

Kind Attention to: P K Mahto, SAO
Gr. Controller of VFJ.

URGENT / FAX / By Speed Post

Important Circular

Office of the Pr. Controller of Accounts (Fys)

(Store Section)

10 - A, S. K. Bose Road

Kolkata - 700 001.

NO. S/III/PAO/Clarification (DGS&D)

Dt.- 11-06-15

To

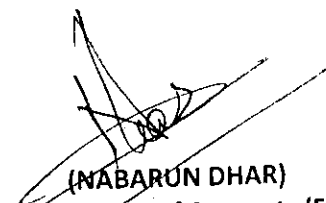
Sub: Clarification on Payment and Booking of Departmental Charges & inspection charges in respect of procurement through RC with effect from 01/01/2014 placed by DGS&D.

Clarification regarding above mentioned subject was sought for from Ministry of Commerce and Industry, Dept. of Commerce, CCA (Supply) Division, New Delhi, which have been received. The same is furnished below for further information and necessary action please.

Sl. No.	Clarification sought for by this office	Clarifications received from Ministry of Commerce and Ministry of Finance
(i)	Whether the indentors from our organisation will place orders directly on DGS&D firm or they will continue to place indent on DGS&D. If the indents are placed directly on the firm, it may kindly be clarified whether Departmental Charges and Service Taxes will be charged by DGS&D.	Yes, Indentors like Ordnance Factories/ Ordnance Factory Board purchases will require to be made on line by placing orders against RCs through the DGS&D website. It should not be placed with the suppliers bypassing the DGS&D website vide Ministry of Commerce & Industry (Policy & Co-ordination Directorate) No. P-14003/01/2014/P&C-I dt. 29/10/2014. Departmental Charges payable will be 1% and no service tax is payable being purchase by Central Govt. Organisation.
(ii)	Code head (Receipt Head of DGS&D) to which Departmental Charges and Service Tax will be booked by the accounting agencies of the indentors.	The Receipt Head of DGS&D is 005700102010000 category 01. Accounts Officer indentor can deposit the Departmental Charges through Cheque /DD in the PAO /RPAO of CCA (Sy.) vide Ministry of Commerce & Industry (CCA Sy. Div) No. Pr. AO/CCA (Sy.)/CDN/MISC./2013-14/2014-15 dt. 30/12/2014.

P.T.O

(iii)	Whether Accounts Offices attached with the indentors are authorized to operate RBI Suspense Head / Receipt Head of DGS&D for booking DC and ST, if any, while releasing payment to firms.	Yes, Accounts Offices attached with the indentors are authorized to make payment on receipt code head of DGS&D. As per Ministry of Finance, Dept. of Expenditure letter No. 1(2)/CAM/2014/TA-II/101 dt. 17/02/2015. The new system Paying authority is shifting from PAO, O/o CCA (Supply) to PAOs of other Ministries /Departments of Central Government. Hence, the departmental charges may continue to be settled on cash settlement basis i.e. PAOs of indenting Ministries/ Departments will pay the departmental charges to PAO, Supply by issue of cheques/ banking instruments. This cash settlement will ensure the correct accounting principle based on agreement of monthly accounts/ trial balance with bank balances and due fund flow shown in appropriation accounts/ receipts accounts.
(iv)	As per the Defence Accounts Code-2014, the transactions between Defence and Department of Supply in the Ministry of Commerce (Store transactions) is to be settled through Settlement Account. It may kindly be clarified whether PAO/DGS&D will raise debit against indenter organization alongwith the supporting documents so that necessary adjustments can be carried out by the indenter's accounts	As per the Correction Slip no. 60, CCA (Sy.) will not be paying authority in the cases where Tender Inquiry were floated on or after 01/01/2014. Since, CCA (Sy.) is not Paying Authority, the question of raising debit does not arise. However, with regard to cases pertaining to Ministry of Defence prior to 01/01/2014, the existing procedure will continue to remain same vide Ministry of Commerce & Industry (CCA Sy. Div) No. Pr. AO/CCA (Sy.)/CDN/MISC./2013-14/2014-15 dt. 30/12/2014.
(v)	The quantum/%-age of Departmental Charges & Service Taxes payable to DGS&D may kindly be intimated.	Department Charges payable will be 1% & additional 1% if the indenter opts for inspection by DGS&D QA Officials. But no Service Tax is payable, being purchase by a Central Govt. Organisation vide Ministry of Commerce & Industry (Policy & Co-ordination Directorate) No. P-14003/01/2014/P&C-I dt. 29/10/2014.


(NABARUN DHAR)
 Jt. Controller of Accounts (Fys)

IMPORTANT CIRCULAR

**OFFICE OF THE PR. CONTROLLER OF ACCOUNTS (FYS)
STORE SECTION,
10-A, S.K. BOSE ROAD, KOLKATA-700 001**

NO.S/II/03/CORR/XXXIV

Dt. 24th January 2013

To
The Controller of Finance & Accounts (Fys)
_____ Groups of Factories.

The Officer-in-Charge,
Accounts Office,

Sub : Procedures for regularisation / clearance of outstanding Spot Payment Cases

A comprehensive review of outstanding Spot Payment Cases from the reports received from Group Controllers / Branch Accounts Offices has been carried out. The position of the cases is alarming enough. The possible reasons for outstanding spot payment cases, though illustrative but not exhaustive are as follows :-

1. Final adjustment bills, not submitted by firms;
2. Spot payment, made to the firms but materials not received by the factory or else materials, received but damaged / lost in transit.
3. Non-preparation of Receipt Voucher for the materials lying in the factory.
4. Receipt vouchers, not prepared due to receipt of defective material by the factory, due to defective inspection at Factory site of the suppliers
5. Spot payment cases, accumulated due to court cases or arbitration cases.
6. Non-regularization of spot payment cases for which materials, not received but regularization action through loss statement, complying with due procedures.
7. Final adjustment bill and receipt voucher, not linked by Accounts Office
8. Rejection of materials in final detailed inspection at factory site after receipt.

In order to minimize the spot payment cases, it is advised that as finance member of TPC, factory management may be advised to frame payment term in tender enquiries strongly discouraging spot payment to the firms save in cases of PSUs / PAC / SKS sources where same is insisted even after negotiation. In these cases, spot payment is to be agreed to and a clear undertaking from them is to be obtained to the effect that adjustment bill should be submitted by them within 15 days of the date of receipt of Spot Payment, fulfilling other terms and conditions of the contract. Further, spot payments should be discouraged in TPC and advice, rendered is to be recorded in minutes of TPCs, including reasons, where agreed. Further, the factory management may be advised to send a list of spot payment cases due to non-submission of adjustment bills by the same firm to the concerned firm for regularization. The cases where despite all efforts being taken, outstanding cases could not be regularized, should be brought to the personal notice of General Manager with a clear advice to the effect that loss statement is to be prepared, following laid down procedures.

Notwithstanding the above, it is requested that Group Controllers should personally monitor the outstanding spot payment cases and a consolidated report with age analysis, specific reason for outstanding, action taken by Accounts Office / Group Controllers for regularization of the outstanding spot payment cases. A monthly report of the spot payment cases should be sent by the Br. Accounts Office in the format prescribed in Annexure-A to this circular has to be submitted to Group Controller by 5th of the following month. In turn, Group Controllers should submit the consolidated report of the outstanding Spot Payment Cases in the Accounts Office in his charge by 10th of the following month at the end of every quarter in the same format.

These cases may also be discussed in ULMC meeting.

Nil report is also required.

This may kindly be accorded Top Priority.

Pr. Controller of Accounts (Fys) has approved.

Kindly acknowledge the receipt.


(A. K. JENA)

Addl. Controller of Accounts (Fys)

ANNEXURE-A to PCA (Fys) Circular No. S/II/03/CORR/XXXIV Dt. 24th January 2013
 (To be sent by Group Controller to PCA (Fys) 15th of the following month at the end of every quarter)

Name of the Factory	Details of outstanding Spot Payment Cases			Reason for Spot payment inter-alia showing No of cases with amount pertaining to firms other than PSU/PAC/SKS	Action taken by Br. A.O. / Group Controller for regularization of spot payment cases
	Year	No of items	Amount		
(1)	(2)	(3)	(4)	(5)	(6)
Total		XXX	XXX		

Comments / Analysis of Group Controller :-

Controller of Finance & Accounts (Fys)
 _____ Group of Factories

ANNEXURE-A to PCA (Fys) Circular No. S/II/03/CORR/XXXIV Dt. 24th January 2013
 (To be sent by Br. Accounts office to concerned Group Controller monthly by 5th of the following month)

Name of the Factory	Details of outstanding Spot Payment Cases			Reason for Spot payment inter-alia showing No of cases with amount pertaining to firms other than PSU/PAC/SKS	Action taken by Br. A.O. / Group Controller for regularization of spot payment cases
	Year	No of items	Amount		
(1)	(2)	(3)	(4)	(5)	(6)
Total		XXX	XXX		

Comments / Analysis of Officer-in-Charge, Accounts Office :-

Officer-in-Charge
 Accounts Office
 _____ Factory

ANNEXURE-A to PCA (Fys) Circular No. S/II/03/CORR/XXXIV Dt. 24th January 2013
 (To be sent by Group Controller to PCA (Fys) 15th of the following month at the end of every quarter)

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Comments / Analysis of Group Controller :-

Controller of Finance & Accounts (Fys)
 _____ Group of Factories

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Total		XXX	XXX		

Comments / Analysis of Officer-in-Charge, Accounts Office :-

Officer-in-Charge
 Accounts Office
 _____ Factory

IMPORTANT CIRCULAR

OFFICE OF THE PR. CONTROLLER OF ACCOUNTS (FYS)
STORE SECTION,
10-A, S.K. BOSE ROAD, KOLKATA-700 001

NO.S/I/CIRCULAR

Dt.18th March 2013

To
Shri
The Controller of Finance & Accounts (Fys)

_____ Group of Factories

Shri Balaram Kumar, IDAS
Dy. Controller of Finance & Accounts (Fys)
Accounts Office,
Ordnance Factory, Badmol,
Bolangir-767 770

Sub : Adherence of rules/procedures by finance representatives and recording of same in TPC minutes.

Recently during review, an instance of non-adherence of laid down procedure by a TPC in finalizing a a job work contract by one of the Factories has been observed.

2. Against OTE, L-1 firm quoted ₹ 2,20,000 as against estimated cost of ₹ 2 lakhs. Tender Opening Date was 11/11/2008. L-1 firm withdrew its offer on 12/11/2008 i.e. on the very next date of TOD. In the said case, L-2 firm who initially quoted for Rs.2.09 crores drastically brought down to ₹ 20.96 lakhs. The L-2 firm was reckoned as L-1 firm by the TPC. And there was no mention about the withdrawal or otherwise of the L-1 firm in the TPC Minutes nor is there any justification for accepting L-2.

3 Further since L-1 firm had withdrawn its offer after opening of Tender, the case had to be retendered as per CVC letter No.98/ORD/1 dt. 24th Aug 2000. Instead of retendering, the said TPC advised to refer the matter to a third party, a State Government

Undertaking for ensuring correctness of the estimate, though they did not participate in the T.E. Further the offer of L2 was accepted by said TPC on the basis of estimate obtained after opening of price bids.

4. L2 vendor, initially quoted for ₹ 2.09 crores and subsequently brought down to ₹ 20.96 lakhs. But the reasons for bringing down the rate drastically by firm have not been mentioned in the TPC Minutes.

5. In view of the above, it is reiterated that CVC guidelines on tendering/procurement should be complied strictly. The selection of firm vis-à-vis verification of the credentials of the firm, preparation of realistic estimate, reasonability of rate, justification of procurement etc should be clearly spelt out leaving no room for ambiguity after opening of bids and in the TPC. The estimated cost should not be revised after opening of price bids. The TPC minutes should unequivocally record the financial advice, rendered by finance representative in TPC.

6. The above contents may kindly be brought to the notice of all concerned.

P.C. of A (Fys) has taken a serious view of non-adherence of C.V.C. guidelines in tendering/procurement which are to be scrupulously followed.



(A. K. JENA)

Addl. Controller of Accounts (Fys)

MOST IMPORTANT CIRCULAR

SPEED POST

**OFFICE OF THE PR. CONTROLLER OF ACCOUNTS (FYS)
STORE SECTION
10-A, S.K. BOSE ROAD, KOLKATA-700 001**

NO.S/I/Circular/Order

DT. 16th APRIL 2013

To

The Controller of Finance & Accounts (Fys)

1. Avadi Group of Factories, Heavy Vehicle Factory, Avadi, Chennai-600 054
2. Ambajhari Group of Factories, Ordnance Factory, Ambajhari-440 021.
3. Kirkee Group of Factories, Ammunition Factory, Kirkee-441 003.
4. Bengal Group of Factories, Rifle Factory, ATS Building, Ishapur-
5. Jabalpur Group of factories, Vehicle Factory, Jabalpur-482 005
6. Kanpur Group of Factories, AYUDH UPASKAR BHAVAN, G.T. Road, Kanpur-208013
7. Ordnance Factory, Yeddumailaram, Medak-502 205
8. Dehradun Group of Factories, Opto Electronics Factory, Dehradun-248 008
9. Ordnance Factory, Badmol, Bolangir-767 770

Sub : Deduction of Income Tax at source – filing of TDS Return (Form 24-G, 26Q) vis-à-vis issue of form 16A

The provision of Income Tax Act as detailed in Chapter-XVII B entrust the following responsibilities on DDOs :-

1. Deduct Tax at sources at the time of payment;
 2. Deposit Tax so deducted in Government Account through book entry;
 3. Issue TDS Certificates to the deductees;
 4. File quarterly statements within specified times.
2. The applicability of TDS on suppliers bills has been clarified by the CBDT. Though it is clear that TDS is not applicable on contracts of sale of goods, but the same is applicable in the following cases :-
- a) Work Contracts;
 - b) Service Contracts;
 - c) Maintenance Contracts;

d) Transport Contracts and

e) Material Contract

3. In the case of an office of the Government, where tax has been paid to the credit of the Central Government without the production of a challan, the tax so deducted and who is responsible for crediting such sum to the credit of the Central Government, shall —

(a) submit a statement in Form No. 24G within ten days from the end of the month to the agency authorised by the Director General of Income-tax (Systems) in respect of tax deducted by the deductors and reported to him for that month; and intimate the number (hereinafter referred to as the Book Identification Number or BIN generated by the agency to each of the deductors in respect of whom the sum deducted has been credited. BIN consist of receipt number (seven digit unique number generated on successful acceptance for Form-24 G) of Form No. 24G, DDO sequence number and date on which tax is deposited & Transfer Voucher Date i.e. the last date of month for which Form 24 G Statement is filed.

b) Statement of deduction of tax under sections 193 to 196D i.e. Form No. 26Q in respect of third party deductees.

c) Issue TDS Certificate in Form-16A to third party deductees under Section 203 of the Income Tax Act, 1961.

4. It has come to our notice that differential practices are being followed in respect of submission of Form 24G, Form-26 Q and Form-16-A for deduction of TDS from firm in various factories. The matter was referred to CGDA HQrs Office, who has mandated that Branch Account Offices are responsible for calculation, deduction, compilation vis-à-vis filing of Form-24 G, Form-26 Q and issue of Form-16 A. It is further enjoined upon that Br. A.O. in Charge should nominate one suitable S.A.O. / A.O. by name and also an alternate link officer who will be responsible for filing Form 24G & 26 Q to the nearest agent authorized by the Director General of Income Tax (Systems) as well as issue of Form-16A to all concerned.

5. This is for strict and immediate compliance.

This issue with the approval of P.C of A (Fys).

Kindly acknowledge receipt.



(AVRA GHOSH)

Jt. Controller of Accounts (Fys)

Copy by **SPEED POST** to :-

Officer-in-Charge,

Accounts Office,

1. Ammunition Factory, Kirkee, Pune-411 003
2. High Explosive Factory, Kirkee, Pune-411 003
3. Ordnance Factory, Dehu Road-412 113
4. Ordnance Factory, Ambernath-421 503
5. MTPF, Ambernath-421 503
6. Ordnance Factory, Ambajhari-440021
7. Ordnance Factory, Chanda-442501
8. Ordnance Factory, Bhandara-441906
9. Ordnance Factory, Bhusawal-425203
10. Ordnance Factory, Varangaon-435308
11. Vehicle Factory, Jabalpur-482 009
12. Grey Iron Foundry, Jabalpur-482 008
13. Gun Carriage Factory, Jabalpur-482 001
14. Ordnance Factory, Khamaria-482 005
15. Ordnance Factory, Katni-483 505
16. Ordnance Factory, Itarsi-461 122
17. Ordnance Factory, Kanpur-208 008
18. Small Arms Factory, Kanpur-208 008
19. Ordnance Equipment Factory, Kanpur-208 001
20. Field Gun Factory, Kanpur-208 008
21. Ordnance Parachute Factory, Kanpur-208 004
22. Ordnance Clothing Factory, Shahjahanpur-242 004
23. Ordnance Equipment Factory, Hazarathpur-283103
24. Ordnance Factory, Dehradun-248 008
25. Opto Electronics Factory, Dehradun-248 008
26. Ordnance Factory, Muradnagar-201 206
27. Ordnance Cable Factory, Chandigarh-160 002
28. Heavy Vehicle Factory, Avadi, Chennai-600 054
29. Engine Factory, Avadi, Chennai-600 054
30. Ordnance Clothing Factory, Avadi, Chennai-600 054
31. Ordnance Factory, Tiruchirapalli-620015
32. HAPP, Trichy, Tiruchirapally-620016
33. Cordite Factory, Aruvankadu-643 202
34. Rifle Factory, Ichapore-743 144
35. Metal & Steel Factory, Ishapore-743 144
36. Gun & Shell Factory, Cossipur-700 002
37. Ordnance Factory, Dum Dum-700 028
38. Accounts Officer (Fys), Accounts Office, OF Nalanda-803 116
39. Accounts Officer (Fys), O/o Sr. Accounts Officer, OF Project, Amethi, Korwa-227412.

As above.

Sd-

(A. K. CHATTORAJ)
Sr. Accounts Officer (Fys)

FAX/ SPEED POST

IMPORTANT CIRCULAR

OFFICE OF THE PR. CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K. BOSE ROAD, KOLKATA-700 001

NO.S/III/PROV PAYMENT

DT. 1st February 2013

To

The Controller of Finance & Accounts (Fys)

All Groups of Factories

(1) Bengal (2) Jabalpur (3) Ambaharu, (4) Kishoree

(5) Avadi (6) Kanpur (7) Medak (8) Dehra Dun

(9) Balangir

The Officer-in-Charge,

Accounts Office,

(1) Malanda (2) Kanpur
Factory,

Sub : Monitoring of Provisional Payments made by Br. Accounts Offices of Ordnance & Ordnance Equipment Factories.

As per Ministry of Defence, Deptt. of Defence Production, New Delhi letter No.G.4(4)/Admin/62/OFB dt. 28th June 1980, General Manager of the factories in consultation with J.C. of A (Fys) / D.C. of A (Fys) / A.C. of A (Fys) / Accounts Officer-in-Charge of the factory are authorized to make provisional payment. The modalities of the provisional payment as enumerated in Annexure to ibid Govt. of India letter are as under :

- i) Proposals for provision payments are to be sent by the Factory Management to A.O. I/C/AC of A (Fys)/D.C. of A (Fys), JC of A (Fys) to endorse his remarks

each on such proposal as regards the advisability or otherwise of making provisional payments. The proposal thereafter should be submitted to the G.M. for his final orders, which should be recorded in writing. The reasons for difference in opinion, if any, should also be recorded by G.M. Though the G.M.'s order would be treated as final and implemented accordingly, yet in case of difference of opinion the same should be communicated by the factories concerned to OFB.

ii) The responsibility for finalization of provisional payments rests on G.M.s. At the end of each financial year by the 30th May of the following year all outstanding provisional payments made during the year will be reported by the G.Ms to the respective Members of OFB with copy to Controller of Accounts (Fys) and Member/Finance.

2. Provisional payments will be not made where there is no authority. In case of lack of funds, it should be ensured that funds would be forthcoming from OFB.

i) When third parties are involved and there is a definite legal liability to pay, payments should not be withheld but each case should be decided on its merits and on the strength of the legal aspects of the claims. legal advisors being consulted in doubtful cases.

ii) Cases where sanction of appropriate authority exists and funds are available yet final payments cannot be made to the parties concerned on account of lack of documentation or for lack of time for verification of the particulars or for the completion of audit requirements.

iii) In exceptional cases and not in a routine manner, provisional payments can be made in anticipation of the receipt of the sanction of appropriate authority or of additional funds to cover the expenditure.

3. In view of the above, Br. Accounts Offices are requested to maintain a register in the following format either as a hard copy or on system to records proposal for provisional payment upto the finalization of the case :-

No & Date of the proposal of Fy. Management	Amount involved in the proposal	Reason mentioned in the proposal of Fy. Mgt. for provisional payment.	Concurring Authority i.e. A.O. I/C, ACA/DCA/JCA (Fys) and concurrence Memo No. & Date.	In case of disagreement by Accounts Office, reason for disagreement.	Authority approving the proposal
(1)	(2)	(3)	(4)	(5)	(6)

Supply Order No. & Date for which provisional payment proposed	Nomenclature & Qty of the item.	Name of the firm	Amount Passed for payment	Action taken by A.O. for settlement / adjustment of provisional payment	Date of Finalisation of provisional payment	Reason for settlement
(7)	(8)	(9)	(10)	(11)	(12)	(13)

4. Maintenance of above register should be personally monitored by Branch A.O. I/C on weekly basis and Group Controllers on monthly basis. In case of maintaining it on the computer a hard copy should be generated for perusal of the concerned authority. The above register is subject to inspection by an officer nominated by Group Controllers from the Accounts Office other than the A.O. under inspection on monthly basis without prior notice. Group Controllers would be liable to render a consolidate Quarterly Report in respect of Accounts Offices functioning in his group in the format prescribed in Annexure-A to PCA (Fys) by 15th of the following Quarter. The 1st report is to be render for the Q/E 3/2013 by 15th April 2013 for personal monitoring by PCA (Fys).

5. Nil report is also required.

6. This issues with the approval of P.C.A. (Fys).

Kindly acknowledge receipt

Encl : 1


(AVRA GHOSH)
Jt. Controller of Accounts (Fys)

Annexure-A to NO.S/II/PROV PAYMENT DT. 1st February 2013

REPORT ON PROVISIONAL PAYMENT FOR THE Q/E _____

_____ Group of Factory

Name of Factory in which Br. A.O. attached	Provisional Payment Cases			Date of Surprise check carried out.
	Year	No of items	Value	

Analysis / Comments of Group Controller, if any.

REGISTERED POST

CIRCULAR

**OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS),
10-A, S.K.BOSE ROAD, KOLKATA- 700 001**

No: S/I/Circular/Order

Dated: 22/12/2015

To

The Controller of Finance & Accounts (Fys)

1. Avadi Group of Factories, Heavy Vehicle Factory, Avadi, Chennai-600 054
2. Ambajhari Group of Factories, Ordnance Factory, Ambajhari-440 021.
3. Kirkee Group of Factories, Ammunition Factory, Kirkee-441 003.
4. Bengal Group of Factories, Rifle Factory, ATS Building, Ishapur- 743 144.
5. Jabalpur Group of factories, Vehicle Factory, Jabalpur-482 005.
6. Kanpur Group of Factories, AYUDH UPASKAR BHAVAN, G.T. Road, Kanpur-208013.
7. Ordnance Factory, Yeddumailaram, Medak-502 205.
8. Dehradun Group of Factories, Opto Electronics Factory, Dehradun-248 008.
9. Ordnance Factory, Badmal, Bolangir-767 770.

Subject: Applicability of TDS on Sales Tax/VAT vis-à-vis cess on TDS in respect of resident contractors.

This is a clarification on two issues of Income Tax applicability on Contractors/Firms. The two issues are (i) Whether Tax is applicable on Service Tax (ST) component of the amount of bill claimed by a resident contractor, and (ii) Whether cess is applicable on Tax deducted at source in respect of payment received by a resident contractor. The issues are clarified as under:

Issue (i): The instructions contained in circular no. 01/2014 dated 13/01/2014 issued by Ministry of Finance, Deptt. Of Revenue, Central Board of Direct Taxes (CBDT) is relevant here. At para 3 of the circular it has been stated that wherever in terms of the agreement/contract between the payer and the payee, the service tax component comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount payable without including such ST component. Thus it is clear that two conditions have to be necessarily fulfilled to avail the relaxation contained in circular 01/2014 dt 13/01/2014, i.e. (a) The payment should be made to RESIDENT, (b) ST amount payable shall be indicated separately in term of Agreement/Contract between payer and payee.

Issue (ii): From sub section 6 of section 2 as contained in Chapter II of Finance Bill 2015 (Bill No. 26 of 2015), it is understood that tax has to be deducted u/s 194C of IT Act 1961 at rates specified in that section and shall be increased by a surcharge, for the purpose of the Union. As per Section 194C (1) (ii) TDS to be deducted is @ 2% in case of contractors (who are resident). Further as per sub sections 11 and 12 of Section 2 of Finance Bill 2015 no education cess (@2%) and secondary & higher secondary cess (1%) is applicable on TDS if the assessee is a resident i.e. a contractor in terms of Section 194C of IT Act. Again from part C of Union Budget 2015-16, it can be seen that Education cess and secondary & higher secondary cess is not deductible/collectible at source in case of resident (i.e. contractors) in respect of payment of income other than salary. Thus it follows that cess is not applicable on TDS in respect of contractors, if the contractor can submit a proof that he is a resident.

It is therefore requested to comply with the clarification on the issues stated above.
Controller of Accounts (Fys) has approved.


Jt. Controller of Accounts (Fys)

Copy by registered post to :-

- 1) The Officer-in-Charge, Accounts Office,
1. Ammunition Factory, Kirkee, Pune-411 003
2. High Explosive Factory, Kirkee, Pune-411 003
3. Ordnance Factory, Dehu Road-412 113
4. Ordnance Factory, Ambernath-421 503
5. MTPF, Ambernath-421 503
6. Ordnance Factory, Ambajhari-440021
7. Ordnance Factory, Chanda-442501
8. Ordnance Factory, Bhandara-441906
9. Ordnance Factory, Bhusawal-425203
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29. Engine Factory, Avadi, Chennai-600 054
30. Ordnance Clothing Factory, Avadi, Chennai-600 054
31. Ordnance Factory, Tiruchirapalli-620015
32. HAPP, Trichy, Tiruchirapally-620016
33. Cordite Factory, Aruvankadu-643 202
34. Rifle Factory, Ichapore-743 144
35. Metal & Steel Factory, Ishapore-743 144
36. Gun & Shell Factory, Cossipur-700 002
37. Ordnance Factory, Dum Dum-700 028
38. Accounts Officer (Fys), Accounts Office, OF Nalanda-803 116
39. Accounts Officer (Fys), O/o Sr. Accounts Officer, OF Project, Amethi, Korwa-227412.

II) The Sr. Accounts Officer (Fys),
Accounts Section, M.O., Local.

:- For information and necessary action.

Sd-
Sr. Accounts Officer (Fys)

CIRCULAR

**OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K.BOSE ROAD, KOLKATA – 700 001**

No: S/I/Civil Works/Vol-II

Dated: 14/12/2015

To

1. The Controller of Finance & Accounts (Fys),

_____2. The Branch Officer-In-Charge,

_____**Subject: Implementation of Deviation Clause in Civil Works.**

Instances of concluding Civil Work contracts by Ordnance Factories with Deviation Limits higher than 10% has been reported to this Office. In this context it is requested to visit the instructions contained at para 19.1.1 of MES Contract Manual 2007 which states that deviations may be ordered for various types of contracts and are not to exceed the following percentages:

(a) Lump sum contracts based on drawings and specifications – 10%,

(b) All other types of contracts:

(i) Contracts costing not more than Rs. 10 Lakhs- 20%

(ii) Contracts exceeding Rs. 10 Lakhs- 10%.

2. Clause 19.1.3 of MES Contract Manual 2007 further states that the above percentages are the upper limits and each contract should be considered on its merits and deviation limit fixed as low as practicable.

3. The deviation limit as detailed above has again been re-iterated through OFB order No. 002/CW/Policy/E/B dated 21/8/15 at para 2 and para 3 thereof. Clause 2.07 of SOP for Civil Works in OFB-2014 dated 7/1/14 states that the final cost of any service will not exceed the amount of Administrative Approval by more than 10%.

4. In view of above it is requested to adhere to the extant guidelines listed above while examining draft Civil Works contracts for vetting / concurrence.

Controller of Accounts (Fys)

CIRCULAR

Registered Post

**OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K.BOSE ROAD, KOLKATA – 700 001**

No: S/II/031/Nomination/Vol-I

Dated: 03/11/2015

To

The Controller of Finance & Accounts (Fys)

1. Avadi Group of Factories, Heavy Vehicle Factory, Avadi, Chennai-600 054.
2. Ambajhari Group of Factories, Ordnance Factory, Ambajhari-440 021.
3. Kirkee Group of Factories, Ammunition Factory, Kirkee-441 003.
4. Bengal Group of Factories, Rifle Factory, ATS Building, Ishapore- 743144, W.B.
5. Jabalpur Group of factories, Vehicle Factory, Jabalpur-482 005
6. Kanpur Group of Factories, AYUDH UPASKAR BHAVAN, G.T. Road, Kanpur-208013
7. Ordnance Factory, Yeddumailaram, Medak-502 205
8. Dehradun Group of Factories, Opto Electronics Factory, Dehradun-248 008
9. Ordnance Factory, Badmol, Bolangir-767 770.

Subject: Pre-vetting of Financial Documents by LAOs.

An instance has come to notice where Branch Accounts Office is insisting on vetting of those financial documents that are under the purview of higher CFA and his corresponding IFA. Through Directorate of Standardisation, New Delhi letter no. 5272/lchapur/Adm/Std dated 3/7/15 addressed to CGDA, New Delhi it is understood that no specific guidelines or instruction have since been issued by MoD (Fin)/IF DS and CGDA which necessitate prior vetting by Local Accounts Offices.

2. In view of above, it is requested to instruct the Branch Accounts Offices functioning under your Group to abide by the provision contained at para 3 of PIFA instruction no. 16 of 2008 contained in their letter no. PIFA/13381/Army/2008 dated 3/9/2008 (copy enclosed), an extract of which is reproduced below:

“where CFA is MoD and financial vetting would be the responsibility of MoD (Fin), involvement of lower finance representative is not required. MoD (Fin) has also observed that this would prevent delays and avoid difference of opinion between the IFAs.”

Controller of Accounts (Fys) has approved.

Enclosure: As above.


Jt. Controller of Accounts (Fys)

INSTRUCTION NO. 16 OF 2008*

Office of the CGDA, West Block-V, R.K.Puram, New Delhi-66
Pr. IFA Wing

INSTRUCTION NO. 16 OF 2008*

No. PIFA/13381/Army/2008

Dated: 3rd Sept. 2008

To

All PCsDA/CsDA/IFAs including PCDA HRD and all RTCs

Subject: Provision of IFA coverage: Processing of cases through Intermediate IFAs.

Kindly refer to HQrs. Office letter No. AT/IX/13381/IFA/Army Vol. V (Instruction No. III) and letter No. AT/IX/IFA/13381/Army Vol. V dated 9.3.2004 (Instruction No. 7) under which it was clarified that when the ultimate CFA and his associated IFA are located in a higher formation, but the processing of a case on the executive side is done through lower formations, the concerned PCDA/CDA/IFA associated for providing finance cover to such lower formation would provide IFA cover for various stages and subsequently when the case is put up to the CFA for approval, the corresponding IFA would get associated in the case.

2. The above position was reiterated vide HQrs. office letter No. AT/IX/IFA/13381/IT Vol. VIII dated 13.9.2005 (Instruction No. XI) as it was felt that the association of IFA to the lower formations would provide useful input to the CFA and the IFA to such CFA to enable them to take an appropriate view.

3. MoD (Fin.) has however, clarified that in cases where the CFA is MoD and financial vetting would be the responsibility of MoD (Fin.), involvement of lower finance representative is not required. MoD (Fin.) has also observed that this would prevent delays and avoid difference of opinion between the IFAs.

4. The issue regarding processing of cases through intermediate IFAs was again raised during the Controllers' Conference in Feb. 2008 and also in the IFA Seminar with Army held on 24th and 25th July 2008. During the deliberations, it was brought out that due to involvement of different IFAs at various levels, there are many instances where IFAs at various levels have different opinion on the same proposal which leads to avoidable delays. During the IFA Seminar, it was also opined by various IFAs that double processing of proposal by finance increases the

* Instruction No. 1 to 21 issued in 2007

time, delaying the procurement of items with only marginal improvement in overall outcome the proposal.

5. In the light of the above, it has been decided by the Competent Authority to do away with the processing of procurement proposals through intermediate IFAs, with immediate effect. Accordingly, only one IFA viz. IFA to the CFA competent to approve the proposal as per delegation of powers, should be involved in the processing of a given expenditure proposal.
6. The change of practice however, need not imply that TPC/PNC should also be held at the formation/HQrs. where the CFA and the IFA are located. In such cases TPC/PNC could be held one level below e.g. for Commands at Corps/Area HQrs. level and so on depending on the circumstances. The IFA to the Command/formation where the TPC/PNC is held would be involved in the TPC/PNC. To enable the IFA/rep to make a meaningful contribution in the TPC/PNC, the concerned file should be made available to the IFA well in advance, i.e. at least 5 days prior to the TPC/PNC to prepare for the meeting and if required, the IFA may seek clarifications/advice from higher IFA (IFA to the CFA).
7. The above procedure is applicable to Army and Air Force except IFA ARTRAC. In respect of ARTRAC, the existing system will continue until further orders.
8. The revised procedure may be implemented with immediate effect.
Pr. IFA has seen.

Anuradha Prasad
(Anuradha Prasad)
Jt. CGDA (IFA)

Copy to:

1. Addl. FA (A) & JS, MoD(Fin.) N. Delhi
2. Addl. FA (D) & JS, MoD (Fin.) N. Delhi
3. Smt. Shobhana Joshi, Addl. FA (A) & JS, MoD(Fin.) N. Delhi
4. Jt. CGDA (AT-I), 5 Jt. CGDA (AT-II),
6. Jt. CGDA (AT-III), 7. Jt. CGDA (A & B)
8. Jt. CGDA (Trg.-I), 9. Jt. CGDA (Trg.-II)
10. Sr. Dy. CGDA (EDPS)
11. ADG FP Army HQrs. GS, New Delhi
12. ACAS (Fin-P) Dte. of Fin. Plg., Vayu Bhawan, New Delhi

} for kind information.

} with the request to place the circular on the website.
for kind information with the
request to issue suitable
instructions to all concerned.

Anuradha Prasad
(Anuradha Prasad)
Jt. CGDA (IFA)

Registered Post

OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)

10-A, S. K. BOSE ROAD, KOLKATA-700 001

No.S/II/031/Clarification/Vol- VI

Dated: 14/07/2015

To

1. The Officer – in- Charge

M.O, Local.

2. Controller of Finance & Accounts (Fys).

3. The Officer – in- Charge

Accounts Office _____

Sub: Correspondence with CGDA'S Office.

Ref: HQR. Office important Circular No. AT/II/1223/Misc/LXXVII dated 15/04/2015.

The contents of HQR important Circular No. AT/II/1223/Misc/LXXVII dated 15/04/2015 is reproduced for information, guidance and necessary action please:-

1. It has been observed from the circular that communication pertaining to audit decisions, interpretation of rules and other important matters etc are being signed at the level of SAO/GO without an indication as to whether such references have been issued with the approval of Controller. The provision of Para 436 OM Pt-I, are very clear in this regard, the same may be strictly adhered to.
2. Further, when a matter pertains to more than one Controller, the same may be referred to HQrs. Office after ascertaining the views of/practice being followed by other Controllers as stipulated in Para 10 of Audit code. Such reference may also contain the back ground of the case, relevant rule position, exact point of doubt and the views of the executives, wherever relevant.
3. It has also been observed that many a time the offices of Controllers endorse to the HQrs the copies of their internal correspondence with their sub- offices, and correspondence with offices of PCDAs/CDAs/Services HQrs. This practice may be stopped forthwith.

Dy. Controller of Accounts (Fys)

SPEED POST

MOST IMPORTANT CIRCULAR

OFFICE OF THE PR.CONTROLLER OF ACCOUNTS (FYS),
10-A,S.K. BOSE ROAD, KOLKATA-700001

No.S/031/Nomination/Vol-I

Date- 22nd Oct 2014.

To

The Controller of Finance & Accounts (Fys)

1. Avadi Group of Factories, Heavy Vehicle Factory, Avadi, Chennai-600 054
2. Ambajhari Group of Factories, Ordnance Factory, Ambajhari-440 021.
3. Kirkee Group of Factories, Ammunition Factory, Kirkee-441 003.
4. Bengal Group of Factories, Rifle Factory, ATS Building, Ishapur-743 144
5. Jabalpur Group of factories, Vehicle Factory, Jabalpur-482 005
6. Kanpur Group of Factories, AYUDH UPASKAR BHAVAN, G.T. Road, Kanpur-208013
7. Ordnance Factory, Yeddumailaram, Medak-502 205
8. Dehradun Group of Factories, Opto Electronics Factory, Dehradun-248 008
9. Ordnance Factory, Badmol, Bolangir-767 770

Sub : Delegation of Financial Power :Procurement against Contingent, Miscellaneous and other heads as well as Store, P&M, Civil works etc. – Finance Representative in TPCs.

- Ref : 1. OFB Order No. 469/BS-Corr-1 dated 10/9/2014
2. PCA (Fys) Important Circular of even No.S/031/Nomination/Vol-I dated 11th Sept 2013.

A copy of OFB Order No. 469/BS-Corr-1 dated 10/9/2014 is enclosed.

As per Para-2 of OFB Order No. 469/BS-Corr-1 dated 10/9/2014, the finalization of procurement under Contingent, Miscellaneous and other heads (Maintenance-M&E, I&M, Transport etc.) other than Labour Contract cases upto Rs.3 lakhs will be treated as non-TPC cases and these cases shall be processed on file. However, as per said Board Order, Labour Contract cases will continue to be treated as TPC-I Cases.

2. The CFA and sanctioning authority will be Sr. G.M./G.M. of the concerned factory. As per OFB Order No.469/BS dated 10/2/2012, procurement cases under Contingent, Miscellaneous and other heads including Labour Contract should be finalized in Level-I TPC with Controller of Finance & Accounts (Fys) as Finance Member. Thus in respect of TPC cases CFA will be Sr.G.M. / G.M. of the concerned factory and Controller of Finance & Accounts will be the finance member of such TPCs. Any deviation from this laid down procedure without valid reason will be viewed seriously.

3. Regarding the cases upto Rs.3 lakhs i.e. non TPC cases (other than Labour Contract), it is stated that DCDA/ACDA-in-Charge of Accounts Office of the factory will be authorized by CFA/Fys of the group specifically (as one time measure) to render finance concurrence and in his absence Controller of Finance & Accounts (Fys) should depute a suitable officer for giving concurrence.

4. It is further stated that Supply Orders for Rs.3 lakhs with option clause may be processed as usual but while exercising option clause, wherever value will exceed Rs.3 lakhs (including option), concurrence of Controller of Finance & Accounts will be required.

5. Repeat Order against S.O. valuing upto Rs.3 lakhs should be finalized with approval of Controller of Finance & Accounts (Fys).

6. It has also been stated in Para-5 of the said Board Order that LPC Provision as per Rule-146 of GFR-205 shall apply to all cases of goods procurement irrespective of urgency. For convenience at your end Rule-146 GFR is extracted below :-

"Rule 146. Purchase of goods by purchase committee : Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen Thousand) only and upto Rs.1,00,000/- (Rupees One lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under.

"Certified that we _____, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question. "

7. Therefore, it is clarified that non-TPC cases would require a processing on file by a committee as per GFR 146 and financial concurrence will be accorded on file, not in committee meetings for all such cases below Rs. 3 lakhs as mentioned in the OFB Order no. 469/BS-Corr-1 dated 10/9/2014.

8. It may also be pertinent to reiterate the applicability of this office earlier Circular No.S/031/ Nomination / Vol-I dated 11th Sept 2013, it is stated that the provisions of the said circular is equally applicable in cases of procurement of Store / P&M, if any,/ Civil Works of NADP,,ODCs, OFIL, OF Cell etc.

9. P C of A (Fys) has approved.

Enclosure: As above.


(AVRA GHOSH)

Addl. Controller of Accounts (Fys)

Copy by Speed Post to:-

The JC of F&A/DCF&A/ACF&A (Fys),
Accounts Office,

1. Ammunition Factory, Kirkee, Pune-411 003
2. High Explosive Factory, Kirkee, Pune-411 003
3. Ordnance Factory, Dehu Road-412 113
4. Ordnance Factory, Ambernath-421 503
5. MTPF, Ambernath-421 503
6. Ordnance Factory, Ambajhari-440021
7. Ordnance Factory, Chanda-442501
8. Ordnance Factory, Bhandara-441906
9. Ordnance Factory, Bhusawal-425203
10. Ordnance Factory, Varangaon-435308

A copy of OFB Order No. 469/BS-Corr-1 dated 10/9/2014 is enclosed for ready reference.

11. Vehicle Factory, Jabalpur-482 009 .
12. Grey Iron Foundry, Jabalpur-482 008
13. Gun Carriage Factory, Jabalpur-482 001
14. Ordnance Factory, Khamaria-482 005
15. Ordnance Factory, Katni-483 505
16. Ordnance Factory, Itarsi-461 122
17. Ordnance Factory, Kanpur-208 008
18. Small Arms Factory, Kanpur-208 008
19. Ordnance Equipment Factory, Kanpur-208 001
20. Field Gun Factory, Kanpur-208 008
21. Ordnance Parachute Factory, Kanpur-208 004
22. Ordnance Clothing Factory, Shahjahanpur-242 004
23. Ordnance Equipment Factory, Hazarathpur-283103
24. Ordnance Factory (P) Korwa, HAL Complex, Tehsil Amethi, CSM Nagar, PIN-227412, UP
25. Ordnance Factory, Dehradun-248 008
26. Opto Electronics Factory, Dehradun-248 008
27. Ordnance Factory, Muradnagar-201 206
28. Ordnance Cable Factory, Chandigarh-160 002
29. Heavy Vehicle Factory, Avadi, Chennai-600 054
30. Engine Factory, Avadi, Chennai-600 054
31. Ordnance Clothing Factory, Avadi, Chennai-600 054
32. Ordnance Factory, Tiruchirapalli-620015
33. HAPP, Trichy, Tiruchirapally-620016
34. Cordite Factory, Aruvankadu-643 202
35. Rifle Factory, Ichapore-743 144
36. Metal & Steel Factory, Ishapore-743 144
37. Gun & Shell Factory, Cossipur-700 002
38. Ordnance Factory, Dum Dum-700 028
39. Ordnance Factory (P), Nalanda, Rajgir-803116, Bihar
40. Ordnance Factory, Boiangir, Badmai-767770

sd/-
Sr. Accounts Officer (Fys)



ORDNANCE FACTORY BOARD
'AYUDH BHAVAN'
10A, S.K. BOSE ROAD
KOLKATA - 700 001

LTE/OTE/STE under
competent financial
the finance will
of Finance &
of the Local

'Del.

ORDER NO. 469/BS-Corr 1

DATED 10.09.2014

Sub : Exercise of financial powers of HOD for procurement through
LTE/OTE/STE under Contingent, Miscellaneous and other Heads
(Labour contracts, Maintenance -M&E, I&M, Transport etc).

* * * * *

Ordnance Factory Board in its 9th (2014) Board Meeting held on 30-07-2014 & 10th (2014) Board Meeting held on 12-08-2014 has approved the following delegation of financial powers to HOD for procurement through LTE/OTE/STE under contingent, Miscellaneous and other Heads (Labour contracts, Maintenance - M&E, I&M, Transport etc.).

2. The finalisation of cases upto Rs.3 lakhs of procurement under Contingent, Miscellaneous and other Heads (Maintenance -M&E, I&M, Transport etc.) will be treated as non-TPC cases. These cases shall be processed on file. This is not applicable for Labour Contract cases. Labour contract cases will continue to be treated as TPC-I cases.

3. The finalisation of cases beyond Rs.3 lakhs of procurement through LTE/OTE/STE under Contingent, Miscellaneous and other Heads (Maintenance - M&E, I&M, Transport etc.) where the HOD is the competent financial authority shall be done in TPC Level - I of the Establishment, where the finance will be represented by Controller of Finance & Accounts. Addl. Controller of Finance & Accounts/Jt. Controller of Finance & Accounts/ Branch In-charge of the Local Accounts Office attached to the Factory will attend the Level - I TPC in the absence of Controller of Finance & Accounts (Fys), with reasons to be recorded by Controller of Finance & Accounts (Fys) for authorizing them.

4. However, the CFA and Sanctioning authority will be Sr. GM/GM.

5. LPC provision as per Rule 146 of GFR 2005 shall apply to all cases of goods procurement irrespective of urgency.

6. The finalisation of cases of procurement through LTE/OTE/STE under other Heads (Labour Contracts) where the HOD is the competent financial authority will be done in TPC Level - I of the Establishment, where the finance will be represented by Controller of Finance & Accounts/ Addl. Controller of Finance & Accounts/ Jt. Controller of Finance & Accounts/ Branch In-charge of the Local Accounts Office attached to the Factory.

7. This issues in consultation with Finance Division vide their Note No. 127/Del. Fin. Power/FM-V dated 09.09.2014.

8. Board Orders No 469/BS-Corr dated 28-08-2014 stands superseded w.e.f 10.09.2014.

D K Mahapatra
(D K MAHAPATRA)
SECRETARY/OFB

ALL MEMBERS/OFB

All Sr. General Managers/General Managers

Sr. Principal Director/NADP

All Principal Directors/OFILs

All Officers concerned

Copy to/relayed to :-

Copy signed in ink to :-

1. FA(DS), New Delhi
2. CGDA, New Delhi
3. Joint Secretary (OF), New Delhi
4. DGADS, New Delhi
5. Pr. Dir. Of Audit, Kolkata
6. Chief Internal Auditor, Kolkata
7. All A.Os/DCDA/JCDAs attached to Ordnance Factories
8. PPS to Chairman/OFB
9. PC of A (Fys), Kolkata
10. Cont. of Fin/OFB, Kolkata
11. CFA(Fys) AV Group of Fys., Chennai
12. CFA(Fys), OEF Group of Fys., Kanpur
13. CFA(Fys), Jabalpur Grp. of Fys., Vehicle Factory, Jabalpur
14. CFA(Fys), Dehra Dun Grp. of Fys. Opto Electronics Factory, Dehra Dun.
15. CFA(Fys), Kanpur Grp. of Fys. Ayudh Upaskar Bhawan
16. CFA(Fys), Ordnance Factory, Medak.
17. CFA(Fys), Ordnance Factory, Ambajhari.
18. CFA(Fys), Rifle Factory, ATS Building Ishapore.
19. CFA(Fys), Ordnance Factory, Bolangir.

FAX

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SPEED POST
IMPORTANT CIRCULAR

OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S. K. BOSE ROAD, KOLKATA – 700001

No. S/II 031/Nomination/Vol- I

Dated 11th September 2013

To
Shri Dhanjay Kumar, IDAS,
Controller of Finance & Accounts (Fys),
Dehradun Group of Factories
Opto Electronics Factory, Dehradun – 248 008

**Subject: Participation of Finance Member in TEC/TPC/CWC in Ordnance and Ordnance
Equipment Factories for procurement of Stores, P & M, Civil Works.**

Instances have come to the notice of this office that the Group Controllers are not attending Level-I TPCs, though they are present in the station, in turn Addl. C of F & A /JCFA etc. of the Branch Accounts Offices of the group are being nominated by the concerned Group Controller to attend such meetings. This is not in consonance with OFB letter dated 16/05/2007 as amended from time to time.

2. Ordnance Factory Board, Kolkata has postulated four tier system of TEC / TPC with representation of various levels of finance *inter alia* depending on value and magnitude of Stores/P & M/Civil Works such as

- i) TPC Level-I/CWC I: CFA/Addl. CFA
- ii) TPC Level-II/CWC II: Addl CFA/JCFA

(in case of P & M, DCFA/ACFA have been recently authorized to attend in absence of Addl CFA and JCFA vide OFB Order dated 14/08/2013)

- iii) TPC Level-III: JCFA/DCFA.
- iv) TPC Level-IV: DCFA/ACFA/SAO/AO.

- For PAC/STE/SKS/RST, only TPC Level I & II are authorized. Further, TPC Level I & II exclusively deal with P & M and Civil Works cases.

3. Under no circumstances, the Finance Member mentioned in OFB's order on TEC/TPC/CWC structure is authorized/permitted to re-delegate his powers to lower level of Officers to attend TPCs on his behalf since powers are personal and cannot be further re-delegated to down the line officers, unless there are recorded reasons. Non-attendance by the designated finance member is to be treated as procedural violation and *ipsofacto* a breach of financial regularity unless otherwise the alternative finance member is authorized by PCofA(Fys) / CoF&A as applicable. It may also be appreciated

that the need for attending appropriate level of Finance Member in TPCs cannot be ruled since lower level of Finance Member may, often lack both institutional expertise and experience.

4. It is also pertinent to mention that in respect of DP extension and amendment cases including waiver of LD cases, the concurrence or otherwise should be given by the same level of Finance Member who attended the Original TPC. DP extensions cases too cannot be finalized by lower level officers on the pretext of post-contractual issues.

5. PCA (Fys) and Group Controller of Finance & Accounts may nominate officers for various levels of TPCs/CWCs in the following circumstances viz. absence, leave, non-posting of appropriate level of officer in the Br. Accounts Office / Group of Fys, transfer etc. as follows.

Level of TPC	Finance Member	Authority nominating alternate member
Level-I	Controller of Finance & Accounts (Fys)	PCA(Fys)
Level-II	Addl. Controller of Finance & Accounts / Jt. Controller of Finance & Accounts	Group Controllers PCA(Fys) if alternate officer is not available in the concerned Group
Level-III	Jt. Controller of Finance & Accounts / Dy. Controller of Finance & Accounts	Group Controller
Level-IV	DCFA / ACFA/ Sr. AO / AO	Group Controller

6. The concerned CFA(Fys) should publish necessary part II office orders, notifying the finance members for the various TEC/TPC/CWC/I&M Procurements, endorsing copies of the same to Member (Fin) OFB and PCA(Fys) and to Sr. GM/GM of the concerned factory.

7. The circular is issued for strict compliance by all concerned.


Principal Controller of Accounts (Fys)

For kind information.

Copy to :-
Member Finance,
Ordnance Factory Board,
10-A, S.K.Bose Road,
Kolkata-700 001.

sd-

Principal Controller of Accounts (Fys)

SPEED POST

CIRCULAR

**OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K. BOSE ROAD, KOLKATA-700 001.**

No: S/VI/4403/XXI

Dated: 27 /07/2015

To

- The Controller of Finance & Accounts (Fys),
1. Avadi Group of Factories, Heavy Vehicle Factory, Avadi, Chennai-600 054
 2. Ambajhari Group of Factories, Ordnance Factory, Ambajhari-440 021.
 3. Kirkee Group of Factories, Ammunition Factory, Kirkee-441-003.
 4. Bengal Group of Factories, Rifle Factory, ATS Building, Ishapur-743 144
 5. Jabalpur Group of factories, Vehicle Factory, Jabalpur-482 005
 6. Kanpur Group of Factories, Ayudh Upaskar Bhawan, G.T. Road, Kanpur-208013
 7. Ordnance Factory, Yeddumailaram, Medak-502 205
 8. Dehradun Group of Factories, Opto Electronics Factory, Dehradun-248 008
 9. Ordnance Factory, Badmal, Bolangir-767 770.

Subject: Adjustment of Payment Issue (P.I.) Vouchers under Payment Book Debit System.

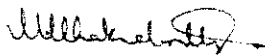
Integrated HQ of MoD (Army), MGO Branch have expressed concern on not adhering to timely and correct recovery of cost of stores issued by AOC depots/units on PBD system to various indentors. It has been noticed that the untimely/non-recovery of cost leads to non receipt of funds on time in Deduct Head of MGO stores budget and its utilization within the same financial year (F.Y.).

2. The MGO Branch have further stressed that the deduct heads of MGO stores budget are credited towards the end of F.Y. thereby leading to the money available not being utilized in same F.Y. and finally surrendered. Many a time wrong bookings are made against PBD issues and also the bookings are carried forward to the next F.Y. and also adjustment details are not forwarded to the issuing ordnance depots/units and the indentor in a particular F.Y.

3. In view of above it is therefore, requested to intimate this Office whether P.I. Vouchers are received by your Office and Br. AOs under your charge.

In case of receipt of P.I Vouchers following information may further be forwarded to this Office for deciding further course of action in this regard:

- (i) The frequency of receipt of P.I. Vouchers,
 - (ii) Time taken to adjust the same under PBD system,
 - (iii) Whether these P.I. Vrs. are adjusted within the same F.Y.,
 - (iv) Number of P.I. Vrs. lying unadjusted as on date,
 - (vi) Reasons for unadjusted P.I. Vrs.
4. Kindly acknowledge receipt.


Controller of Accounts (Fys)