

# रक्षा लेखा महानियंत्रक

उलन बटार मार्ग, पालम, दिल्ली छावनी-110010

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संख्या आई.एफ.ए./65

दिनांक 05/11/2014

सेवा में

रक्षा व. उ.प. महानियंत्रक (आई.डी.पी.)

विषय - वित्तीय सलाह मामले।  
Sub - Financial Advice Cases

वित्तीय सलाह संबंधी परिपत्र सं.-04 - वर्ष 2014-15 का दिनांक 05/11.2014 सूचना एवं मार्गदर्शन हेतु प्रेषित किया जाता है।

Financial Advice Circular No.-04 of 2014-15 dated 05.11.2014 is forwarded herewith for information and guidance please.

(चिप्रा २।)

ले.अ. (आई.एफ.ए. विंग)

प्रतिलिपि

1. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(एस.), रक्षा मंत्रालय(वित्त), नई दिल्ली
2. संयुक्त सचिव एवं अपर वित्तीय सलाहकार(वी.पी.), रक्षा मंत्रालय(वित्त), नई दिल्ली
3. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-I)
4. रक्षा लेखा संयुक्त महानियंत्रक (ले.प.-II)
5. रक्षा लेखा संयुक्त महानियंत्रक (प्रशिक्षण)
6. रक्षा लेखा संयुक्त महानियंत्रक (ले.प. समन्वय)
7. रक्षा लेखा व. उप महानियंत्रक (आईडीपी)-कृपया परिपत्र IFA Home page पर डलवाने का कष्ट करें।

(चिप्रा २।)

ले.अ. (आई.एफ.ए. विंग)

**CONTROLLER GENERAL OF DEFENCE ACCOUNTS**

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Dated /10/2014

**Subject:- Financial Advice Cases.**

The financial advice cases as submitted by Pr IFA (Naval) New Delhi, Pr IFA (CIDS), Delhi, Pr IFA (Army-M) Delhi, & IFA (ARTRAC) Shimla, are circulated herewith for information and guidance.

**1. The proposal towards expenditure for deputation of Russian specialist of M/s JSC "Tactical Missile Corporation" Russia**

Pr IFA (Naval) received the proposal for miscellaneous expenditure for an amount of Rs 93.66 lakh in connection with the logistic arrangements such as Air ticket to-fro, hotel accommodation/transportation in India and excess baggage's for the 07 specialist of M/s JSC "TMC". Pr IFA examined the proposal and observed the following:-

- The basis/mechanism for working out no. of days and no. of specialists was not clear whether there was scope to minimize the same as it was observed that expenditure per person was almost Rs 40,000/- per day.
- It was observed that rates of all component like wage, airfare, transportation, accommodation were on the higher side in comparison to the previous case.
- The Dte could obtain some more quotes from reputed companies to justify the proposed expenditure.
- The Dte was also advised to refer to Umbrella contract for working out the expenses.

The proposal was re-submitted for an amount of Rs 64.40 lakh as against earlier amount proposed for Rs 93.66 lakh. The financial implication had been reduced for one day and the payment was to be made as per actual no. of working days. Thus, saving of Rs 29.26 lakh was achieved in the instant case.

**2. The proposal for setting up the sports facilities**

Pr IFA (Naval) received the proposal for the works for setting up the sports facilities (01 football and 04 hockey field) as per sanction of Gol. MoD.

augmentation of NA infrastructure with three additional cost of Rs 795.07 lakh. Pr IFA examined the proposal and observed following points:-

- Adding escalation of 120% (including 10% remote area and 5% for restrict area) for earth work was not understood as the escalation is allowed for buildings and related works and not for earth work. Also no escalation except statutory component should be allowed for the work to be completed within two years as per Para 29 (g) of DWP 2009.
- It was seen from the assessed mkt rate enclosed that contractor profit percentage over assessed rate is added for 17.5% and mechanism for the same was not clear.
- RIC (Rough Indication of Cost) for estimation of cost was not provided which should be the base for AON.

The proposal was re-submitted for an amount of Rs 720.03 lakh against earlier amount proposed for Rs 795.07 lakh. As a result, saving to the tune of Rs 75.04 lakh was achieved.

### **3. Conclusion of Fresh Annual Rate Contract (ARC) for Supply of vegetables (Fresh)**

Pr IFA (CIDS) received the proposal for Approval-in-Principal from ANC, Port Blair, for conclusion of Annual Rate Contract for supply of vegetables (Fresh) amounting to Rs 1.96 crore for procurement of 4,66,440 Kgs for the period from 1.10.14 to 30.9.15. Pr IFA returned the proposal with following observations:-

- The total quantity of vegetables 4,66,440 Kgs was arrived at taking into account 365 days whereas Annual Leave of two months should have been deducted from 365 days and therefore, advice rendered to the executives for re-assessment of vegetables qty.
- The case file was re-submitted taking into account element of Annual Leave by reducing the Qty of vegetables by 15% in AIP. The revised AIP was for Rs 1.67 crore for 3,96,474 Kgs from the earlier projected amount of Rs 1.96 crore for 4,66,440 Kgs and the same was approved by the CISC being CFA.

Thus, savings to the tune of Rs 29.53 lakh were achieved in the instant case.

### **4. Procurement of Network Area Storage for communication complex in Sena Bhawan and Signal Enclave**

Pr IFA (Army-M) received a proposal for Procurement of Network Area Storage for communication complex in Sena Bhawan and Signal Enclave at an estimated cost of Rs 20 lakh. Pr IFA accorded AON concurrence to the proposal

for Rs 19.97 lakh and approval was obtained from the CFA to AON, Draft RFP, Composition of TEC and PNC.

In the meanwhile, it was noticed that the entire requirement of the project was met through another project i.e, Expansion of IT access Network at Signal Enclave. The matter was brought out and advised for need of better coordination among various projects and the filtration system of apprising the higher authorities to be strengthened as approval of the CFA for NAS project was obtained much after the placement of Supply Order for the IT access Network Project. It has been observed that the case was dropped by the Dte. As a result, saving of Rs 20 lakh was achieved.

**5. Construction of Badminton Court Synthetic, Surface with Poles, Lighting & Allied Accessories & Renovation of existing Squash Court. [IFA (ARTRAC), Shimla]**

Infantry School, Mhow proposed two cases (i) Construction of Badminton Court Synthetic, Surface with Poles, Lighting & Allied Accessories & (ii) Renovation of existing Squash Court including wooden surface glass rear lighting and purchase of equipment for estimated cost of Rs 11.00 lakh & 15.00 lakh respectively for approval by the GOC-in-C ARTRAC out of SAG for the FY 2013-14 which were returned to the unit.

On re-submission, AON concurrence was accorded for "Construction of Badminton Court Synthetic Surface" for Rs 11.00 lakh and "Renovation of existing Squash Court" for Rs 14.61 lakh by reducing the cost of AC split type. These cases were to be processed through LTE by adopting two bid systems.

On examination of the TEC proceedings, it was noticed that against 11 tenders issued, only three vendors had quoted their bids. All the three vendors declared technically qualified in each case. During scrutiny, there was a doubt on the authenticity of Authorization certificate issued by the OEMs and placed in the file because of their pattern, format, language etc as well as certificates issued by the same OEMs to two vendors for single bidding at the same station.

Consequently, M/s Kriskindu Inc, New Delhi informed through E-Mail that the said companies i.e. M/s Worth Technologies, Mhow and M/s Liberal Enterprises, Mhow are not in any way related to their company and any of their products and they would not be responsible for any of the dealing with these companies concerned. Similarly, M/s Sundek Sports System, Mumbai informed that they had not appointed any company including these firms as their authorized agents/vendors anywhere in the country.

It was very surprising and unbelievable confirmation given by the OEMs which clearly showed that TEC had declared all the above vendors technically qualified without proper verification of the genuineness of the Authorization

Certificates issued by the OEMs, which is the prime criteria as far as RFP was concerned.

Under the circumstances, assurance/commitment given by these vendors for providing service support for the period of three years under warranty and subsequently for another four years during AMC became questionable.

**Advice Rendered:-** Following advice had been rendered for action taken at unit level:-

- Unit may revisit their vendor registration and vendors should be registered as per their capabilities and only for that area of work which they can effectively perform.
- In future, board should be more careful in authenticating vendors on basis of OEM certificates and all other conditions mentioned in RFP.
- Selection of vendors for a job should be an informed decision and action should be taken against vendors who did not quote for the job for which they were registered.
- Unit should take appropriate action against these vendors for imposition of ban on business relations with these firms after due consideration of above factors and circumstances of the case.

COS, HQ ARTRAC brought to notice above serious irregularities to the Commandant, Infantry School, Mhow and re-tendering was recommended.

  
(Chitra Ramanuja)  
Accounts Officer