

## आई.एफ.ए. सारांश

रक्षा सेवाओं के एकीकृत वित्तीय सलाहकारों का त्रैमासिक समाचार-पत्र

अंक 13

जुलाई 2014



### प्राक्कथन

ई-समाचार पत्र "आई.एफ.ए. सारांश" का 13वें अंक आपको सौंपते हुए मुझे बहुत खुशी और गर्व का अनुभव हो रहा है। यह समाचार-पत्र एकीकृत वित्त के क्षेत्र में हमें अपने रोज़मर्रा के अनुभवों को साझा करने का अच्छा अवसर प्रदान करता है।

इस समाचार-पत्र में रक्षा सेवाओं से संबंधित वित्तीय परिदृश्य एवं एकीकृत वित्तीय सलाहकारों से संबंधित गतिविधियों को शामिल किया गया है।

मुझे पूर्ण विश्वास है कि "आई.एफ.ए. सारांश" नियमों एवं विनियमों को उचित परिप्रेक्ष्य में लागू करने की दिशा में एकीकृत वित्तीय सलाहकारों के लिए काफ़ी मददगार सिद्ध होगा।

नई दिल्ली  
दिनांक : 01 जुलाई , 2014

(बनवारी स्वरूप)  
रक्षा लेखा अपर महानियंत्रक

टिप्पणियां एवं सुझाव [cgdaifa@gmail.com](mailto:cgdaifa@gmail.com) पर ई, रक्षा लेखा महानियंत्रक कार्यालय, विंग .ए.एफ.मेल अथवा आई-  
,(पालम रोड) उलन बटार रोडदिल्ली छावनी 110101-को डाक द्वारा अथवा फ़ैक्स सं 25674820-011 .पर भेजे जा सकते हैं।

## Army Command IFAs Conference

Subsequent to the Regional CsDA-Army Command IFAs conference held on 12.05.2014, one day conference of the Army Command IFAs was organized at HQrs. office on 13.05.2014.

Sh. Banwari Swarup, Addl CGDA (IFA), Sh. V.K Vijay, Jt. CGDA (IFA) , Dr. Kum.Gurjot K Sondhe, IFA (SWC), Jaipur , Sh. Benamina, IFA (EC), Kolkata, Sh. Dev Kumar, IFA (NC), Udampur, Sh. Vijay Kumar, IFA (CC), Lucknow, Sh. Suchindra Misra, IFA (SC), Pune, Sh. S.K. Singh, IFA (ARTRAC), Shimla, Sh. Rajiv Sharma, IFA (WC), Chandimandir and Sh. B.S Negi, IFA (Army-Q), New Delhi participated in the conference.



Initiating the discussions CGDA shared her experiences as IFA and also as Finance Manager in MoD (Fin) and exhorted the IFAs to put in efficient and effective scrutiny mechanisms in their offices within the provisions of DPM. She also highlighted the need of CDA-IFA interactions for greater professional orientation on both sides. Addl. CGDA (IFA) also shared his thoughts & experiences as IFA and advised the IFAs to employ their skills

in providing effective solutions to the Executive authorities within the ambit of rules & regulations.

During the conference, presentations were given by Sh. Vijay Kumar, IFA (CC) Lucknow on Manpower and Administrative Issues and Sh. Dev Kumar, IFA (NC) Udampur on professional issues including issues on Outsourcing, Procurement and IFA-CFA interactions. The presentations were followed by open house discussion. The issues raised by IFAs were discussed in detail and clarifications were provided wherever feasible.



The issues concerning assessment of manpower requirement vis-à-vis work load, IFA'S scope of participation in sports activities, revision of SOPs, MEIT, MOLTI Funds, common deficiencies found in cases concurred by IFAs and other training & administrative issues were discussed during the conference.

On behalf of Command IFAs, Sh. Benamina, IFA (EC) Kolkata proposed a vote of thanks for organizing the conference in a cordial, conducive environment to discuss important issues of the IFAs.

## Regional CsDA & Army Command IFAs Confrence

Regional CsDA-Army Command IFAs conference was held on 12.05.2014 to 13.05.2014 in HQrs. office under the Chairmanship of CGDA.

On this occasion, all the regional controllers and Army Command IFAs were present. The issues concerning strengthening Internal Audit, PCDA/CDA-IFA interface, OA/CMP/Fund system, ECHS, PAO (ORs) matters etc. were discussed followed by open house discussion.



## Awards/Commendations

Shri Rajiv Ranjan, IDAS IFA (SWAC) Gandhinagar has been awarded the AOC-in-C commendation for great dedication and professional skill, resulting in praiseworthy contribution to the HQ SWAC IAF in his capacity as IFA.



## Welcome to IFA Set Up:-

Smt. Alka Nagia Arora, IFA (WAC) D/ Cantt.  
Sh. Dhannjay Kumar, IFA (Army-Capital/MAP)  
Smt. Sumati Kumar, IFA Project Sea Bird,  
Sh. Sandeep Sarkar, IFA (P-75)  
Sh. S.B. Mathdevru, Dy. IFA (9BRD/46 ED)  
Sh. S.K Sarkar, Dy. IFA (AF) Kanpur

## Wishing Happy Retired Life:

Sh. P.P Sharma, Dy. IFA (HQ 12 Corps)  
Sh. Ashwani Trishal, Dy. IFA (HQ 16 Corps)  
Sh. A.K Trion, Dy. IFA (Coast Guard)

## Wishing Happy Birthday to :

Dhananjay Singh, Dy. IFA (Navy)	01 <sup>st</sup> July
A.K Trion, Dy. IFA (Coast Guard)	01 <sup>st</sup> July
D.C Devrani, Dy. IFA (EAC)	02 <sup>nd</sup> July
V.K Gupta, IFA (CAC)	06 <sup>th</sup> July
Dharam Chand, Dy. IFA Agra Cantt	08 <sup>th</sup> July
K. Ganapathi, Dy. IFA 5 BRD	10 <sup>th</sup> July
P.K Jena, Dy. IFA (ENC)	10 <sup>th</sup> July
L.D. Morya, Dy. IFA 10 Corps	12 <sup>th</sup> July
V G Bakre, Dy. IFA (COMCG)	13 <sup>th</sup> July
Vinod Anand, Dy. IFA (Army-O)	14 <sup>th</sup> July
Nishtha Upadhyay, Addl. IFA (Navy)	21 <sup>st</sup> July
Vandana Kumar, IFA (R&D)	24 <sup>th</sup> July
Savitur Prasad , Pr. IFA (Army-M)	25 <sup>th</sup> July
R. Srinivasan, FA to FOGA/FONA	25 <sup>th</sup> July
Arvind Khare, Addl. IFA (Army-O)	28 <sup>th</sup> July
A.N Arora, IFA (WAC)	31 <sup>st</sup> July
T.R Jain. Dy. IFA (Army-O)	01 <sup>st</sup> Aug
L.Z Bansod, Dy. IFA , COD Allahabad	03 <sup>rd</sup> Aug
M.V Rama Krishna, Dy. IFA (SWC)	03 <sup>rd</sup> Aug
N.K.M Pillai, Dy. IFA (SNC)	03 <sup>rd</sup> Aug
S K Mukhopadhyay, Dy. IFA (Vizag)	05 <sup>th</sup> Aug
Laxman Likhari, Dy. IFA (Balasore)	06 <sup>th</sup> Aug
K. Inderjeet Kumar, (R&D Bangluru)	10 <sup>th</sup> Aug
Ramesh Kumar, Dy. IFA (R&D)	12 <sup>th</sup> Aug
C. Golagani, Dy. IFA (IDS/SFC)	14 <sup>th</sup> Aug
S.A. Pokharnikar, Dy. IFA HQ MG &G	15 <sup>th</sup> Aug
G.K Jain, Dy. IFA (WC)	15 <sup>th</sup> Aug
Pramod Narain, Dy. IFA HQ 21 Corps	18 <sup>th</sup> Aug
K. Balakrishna, FA to MS Vizag	21 <sup>st</sup> Aug
T.K Neogi, Dy. IFA (Army-Q)	22 <sup>nd</sup> Aug
C. Rama Rao, Dy. IFA 43/44 ED AF	22 <sup>nd</sup> Aug
Chandra Prakash, Dy. IFA , HQ MC	25 <sup>th</sup> Aug
Rajiv Sharma, IFA (WC)	07 <sup>th</sup> Sep

Bhupinder Singh, Dy. IFA HQ 2 Corps 08<sup>th</sup> Sep  
Nawal Kishore, Pr. IFA (Navy) 11<sup>th</sup> Sep  
S.K Kansra, Dy. IFA 7 BRD/27ED 16<sup>th</sup> Sep  
S.K Singh, Dy. IFA (AF Jamnagar) 24<sup>th</sup> Sep  
B.S Kamble, Dy. IFA (WAC) 28<sup>th</sup> Sep  
Dr. B.K Verma, Dy. IFA (Air HQ) 29<sup>th</sup> Sep  
Ayay Dahiya , Dy. IFA (WNC) 30<sup>th</sup> Sep

## **CIRCULARS**

**Resolution of issues pertaining to external conservancy and outsourcing of services.**

### **Extension of conservancy contracts:-**

One of the IFAs has declined to concur extension of the external conservancy contract, citing DPM provisions that unless such extensions are indicated in the original contract, extension of the contract can not be permitted. The issue has been examined by this Hqrs. office, and it has been clarified that requirement of having such a clause in the original contracts which are presently on-going, may not be insisted upon. However, for fresh cases the provisions contained in DPM may please be adhered to.

### **Outsourcing of Services:-**

In continuation to Para 2 of IFA Wing Circular No. 14 of 2012 that outsourcing proposals received in IFA offices for vetting, may be vetted by local IFAs with an advice that the proposal may be submitted to Services HQs for obtaining approval of the competent authority in consultation with its PIFA/IFA (SHQs). It may further be ensured that once go-ahead sanction has been accorded by Services HQs and the contract could not be concluded due to some reasons, the same proposal need not be referred to Services Hqrs. again and may be considered for vetting by local IFAs.

**(IFA Circular No. 04 of 2014)**

### **Extension of Delivery Period-reg. thereof**

Despite clear guidelines contained in DPM & its Supplement, It has come to notice of this Hqrs. office that generally DP extension cases are forwarded much after expiry of the original DP or even after stores are received. The role of IFA in such situation is limited because executive authorities have already accepted the stores thereby. IFA is not in a position to raise observations such as consideration to impose LD, termination of S.O at the risk & expense of the firm for their failure to deliver the store within the original DP etc..

In Foreign Proc. cases also, the firms give intimation regarding readiness for shipment so that LC can be opened in time but does not give any intimation regarding expected delay in shipment of Goods.

In order to avoid such ambiguous situations, the executive authorities should initiate the DP Extension proposals well in advance to enable finance to play a better and meaningful role in deciding the course of action while dealing with the proposed DP extensions. For this purpose, a mechanism needs to be developed to track the progress of Supply Orders. An appropriate IT application can provide desired solution in this regard.

In view of the above, IFAs should take proactive actions to encourage the executive authorities to intimate development and implementation of such system.

**(IFA Circular No. 05 of 2014)**



## CASE STUDIES

### **1. Procurement of 25 lines of overhaul books and manuals for R-29 Aeroengine**

IFA received a proposal for the procurement of 25 lines of overhaul books and manuals for R-29 Aeroengine required at 4 BRD. AOC approved the proposal for an amount of Rs 12.80 lakh. After Professional Officers Valuation (POV), the AON amount was revised and benchmark price was fixed at Rs 2.06 crore for 25 lines.

The vendor M/s STE, Ukraine quoted for all 25 lines together as a package against RFP of line wise cost. The bid price was found to be 212.02% higher than the escalated revised benchmarked price (@ 5% per annum up to 2014 level). Therefore, it was advised to constitute CNC with the resultant single vendor.

During CNC meeting with the firm, Pr IFA observed that the single resultant firm quoted the price USD 1,290,000, i.e. approximately Rs 8.64 crore (@ Rs 67/USD on TOD) is higher side i.e. 212.02% more than escalated benchmarked price. Therefore, Finance advised procurement of these books and manuals from the OEM alternatively to obtain refusal from OEM.

In response to the finance observations, Original Equipment Manufacturer (OEM) was liaised with by AF Dte and updated list of publications were supplied by the OEM which were incorporated by IAF in Overhaul Manuals (OHMS) and some of the books/manuals photocopied with assistance of HAL divisions involving no expenditure. Consequently, the specialist

officer of the AF Dte re-submitted the proposal with recommendation for short closure of the proposal. Thus, a saving of USD 1,290,000 i.e. approx Rs 8.64 crore (@ Rs 67/USD on TOD) was achieved to the state.

(Courtesy : Pr.IFA (Air HQrs))

### **2. Procurement of Chiller Rooms for the messes established at stations under AOR of the HQrs CAC**

IFA received a proposal for the procurement of Chiller Room for the messes established at stations under AOR of the HQrs CAC for Qty – 17 for an estimated cost of Rs 1.42 crore. IFA examined the proposal and observed that there is over-provisioning of the items for stations and accordingly, following queries were made for better appreciation of the case:-

- Cost benefit analysis after procurement of these items may be placed in file in detail.
- Quantity of equipments already serving the purpose in the units and benefit of their utilization may also be explained.
- Dining strength of units against posted strength of the personnel/officers.

As the said item is non-scaled, it has to be ensured that purchase proposals of such items are based on the bare minimum inescapable requirement with due regard to economy of scales as per Para 5.4.2 of DPM-2009. Dte agreed to the advice rendered by IFA and re-submitted the proposal with the detail of posted strength and dining strength and

reduced the proposed qty from 17 to 08 and also change in the size.

Second time, IFA observed that qty-02 chiller room has been projected for BKT Lucknow, however, initially only 1 chiller room was projected for the same. Therefore, keeping in view of this point, IFA accorded the AON concurrence for qty-07 chiller rooms and CFA also approved the same.

After approval of the CFA, tendering process was carried out and finally cost of the 07 chiller rooms comes out to be Rs 20.19 lakhs. IFA concurred the proposal and also approved by the CFA resulting in saving of Rs 1.22 crore was achieved.

(Courtesy : IFA (CAC))

### **3. The project titled “EM Gun Powered by a Capacitor Bank”**

IFA received a project titled “EM Gun Powered by a Capacitor Bank” at an estimated cost of Rs 48.15 crores. IFA examined the proposal and raised following observations:-

- A provision of 20% extra capacitors for replacement had been made. It had also been confirmed that these capacitors do not have a shelf life and normally do not go bad. So, this provision needed a review.
  - Rs 2 crore had been provided for design and manufacturing of alternate power sources. As capacitors proposed to be used in the project were estimated to cost Rs 20 crore, cost of developing alternative power source at Rs 2 crore needed a review.
- Pulse shaping elements had also been catered for approx 50% extra.

After discussion with IFA, ARDE agreed to bring down the cost of the project to Rs 42.75 crore by reducing 20% extra in capotes, replacing rail Gun with lightweight rail gun cost of projectiles, pulse shaping network and instrumentation. Accordingly, the cost of the project proposal was reduced from Rs 48.15 crores to Rs 42.75 crores by the lab and DRDO HQ resulting in saving of Rs 5.40 crore was achieved.

(Courtesy : IFA (R&D))

### **4. Offloading of Refit Packages**

Naval Dockyard (V) is responsible for Refit/Repairs of IN Ships and Submarines. As such ND (V) offloads Refit Work to M/s HSL, Vizag which is a PSU on STE basis. IFA observed in past that the financial implication was very high always through single tender process. After protracted discussions with Chief Staff Officer (Technical), it was agreed upon to go for LTE instead of STE to M/s HSL. Accordingly, the case of offloading NR of INS cheriyam was processed on LTE basis. AIP was accorded for Rs 452 lakhs based on BQ. On tendering, the financial implication has come down to Rs 2.18 crore as quoted by L-1 firm. Finally, IFA concurred the the proposal of INS Cheriyam for Rs 2.13 crore. The persistent advice of IFA to go for LTE instead of STE had resulted in a reduction of Rs 1.79 crore worked out to be 82% on overall L1 cost.

(Courtesy : IFA (ENC))

## **5. Works proposal for Provision for Play Ground**

IFA received a works proposal for Provision for Play Ground at 58 GTC, Happy Valley, Shillong at the cost of Rs 160.32 lakh from HQrs 101 Area. IFA examined the proposal and observed following discrepancies/shortcomings:-

- The approved AMWP cost was Rs 180.00 lakh.
- As per Para 8.7.3 SOA 2009, Sports Grounds is to be normally of the size as stipulated by the National Sports Association where as the Squash Court had been considered as per International standard.
- Authority for construction and size of 2 nos of Basket Ball and Volley Ball courts which was not clear from the Accommodation statement.

The proposal was re-submitted by the executive authorities with an enhanced amount of Rs 189.31 lakhs without complying with the observations raised earlier. IFA also observed from the Accommodation Statement Part – II that area for sitting room, toilet, practice wall, PA etc were included without showing authorized held deficiency and urgency. It was not in the prescribed format and not countersigned by the Engineer Authority. Therefore, IFA again returned the case with a request to comply with the above observations.

The HQrs 101 Area Shillong submitted afresh the works services with an amended cost of Rs 131.41

lakhs as against earlier proposed amount of Rs 189.31 lakhs. IFA concurred the proposal for an amount of Rs 131.41 lakhs. As a result, a saving of Rs 57.09 lakh was achieved.

(Courtesy : IFA (EAC))

## **6. Proposal relating to hiring of Air Conditioned high speed passenger shuttle**

Two proposals for “Hiring of 250 men Air Conditioned high speed passenger launch shuttle” for Rs 9.12 crore in August 2013 and another proposal for “Hiring of 120 men ferry” for Rs 1.37 crore were received in September 2013. Hence, the total expenditure proposed to be incurred on both proposals for hiring of ferries during the current FY worked out to be Rs 10.49 crore which was 727.85% higher than the expenditure incurred in the previous for Rs 1.26 crore.

The above proposals could not be considered since both the proposals related to hiring of ferries for transportation of Naval officers/sailors and their families and Naval stores from Naval Dockyard Mumbai to Karanja and back in terms of Para 2.2.3 of DPM-2009, floating two above proposals would tantamount to splitting of expenditure to avoid the necessity for obtaining the sanction of higher authority because the total expenditure on the two proposals for Rs 10.49 crore which was beyond the financial powers of FOC-in-C. Besides, there appeared to be neither any authority nor justification for introducing a new practice of hiring of 250 men high

speed (16 knots), Air Conditioned Ferry entailing expenditure to Rs 9.12 crore.

The executive authorities dropped the proposal and was no longer being processed resulting in saving Rs 9.13 crore .

(Courtesy : IFA (WNC))

### **7. Provision of Station Briefing Hall at AFS Utarlai**

IFA received a proposal for "Provision of Station Briefing Hall at AFS Utarlai" at a cost of Rs 299.55 lakh for vetting of AE and issue of Administrative Approval. The work was approved in the AMWP 2013-14. IFA examined the proposal and observed following shortcomings:-

- As per Accommodation Statement attached, the strength of the officers at AFS Utarlai was 127 only, whereas, the AEs were prepared for area authorized for 200 officers as per SOA 2009.
- Additional B/R items (Wooden Paneling, false ceiling, vitrified tiles) amounting to Rs 39.07 lakhs were not authorized as per the SOA 2009 and the unit was advised to review the same.
- Further, in the SoC, the requirement of the Sofas was projected for AOC and other appointment holders only whereas Qty-20 sofas were catered in the AEs. Further, no specific authority for the Sofas was endorsed in the AEs Part II and the same was advised to be treated as special item of work.

- The unit was advised to review the provision of Qty-14 AC as the briefing hall was not authorized for ACs in terms of Para 53.5 of SOA 2009.

The executive authorities agreed to the advice rendered by the IFA and accordingly, following amendments were carried out in the Board Proceedings/AEs:-

- Area of the briefing was reduced from 1057 SM to 712 SM.
- Requirement of Wooden paneling, false ceiling and vitrified tiles were removed from scope of work and instead of vitrified tiles, ceramic tiles were projected.
- Instead of 20 sofas, only 02 sofas were considered for AOC and other appointment holders.
- Air Conditioners were projected by the unit due to extreme climatic conditions of AFS Utarlai as a special item of work with the prior approval of CFA i.e., SOA and the quantity was reduced from 14 to 09 ACs.

As a result, the total cost of the proposal was reduced from Rs 299.55 lakh to Rs 182.87 lakh resulting in a savings of Rs 116.68 lakh.

(Courtesy : IFA (SWAC))

**"Never interrupt your enemy when he is making a mistake".**

***Napoleon Bonaparte***