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**OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS**  
Ulan Batar Road, Palam, Delhi Cantt.  
(Accounts & Budget Section)

File No. A/B/I/13626/CHB-Prefix-III/Vol-II

Dated: 03.07.2015

To,

All PCsDA/PCA (Fys)/CsDA

Sub: Identification of expenditure on foreign and indigenous procurement of defence equipment/stores.

In order to identify the quantum of expenditure on foreign and indigenous procurement of defence equipment a set of Category Prefix code heads used with relevant service heads were issued vide this office letter of even No. dated 26/05/2014 followed by the amendment issued on 01/09/2014. Based on the expenditure compiled under these code heads, a monthly report on quantum of foreign and indigenous procurement of defence equipment/stores both Revenue and Capital is being rendered to Ministry of Defence (Finance) by this office.

2. A detailed review of expenditure with these Category Prefixes issued vide this letter mentioned above has revealed that there are many cases of incorrect usage of category prefixes made by PCsDA/CsDA resulting <sup>in</sup> incorrect reporting. The incorrect reporting of expenditure caused due to incorrect usage of category prefixes is not considered as the valid reason. Some of instances of incorrect use of category prefixes noticed during review are enumerated below:


- (i) Category prefix code 77 is being used with Service Heads. However, in CHB 2014 Edn. there is no provision for Category prefix code 77. Category Code 77 should be used with the code heads available in RDR Pamphlet which is meant for clearance relating to past period mainly under suspense heads.
- (ii) Category 02, 03, 05, 10, 11 and 12 are being used both with Capital Heads and Revenue Heads. However, these prefixes should be used with Capital Heads only.
- (iii) Cat 16 is to be prefixed in the case of foreign procurements (Revenue) made by Acquisition wing of MoD, Services HQrs under the delegated powers and through revenue route, and not category 02, 03, 05, 10, 11 & 12.

(iv) Cat 16 meant for procurement made from foreign countries involving Free Foreign Exchange Payments made through banking channels in India should be used by DRDO and DGOF for all foreign procurements (both revenue and capital). The same is not being used with DRDO code head 856/04 – Imported Stores and Ordnance Factories code head 806/03, 04 & 05.

(v) The Command category code heads as mentioned in Annexure 'B' should correctly be used by the respective Command Controllers at the time of booking of expenditure occurred in their command.

3. It is, therefore, enjoined upon all concerned that utmost care should be taken to avoid incorrect use of prefix code heads in future specifically in respect of prefix code heads circulated vide this office letter mentioned above. Any incorrect booking under these prefix code heads coming into the notice in future will be viewed seriously in the HQrs office. It may be ensured that adequate preventive measures are taken to avoid recurrence of incorrect booking on priority basis under intimation to this HQrs office. In this regard this office U.O. No. A/B/I/13626/CHB-Prefix-III/Vol-III dt. 16/01/2015 may also be referred to.

4. The contents of this circular may please be got noted by all concerned.  
Please acknowledge receipt.



(Dr. Jaipal Singh)

Pr. Controller/OSD (A&B)