ph No. 011 – 25665577, , FAX No. 011- 25674806.
(Audit - IX)
E-Mail : cgdanewdelhi@nic.in



IAW-9/9510/OF/94

Dated 12/8/2016

To

All PCsDA/CsDA

PCA (Fys) Kolkata / All CsFA (Fys)

Sub: Issuance of 'Letter of Intent' to OFB in respect of Class 'A' and Class 'B' Army Stores procured from OFB.

Please find enclosed a copy of Govt. of India, Ministry of Defence letter No. A-20039/OFB/MGO/DDG (Proc)/D(O-I)/2016 dated 10/8/2016 on the above subject for information and necessary action please.

Encl: As Above.

Copy to:

IT & S wing
Local

- With a request to upload on the CGDA website.

Damodar
ACGDA (IAW)

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ACGDA (IAW)

10th August, 2016*Pls. see the attached**11/8*

To

Chief of Army Staff

Addl Secy (A&S)

Subject: Issuance of 'Letter of Intent' to OFB in respect of Class 'A' and Class 'B' Army Stores procured from OFB.

11/8

Sir,

ACGPA(AT/Proc)

The issue of slippages by OFB in the delivery timelines/targets fixed in the indent for Class 'A' and Class 'B' Army Stores was under consideration of the Govt. It has been brought out that as procurement of raw material is authorised to OFB only on receipt of formal indents, their production cycles get delayed due to not placing of timely indents. Thus a need has been felt to devise a framework to expedite procurement/production process by OFB.

2. It has now been decided that on finalisation of APR deficiencies of the items which are planned to be procured ex-OFB (either out of OFB's own production range or through sourcing ex-trade), AHQ shall share the details with OFB through a 'Letter of Intent' (LoI) indicating that final quantity of indent may vary while going through the process of CFA approval. On the basis of LoI, OFB will be authorized to initiate procurement action for the input materials for 50% of the quantity indicated in LoI with 100% option clause. The LoI will be given at the level of MGO irrespective of value. Formal indents will be followed up with the approval of concerned CFAs.

3. This issues in consultation with Department of Defence Production vide their ID No. 11(17)/2016/D(Prod-II) dated 29th April 2016/13th May 2016 and with the concurrence of Ministry of Defence (Finance) vide their UO No. 1050 (DFA(O)) dated 27/7/16.

Rajeev Jauhari
(Rajeev Jauhari)

Under Secretary to the Government of India

Tel: 23013696

Copy to:

1. The Secretary (DP)
2. Chairman, OFB
3. CGDA
4. MGO

Copy for information also to:-

1. PS to RM/RRM
2. SO to Defence Secretary
3. PPS to Addl. Secy(R)/JS(Army)/JS & AM(LS)
4. PPs to Addl FA(AN) & JS