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Additional Controller General

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Dated : 04 August 2016

Dear *Principal Controller's / Controller's*

Annual Audit Certificate for the period ending 31.03.2016 pertaining to period 01.04.2015 to 31.03.2016 has been finalized by this office and while going through the various annexures, I have noticed that over the period outstanding under different categories have grown enormously. The comparative analysis of last three years outstanding under various categories is as under:

i) Outstanding advance given to public sectors undertakings

2013-14	2014-15	2015-16
59834.09 Crore	56260.12 Crore	55892.55 crore

ii) Outstanding against private parties-

2013-14	2014-15	2015-16
964.87 Crore	861.99 Crore	1123.98 Crore

iii) Value of total un-linked vouchers

2013-14	2014-15	2015-16
20909.06 Crore	20672.27 crore	22889.42 crore

iv) Outstanding license fee, rent & allied charges

2013-14	2014-15	2015-16
82.34 Crore	92.96 Crore	134.40 Crore

- v) Outstanding dues to MoD on account of supplies made and service rendered

2013-14	2014-15	2015-16
161.87 Crore	278.37 crore	611.04 Crore

- vi) Air Lift Charges due for recovery Centre/ State government/PSUs/ Private party

2013-14	2014-15	2015-16
554.50 Crore	1027.73 crore	1507.87 Crore

- vii) Losses awaiting regularization for more than one year

2013-14	2014-15	2015-16
3552.65 Crore	3773.87 Crore	4030.36 Crore

2. The following actions are mandated for immediate compliance by respective PCDA/CDA:

- i) All PCDA's/CDA's to ensure clearance of all outstanding up to the year 2000 in **next 2 months**. The redeployment/mobilization of manpower be appropriately undertaken by concerned CDA/PCDA to ensure **focused attention** on clearance of outstanding amounts.
- ii) Wherever outstanding advance is not recoverable/ non adjustable, **action for regularization** may be initiated as per the extent order.
- iii) **'Unlinked vouchers'** outstanding for an amount of Rs.22889 crores reflects the need for **system correction** as the outstanding is very huge and rising. There is immediate need to look into the causes leading to such built up. Either the LAO's are not able to link up vouchers pertaining to the stores purchased **or** there is anomaly in the way the stores are

accounted for by the **Service HQrs.** and the Defence Accounts Department. This issue need to be discussed at the earliest with Service HQrs.

- iv) **Outstanding against the private parties** is a matter of serious concern. Outstanding advances against PSUs and Private Parties upto 31.03.2016 enclosed as Annexure – A. Each PCDA/CDA shall personally liquidate the outstanding against the private parties in **next one month**.
- v) Regarding huge amount of outstanding against Public Sector Undertakings, the system of providing advance may be reviewed with reference to the fact that Public Sector Undertaking operate on **Commercial Accounting terms**. Provision of advance shall not be a profit making proposition for PSUs. Either they shall be subjected to provide interest on advance drawn **or** interest bearing financial instruments be obtained as a guarantee against the advance given and the interest accrued on such guarantee shall be credited to government exchequer.
- vi) PSU's shall raise funds under the provisions of 'Companies Act' and directives issued by SEBI rather than be used as ideal place for parking of government fund released under budgetary system.
- vii) There shall be provision for levy of **'penal interest'** if the advance's extended to PSU's are not utilized **within the given period** for the purpose for which it has been released.

3. The Targets assigned to each Principal Controller's/Controller's will be communicated separately.

4. Each PCDA/CDA shall fulfill the mandate as mentioned in para 2. I will be personally interacting on these issues through Video Conference System on daily basis. Please ensure that the information on daily basis is available with Controller's.

With

*best wishes to each
officer*

Yours sincerely,



(Savitur Prasad)

To

All Principal Controller's/PC of A (Fys)/Controller's

Outstanding advances against PSUs and Private Parties upto 31.03.2016

Position as on 30.06.2016

Sl. No.	Name of CsDA	PSUs	Private Parties	Total	Oldest Year
1	PCDA(HAL) Bangalore	515732816129.00	0.00	515732816129.00	1975-76
2	CDA(AF) New Delhi	14451394882.00	1484553268.00	15935948150.00	1998-99
3	CDA(R&D) Hyderabad	2608643391.00	3003478660.00	5612122051.00	2004-05
4	PCDA New Delhi	20498214750.00	5985480550.00	26483695300.00	1979-80
5	PCOA(Fys) Kolkata	4301989.00	27977223.00	32279212.00	1998-99
6	PCDA(R&D) New Delhi	318178008.00	725843419.00	1044021427.00	2010-11
7	CDA(R&D) Bangalore	59626337.00	8924127.00	68550464.00	2003-04
8	PCDA (Navy) Mumbai	5252351811.00	3591000.00	5255942811.00	2003-04
	GRAND TOTAL	558925527297.00	11239848247.00	570165375544.00	1975-76
	Amount (in Crore)	55892.55 Cr	1123.98 Cr	57016.53 Cr	

Outstanding advances for more than 5 years i.e up to the year 2011-12 against PSUs and Private Parties upto 31.03.2016

Position as on 30.06.2016

Sl. No.	Name of CsDA	PSUs	Private Parties	Total	Oldest Year
1	PCDA(HAL) Bangalore	151671682712.00	0.00	151671682712.00	1975-76
2	CDA(AF) New Delhi	244040181.00	396310433.00	640350614.00	1998-99
3	CDA(R&D) Hyderabad	790571860.00	139245155.00	929817015.00	2004-05
4	PCDA New Delhi	4003683803.00	1871513893.00	5875197696.00	1979-80
5	PCOA(Fys) Kolkata	3101318.00	4846167.00	7947485.00	1998-99
6	PCDA(R&D) New Delhi	49140000.00	73827311.00	122967311.00	2010-11
7	CDA(R&D) Bangalore	24050287.00	960000.00	25010287.00	2003-04
8	PCDA (Navy) Mumbai	3988707.00	3591000.00	7579707.00	2003-04
	GRAND TOTAL	156790258868.00	2490293959.00	159280552827.00	1975-1976
	Amount (in Crore)	15679.02 Cr	249.03 Cr	15928.05 Cr	