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Circular No. 05 of 2014

No. IFA/114

Dated:-24.06.2014

To

All PIFAs/IFAs
(Dedicated & Nominated)

Sub: **Extension of Delivery Period-regularization thereof.**

As per provisions contained in DPM 2009 & Supplement 2010 to DPM 2009, the cases of delivery period extension are required to be regularized by the CFA (in consultation with IFA if original contract was concluded with the consultation of IFA) and there is no requirement of approval of next higher CFA except where the extension of DP exceeds twice the original period or where IFA consultation was required as per delegation but not obtained under P/5.2.7 of DPM 2009. .


2. Notwithstanding the above, 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 executives have already accepted the stores thereby IFA is not in a position to ask the relevant questions to executives such as consideration to impose LD, terminate the S.O at the risk & expense of the firm for their failure to deliver the store within the original DP etc..

3. 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.

4. 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.

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


(V.K Vijay)
Jt. CGDA (IFA)

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