

MOD ORDER

2015

DELEGATION OF

FINANCIAL

POWERS

TO DEFENCE

SERVICES

DFPDS-2015

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MoD Order

Delegation of Financial Powers to Defence Services – 2015

DFPDS-2015

1. Financial powers to Defence Services were last notified in 2006. The revised Financial powers are hereby notified vide this MoD Order, which will come into effect from 1st May 2015. The service-specific Govt letters issued in 2006, as amended from time to time, stand superseded from 1.5.2015.
2. All cases, in which RFPs have been issued before 1.5.2015, will continue to be guided by powers vested vide Govt letters issued in 2006. However all those cases, where Acceptance of Necessity (AoN) has been granted but RFPs not been issued till 1.5.2015, will be withdrawn for fresh issue of AoN and thereafter will be processed as per powers vested vide this MoD Order. Cases, which have reached Expenditure Sanction stage, will be governed by old powers of 2006. However, cases of Post-contract management of on-going cases may be processed as per powers vested vide this MoD Order.
3. This MoD Order is divided into 4 parts as under –
 - a. Part A – deals with macro issues, which are required to be implemented as a necessary adjunct to revised financial powers.
 - b. Part B - mentions requisite instructions / guidelines for exercise of financial powers as contained in Schedules.
 - c. Part C – contains Annexure as referred to in Part A.
 - d. Part D – contains Schedules of Financial Powers as under –
 - i. ASP-2015 – Army Schedules of Powers
 - ii. NSP-2015 – Navy Schedules of Powers
 - iii. AFSP-2015 – Air Force Schedules of Powers
 - iv. ISP-2015 – IDS Schedules of Powers

v. MSP-2015 – Medical Schedules of Powers

Schedules are to be referred to as per abbreviations given above.

4. Keeping in view the Govt's eco-friendly initiatives, a soft copy of this MoD order is enclosed for easy distribution to concerned CFAs, IFAs, PCDA, CsDA, C&AG offices, etc.
5. For any clarifications related to interpretation of provisions contained in this Govt Order, queries may be sent to MoD (Fin/CoordA) through respective SHQs.
6. This issues with the concurrence of FA (DS) and approval of Raksha Mantri.

(Rajnish Kumar)

JS & Additional FA (RK)

Distribution

CGDA - 2 copies with 1 copy signed in ink

DGADS

Office of Raksha Mantri

Office of Raksha Rajya Mantri

COAS

CNS

CAS

Defence Secretary / Secretary (DP) / Secretary Defence (R&D) / Secretary (ESW)
/ Secretary Defence (Finance)/FA (DS)

CISC

DGAFMS

All Additional Secretaries in MoD / MoD (Fin)

All Joint Secretaries in MoD

All JS & Additional FAs in MoD (Fin)

Principal Advisor (Cost)

Finance Managers / Advisors (Cost)

NIC cell, MoD - for hosting on MoD website

Guidelines on Macro issues related to delegated powers

1. Oversight Mechanism –

1.1. Rationale - Decentralization of decision-making is one of the key components of good governance, particularly in a large and complex organization like Defence. Delegation of powers is one of the processes by which decentralization is achieved. However delegation of powers does not tantamount to relinquishment of authority or abdication and government oversight and compliance have to be recalibrated to be a part of the regulatory landscape. Therefore any effective system of decentralization needs to necessarily have an appropriate oversight mechanism as an integral element of the ecosystem based on the principle of “Reasonable Assurance” to the executive at the highest level, in this case Raksha Mantri. A brief background, indicating reasons for Oversight mechanism, is given in Annexure-1.

1.2. Internal Audit – The functional paradigm of Internal Audit will consist of following –

1.2.1. Assurance processes, effective risk management control and governance processes.

1.2.2. Consultancy services, thematic reviews and improvements in organizational operations.

1.3. Audit Advisory Committee (AAC) - With a view to make the internal audit mechanism more effective and responsive and incorporate a risk management framework which assists the MoD in oversight, an Audit Advisory Committee (AAC) will be constituted in MoD. AAC will be a multi-disciplinary body headed by Secretary (Defence Finance)/FA (DS) and will have representation of all stakeholders in MoD and the Services Headquarters. The composition of Committee and its charter of duties is outlined at Annexure-2. Since the financial powers originally vest with Raksha Mantri, the AAC will report to the RM through Defence Secretary. The AAC will hold at least two meetings in a year.

- 1.4. Annual Audit Plan – The AAC should finalize the Annual Audit Plan by 15th February every year and submit it for approval of Raksha Mantri so as to be in place at the beginning of the new financial year i.e 1st April.
- 1.5. Risk Management - Based on the risk assessment of the vulnerable areas under the delegated powers, a risk profile for Defence related procurement is placed at Annexure-3. AAC may select one or more risk areas for inclusion in the Audit Plan. AAC may carry out a periodic review of this risk profile after every three years based on the experience gained over a period.
- 1.6. Methodology of Internal Audit - The internal audit process and methodology can be guided by the provisions contained in the 'Internal Control and Evaluation Manual' of C&AG and 'Generic Internal Audit Manual' of CGA. For the purpose of internal audit, Service-wise Internal Audit Teams (IAT) may be constituted by CGDA to undertake the examination and evaluation of the adequacy and effectiveness of governance processes, risk management processes, internal controls structure, and the quality of its performance in carrying out assigned responsibilities. These activities will be carried out to provide reasonable assurance to the Government and higher management that these processes are functioning as intended to enable the organization to achieve its stated goals and objectives. At the micro level, audit of sanctions by PCsDA / CsDA under CGDA will be an effective tool to carry out risk analysis of individual procurement proposals; and to provide assurance that all laid down procedures have been followed.
- 1.7. Procedure of Internal Audit - The IATs will have a system of an 'Entry Conference' with the concerned SHQ before starting audit processes. Various paradigms of the given risk area, information required for risk assessment and detection as well as the proposed methodology for audit will be discussed in the 'Entry Conference'. It would also provide an opportunity for the audited entity to give their views and expectations on the various paradigms of the given risk area. The findings of the internal audit will be discussed with the executive authorities in a structured 'Exit Conference' procedure, as followed by C&AG teams. Outcomes, Risk

mitigation requirements and steps to be taken, System corrections could be some of the issues which can be discussed. The finalized Internal Audit Reports (IAR) of IATs, as approved by CGDA, would be submitted to the AAC for onward transmission to RM through the Defence Secretary.

- 1.8. Access – Internal Audit Teams would have unfettered access to officials, information, documents and files to discharge the internal audit responsibilities.

2. **IFA System** –

- 2.1. Mandate of IFA - The scheme of Integrated Financial Adviser (IFA) has been implemented as per Ministry of Finance guidelines dated 1.6.2006. As envisaged in the MoF charter for IFAs, their role is crucial for providing inputs on the important parameter of 'Value for money' in successful planning and implementation of various schemes and projects. At the same time, IFAs are expected to give due attention to macro management issues of the organizations, with a view to help them in achieving the outcomes / targets set by them and treat those as goals for IFAs also. For this purpose, IFAs are also expected to look at total picture of resources for the respective services and render the requisite advice relating to their utilization. The IFA system is intrinsic to an effective governance structure of decentralization. The mandate of the IFA will be decided by the Ministry of Defence (Fin) in the decentralized framework.

- 2.2. Strengthening of IFA system - The existing IFA structure will be strengthened from the service availability and service delivery concept. The service availability concept relates to ensuring adequate number of personnel with professional expertise in the IFA set up. For this, there should be mandatory orientation training for officials posted to IFA offices. Also, augmentation of officials in IFA set-up needs to be given priority as their involvement in various stages of procurement is a necessity for any CFA to process their cases. At many lower formations, there has been no provision/placement of dedicated IFAs, which is resulting in delays in decision making, thus adversely affecting the intended objectives of defence preparedness. At the Commands and Services HQrs level, the increasing work load, complexity of procurement proposals and the associated risks

necessitate deeper scrutiny of proposals. However, there is a shortage of officers and staff at the Command and Services HQrs level PIFA/IFA offices and that again is adversely affecting the IFA work, both quantitatively and qualitatively. This is a potential risk area and needs urgent attention. Further the workload in the IFAs is likely to increase after enhancement in delegation of powers. Therefore CGDA needs to urgently provide additional manpower from within their resources to augment these offices. The support level staff in IFA offices can also be augmented by the Defence services either by attaching their personnel or through outsourcing. Following steps may be taken by CGDA –

- 2.2.1. Placement of appropriate levels / numbers of IFAs to designated CFAs. Attempts be made to provide dedicated / co-located IFAs to all CFAs to the maximum extent.
 - 2.2.2. Placement of additional and experienced manpower to IFA offices within the transfer policy framework of CGDA.
 - 2.2.3. Continuous training to the officials posted in IFA set-up. Mandatory one week orientation training to be conducted for all personnel posted to the IFA offices.
- 2.3. Vertical Integration of IFAs - As IFA set up in Defence services is an extension of MoD (Fin), there needs to be vertical integration of IFAs at various levels and ultimately with MoD (Fin) on functional matters. This is necessary in terms of coordinated target achievements and a clear accountability framework vis-à-vis chain of CFAs. This will not only bring more harmony in the information dissemination but will also result in uniformity in the financial advice issues and processes in the entire chain of CFAs from unit level to MoD. There will however be a clear distinction that while the functional guidance to the IFAs will be provided by MoD (Fin), the administrative support to IFAs will be the responsibility of CGDA. All clarifications/guidelines/instructions pertaining to functional areas of IFA set-up will be finalized by MoD (Fin) and instructions / clarifications to CFAs/IFAs will be either issued by themselves or through CGDA. Set-up in MoD (Fin) will be suitably augmented for performing this work. The role of the CGDA would be focused on the administrative issues of IFAs like office

contingency, transport, accommodation, manpower placement, inspection, MIS, training, etc.

2.4. e-Concurrence - While placement of adequate number of IFAs to field level units/CFAs is a critical requirement, development and implementation of e-Concurrence system can take care of this urgency to large extent. This would not only avoid movement of files from one place to another, but would also address the service-availability issue particularly in respect of units/CFAs at far flung areas and also with relatively lesser work-load. Moreover e-Concurrence system will also address the issues of transparency, speedier decision-making, audit trail, etc in established IFA offices. Development of e-Concurrence module in Air Force may be used as a starting point. CGDA will take necessary steps, in consultation with Service Hqs, to finalize the e-concurrence module for all Defence services so that MoD (Fin) can issue orders for its implementation during 2015-16.

2.5. Involvement in Budgeting and Planning - The service-delivery concept aims at involvement of IFAs in the planning and monitoring mechanism of Defence services. Involving the IFAs in various facets of planning i.e. Provisioning Planning, Procurement Planning, Maintenance Planning and Modernization Planning, etc will lead to better and informed financial advice, that in turn will facilitate a comprehensive and effective decision making process. Involvement of the IFAs in the planning process as well as in the plan-review process will further ensure better integration and target sharing, thus mitigating some risks in goal achievement. In addition to these areas and activities, IFA's involvement in Budget estimation and monitoring exercise is crucial. This will not only bridge the existing and much felt gap in the role of a financial adviser, but will also lay a strong foundation for comprehensive budget review, which may also include, inter-alia, liability and expenditure management and programme financing requirements and prioritization. To make a start in this direction, Defence Services may set up an institutional framework at the Service HQrs and Command Hqs level so as to ensure involvement of IFAs in various Planning and Review Committee processes dealing with provisioning, procurement, Modernizations and Maintenance activities and other related

areas. This mechanism can be extended later at below Command Hqs level, after the IFA set-up is suitably augmented at that level. While budget formulation and prioritization will still remain the primary responsibilities of the respective SHQs, IFAs' involvement will be mainly for the budget monitoring and review exercise with respect to the incurred expenditure, committed liabilities, projects in the pipe-line and the proposed plans. IFAs' role would also be in the scrutiny and vetting of the budget proposals of the SHQs/Command Hqs before the same are forwarded to MoD (Fin) for their consideration.

2.6. Command and Control of IFAs - The Command and Control of IFAs needs to be changed to ensure that the Chief executive of their organization (in chain of CFAs) becomes the Reporting Authority, as is the norm being followed everywhere. In addition, CGDA is also required to be associated with reviewing performance of Service Hqs IFAs. A revised system of APAR system of IFAs is placed at Annexure-4, which will be implemented from APAR of 2014-15 onwards.

3. **Strengthening of Procurement Activities** -

3.1. e-Procurement -

3.1.1. In pursuance of the decision taken by Prime Minister's Committee on National e-Governance Plan (NeGP), Ministry of Finance had issued detailed instructions in March 2012 to commence e-procurement in respect of all procurements with estimated value of Rs 10 lakhs or more in a phased manner. Subsequently, Ministry of Finance vide their OM 10/3/2012-PPC dated 9.1.2014 had directed that the RFP value limit of Rs. 10 lakh set in respect of e-Procurement is to be brought down to Rs. 5 lakh w.e.f 01.04.2015 and further down to Rs 2 lakh w.e.f 01.04.2016. MoF OM's may be seen in their official web site.

3.1.2. MoD was required to ensure and follow the limits in respect of mandatory publishing of RFPs through e-Procurement mode. Therefore, it has been decided that e-procurement would be mandated for all procurement cases above Rs 5 lakhs under delegated powers so as to bring about transparency, faster processing and efficiency in the procurement related activities under delegated powers. Subsequently,

the ceiling will be revised to Rs 2 lakhs after system stabilizes in Defence set-up.

3.1.3. The e-procurement packages developed by NIC or by other sources should be introduced in a time bound manner by all the Users in Defence services as under -

3.1.3.1. Phase-I - Service Headquarters, Command Headquarters and units/offices located in Delhi – within 6 months i.e by end-Sep 2015.

3.1.3.2. Phase-II - Units below Command Level headquarters – within 1 year i.e. by end-March 2016.

3.1.4. Defence users, using other than NIC e-Procurement solution, have to ensure that details of all their RFPs, related corrigenda and details of contracts awarded thereon through e-Procurement are simultaneously published / mirrored on the CPP Portal using XML facility of NIC.

3.1.5. Defence users, that have not yet appointed Nodal officers and have not got User IDs and Passwords issued from NIC for accessing the portal will ensure that the Nodal officers are appointed immediately. Action may also be taken to start acquiring Digital Signatures from NIC Certifying Authority or any other Certifying Authority, being an essential requirement for e-procurement.

3.1.6. All Defence users may also tie up with NIC for training and support where e-Procurement solution developed by NIC is adopted. NIC is periodically organizing training programmes on their e-Procurement Module. Action may be taken to nominate representatives to attend the ongoing training programs as per schedule published on the CPP.

3.1.7. Detailed guidelines are given at Annexure-5 for guidance in the matter.

3.1.8. A quarterly report from end-June 2015 may be rendered for particular Service as a whole by Service Hqs (FP Branch) in soft copy to MoD (Fin/Coord A) for consolidation and onward submission to Ministry of Finance. The format is given below –

3.1.8.1. Name of Service HQs

3.1.8.2. Name of Service HQs

- 3.1.8.3. Period of Report – Quarter ending on ____
- 3.1.8.4. Number of RFPs floated amounting to Rs 5 lakhs or more
- 3.1.8.5. Number of RFPs processed through e-procurement (whether NIC or using other solution)
- 3.1.8.6. Number of RFPs exempted due to National security and strategic considerations demanding confidentiality
- 3.1.8.7. Cases of non-compliance with reasons
- 3.2. Costing guidelines - Detailed guidelines on 'Benchmarking of Cost Estimates' are mentioned in Annexure-6 for guidance in costing techniques, which may be used by Procurement Committees in procurement process.
- 3.3. Data-base management - A comprehensive computerized data-base containing details of Potential Bidders, past Sellers, prices, details of items procured, market intelligence, etc will be put in place by each SHQ. There should be a system of sharing of this data-base with various stakeholders viz. CFAs, IFAs, CGDA, Ministry, etc. Latest technology available in areas of Data-Mining, Data-Analytics, ERP, Office Automation, etc should be explored / used for meeting these objectives.
- 3.4. SOP / Checklists / IFA Manuals - SHQs and CGDA will jointly prepare fresh SOPs / Checklists for the new schedules promulgated vide this MoD Order. This exercise will be done under the guidance / supervision of MoD (Fin). CGDA will also take action to update IFA Manuals.
- 3.5. Efficient and Effective Planning –
- 3.5.1. Annual Plans - The system of Annual Revenue Procurement Plan (ARPP) will be put in practice by each Service Hqs. Each service should prepare ARPP for each financial year. This plan should cover both Revenue cases and those cases which follow 'Capital Booking Revenue Procedure' (CBRP) route. It should incorporate physical and financial milestones to be achieved during the year, clearly indicating the number of AoNs and EAS to be given for the year, along with details of interim stages of procurement process. Each activity should have a quarterly target. The targets can be reviewed at suitable intervals during the year for suitable additions/deletions. There also needs to be a linkage between Budget allocations and ARPP. There

could be a process of review of such ARPPs at the RE stage for making suitable additions/deletions. ARPP for the forthcoming financial year should be prepared by December-January of the previous year and be approved by the appropriate authority, duly vetted by IFA, by February-March so that it is effective from the beginning of new financial year 2015-16. A format for its monitoring is given at Encl-7.

3.5.2. Monitoring by MoD - A quarterly progress report on the physical milestones of the ARPP would be submitted Branch-wise by Service Hqs to concerned JS in MoD. The concerned JS in DoD will do a quarterly review of such physical progress of procurement cases, branch-wise of respective Service HQs. Simultaneous review of MoD cases will also be done and a consolidated summarized MIS will be put up by JS concerned to RM through FADS / Defence Secretary. A format for carrying out this physical progress review of procurement cases is given at Annexure-8.

3.5.3. Long-Term Planning with preference to indigenization - Further, a planned approach for equipment sustainment with 5 years equipment support plans and long term agreements for major weapon systems/platforms should be attempted by the Service Hqs. Keeping in view the emphasis on 'Make in India' policy of Government, strong emphasis needs to be given on indigenization of maintenance / support structure for weapon systems / platforms and other systems. The Services may identify some of the areas, which need to be sustained over the entire life cycle and switchover to a five yearly 'Long Term Equipment Support Plan'. The respective Services Headquarters may initiate the process for 'Long Term Agreement' for procurement of spares/repairs and maintenance of the weapon systems platforms / other systems with due incorporation of indigenization aspect.

4. **Budget Monitoring** -

4.1. Computerized Financial and Budgetary Management System - Real time information on budget estimation, allocation, expenditure, payment etc. and linkage of delegated powers with the budget holders should be achieved

through an IT based network system. The Service Headquarters and CGDA will implement such an IT-based Financial and Budgetary management system in a time bound manner. This system will have an interface of Defence users with the payment and compilation system of the CGDA and their PCsDA/CsDA so as to bring synergy between them and thereby achieve the objective of efficiency in management of financial resources. In the long term, a fully networked e-Payment system linking Services HQs with the respective PCsDA/CsDA should also be put in place by CGDA to provide real time information on bill processing up to e-Payment stage.

4.2. Monitoring by MoD (Fin) - A quarterly budget monitoring and expenditure control report would be submitted to the concerned Addl FA & JS in MoD (Fin), indicating the financial milestones and expenditure status. The concerned Addl FA & JS in MoD (Fin) will do a quarterly review of such financial progress of procurement cases, branch-wise of respective Service HQs. Simultaneous review of MoD cases will also be done and a consolidated summarized MIS will be put up by Additional FA & JS concerned to RM through FADS / Defence Secretary. A format for carrying out financial progress review of procurement cases is given at Annexure-9.

5. **Time frame for implementation** – The revised financial powers of 2015 are subject to implementation of macro issues mentioned above. A time frame for implementation of all activities is placed at Annexure-10. The same may be strictly complied by all concerned. Service Hqs and CGDA may furnish Quarterly reports giving updated status of all these activities to MoD (Fin/CoordA), who will put up the updated status to Raksha Mantri through FA (DS) / Defence Secretary.

Guidelines related to Schedules of Financial Powers

1. The conceptual framework for Defence schedules of powers - 2015 has been based on new principles and are in a new format. The powers are categorized into various Schedules, which are in turn divided into different sub-Schedules. A sub-Schedule is the basic unit for exercise of delegated powers, which determines the CFA for a particular case.
2. **New Structure of Schedules** - The Schedules have been restructured to facilitate linkages of expenditure with objectives and are in line with the budgetary minor/subheads as appearing in the Classification Handbook issued by CGDA. The Schedules of financial powers are arranged Minor Head-wise / Sub head-wise, as per the classification in the Defence Services Estimates, for ease of correlation between the budget provision for various purposes and the sanction/ booking of expenditure under the appropriate heads of account. Financial powers consist of three distinct categories - Procurement powers, Works powers and Non-procurement powers. Except for Schedules pertaining to Non-procurement and Works powers, all other Schedules are related to Procurement powers.
3. **Procurement powers** –
 - 3.1. The term ‘procurement’ will cover all categories of procurement i.e. acquiring all types of items, goods (both scaled and non-scaled/NIV), equipments, stores, spares, tools, calibration equipment, technical literature / documentation, software etc, as well as all types of services, including repair, modifications, transportation, insurance, delivery, special services, leasing, technical assessment, consultancy, systems study, software development, maintenance (AMC), updates, life extension, refurbishment, stores for development of product improvement, packing, unpacking, preservation, service contracts, etc related to particular case of procurement. The procurement powers given for an item or group of items in a particular schedule will cover all such activities pertaining to that item

or group of items, unless specified otherwise in a particular sub-schedule. It covers one-off cases of procurement or recurring contract / annual contract / long-term procurement cases, depending upon the requirement of the organization and nature of case.

3.2. Though procurement schedules are linked with Revenue budget heads, they may also be used for processing cases under 'Capital Booking Revenue Procedure' (CBRP) mechanism, as authorized by MoD (Fin) instructions on the subject. Powers given in these Schedules may be used for processing all CBRP cases. However, there will be a upper ceiling of Rs 150 cr on CBRP cases, wherever 'Full Powers' have been delegated in a particular sub-schedule.

3.3. The procurement powers cover powers to accord Acceptance of Necessity (AoN), Expenditure Angle Sanction (EAS) and Post-contract management decisions.

3.4. Powers of Central procurement and Local procurement have been given separately in certain categories of schedules. Both types of procurements cover the definition of Procurement given in para 3.1 above. They are to be exercised as under –

3.4.1. Central Procurement (CP) is to be undertaken against those items, which are required to be procured centrally. These could be requirements resulting either as consolidation of demands by a Central agency as an ad-hoc / special exercise (without adopting Provisioning Review route) or through planned provisioning processes like the Provisioning Review, Annual Provision Review, Refit Planning, Obsolescence Planning, Planned Routines, etc. CP may cover the consolidated requirements of the item or group of items for the duration of the provisioning period or as prescribed in the connected Govt / Service instructions. Each Service Hqs will promulgate Schedule-wise list of items / categories of items, which will fall into the definition of Central Procurement.

3.4.2. Local Procurement (LP) is to be undertaken in the following circumstances –

3.4.2.1. To meet the short-term and urgent requirements of Command Hqs/Formation Hqs/field units/establishments, when supplies are not

available through the Central Provisioning/Procurement agency. Apart from taking Non Availability Certificate (NAC) for CP items from Central Provisioning/Procurement agency before undertaking LP, it should also be ensured that intimation regarding such procurement is immediately sent to the Central Provisioning/Procurement agency so that the latter could take the quantities procured through LP into account before finalizing their consolidated requirements for CP.

3.4.2.2. To meet the normal requirements of local formations Hqs/units/establishments for stores, which are not within the purview of Central Provisioning/Procurement agency.

3.5. Unless specified otherwise in a particular schedule, procurement powers are meant for both indigenous and foreign procurement in respect of Service Hqs CFAs. Foreign procurements will generally be undertaken only at Service Hqs unless Command Hqs and below have been specifically authorized in a particular sub-schedule.

3.6. Provisioning powers for items will be the same as per the Procurement powers given for those items in respect of CFAs, who are authorized to carry out Provision Review as per their Service instructions.

3.7. Scaling powers will be exercised by the highest CFA in the respective Service Hqs for a particular sub-schedule. Procurement powers indicated against such Service Hqs CFAs will be their Scaling powers in that particular sub-schedule for their Service as a whole. If in a particular sub-schedule, the highest CFA is an authority below Service Hqs, then scaling cases of such items will be sent to MoD for further processing. There will be a cap of Rs 150 cr for Scaling cases wherever 'Full Powers' have been delegated to the highest CFA of Service Hqs. Scaling cases will be processed as per the existing instructions on the subject.

3.8. All CFAs are also authorized to act as Direct Demanding Officers for placement of procurement orders against the Rate Contracts concluded by central agencies like DGS&D, MoD, Service Hqs, Command Hqs, etc, to the extent of their respective financial powers and in respect of the items for which the financial powers have been delegated. Within the hierarchy, the

lower echelon can place indent on RC of a higher echelon. Conclusion of Rate Contracts will be done as per DPM provisions.

3.9. There will be no limitation of years for concluding AMC / Service contracts cases and CFAs can approve such cases for any period, provided the total value of case for proposed period of AMC / Service contracts falls within their powers. If AMC / Service contracts are included in main procurement proposal, then the total value of case (including AMC / Service contracts) will determine CFA. CFAs can also approve extension of existing AMC / Service contracts cases with same terms and conditions / price provided (a) the combined value of original contract and extended contract falls within their powers (b) it is certified that there is no downward trend in prices (c) performance of existing Seller is satisfactory (d) it is administratively convenient to do so.

3.10. There will be no cap to the period of DP extension any CFA can approve, for cases falling within their powers.

4. Linkage with Mode of Bidding - The procurement powers given in Schedules are meant for competitive bidding cases i.e. Open bidding and Limited Bidding cases, unless specifically mentioned otherwise in a particular sub-schedule. The powers for PAC bidding and Single Bidding cases will be 50% and 5% respectively of powers mentioned in each sub-schedule. Wherever Full powers have been delegated, a cap of Rs 50 cr and Rs 5 cr will be applicable to powers for PAC and Single bidding cases respectively in those sub-schedules. Indents placed on OFB will not be treated as PAC / Single Bidding cases but will be processed as per powers meant for competitive bidding cases. Same principle will be applied for DPSU cases if either of these conditions are met - (a) for procurement of items, when they have developed / manufactured items specifically for Defence services with Transfer of Technology or through Design and Development (b) for repairs and overhauling cases, if facility for providing such services has been set up by them exclusively for Defence services.

5. Collegiate mechanism –

5.1. There will be no Committee CFAs in the new schedules but only individual CFAs to ensure accountability in exercise of delegated powers. However, It

is essential that a collegiate-based mechanism be adopted in various stages of all procurement cases to speed-up procurement-cycle. This will help in avoiding delays in procurement and will also facilitate more informed decision-making on various stages of procurement. A 'Procurement Committee' (PC) will be formed by all CFAs within their domain. To the extent possible, standing PCs can be formed for dealing with different kinds of procurement. The role of existing CNC/PNC will get subsumed in PC.

5.2. Following activities will be performed by PCs in various stages of procurement once AoN has been accorded by IFA and CFA –

- 5.2.1. Preparation / finalization of Request for Proposal (RFP)
- 5.2.2. Issue of RFP
- 5.2.3. Amendments to RFP
- 5.2.4. Extension of Bid opening date
- 5.2.5. Establishing bench-marking cost for Price bids
- 5.2.6. Opening of Price Bids
- 5.2.7. Preparation of Comparative Statement of Bids (CSB) and Declaration of L-1 Bidder
- 5.2.8. Cost analysis of quoted rates and holding negotiations with L-1 bidder
- 5.2.9. Submission of Report containing final recommendations to IFA / CFA
- 5.2.10. Preparation and finalization of draft Contract / Supply Order

5.3. The above mentioned activities will be performed by PC in collegiate manner. No movement of files will be done within PC. Only in exceptional circumstances, the issues may be processed on file by PC for taking decision of IFA and CFA. These could be for reasons like differences of opinion within the Committee on substantive issues or PC on its own seeking guidance from IFA and / or CFA on important issues. Even in these exceptional situations, this may be done preferably by holding meetings with IFA / CFA and processing on file should be done, only if considered essential. Otherwise, PC will be empowered to take decisions on above mentioned activities on its own. The decisions taken by PC will be carefully recorded in Minutes with detailed justification for purposes of record. 'PC

Report' will contain their final recommendations for decision on Expenditure sanction by IFA & CFA.

5.4. CFAs will have the discretion to be the chairperson of PC themselves or nominate any official one level or one rank below in their organization. As an illustration, in Army ordnance cases coming under MGO's powers, MGO can be the chairperson himself or nominate DGOS (one level below) or ADGOS (one rank below) as chairperson. IFA / IFA rep will be the compulsory Finance rep of PC. Other members could be Tech rep, User rep or any other member as co-opted / nominated by CFA.

5.5. It will be desirable to constitute a Standing PC in the beginning of financial year by each CFA, so that necessity of taking approval of IFA/CFA for its constitution on each occasion is avoided. In case if it is not feasible to do so, it should be ensured that proposal for constitution of PC is included in AoN proposal as a sub-set, for taking approval of IFA for nominating their rep and approval of CFA for constituting PC.

6. Definition of Single transaction –

6.1. The value indicated in the procurement powers are with reference to Single transaction in a particular sub-schedule. This in turn is to be directly co-related with estimated value of the case included in one RFP at AoN stage and the subsequent total Expenditure sanction emerging out of that RFP. This will determine the AoN powers of CFA in the initial stage, as per powers given in that particular sub-schedule. This means that AoN ought to be taken individual RFP-wise. Subsequently, CFA will be determined with total value of Expenditure sanction emerging out of that single RFP.

6.2. The above implies that financial powers contained in the Schedules are in respect of each RFP (expenditure being incurred on each occasion) and may cover procurement of one item or a number of items, based on the requirements known at that point of time and for which Prospective Bidder(s) is/are the same under the same Serial number in Schedule of powers. The key words for interpretation of "**Single transaction**" in a particular sub-schedule are "**requirements known at a point of time**" and "**same Prospective Bidder(s)**". This in turn would get reflected in a

particular RFP and that would fulfill the definition of "Single transaction". Open bidding cases in a particular sub-schedule will qualify for "same prospective bidders" criteria for group of items within that sub-schedule. In Limited bidding, the registered potential bidders or pre-qualified prospective bidders through Open RFI will be seen for determining "same prospective bidders" criteria in a particular sub-schedule. The quantity and type of items required at a particular time are to be determined by the inputs available with the organization at that time.

- 6.3. There would be scenarios that while "requirements known at a time" criteria will be fulfilled but "Same Prospective Bidder(s)" criteria will not be the same and vice versa for different items within the same sub-schedule. Such cases may not be combined and may be treated as separate transactions. It is to be noted that both factors will have to be fulfilled for deciding "Single transaction" in a particular sub-schedule. If the above mentioned twin criteria are met and yet different RFPs are issued within same sub-schedule, then such cases will be treated as irregularity under the category of 'splitting of sanction'.
- 6.4. If components of a system or sub-items of a bigger item can be bought from same sources and requirements are known at a time, then they may be combined and processed as a single transaction. The proposal should be complete in all respects and it should be ensured that no essential add-ons, accessories etc. have been left out only to bring down the cost of proposal for sanctioning at lower level. Proposal should not be split to avoid the necessity for obtaining the sanction of the higher CFA. It should be remembered that splitting of sanction results in denial of 'Economy of scale' factor to Buyer, thereby causing loss to govt exchequer.
- 6.5. If an item or group of items within a particular sub-schedule is/are of a recurring/repetitive nature and/or required throughout the year, then the period of requirement should be assessed in a long-term manner (quarterly and beyond) to avoid splitting of sanction. It will not be in order to keep using powers to buy same items frequently in short intervals, as the requirement ought to be determined for a reasonable future period, which in turn will be determined also by factors like inventory-carrying cost,

storage capacity, shelf-life, locking of funds, etc. A balance view will need to be taken for determining the period to be mentioned in RFP. AoN will be taken as per the estimated cost of proposal contained in that RFP.

6.6. Items should be combined in a single transaction within a particular sub-schedule, if “Prospective Bidders” for buying these items are the same and “Requirements are known at same time” in spite of these items serving different purposes.

6.7. In respect of Provisioning Review (PR) based procurement proposals, following principles may be followed –

6.7.1. Where one PR contains more than one item - A single PR may throw a scenario in which individual RFPs will have to be issued since Prospective bidders will be different for different items. Single Transaction in such cases will not be determined by PR value but by the estimated value of each case based on individual RFP emerging out of that PR. AoN may be taken RFP-wise and not PR-wise. In addition, single transaction in PR cases may also be determined by going equipment-wise as an additional criterion.

6.7.2. Where one PR contains only one item – The date of generating PR for a particular item will fulfill the criteria for “requirements known at a time”. However, if several such PRs, containing single item each, have “same prospective bidder / bidders” and are generated in almost similar period, then such PRs may be combined in one RFP. Single Transaction in such cases will be determined by combined value of one RFP and AoN may be taken accordingly as per RFP value. As an exception to this, procurements of Army Ordnance Stores from OFB / Defence PSUs may be dealt by treating single PR as single transaction due to unique peculiarities of such cases. AoN may be taken PR-wise and Indent be placed PR-wise accordingly.

7. Splitting of sanction – The procurement orders shall not be split to bring them within the delegated financial powers of a lower CFA in order to avoid the necessity of obtaining the sanction of the higher authority or concurrence of IFA required with reference to the total amount of the order. This implies that a lower authority shall not sanction proposals in installments, which

requires the sanction of a higher authority and/or concurrence of IFA as it will be treated as “Irregular sanction” under the category of “Splitting of Sanction”.

8. Applicable provisions for Procurement powers – Subject to the provisions contained in this MoD Order, the procedures laid down in the DPM will be followed for procurement powers of Revenue cases, CBRP cases and Medical Capital cases. Stipulations laid down in the ‘Note’ section in respective Schedules will also be followed. The exercise of the procurement powers will be further governed by current Govt orders / instructions on the subject, and guidelines contained in the respective Service Codes/Canons/Instructions. Standard Operating Procedures (SOPs)/ Government Letters laying down the specific guidelines for exercise of specific Powers, as prescribed and updated from time to time, will also be followed. However, where any SOP/Service-specific instructions / IFA Manuals conflict with the basic Government Rules / Orders / DPM / present MoD Order, the latter will prevail and immediate action will be taken to amend the SOP/Service-specific instructions/IFA Manual. As regarding applicability of Defence Financial Regulations in procurement powers vis-à-vis DPM is concerned, the same will not be applicable and only DPM provisions will be followed. Cases not covered by the delegated financial powers will be referred to the Ministry of Defence for consideration.

9. Works powers – For processing Works cases, procedure mentioned in Defence Works procedure, any subsidiary instructions of MoD on the subject and para 12 below (for obtaining financial concurrence) may be followed.

10. Non-Procurement powers – There are few powers which do not strictly fall into the definition of procurement powers though they may be indirectly related to procurement process. These powers have been kept in a separate Schedule titled ‘Non-procurement powers’ for each service. Existing Govt instructions (MoF, DOP&T, etc) / MoD orders / SOP / existing practice may be followed for exercise of these powers. In respect of Loss regularization cases, a quarterly statement of write-off of losses under delegated powers will be submitted by CFAs (approving the Loss’ regularization cases) to CGDA, indicating the reasons for the loss, nature of loss and remedial measures

taken to prevent the recurrence of that type of loss. If the CGDA finds that the loss reveals some basic defect in the rule or procedure, the amendment of which requires the attention of Ministry, then they will report the matter to Ministry of Defence (Finance) for further necessary action.

11. Administrative powers – A separate review of Administrative powers will be carried out by MoD for rationalization of these powers. These administrative powers were issued separately under special Govt letters in 2001 and later in 2006 vide MoD/IC/1027/32/AS(J)/6864/2006 dated 1.9.2006, as amended from time to time. Few administrative powers were also included in Financial powers' schedules issued in 2006. All these powers relate to personnel matters, legal issues, compensation / claims, cash assignment / imprest, etc. Till the time revised orders are issued by MoD, these administrative powers will continue to be operative as per existing delegation.

12. IFA concurrence–

12.1. All Procurement, Works and Non-Procurement Powers in Schedules are required to be exercised with concurrence of concerned IFA, as provided/notified to the concerned CFA. The IFA could be PIFAs/IFAs/PCsDA/CsDA or any other official as notified by CGDA.

12.2. There will only be following exceptions to the rule of IFA concurrence mentioned above –

12.2.1. In respect of 'Loss regularization' sub-schedules under Non-procurement powers, cases upto Rs 1 lakh may be approved by all CFAs on the basis of Audit Report from the PCDA/CDA. For cases above Rs 1 lakh, concurrence of IFA will be required, apart from getting the Audit report of PCDA/CDA.

12.2.2. In respect of 'Payment of Demurrage and Wharfage charges' sub-schedule under Non-procurement powers, payment will be made first by unit / Emb Hqs to the concerned port / air / railway authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA/CFA on a monthly basis for according ex-post-facto concurrence/approval.

- 12.2.3. In Emergency power schedules, the powers will be exercised by CFAs as per guidelines given in Note below of these schedules. No separate IFA's concurrence will be required though IFA will be a member of Committee as envisaged in Note given below these schedules.
- 12.2.4. In procurement powers, CFAs located at remote areas not having co-located IFA, may approve cases upto Rs 1 lakh without referring it to their notified IFA. Mobile units, ships and submarines will also fall into this category. The definition of co-located IFA will mean the IFA being in the 'same station'. As and when CGDA is able to provide co-located IFAs to such CFAs, this dispensation upto Rs 1 lakh will automatically cease to exist for such CFAs. CGDA will publish the list of IFAs currently provided to various CFAs / Stations, which will be updated from time to time. All efforts should be made by CGDA to provide co-located IFAs to all CFAs in Defence services. While providing co-located IFAs to such CFAs, CGDA's notification order should specifically mention that the special dispensation upto Rs 1 lakh would no longer be available to concerned CFA. This point should be further seen by CGDA, while conducting audit of sanctions pertaining to that CFA. All CFAs having co-located IFAs will take concurrence of IFA for all procurement cases irrespective of its value.
- 12.2.5. In Medical schedule (MSP Sl 2.5), doctors at each hospital can procure medical stores by placing indent/supply orders on Rate contract / Price Agreement Sellers without referring the matter to IFA in emergency cases.
- 12.2.6. All CFAs can approve 'Minor Works' cases without taking IFA's concurrence.
- 12.3. IFAs are accountable for the financial advice / concurrence given to CFAs. To that extent, they share the responsibility with CFAs in the decision-making process in regard to financial and procedural issues pertaining to delegated powers.
- 12.4. At any stage of procurement, the CFA can overrule the advice of the IFA by a written order giving reasons for overruling the IFA's advice on file. A copy of the order overruling IFA's advice will be provided to IFA for information. If such over-ruling of IFA is done at AoN stage or at an interim

stage of procurement, action in procurement process will be taken as per the decision of CFA and IFA will continue to participate in this process as Finance member. At the time of Expenditure Sanction stage, IFA can either concur the final proposal or record their dissent to the final proposal. CFA can agree with IFA's advice or overrule the advice of the IFA by a written order giving reasons for overruling the IFA's advice on file at Expenditure Sanction stage. The sanction letter issued in latter cases will not contain UO number of IFA but will clearly indicate that the advice of the IFA was taken but the same was over-ruled by CFA and copy of relevant notings of IFA & CFA will be endorsed along with the CFA sanction to CDA / PCDA for purposes of internal audit and payment. A quarterly report will be submitted by the IFAs through CGDA to MoD (Fin) on such overruling cases. There will be no requirement for CFA to report the over-ruling cases to next higher CFA/IFA.

- 13. Linkage with Budgetary allotments** - The exercise of the financial powers will also be subject to availability of funds in the sanctioned budgetary allotment under the relevant Budget Head of the Service/Department. Since new structure of Schedules is directly adapted from Budgetary heads as prescribed in Classification Handbook, it should be easy for CFA / IFA to ensure that budgetary ceilings are not exceeded while processing procurement cases.
- 14. FFE release noting** - In the case of import procurements under various Schedules, no separate concurrence/sanction for release of FFE would be required from IFA / CFA. The release of FFE will only be noted at the Financial Planning Directorate/Cell in the respective Service/Command HQ, after Expenditure Angle Sanction (EAS) for the Procurement has been concurred by IFA and approved by CFA. Payments will be released as per the terms and conditions of contract by the SHQ / contract executing authority through PCDA / Bank.
- 15. Sub-delegation of powers** - The delegated powers mentioned in the Schedules cannot be sub-delegated by any CFA. However, CFAs can authorize any subordinate official(s) to sign procurement and non-procurement related documents like sanction letter, RFP, contract, supply

order, etc on their behalf, after they have given the requisite approvals / orders on file. The financial powers are vested in the post. Whenever the regular incumbent is absent due to leave, training, temporary duty, etc, the powers can be exercised by those who are officiating on that post. This will not be treated as sub-delegation of powers.

PART - C

ANNEXURES

Reasons for Oversight Mechanism

- a. As per standard international practices, every organization needs to have an 'Internal Control and Risk Management' framework which is a basic conceptual structure used to address the risks faced by an organization. The process of assessing, monitoring and responding to risks in order to reduce their impact is achieved through the implementation of a risk management framework which consists of risk identification; risk prioritization; risk mitigation; implementation of mitigation plans; and review and monitoring of mitigation plans.
- b. Risks are associated with every activity and these can adversely affect the target achievements in terms of quantitative and qualitative parameters. In the MoD and Services Headquarters, a plethora of activities relate to provisioning and procurement of a range of products to ensure serviceability levels of the weapon systems and platforms and operational capabilities, and that the modernization and maintenance plans are undertaken with the aim of maintaining and enhancing the country's defence capabilities. Since risks in these activities are inherent, there is a need to implement an appropriate and robust risk management framework. An effective way of doing it is through formulation of an 'Oversight and Internal Audit' mechanism or a Committee framework.
- c. The term oversight means the general process of review, monitoring, evaluation, supervision, reporting and audit of the organization's programmes, activities, policy implementation and results. This is to ensure organizational, financial, operational and ethical accountability, effectiveness of internal controls and prevention of fraud and malpractice. The purposes of the oversight policy are to ensure good governance, create the necessary environment of accountability and transparency in the organization and ensure that the operations are effectively carried out through continuous improvement. The scope of the oversight policy is shaped by the following principles of good governance –

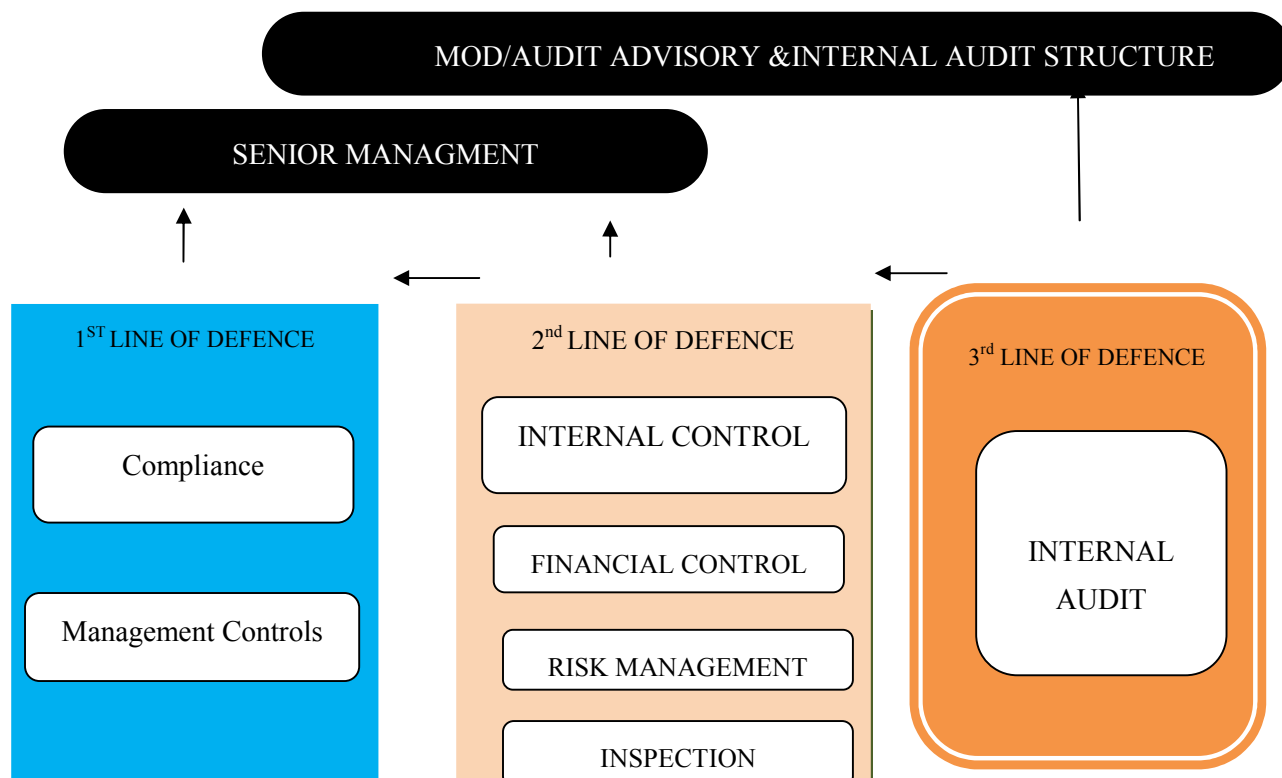
- i. The activities of the organization are fully in accordance with its laid down mandates;
 - ii. The funds provided to the organization are fully accounted for and in full compliance with project/programme targets/goals;
 - iii. The activities of the organization are conducted in the most efficient and effective manner, and duplication and inefficient use of resources are avoided;
 - iv. The staff and all other officials of the organization adhere to the highest standards of professionalism, integrity and ethics.
- d. For an objective and effective risk-management framework, most developed countries as well as modern business organisations follow the 'Three Lines of Defence' Model, which is being adopted in India also as an internationally accepted best practice for risk management in an organisation. The three lines of defence model is used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective governance risk management and assurance. The first line of defence is the 'Line Management' of any organisation, which is not only responsible to carry out the regular activities but is also responsible for identifying risks and improvement actions, for implementing controls and for reporting progress. The second line of defence is the internal control mechanism/structure of the organisation which also includes designing policies, setting direction, introducing best practice, ensuring compliance and providing assurance oversight for the policy makers/top management. The third line of defence entails independent challenge, audit of key controls, formal reporting on assurance, and audit of assurance providers' and entity level controls assurance. This is achieved through the system of internal audit, whose role is to maintain oversight and to monitor the effectiveness of internal control and risk management processes, as well as the internal audit activities.
- e. The existing oversight framework in MoD can be discussed under two broad categories – External and Internal. The external oversight framework includes the Parliamentary oversight in terms of Standing Committee on Defence, Public Accounts Committee and Budget Allocation and Control. It

also includes test audit by the C&AG. The internal oversight framework consists of the three lines structure as discussed above. The first line of defence against risks is composed of the officers who directly work on programmes, plans and proposals and provide compliance assurance to the higher management. This would also include the IFAs and CFAs. The second line of defence consists of the internal control structures including various committees and forums where plans and programmes are discussed and formalised, their progress assessed and future course correction, if any, is decided and directed. This would also include the various Codes and Manuals and Standard Operating Procedures which govern not only the working of the organisation but also its control structures. The third line of defence – an independent internal audit structure – is provided by the CGDA, who are the internal auditors to the MoD and the SHQs. It may, however, be pointed out that the present format of internal audit focuses only on transaction audit based on a compliance framework and does not look into the areas of risk management and systemic improvements in a holistic manner. It also does not look into the efficacy or otherwise of the internal control mechanisms put in place by the SHQs. In fact, the first and second lines of defence also do not focus on risk identification, risk assessment and risk mitigation issues. The focus is mainly on operational aspects and progress thereof. Further, since management is primarily responsible for the design, implementation and maintenance of internal controls, the organisation is always exposed to the danger of management override of controls.

- f. An oversight mechanism will be an integral element of the eco system based on the principle of 'Reasonable Assurance'. The concept is based on global best practices that an internal control and risk management framework serves as an effective governance model to assess and manage the risks faced by an organization. The three lines of defence model is used as the primary means to demonstrate and structure roles, responsibilities and accountability for decision making, risk control with the objective of achieving compliance of rules and procedures uniformity in application and approach and risk mitigation to provide assurance. Thus there is a strong

need for an independent third line of defence against risks in the form of an ‘Audit Advisory and Internal Audit’ mechanism in MoD.

A graphical representation of the three lines of defence model is indicated below



- g. MoD’s Standing Audit Committee (SAC) monitors and reviews submission of ATNs on C&AG’s Audit Paras and ATRs on PAC recommendations and take appropriate remedial measures. However, it does not deal with risk management and internal control structures in MoD and SHQs. There is, thus, an obvious gap and a potential risk area. With a view to make the internal audit mechanism more effective and responsive and incorporate a risk management framework which assists the MoD in oversight, constitution and implementation of a two-tier structure – an Audit Advisory Committee (AAC) duly supported by Internal Audit mechanism of CGDA has become imperative.

Composition of Audit Advisory Committee (AAC)

Chairperson – Secretary Defence (Finance) / FADS

CGDA Member

Addl Secretary I, MoD Member

Addl Secretary II, MoD Member

Dy Chief / PSO, Army Member

Dy Chief / PSO, Navy Member

Dy Chief / PSO, Air Force Member

Dy CIDS Member

Additional CGDA Member Secretary

Any other person including technical experts, (for audit of areas which involve complex technical issues), as co-opted by chairperson

Scope of work for AAC

1. Charter of duties of AAC

- 1.1. To evaluate the adequacy of the internal audit mechanism encompassing the processes, procedures, operations and information systems of activities covered under delegation of powers and to ensure that they are carried correctly and to minimize the possibility of management override of internal controls.
- 1.2. To provide “Reasonable Assurance” to all the stakeholders that the activities being undertaken are efficient and effective and that an accountability framework is in place.
- 1.3. To ensure that risk prevention and risk mitigation steps have been embedded in the overall system.

- 1.4. To finalise the Audit Plan on an annual basis, which will outline the proposed focus area indicating the thematic Issues to be taken up, and recommend it for approval of RM through the Defence Secretary.
- 1.5. To apprise the executive at the highest level i.e. the RM through the Defence Secretary about the findings based on special audit reports and regular internal audit reports of CGDA.
- 2.** An illustrative list of some of the internal risk areas faced by Government today as highlighted in Department of Administrative Reforms and Public Grievances (DARPG) framework, some of which would be applicable to areas under the delegated powers, are as follows -
 - 2.1. Failure of Sellers or other agencies to provide services as required;
 - 2.2. Project delays, cost overruns, and inadequate quality standards;
 - 2.3. Delayed or failed introduction of new technology;
 - 2.4. Loss or misappropriation of funds through fraud or impropriety;
 - 2.5. Inadequate skills or resources to deliver services as required;
 - 2.6. Disruption from industrial action, protest, or failure of transport or IT infrastructure;
 - 2.7. Inconsistent programme objectives resulting in unwanted outcomes;
 - 2.8. Inadequate contingency plans to maintain continuity of service delivery;
 - 2.9. Failure to evaluate pilot projects properly before a new service is introduced may result in problems when the service becomes fully operational;
 - 2.10. Failure to innovate leading to sub-standard services;

RISK ANALYSIS FRAMEWORK

1.PLANNING AND IMPLEMENTATION	
1.1 FORMULATION OF CASE	
1.1.1	Inclusion in Annual Procurement Plan
1.1.2	Statement of Case (SOC)
1.1.3	Costing assumptions in SOC
1.1.4	Justification - Necessity angle
1.1.5	Quantities
1.1.6	Mode of Bidding
1.1.7	RFI (Where applicable)
1.1.8	Fund availability
1.2 PROCUREMENT METHODS AND BIDDING PROCESS	
1.2.1	Potential Bidders' Registration and selection
1.2.2	Finalization of RFP
1.2.3	Time of bid submission including extension of time
1.2.4	Validity period of offers
1.2.5	Amendment of bids
1.2.6	Receipt of bids
1.2.7	Tender/RFP opening
1.2.8	e-Procurement vrs Manual procurement method
1.3 TECHNICAL EVALUATION (WHERE APPLICABLE)	
1.3.1	Compliance Report by TEC
1.3.2	CFA Approval of TEC Report
1.3.3	Revised Commercial Bids (if Obtained)
1.3.4	CFA Approval of Revised Commercial Bid
1.3.5	Resultant Single Bidder Parameters Compliance
1.4 COMMERCIAL EVALUATION AND CONTRACT PROCESS	
1.4.1	Benchmarking
1.4.2	CST and L1 determination
1.4.3	Price Reasonability
1.4.4	Variation between AON estimation, benchmark and L-1 price
1.4.5	Finding Justifiable price
1.4.6	Negotiation
1.5 COMPLIANCE	
1.5.1	Deviations from Technical clauses
1.5.2	Deviations from Commercial clauses
1.5.3	Timeline adherence/overrun in complete procurement process
1.6 CONTRACT OUTCOMES	
1.6.1	Submission of bonds and guarantees by Seller
1.6.2	Delivery as per contract milestones
1.6.3	Extension of delivery period
1.6.4	Quality
1.6.5	Timely finalization of AMCs / Service contracts

1.7	APPROVALS
1.7.1	Authority according AON
1.7.2	Authority according Expenditure Sanction
1.7.3	Deviations approval / Re-tendering
1.7.4	Issue of Government Sanction
1.8	INTEGRITY
1.8.1	Pre-Integrity clause
1.8.2	Vigilance clearance
1.8.3	Complaints management
2.	MONITORING
2.1	OVERSIGHT
2.1.1	Preparation of Annual Procurement Plans
2.1.2	Periodic reporting / monitoring of physical and financial milestones
MANAGEMENT INFORMATION SYSTEMS	
2.2.1	MIS on outcome of Annual Plans and Impact on Serviceability/Stock levels
3.	FINANCIAL MANAGEMENT
3.1	BUDGET MONITORING
3.1.1	Budgeting and Forecasting
3.1.2	Committed Liabilities Projections
3.1.3	Budget Utilization against allocations
3.2	FINANCIAL REPORTING AND ACCOUNTING
3.2.1	Expenditure Report and Expenditure Pattern
3.2.2	Budget Code heads in Expenditure Sanction

<u>APAR SYSTEM OF IFA SYSTEM</u>				<u>Annexure-4</u>
		Reporting	Review	Acceptance
A.	<u>APAR system - IFAs at Command Hqs</u>			
	Existing	Addl CGDA	C-in-C	CGDA
	Revised	C-in-C	CGDA	FADS
B.	<u>APAR system - PIFAs at SHQs</u>			
	Existing	Vice Chief / CISC	FADS	Def Sec
	Revised	Vice Chief / CISC	CGDA	FADS
C.	<u>APAR system - IFAs at SHQs</u>			
	Existing	Concerned Head (CFA)	FADS	Def Sec
	Revised	Concerned Head (CFA)	CGDA	FADS
	Note.			
	1. The revised APAR system will be applicable for APAR written for 2014-15 and onwards.			
	2. Details of Reporting Authority at para C above for respective IFAs			
		<u>Concerned Head (CFA)</u>	<u>Respective IFA</u>	
		QMG	IFA (Q)	
		DG CG	IFA (CG)	
		DG MAP	IFA (MAP)	
		DG AFMS	IFA (Medical)	
		DG BR	IFA (BR)	
		VCOAS	IFA (Capital/Army)	
		VCNS	IFA (Capital/Navy)	
		DCAS	IFA (Capital/Airforce)	

GUIDELINES FOR E-PROCUREMENT MODULE OF NIC

1. As per the Office Memorandum (OM) no. 10/3/2012-PPC dated 30th March, 2012, issued by the Department of Expenditure, all Ministries / Departments of the Central Government, their attached and subordinated offices need to commence e-Procurement in respect of all procurements with estimated value of Rs. 10 lakhs or above, in a phased manner, as per the schedule provided in the OM.
2. For facilitating User Ministries / Departments, NIC has developed an e-Procurement application, which is accessible through the Central Public Procurement (CPP) Portal ([URL:http://eprocure.gov.in](http://eprocure.gov.in)). Ministries/Departments, which do not have a large volume of procurement or carry out procurements required for day to day running of offices and also have not initiated e-Procurement through any other solution provider, have been asked to use the e-Procurement solution developed by NIC.
3. Ministries/Departments with large volume of procurement other than of the nature mentioned above have been authorized to either use the e-Procurement solution developed by NIC or engage any other service provider. Defence Services qualify under this category. User organizations, which are already carrying out e-Procurement through other service providers or have developed e-Procurement solutions in house, may continue to do so, ensuring the conditions/guidelines provided in the above DoE OM are fulfilled.
4. Earlier, DoE vide its O.M No. 10/ 1 /2011 -PPC dated 30th November, 2011 had issued instructions for mandatory publication (e-Publishing) of all tender enquiries, corrigenda thereto and details of contracts awarded thereon on the CPP Portal by all Ministries/Departments, their attached and subordinate offices, Central Public Sector Enterprises and autonomous/statutory bodies from Ist January 2012 in a phased manner.
5. The table below shows the key differences between e-Publishing module and e-Procurement module of NIC accessible through the CPP Portal.
6. The paras below provide the pre-requisites and guidelines for using the e-Procurement module of NIC.
7. **Enrolment on e-Procurement module of NIC** - To enroll, each User Organization in Defence services should follow the steps listed below –
 - a. Acquire Digital Signature Certificates (DSCs) - To carry out e-Procurement using NIC's e-Procurement Module, the authorized users of the User Organization as well as the bidders will be required to obtain valid DSCs. DSCs may be obtained from any authorized agency registered with the Certifying Authority (CA) in India.

Authorized users will be required to procure Class-If or Class-111 DSCS. NIC CA provides DSCs to the government officials only. Please refer to Encl-2 of these Guidelines for obtaining DSC from NIC CA. All other users may obtain DSCs from any of the other registered CAs in India.

- b. Selection/ Nomination of Nodal Officer - Nodal Officer Accounts already created by Ministries/Departments for e-Publishing Module of CPP Portal can also be used for NIC's e-Procurement Module. User Organizations that have not enrolled on the e-Publishing module or organizations who wish to nominate a different officer as Nodal Officer for e-Procurement, should submit their request by completing the Nodal Officer Account Creation form and sending it to NIC. The first level Nodal Officers in User Organizations may further create sub-Nodal Officers, and designate them the responsibility of creating user accounts in the organization. For further details, please refer Encl-1 of these guidelines.
 - c. Setting up of Organizational Hierarchy for mapping on the CPP Portal - Every User Organization has to ensure that their organizational structure is properly mapped in the e-Publishing module of CPP Portal and for e-Procurement Module of NIC. The User Organizations, whose organizational structure has already been mapped in the e-Publishing module, need not recreate it for e-Procurement, unless they wish to make a change to their existing organizational structure. User Organizations that have not enrolled on the e-Publishing module or organizations that wish to make a change to their existing organizational structure mapping should send an updated organizational structure to NIC. For further details, please refer Encl-1 of these guidelines.
 - d. Creation of User Accounts for officials of the User Organization - The Nodal Officer/ sub-Nodal Officer(s) of each User Organization will authorize users within the organization for various roles such as Tender Creator, Tender Publisher, Bid Opener and Bid Evaluator who would use the e-Procurement module of NIC. For further details, please refer Encl-1 of these guidelines.
 - e. Mapping of DSCs for all user accounts created in the User Organization - On obtaining the DSCs, the authorized users will be required to login and map their DSCs with their respective user profiles created by the Nodal Officer on the e-Procurement module of NIC.
8. **Training / Support on e-Procurement module of NIC** - NIC has scheduled several modes of training for User Organizations to assist them in using their Procurement Module.
- a. **Half day awareness session for User Organizations** - NIC will conduct a half day awareness session for each User Organization, identified by the DoE to implement e-Procurement during that month, in the premises of the respective User Organization only in Delhi. This training session may be attended by senior/middle level officials from the User Organization and the core team responsible for e-Procurement.
 - b. **2-day hands-on Training of Trainers program for User Organizations** - NIC will conduct a 2-day hands-on "Training of Trainers" program

- on e-Procurement module for upto 4 nominated officials from each of the User Organizations at NIC HQs New Delhi.
- c. **Half Day Training Session for key/ prospective bidders of User Organizations** - NIC will conduct a half day training session for the key / prospective bidders of each User Organization for their upcoming tenders. These training sessions will familiarize the bidders on the use of e-Procurement module of NIC for submitting their bids.
 9. **On-site support by trained Facility Management Personnel (FMPs)** - NIC will train a pool of Facility Management support Personnel (FMPs) - (hired from NICS empanelled agencies) on the e-Procurement module of NIC. User Organizations may utilize the services of these FMPs for internal training, installation and mapping of DSCs, handholding support for e-Procurement activities etc. up to a period of 1 week. For any support from FMPs beyond the 1 week period, the User Organizations can directly hire the services of the FMPs from NICS empanelled agencies. Encl-3 of these guidelines provides more detailed information on the various modes of training as well as support from FMPs.
 10. Guidelines and user manuals providing step-by-step guide are available on the CPP Portal. For any clarifications, please write to cpPP-mc@nic.m and cppp-doe@nic.in.

Encl-1

DETAILED INFORMATION ON PRE-REQUISITES FOR ENROLMENT ON THE E-PROCUREMENT MODULE OF NIC

1. Selection / Nomination of Nodal Officer - Nodal Officer(s) can be nominated by filling up the Nodal Officer Nomination Form (available at <http://eprocure.gov.in/cppp/sites/tiefault/files/eproc/nodaldata sheet-O.pdf>) and sending to NIC at cppp-nic@nic.in. NIC will create the Nodal Officer account, with the details provided in the form and the password for the account will be automatically sent to the email address of the nominated Nodal Officer. In case, a Nodal Officer account has already been created for the User Organization under the e-Publishing module of the CPP Portal, the same need not be re-created for the purpose of e-Procurement. The User Organizations shall indicate such preference over email. However, if the User Organization chooses to nominate a different officer as Nodal Officer for e-Procurement, they need to submit a new Nodal Officer request form to NIC at cppp-nic@nic.in.
2. Setting up of Organizational Hierarchy for mapping in e-Publishing portal - The Nodal Officer(s) of each User Organization must create a mapping of its organizational structure / hierarchy in e-Publishing module of CPP Portal and for e-Procurement Module of NIC as per guidelines as mentioned below -
 - a. The organizational structure of a User Organization may be provided (up to max 4 levels) in the following manner -
 - i. LEVEL 0 - Parent Ministry
 - ii. LEVEL I - Organization (Department / CPSE / Autonomous/Statutory Body)
 - iii. LEVEL 2 - Functional/ Zonal/ Regional Offices etc.
 - iv. LEVEL 3 - Division/ District level offices etc.

- v. LEVEL 4 - Sub-Division/Block level offices etc.
 - b. The organization structure as per format depicted below is to be sent via email to epppnic@nic.in. The User Organizations that have already submitted their organizational structure for the e-Publishing module on the CPP Portal need not reseed it, unless they wish to make any changes.
- 3. Creation of User Accounts for officials of the User Organization –**
- a. The Nodal Officer / sub-Nodal Officer(s) of each User Organization will authorize users within the organization to use the e-Procurement module of NIC. The various roles defined for e-Procurement module are –
 - i. Tender Creator - responsible for filling up and uploading the details of a tender enquiry / corrigenda / award of contract.
 - ii. Tender Publisher - responsible for publishing the tender enquiry / corrigenda / award of contract created by the Tender Creator.
 - iii. Bid Opener - authorized to decrypt and download the bids received from the bidders in response to a tender document.
 - iv. Bid Evaluator - authorized to upload the results of the various stages of bid evaluation.
 - b. Please note that the Nodal Officer cannot perform any of the above roles. The Nodal Officer should create the above users and assign roles in the e-Procurement module of NIC for authorized officials in the User Organization. Upon creation of user accounts, the password will be automatically emailed to the respective authorized users in their mail IDs.

Encl-2

GUIDELINES FOR OBTAINING DIGITAL SIGNATURE CERTIFICATES (DSCs) FROM NICCA

1. All authorized department users are required to obtain a Digital Signature Certificate to access the e-Procurement module.
2. Issue of Digital Signature Certificate (DSC) to users - To avail the DSC from NIC CA, the filled up NICCA DSC Request Form is to be submitted to NICCA at NIC Head Quarters.
3. The payment of fees can be done by Demand Draft / RBI cheque in favour of "Accounts Officer, NIC Delhi" payable at New Delhi.
4. For the latest details on the DSC Request Form and Fee details, please refer to <https://nicea.nic.in>.
5. The DSC Request Form should be filled up carefully. Few of the entries are indicated below –
 - a. Col (1) Category of Applicant: Government
 - b. Col (2) Class of Certificate: (Ctass2)
 - c. Col (3) Certificate Required: Individual (Signing) & Encryption both to be ticked
 - d. Col (4) Certificate Validity (Max Two years): Two years
 - e. Col (5) Date of Superannuation: If less than two years, Col (4) to be suitably modified
 - f. Col (8) Email Id: Valid email-id to be given
 - g. Col (12) to be struck off

- h. Application form has to signed by the Head of Department before submitting it to NIC
 - i. Copy of self-attested ID Proof and required fee in the form of Demand Draft.
 - j. One passport size photograph
6. Further guidelines on how to use the DSC is available on the CD provided along with DSC token issued by NIC CA

Encl - 3

TRAINING / SUPPORT ON E-PROCUREMENT MODULE OF NIC

1. NIC has scheduled several modes of training for User Organizations to assist them for using e-Procurement module.
2. **Half day awareness session for User Organizations**
 - a. NIC will conduct a half day awareness session for each User Organization, identified by the DoE to implement e-Procurement during that month, in the premises of the respective User Organization only in Delhi.
 - b. A core team of officials should be identified in each User Organization, which would be responsible for driving the e-Procurement initiative. Senior level officials may attend this training session from the User Organization and the core team responsible for e-Procurement.
 - c. This training will broadly cover the preparedness of the User Organizations and process realignment required to implement the e-Procurement Module. Best practices will also be shared.
 - d. The User Organization would be expected to facilitate the training session and make the requisite arrangements at their respective premises in Delhi. The preferred date, place and time for the training session should be communicated to NIC via an email request on cphp-nic@nic.in. The request should be sent latest by the 1st day of the month in which the training is expected to be conducted.
3. **2-day hands-on Training of Trainers program for User Organizations**
 - a. NIC will conduct a **2-day hands-on "Training of Trainers" program** on e-Procurement module for upto 4 nominated officials from each of the User Organizations at NIC HQs New Delhi.
 - b. The training will be conducted in NIC Training Room, Room no 706, A I B8 Wing, 7th floor, NIC Building, A-Block, CGO Complex, New Delhi. To attend the training, the User Organizations should send an email request to cphp-iic@nic.in with the preferred dates and names of upto four nominated officials. The nominations for the next month must reach NIC by 20th day of the previous month. Attendance to these sessions is only upon email confirmation from NIC.
 - c. The User Organizations are expected to nominate upto 4 officials who will undergo the 2-day hands-on training session. To ensure an effective training of their officials,, the User Organizations are requested to nominate officials who are well versed in the procurement process of their respective departments. These users would be expected to impart training to other officials in their respective organizations.
 - d. All the officials nominated for the training must carry have a valid Class 11 or Class III Digital Signature Certificate (DSC) to the training program. If the nominated officials do not have a DSC at present, they

- can complete the DSC application forms and submit to NIC, at least t5 days prior to attending the training program.
- e. The exact schedule of the training will be available on the CPP Portal.
4. **Half Day Training Session for Key/ prospective bidders of User organizations**
- a. Such half day training session will be undertaken at the premises of the User Organizations in Delhi.
- b. Each User Organization will be required to identify the key/ prospective bidders for their forthcoming tenders.
- c. Half day training and awareness session for the potential bidders of each User Organization will be used to, make the key/ prospective bidders aware of the various features and requirements of the e-Procurement module; such as –
- Acquiring DSC
 - Process of registration on the e-Procurement Module
 - Process of tracking tenders through the CPP Portal, raising pre-bid queries, participating in pre-bid meetings etc.
 - Process of submission of online bids
 - Other processes such as online presence at the time of bid opening, availability of comparison charts etc.
- d. The exact schedule for the training of bidders will be worked out in coordination with the User Organizations, once they have undergone the "Training of Trainers" session meant for their officials.
- e. In case, the User Organization is unable to conduct the training of bidders before floating the tender documents (on a pilot basis) on the e-Procurement module, NIC could conduct the training of bidders along with the pre-bid meeting for that particular tender.
5. **On-site support by trained Facility Management Personnel (FMPs)**
- a. NIC will train a pool of Facility Management support Personnel (FMPs)- (hired from NICSI empanelled agencies) on the e-Procurement module. User Organizations may utilize the services of these FMPs for internal training, installation and mapping of DSCs, handholding support for e-Procurement activities etc. up to a period of 1 week. Any request for availing the services of a FMP should be sent via email to Opp-nic@nic.in.
- b. For any support from FMPs beyond the I week period, the User Organizations can directly hire the services of the FMPs from NICSI empanelled agencies.
- c. It should be noted that FMPs are only expected to provide technical assistance with regard to the features and functionalities of the e-Procurement module. The authorized users of the User Organizations will be responsible to ensure that the information being published on the CPP Portal is accurate and in compliance with all the applicable laws and regulations.

Guidelines for Benchmarking Cost Estimates

1. Buyer should establish a benchmark and reasonableness of price in an internal meeting before opening the Price bids. But what is a reasonable price? The word “reasonable price” means different things to Buyer and seller. The Buyer tends to think on the low side, and the seller tends to think on higher side. The seller wants to make as much money as possible and the Buyer wants to save as much as possible. As price of an item depends on several independent and dependent variables and is uniquely decided by individual bidder, it is simply not possible to give a definition or a formula for defining reasonable price. However, as Buyer’s subsequent negotiation will depend upon the reasonable price determined beforehand, it is necessary to attempt the internal benchmarking on established practices on cost estimation methods being used widely by Govt Buyer and specifically Defence Buyers across the world. This will atleast give Buyer a moral authority for justifying their stand to L-1 bidder during negotiations and will also give them a more realistic estimate of difference between what Govt ought to give (internal benchmarking) and what Govt may have to give (negotiated cost).
2. Amongst the plethora of cost estimation techniques available in commercial world, there are four main cost estimating techniques, which can be used by Buyer to develop benchmarking estimates for procurement cases - Analogy, Engineering Parametric and Market Intelligence. In deciding which technique to use, Buyer may have to consider several factors like –

- (a) Availability of historical data
- (b) Level of detail required
- (c) Adequacy of system description
- (d) Time/Resource constraints

The cost estimate must be defensible with well-reasoned analysis. A description of the four cost estimating methodologies follows.

3. **Analogy method** - The analogy method is the simplest form of estimating. When historical information is available for a similar or same item(s) that has already been completed, that information can be used to estimate costs for the proposed items. In case of “similar” items, BUYER will additionally need to make a subjective evaluation of the differences between the new item and historical items. In many cases, it may be necessary to compare components of the new item to components of several old items in order to make the most accurate comparisons. The Technical expert in BUYER may typically be asked to make a technical evaluation of the difference between the new system and the old system. Based on his evaluation, the BUYER may assess the cost impact of the technical differences. When using this method, it is important that differences between the existing item and the proposed item (e.g., software languages, development methodologies, complexity) are identified and their impacts estimated. However, in case of “same” items, such additional technical analysis may not be necessary and use of Price indices will suffice.

- (a) **Past records (LPP)** - Prior to benchmarking, BUYER should review: The procurement history of the supplies and services; and a description of the supplies, including, when necessary for adequate description, a picture, drawing, diagram, or other graphic representation. This will

ensure that prior prices are considered in estimating the proper price of the current procurement. However, one must also remember that information from Government historical price data bases provides a picture of what happened in the past. One must integrate this information with information from other tools/methods to enhance the accuracy of price estimate.

(b) Sources of Procurement Histories - Procurement histories can be found in many sources. Typically, the best sources are contract files, computerized data from Defence services IT systems and manual item records. Usually, the best source of information on past pricing decisions is the original file of the contract action as detailed information and the rationale used to determine price reasonableness will be available in the file. Computers provide immediate access to the data considered most important to purchase decision making. While computer data files may not be as complete as purchase files, they do provide key data in a form that can be used by the Buyer in a timely fashion. Manual item records typically provide data similar to that contained in computerized procurement data files.

(c) Researching Historical Procurement Pricing Information - Historical prices are an excellent source of market information. Research of historical market information can tell us a lot about the procurement situation for the product at some point or points in the past. For that information to be useful, we must be able to determine what the market situation was in the past and how it has changed since then. The following table presents issues that we should consider in our examination of historical procurement information and questions that we should consider in our research.

Table

<u>Research element</u>	<u>Questions to be asked</u>
Trends in supply and demand	When did past procurements take place? Is there any indication of prevailing Demand market conditions at that time?
Pattern of Demand	What quantities were solicited for Demand each procurement? What quantities were acquired?
Trends in prices	What was the contract price? How did the unsuccessful offers compare with the successful offer?
Start-up costs and Pricing strategy	Did the contract price include one-time engineering, tooling, or other start-up costs? Should future contracts include similar or related costs? Were necessary start-up costs paid for in a manner separate from the price for the item or service?

<u>Research element</u>	<u>Questions to be asked</u>
Sources of supplies or services	How many sources were solicited for the prior procurement? What specific sources were solicited? How many sources offered bids or proposals? What specific sources offered bids or proposals?
Product characteristics	Are there any significant differences between the Government requirements documents for the prior contract and the current requirement?
Delivery / Performance terms	What was the delivery or performance period in days, weeks, months, or years? In what month(s) were the supplies to be delivered or the service to be performed? Did the vendor meet the delivery targets? What was the INCOTERM used?
Ownership costs	What costs of ownership were associated with the procurement?
Mode of tendering	Whether it was Global, Limited, Single mode of tendering.
Contract terms and conditions	Are there any significant differences between terms of the last contract (e.g., packing requirements, type of contract, and the like) and those recommended for this procurement?
Problems	What problems (if any) were encountered during contract performance?

Depending upon the answers to questions mentioned above, BUYER should adjust the past data suitably.

(d) Use of Price Indices - Once historical records have been established, the same will need to be extrapolated to future years for accounting the escalation factor. The use of “Price indices” as mentioned in Appendix A may be used. The delivery period mentioned in the present case needs to be taken into account for extrapolating the historical records.

(e) Use of Learning curve – If the items are same as compared to past purchase, then theory of Learning curve, as mentioned in Appendix B, may also be considered for application.

(f) Situations to be used – Wherever Last Purchase Price (LPP) is available for similar or same items, this may be applied. Actual cost experience on prototype units, early engineering development hardware, and early production hardware for the items under consideration could also be used to the maximum extent possible.

(g) Advantages - The analogy method is based on actual experience. It provides a valid tool to negotiate with L-1 bidder.

(h) **Disadvantages** - In many instances, no truly similar items exist. Subjective evaluations may have to be made by the technical experts and BUYER when determining the cost impact of the differences between old and new systems if the items are not same but similar. Current market conditions do not get reflected.

4. **Engineering (POV) method** - An engineering or "POV" estimate (Professional Officers' Valuation as known in MoD) is a step-by-step, bottoms-up description of task requirements and estimated resources for labour, material and other direct costs, with descriptive rationale as to why resources are required and the considerations used by the engineer to develop the estimate. This technique involves associating costs to the lowest levels of a definable work within the Work Breakdown Structure. The direct labour hours required to complete the work are estimated from engineering drawings and specifications, using general industry standards. The Technical experts also estimate raw materials and purchase parts requirements. The remaining cost elements, such as tooling, quality control, other direct costs, and various overhead charges including systems engineering and project management are also factored in.

(a) **Situations for use** - When historical records are not available for an item, then this method may be used, provided the user reps are familiar with the item in question.

(b) **Advantages** - The Engineering method provides a detailed cost estimate and can be more accurate than other methods. It can be uniquely applied to the specific items and manufacturer. It gives good insight into major cost contributors. It also allows easy transfer of results to other items.

(c) **Disadvantages** - Since detailed information is required, the Engineering method tends to be time intensive. Historical data is not always available to support these estimates. It is also not flexible enough to answer what if questions. There is a tendency to rely extensively on judgment and assumptions being made by technical experts. The estimates made for items like Material overheads, direct expenses, Training, Trials, Profit, etc. are most likely to vary from price bids as these items are priced uniquely by any bidder keeping in view their internal policies and approaches towards bidding.

5. **Parametric (Statistical)** - The parametric, or statistical, cost estimating method uses parametric models to derive cost data from key cost drivers such as product weight, complexity, inputs/outputs, software code types, historical data, etc. This method assumes that there is a relationship between some system parameter (such as speed, weight, thrust, etc.) and cost.

(a) The goal of parametric costing is to create a statistically valid cost estimating relationship (CER) using historical data. The parametric CER can then be used to estimate the cost of the new items by entering its specific characteristics into the parametric model. It is always essential to have an adequate number of relevant data points, and care must be taken to normalize the dataset so that it is consistent and complete.

(b) To develop a parametric CER, first the cost drivers that most influence cost ought to be determined. CER can be developed with a mathematical expression, which can range from a simple rule of thumb to a complex regression equation. Parametric cost estimates use regression analysis (branch of applied statistics) to attempt to quantify the relationship between variables and then describe the accuracy of that relationship. Regression analysis has two parts: (1) quantifying the relationship between the variables using a mathematical expression, and (2) describing the accuracy

of the relationship by computation of various statistics that indicate how well the mathematical expression describes the relationship between the variables.

(c) Example –

i. Table An example of Parametric Analysis Costing

Items Attributes	Calculation
A cost estimating relationship (CER) for site activation (SA) is a function of the number of workstations (NW)	$SA = \text{Rs } 8,28,000 + (\text{Rs } 2,65,000 * NW)$
Data range for the CER	7-47 workstations based on 11 data points
Cost to site activate a items with 40 workstations	$\text{Rs } 8,28,000 + (\text{Rs } 2,65,000 * 40) = \text{Rs } 1,14,28,000$

ii. In above table, the number of workstations is the cost driver. The equation is linear but has both a fixed component (i.e. Rs 8,28,000) and a variable component (i.e. Rs 2,65,000 * NW). In addition, the range of data is from 7 to 47 work stations, so it would be inappropriate to use this CER for estimating the activation cost of a site with as few as 2 or as many as 200 workstations.

(d) Situations for use - The parametric method is appropriate for those cases, where detailed design specifications are not available, but a database of like systems, performance specifications and costs is available. This method often serves as a useful check of an estimate made using another method.

(e) Advantages - Parametric estimates are fast to use. Parametric estimates are easy to change to do what if drills.

(f) Disadvantages - This method relies heavily on the timeliness and accuracy of the database. Parametric estimates must rely on correlations between cost & performance features/characteristics. Historical data is not always available to support these estimates.

6. **Market Intelligence method** - Market intelligence method requires collecting and

analyzing information about capabilities and cost within the market to satisfy Buyer needs. Market research policies and procedures should be designed to arrive at the most suitable approach to ascertain cost of acquiring, distributing, and supporting supplies and services.

(a) **Information for Market Research** - When conducting market research, we should not request potential sources to submit more than the minimum information necessary. Most firms will gladly support Government market research as long as the result will benefit the firm. Most will provide complete information about how the products that they can provide will meet Government requirements. However, they are unlikely to provide information about problems with their products or about other products that could better meet the Government's needs at a lower total cost. Generally, information on a particular product or industry is available from many sources other than potential bidders. These sources include –

- The results of recent market research undertaken to meet similar or identical requirements;
- Government data bases that provide information relevant to procurements. For ex – DGS&D website
- Source lists of similar items obtained by other Govt agencies;

- iv. Catalogues and other generally available product literature published by manufacturers, distributors, and dealers or available on-line.
- v. Web sites of major vendors and OEMs dealing with the item in question.
- vi. Budgetary quotes of leading vendors.
- vii. Specialized Search engines on Internet.

(b) Factors to Consider in Researching the Market - Each time we conduct market research, the process will be different because of differences in Government requirements, market conditions, and other factors. The following table identifies research factors and outlines the type of questions that we should be able to answer when we complete our market research. Not all of the questions identified in the table will be valid for every procurement. For some procurements, we will have many specialized questions that are not covered in the following table. However, the issues identified and the related questions provide a basic framework for our market research.

(c) Table

Issues	Questions to be asked
Pricing history	What information is available concerning past prices paid for the product and changes in the product or market since then? Have there been historic differences between prices paid by the Government vis-à-vis other Buyers? Why?
Current competitive conditions	How many sellers are in the market? How many Buyers?
Current overall level of demand	What is the relationship of the Level of Demand quantity we intend to buy vis-à-vis the quantities that others buy? Will our volume justify a lower than market price due to the seller's increased economies of scale? Will our volume be so large as to drive the sellers to or beyond full capacity, resulting in unanticipated inflation?
Trends in supply and demand	Will demand be higher or lower at the Supply and time of award than now? Will supply capacity keep pace with demand?
Pattern of demand	Is there a cyclical pattern to supply and demand? Would awarding six months from now result in lower prices than an immediate award? Or would it be better to stock up now at today's prices?
Other market forces expected to affect contract price	What forces might drive up prices in the near future? Strikes? Labour shortages? Subcontractor bottlenecks? Energy shortages? Other raw material shortages? What forces might lead us to expect lower prices in the future?

Pricing strategies	What are the pricing strategies of firms in the market? What are the implications for expected prices?
Sources of supplies or services	Which firms in the market are the most likely to submit offers to a Government solicitation? Which are the least likely and why?
Product characteristics	What features distinguish one product from another? Which commercial products match most closely with the RFP specs? What is the apparent trade-off between features and price?
Delivery / Performance terms	What are the current distribution channels? What are current transportation costs (if available and applicable)? What are the commercial lead-times?
Ownership costs	What are the commercial warranty terms and conditions (if any)? What are the historical repair costs for each product? What are the historical maintenance costs for each product?
Contract terms and conditions	What terms and conditions are used in commercial transactions? What terms and conditions have been used in other Government procurements? What type of contract has been used in commercial transactions & other Government procurements?
Problems	What has been the historical default rate by firms performing similar contracts? What performance problems have typically been encountered? Have similar procurements been characterized by claims or cost overruns?

- (d) Results obtained from Market research needs to be analyzed with caution. In particular, estimates obtained from potential bidders do not reflect the actual pricing likely to be achieved in bidding process. It would be necessary to broad-base the market research as much as possible i.e. taking inputs from several sources, carefully analyze them to see the trends, discount them if necessary and then come to a proper estimate for benchmarking.
- (e) **Situations for use** – When cost estimation cannot be done by any of the three methods mentioned above, then Market Intelligence method remains the option to find a way out. Through this method, cost estimation can be done either for whole project/case or parts of it depending on their market availability.

- (f) **Advantages** – As it reflects the current market reality, to that extent it provides a more realistic estimate than Analogy method. It also provides tools to buyer for better negotiation with L-1 bidder at later stage.
- (g) **Disadvantages** – Market prices need not match the pricing approach of a bidder in competitive environment.
7. **Conclusion** – The Cost estimation methods mentioned above need not be exclusive. While Analogy method may provide linkage with past records, benchmarking in the same case may need to be supplemented with Market Intelligence method for incorporating current market conditions. Similarly, in the same case, some items may qualify for Engineering method or Parametric method, while others may require help of Analogy method or Market Intelligence method. In fact, considering the complexity involved in Defence procurements, it is expected that all these methods will be used in combination with each other or exclusively for arriving at a most optimal reasonable cost for negotiation purposes. A simplified way to approach benchmarking through combination of these methods is given in Annexure C as a matter of illustration.

Price Index numbers

1. Price index numbers measure relative price changes from one time period to another. They are so widely used that discussions related to index numbers in contract pricing normally refers to price indexes. However, other index numbers could be used in contract pricing, particularly indexes that measure productivity. It is important for Buyer to know as to how to use price index numbers to make the price adjustments necessary to analyze price and cost information collected over time.
2. **Type of Price Index numbers** - Price index numbers can indicate price changes for one or several related supplies or services over a period of time.
 - 2.1. Simple index numbers calculate price changes for a single item over time. Index numbers are more accurate if they are constructed using actual prices paid for a single commodity, product or service rather than the more general aggregated index.
 - 2.2. Aggregate index numbers calculate price changes for a group of related items over time. Aggregate indexes permit analysis of price changes for the group of related products, such as price changes for apples, oranges, plywood, or nails. An example of an aggregate price index is the Producer Price Index) that provides information the changes in the wholesale price of products sold in country over a given period of time.
3. **How to use Price indices** – One can use price index numbers to:
 - 3.1. Inflate/deflate prices or costs for direct comparison. One can use price index numbers to estimate/analyze product price/cost today using the price/cost of the same or a similar product in the past.
 - 3.2. Inflate/deflate prices or costs to facilitate trend analysis. One can use index numbers to facilitate trend or time series analysis of prices/costs by eliminating or reducing the effects of inflation so that the analysis can be made in constant-year rupees(rupees free of changes related to inflation/deflation).
 - 3.3. Estimate project price or cost over the period of contract performance. Prices/costs of future performance are not certain. One effect that needs to be considered is the changing value of the rupee. One can use index numbers to estimate and negotiate future costs and prices.
 - 3.4. Adjust contract price or cost for inflation/deflation. When price/cost changes are particularly volatile, one may need to include an economic price adjustment clause in the contract. The use of index numbers is one of the most popular methods used to identify and define price changes for economic price adjustment.

4. **Constructing Price Index Number** - If our activity involves repeatedly buying the same types of services or supplies, we may consider developing our own price indices to track trends in price over time. The steps below demonstrate the procedures for developing a simple price index. To develop an aggregate index, one may follow the same basic steps using data from the various products selected for index development. There are four steps to developing a simple price index number-
 - 4.1. Step 1. Collect data for each period.
 - 4.2. Step 2. Select an appropriate base period.
 - 4.3. Step 3. Divide each period price by the base-period price.
 - 4.4. Step 4. Multiply by 100 to produce an index number.
5. **Selecting A Price Index For Analysis** – One needs to use published indexes carefully, because a published index will usually not exactly fit the pattern of price changes for the product or service that you are analyzing. The data are usually not from a specific contractor or location, but represent national or regional averages. Nevertheless, pre-constructed index numbers offer a practical alternative to the costly and time-consuming task of developing index numbers from basic cost data. When using published indexes, we need to choose the index series that best fits our specific analysis effort. Usually, the closer the chosen index series relates to the item that we are pricing, the more useful the number will be in our analysis. If we are buying a finished good, indices representing raw materials and purchased components may not necessarily provide an accurate basis for projecting prices. The finished good price may also be strongly influenced by trends in direct labour, cost of capital, etc. Accuracy can be improved through use of a weighted average index which represents changes in both labour and material elements of price. Many contracting organizations develop weighted average indexes for major products or major groups of products, which can be used.
6. **Sources of Published Indexes** - We may not have the time or data required to construct the price indexes that we need for price or cost analysis. Fortunately, there are many sources of previously constructed price indexes that we can use to estimate price changes. These sources include:
 - 6.1. Ministry of Labour, Bureau of Labour Statistics;
 - 6.2. Ministry of Industry
 - 6.3. Ministry of Finance
 - 6.4. Other Government agencies;
 - 6.5. Other Government contracting organizations, like DGS&D;
 - 6.6. Commercial forecasting firms;
 - 6.7. Industry or trade publications; and
 - 6.8. Financial Newspapers.
7. **Adjusting Price/Cost For Analysis** -
 - 7.1. Compensating for Inflation or Deflation. The changing value of the rupee over time can complicate comparisons and other analysis using price or cost

information collected over time. We can use price indexes to adjust prices/costs to compensate for inflation or deflation to facilitate direct comparisons and further analysis.

- 7.2. Calculating Relative Price Change Between Two Periods - Index numbers indicate the percentage change in price relative to the base year. For example, the table below shows that the average product price increased by 23.2 percent between 2004 and 2009.

Year	Product Index
2004	100.0
2005	105.3
2006	112.0
2007	116.5
2008	119.3
2009	123.2

To adjust prices for inflation or deflation, we must be able to do more than determine how prices have changed relative to the base year. We must be able to determine how prices changed between any two time periods. To calculate the percentage price change between any two time periods, we must follow the same procedure that you would follow if you had actual price data; by division –

$$\frac{\text{Index in 2009}}{\text{Index in 2006}} = \frac{123.2}{112.0} = 1.10$$

Based on the price index and this calculation, we could estimate that product prices in 2009 were 1.10 times the prices in 2006 or 10.0 percent more than the prices in 2006.

- 7.3. **Estimating Price/Cost Using Index Numbers** - We can use index numbers to adjust prices or costs from any time period for inflation or deflation. For example, the calculation above demonstrated that product prices increased 10.0 percent between 2006 and 2009. If we knew that the price for an equipment item in 2006 was Rs 1,000, we could estimate that the price should be 10.0 percent higher in 2009. That would result in a price estimate of Rs 1,100 for 2009.

- 7.4. These calculations can be formalized into a simple equation using either the Ratio Method or the Price Adjustment Formula Method described below.

- 7.4.1. The Ratio Method uses an equation in the form of a simple ratio to make the price adjustment.

$$\frac{I_2 P_2}{I_1 P_1} = \frac{I_2}{I_1}$$

Where

I_1 = Index in Time Period 1 -- the index for the period for which we have historical cost/price information.

I_2 = Index in Time Period 2 -- the index for the period for which we are estimating.

P_1 = Price/cost in Time Period 1 -- historical cost/price information.

P_2 = Price/cost in Time Period 2 -- cost/price estimate.

7.4.2. Price Adjustment Formula Method. The Price Adjustment Formula is a simplification of the Ratio Method described above.

$$P_2 = \frac{I_2}{I_1} \times P_1$$

7.5. **Adjustment Period Selection** - When adjusting historical prices for inflation, we need to take care in selecting the period of adjustment. There are two basic methods that we can use in adjusting costs/prices –

7.5.1. Adjustment based on period between acquisition dates. This is the method most commonly used to calculate the period of price adjustment, because acquisition dates are readily available. For example: An item is being acquired in January 2011 was last purchased in January 2010. Using this method, the logical adjustment period would be January 2010 to January 2011 -- a year of inflation or deflation. If delivery schedules are similar, this method should be satisfactory. However, if delivery schedules are significantly different, we may be over or under the adjustment required. For example, if the Jan 2010 acquisition provided for delivery in Jan 2011 and the Jan 2011 acquisition also provided for delivery in Jan 2011, allowing for a year of inflation or deflation would likely overestimate the adjustment required. The pricing of the first acquisition should have already considered the anticipated price changes between January 19X1 and January 19X2. Why make a second adjustment for the same price changes?

7.5.2. Adjusting Adjustment based on period between delivery dates - This method for determining the appropriate period of adjustment is probably more accurate for the reasons described above. The problem with applying this method is the collection of accurate information on delivery dates. Application is further complicated by deliveries over an extended period of time. For smaller value material purchases in periods of limited price changes, the differences between acquisition date to acquisition date and delivery date to delivery date adjustment may not be that significant. However, as contract costs/prices increase or cost/price changes become more volatile, selection of the proper adjustment period becomes more important. In this method, labour rates should always be estimated for the time period in which the work will be performed.

8. **Adjusting Price / Cost for Pricing comparisons** – We can use price indexes to develop benchmarking estimates of current price or cost based on historical information. These benchmarking estimates can be used for a variety of purposes including comparison with an offered price or cost as part of an evaluation of reasonableness. Steps in Using Price Indexes to Analyze Price/Cost Reasonableness are given below -

Step 1. Collect available price/cost data.

Step 2. Select price indexes for adjusting price/cost data.

Step 3. Adjust price/cost for inflation/deflation.

Step 4. Use adjusted price/cost for pricing comparisons.

Example of Using Price Indexes to Analyze Price/Cost Reasonableness.

Consider the problem of analyzing a contractor's proposed price of Rs 23 lakhs for a turret lathe to be delivered in 2012.

Step 1. Collect Available Price/Cost Data. A procurement history file reveals that the same machine tool was purchased in 2007 at a price of Rs 18.50 lakhs. Determine whether the 2011 proposed price is reasonable.

Step 2. Select An Index Series For Adjusting Price/Cost Data. In this case, we might select a Machinery and Equipment Index as a reasonable indicator of price movement for a turret lathe. We could extract the data from a Government publication (e.g., the PPI) or use a similar commercial index.

Year	Machinery and Equipment Index
2006	100.0
2007	103.3
2008	106.0
2009	110.8
2010	115.0
2011	121.9

Step 3 – Adjust Price/Cost for Inflation/Deflation. After we have selected an index, we can adjust prices to a common dollar value level. In this case, we would normally adjust the historical 2008 price to the 2012 rupee value level. To make the adjustment, we simply use one of the methods already demonstrated. Using the Ratio Method,

$$\frac{I_2}{I_1} = \frac{P_2}{P_1}$$

$$\frac{121.9}{106.0} = \frac{\text{Price Estimate for 2011}}{\text{Rs 18.50 lakhs}}$$

$$121.9 \times \text{Rs 18.50 lakhs} = 106.0 \times P_2$$

$$\text{Rs 22,55,150} = 106.0 \times P_2$$

$$\text{Rs 22,55,150}$$

$$\frac{\text{Rs 22,55,150}}{106.0} = P_2 \text{ Hence Rs 21,27,500} = P_2$$

Step 4. Make Direct Price Comparison. Once we have made the adjustment for inflation/deflation, we can compare the offered and historical prices in constant dollars. The offered price/cost is Rs 23,00,000, but the adjusted historical price/cost is only Rs 21,27,500. Thus, the offered price/cost is Rs 1,72,500, or 8.1 percent higher than what you would expect, given the historical data and available price indexes. If we look at the percentage price/cost change between the two acquisitions, the difference is even more pronounced. Using the price indexes, we projected an increase from Rs 18,50,000 to Rs 21,27,500, or about 15.0 percent. The offer increase was from Rs 18,50,000 to Rs 23,00,000, or about 24.3 percent. In this case, we might ask the bidder why the price/cost rose at a rate 62 percent higher than anticipated (24.3 is 62 percent larger than 15.0).

9. We should not attempt to determine whether a price or cost is reasonable based this type of analysis alone. We must consider the entire contracting situation, including any differences in quantity, quality, delivery requirements, or other contract terms that might significantly affect price. Moreover, the vintage of data is also an issue to be seen. We may note that the analysis above is based on 4-year old data. We should generally place less reliance on a comparison based on 4-year old data than we place on a comparison based on more current data.

10. **Identifying Issues & Concerns and Questions to Consider in Analysis**

- As we perform price/cost analysis, we may consider the issues and concerns identified below, whenever our analysis is based on data collected over time.

- 10.1. Were prices/costs collected over time adjusted for inflation/deflation? Inflation/deflation can mask underlying price changes. Price indexes should be used to compensate for the effect these general price changes.
- 10.2. Is it reasonable to use the price index series selected? The price index series selected for making the price/cost adjustment should be as closely related to the item if considered as possible. For example, we should not use the Consumer Price Index to adjust for changes in the price of complex industrial / defence related equipment.
- 10.3. Are adjustments calculated correctly? Anyone can make a mistake in calculation. We need to be assured that all adjustments are made correctly.
- 10.4. Is the time period for the adjustment reasonable? When adjusting historical prices for inflation, we need to take care in selecting the period of adjustment. There are two basic methods that are used in adjusting costs/prices, period between acquisition dates and the period between

delivery dates. The period between acquisition dates is most commonly used because procurement dates are typically more readily available. However, we need to be careful if delivery schedules are substantially different.

10.5. Is more than one adjustment made for the same inflation/deflation? For example, it is common for bidders to adjust sub-vendors' quotes to consider inflation/deflation between the time when the quote was obtained and the date that the product will be required. This is acceptable unless the sub-vendors already considered the inflation/deflation in making the quote.

10.6. How far into the future can we forecast? We can forecast any period into future as long as we have a reasonable index estimate. However, the price forecast risk increases as the risk of developing a reasonable index estimate increases. The farther into the future that we forecast, the greater the risk that the economic factors affecting the index will change.

Learning curve theory

1. Learning curve theory is a tool used when computing an estimate of production costs that accounts for efficiencies in touch labour doing repetitive tasks. The theory of learning curve states that as the quantity of a product produced doubles, the recurring cost per unit decreases at a fixed rate or constant percentage. The learning curve theory is best applied in situations where the following conditions exist:
 - a. Uninterrupted serial production (i.e. no production breaks)
 - b. Consistent product design
2. These conditions should lead to the decline of unit cost with increased production quantities due to -
 - a. Worker familiarization with the required tasks (learning) and thereby more specialization and labour efficiency.
 - b. Process improvements resulting from experience with the tasks e.g. more efficient layout of assembly line, simplification of method sheets, reduction of re-work, repair, and scrap, improved parts bin accessibility, new or improved tooling.
3. The learning curve technique is primarily used to analyze and estimate direct labour hours, specifically manufacturing labour hours in contractor that are labour-intensive. The learning curve theory states that each time cumulative production doubles, the total manufacturing time and cost falls by a constant and predictable amount. The focus here is on the constant reduction in time required over successive doubled quantities of units produced, which is called the rate of learning. The slope of the learning curve is the difference between 100 % and rate of learning.
4. The learning curve technique is based on the results of empirical studies that showed that the time required to perform a task decreases each time the task is repeated, the amount of improvement decreases as more units are produced, and the rate of improvement is consistent enough to allow it to be used as a prediction tool.
5. **Methods** - The learning curve can be used in two different models – the cumulative average cost curve and the unit curve. The cumulative average cost curve plots cumulative units against the average cost or average hours required per unit for all units produced. The unit cost curve plots cumulative units produced against the actual hours required to produce each unit.
6. **Example** –

Table for Learning curve illustration

Units produced	Labour hours per unit as doubled	Difference in labour hours per unit at	Rate of learning %	Slope of learning %
----------------	----------------------------------	--	--------------------	---------------------

	quantities	doubled quantities		
1	100,000			
2	80,000	20,000	20	80
4	64,000	16,000	20	80
8	51,200	12,800	20	80
16	40,960	10,240	20	80
32	32,768	8,192	20	80

The first unit required 100,000 labour hours to produce. As the units produced doubles, the number of labour hours required to produce that doubled quantity is reduced by a constant rate, in this case 20%. Thus, the rate of learning is 20 %, and the slope of learning curve is 80% (100% minus rate of learning). It may be noted that although the amount of labour-hour reduction between doubled quantities is constantly declining (20,000. Then 16,000, then 12,800, and so on), the rate of learning remains constant at 20%.

7. **Situations for use** – In several single Bidding cases, regular productions are assured due to policy decisions taken in MoD to award contracts only to those Sellers. There is continuity in production in such large-value cases. They also generally happen to be labour-intensive. Learning curve technique might be useful in such cases.
8. **Questions to ask** – Before conducting a cost analysis using the learning curve method, some critical questions to be asked seeking confirmation of its utility is mentioned below –
 - a. Is there a significant amount of manual labour involved in the production process?
 - b. Is there an uninterrupted production process?
 - c. Does the production process involve complex items?
 - d. How extensive are major technological changes involved in the production process?
 - e. Is there a continuous pressure to improve production efficiencies?
9. While Learning curve theory may be applied to the production of a system's cost estimate, the challenge will be in determining the appropriate learning curve to use for a particular system. Ultimately, the only way to know the "true" learning curve for a particular system is to observe it after the fact. Sometimes, estimates may be done by using historical data from other similar type systems to estimate the new system's learning curve. However, caution should be applied to the simple straightforward use of historical learning curve data. The primary concern is how well the historical data reflects the expected production condition for the new system. To the extent that such production conditions differ from the past, we should attempt to quantify the effects of the differences in the historical learning curve.

Simplified Illustration on Bench-marking

1. Following parameters may be considered for benchmarking -
 - 1.1. The first step in benchmarking should be to ascertain element wise breakup of cost. For e.g. the quote/selling price would generally constitute elements such as material cost, labour cost, overhead cost along with applicable warranty and profit.
 - 1.2. The next step would be to ascertain the **Last Procurement Price (LPP)** of similar item, supplied by the vendor recently to same service or other sister services / organizations. If LPP is of an earlier period then Price Level (PL) is required to be fixed as per last delivery of item and applicable escalation to be given on that PL till year of delivery.
 - 1.3. **Escalation** will have to be worked out on the basis of material composition and analysis of raw materials used to make the item. The movement of price indices of raw materials (year on year average), wholesale price indices, consumer price indices, global metal indices such as London metal indices, US indices, UK MM19 etc may be used to assess the escalation rate.
 - 1.4. **Delivery period** is to be ascertained and if the delivery is scheduled for more than one year then midpoint of delivery period is to be taken for deciding escalation. Month wise escalation from date of LPP may be given or if it is yearly then seven months or more may be considered for one additional year's escalation. For e.g. if item has to be delivered in 2014-18 and LPP is for 2010, then the prices have to be escalated from 2010 till 2016.
 - 1.5. Budgetary Quote (**BQ**) obtained from one or more prospective sellers may also form the basis of benchmarking cost. If there is huge variation in BqQ, the aberrations have to be marginalized.
 - 1.6. Prevailing market rates obtained through Market Survey (**MS**) or prices available from open sources like internet etc may be taken for benchmarking. However, these should be referenced in the CNC regarding source & authenticity.
 - 1.7. Labour cost has to be broken down into labour hours used and the Man-Hour Rate (**MHR**). In case of procurement of major item the apportionment of estimated hours required by the vendor and the MHR of the vendor, where available, is to be used for working out the labour cost. For e.g. for manufacturing an aircraft by HAL, many Divisions would be involved over a period of 4-5 years. The total labour hours of each HAL Division as per Detailed Project Report (DPR) after factoring reduction in hours on account of learning curve is to be worked out. Further the man hours have to be apportioned year-wise for each Division and multiplied by MHR of respective years to arrive at the total labour cost.
 - 1.8. Professional Officers' Valuation (**POV**) may be considered in case no other prices are available of that particular item.
 - 1.9. Discounts may be factored-in while benchmarking viz, on account of

Long Term Business Agreements (**LTBA**) with other OEMs or economies of scale.

- 1.10. In case of Bought out Foreign items or indigenous items with substantial import content, LPP plus Exchange Rate Variation (**ERV**) since last purchase, if any, have to be factored-in benchmarking.
 - 1.11. Factors such as **obsolescence/ Redundancy, Freight & Insurance, Profit & Warranty**, etc may be factored in while arriving at benchmark price.
 - 1.12. **Taxes and duties** may not be factored while benchmarking. However, for evaluation & comparison of quotes and in determining the CFA, the cost should be inclusive of taxes, duties and levies.
 - 1.13. In case of **DPSUs**, the parameters of cost as per Pricing Policy or Govt. of India letters, if any, may be factored-in while arriving at benchmark price.
2. An illustration on Break-down of elements of cost in benchmarking is given below -

Break down of Elements of Cost

Sl. No.	PARTICULARS	BASIS
1	MATERIAL	
	IMPORTED	LPP + ERV + Esc (based on Global metal indices) up to midpoint of delivery period
	INDEGENOUS	LPP + Esc based on Metal & alloy indices
	Total Material Cost	
1.1	Add Freight & Insurance Charge	Estimated / Fixed % as per Pricing policy / FoI letter for DPSUs
1.2	Add Material Redundancy	Estimated / Fixed % as per Pricing Policy/ GoI letter for DPSUs
	MATERIAL COST (1)	Total of 1+1.1+1.2
2	LABOUR	
	MAN HOURS	Detailed Project Report/Estimated hours apportioned year wise as per delivery period after reduction in hrs due to learning curve
	MAN HOUR RATE	MHR of respective years
	CONVERSION COST / LABOUR COST (2)	Man hours*MHR
3	ADD OTHER OVERHEADS IF ANY (3)	Estimated / Fixed as per Pricing Policy / GoI letter for DPSUs
4	TOTAL COST	[1+2+3]
5	PROFIT	Estimated / Fixed % as per Pricing Policy/ GoI letter for DPSUs
6	WARRANTY	Estimated / Fixed % as per Pricing Policy/ GoI letter for DPSUs
7	SELLING PRICE	[4+5+6]

Format for Annual Plan targets of procurement cases**ANNUAL REVENUE PROCUREMENT PLAN - FINANCIAL YEAR -----**

New Schemes (Revenue booking cases) - Under Delegated powers								
Sl	Proposal	Stage	AON cost	Quarter-wise expected cash outgo				Total cash outgo
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
		AoN						
		RFP						
		TEC						
		CST						
		Negotiations						
		Finalizing Contract/SO						
		EAS						

New Schemes (CBRP cases) - Under Delegated powers								
Sl	Proposal	Stage	AON cost	Quarter-wise expected cash outgo				Total cash outgo
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
		AoN						
		RFP						
		TEC						
		CST						
		Negotiations						
		Finalizing Contract/SO						
		EAS						

Format for Physical progress monitoring of procurement cases**MIS on Quarter-wise Physical Progress of Procurement cases - Year -----****Revenue booking and Capital booking but Revenue route cases****Quarter 1**

Sl	Case	Amount	Target	AoN	RFP	TEC	CST	Negotiations	Contract / SO vetting	EAS
			Target							
			Achieved							
			Balance							

Quarter 2

Sl	Case	Amount	Target	AoN	RFP	TEC	CST	Negotiations	Contract / SO vetting	EAS
			Target							
			Achieved							
			Balance							

Quarter 3

Sl	Case	Amount	Target	AoN	RFP	TEC	CST	Negotiations	Contract / SO vetting	EAS
			Target							
			Achieved							
			Balance							

Quarter 4

Sl	Case	Amount	Target	AoN	RFP	TEC	CST	Negotiations	Contract / SO vetting	EAS
			Target							
			Achieved							
			Balance							

Format for Financial progress monitoring of procurement cases**MIS on Quarter-wise Financial Progress of Procurement cases - Year -----****Revenue booking and Capital booking but Revenue route cases**

Code head	BE projection		Quarter 1					
	New Schemes	Committed Liabilities	New Schemes			Committed Liabilities		
			Exp	Prog	Bal	Exp	Prog	Bal

Code head	BE projection		Quarter 2					
	New Schemes	Committed Liabilities	New Schemes			Committed Liabilities		
			Exp	Prog	Bal	Exp	Prog	Bal

Code head	BE projection		Quarter 3					
	New Schemes	Committed Liabilities	New Schemes			Committed Liabilities		
			Exp	Prog	Bal	Exp	Prog	Bal

Code head	BE projection		Quarter 4					
	New Schemes	Committed Liabilities	New Schemes			Committed Liabilities		
			Exp	Prog	Bal	Exp	Prog	Bal

IMPLEMENTATION MATRIX

Sl No.	Macro Issues	Target Month	Responsibility of
1.	Risk Control Framework	May 2015	MoD (Fin) / CGDA
2.	Internal Audit Structure	June 2015	MoD (Fin) / CGDA
3.	Strengthening of IFA System	June 2015	MoD (Fin) / CGDA
4.	Planning Process		
	Long Term Equipment Support Plans, preferably through Indigenization route	June 2015 (Identification of Major Weapon platforms / systems)	Service HQs
	ARPP	June 2015	Service HQs
5.	Budgetary mechanism		
	Budget monitoring through IT-based Financial and Budget Management system	Army - March 2016	Service HQs / CGDA
		Navy - Aug 2015	
		Air Force - Oct 2015	
	Fully networked e-Payment System linking Services with Payment authorities	March 2016	Service HQs / CGDA
6.	Strengthening of Procurement Process / Activities		
	Computerized data base of Prices, items, Sellers / Bidders, etc	Oct 2015	Service HQs
	Guidelines on cost Benchmarking	To be constantly updated	MoD (Fin)
	Updation of SOPs / Internal Manuals / Checklists	Dec 2015	MoD (Fin) / CGDA / Service Hqs
	e-Concurrence	Air Force – June 2015 Other Services - Mar 2016	MoD (Fin) /CGDA / Service Hqs
	e-Procurement	Service Hqs – Sep 2015	Service HQ / CGDA
		Command Hqs – Sep 2015	
		Below Command level – Mar 2016	
7.	MIS on outcomes of Annual Plans	June 2015	MoD / Service HQs
8.	MIS on Budget Monitoring and Expenditure	June 2015	MoD (Fin) / Service HQ

PART – D

SCHEDULES

OF

FINANCIAL POWERS

ASP-2015

ARMY

SCHEDULES

OF POWERS

2015

SCHEDULE - 1
TRANSPORTATION
MAJOR HEAD – 2076, MINOR HEAD - 105

Sl. No.	Competent Financial Authority	Rs in Lakhs
1.1.	Transportation	
	DG OL & SM / GOC-in-C	1000
	COS, Command / Corps Cdr / Area Cdr	500
	Comdt Trg Ests (Lt Gen) / GOC Div / Sub Area	200
	Comdt Trg Ests & Selection centre (Maj Gen) / Comdt IMTRADT / Comdt Emb HQs	100
	ADG (Adm & Coord) / ADG OL (Strat Mov) / MG ASC / MGAOC / MGEME / CE Command	75
	Bdr Cdr / Stn Cdr / Comdt Selection Centre / Comdt Trg Ests (Brig/Col) / Brig ASC Corps	50
	Cdr / Comdt of Depots / Est holding Stores / Depots / Wksp of Ord / ASC / EME / Engr Commanded by Brig	40
	Comdt / COs of Depots / Units / Est holding Stores / Wksp of Ord / ASC / EME / Engr Commanded by Col	20
	OCs of ASC / Ord / EME / Eng / MF Units (Lt Col/Maj)	10
1. These powers will cover all types of transportation cases including as under – - Hiring of civil transport, when service transport is not adequate or not available. - Hiring of different kinds of specialized vehicles, material handling equipment, mechanical transports, water transport, animal transport, etc, whatever is considered essential by the organizations for performing their tasks. - Airlift / shipping of stores from & to abroad and within the country. - Dispatch of items through specialized courier / post office. - Technical storage charges and expenditure in connection with loading / unloading of goods. - Incidental charges associated with transportation like insurance premium, handling charges, etc. 2. Depending upon the need and convenience, it will be open for the organization / user to decide on the mode of transport irrespective of it not being the cheapest mode. 3. For move of arms, ammunition and explosives only, the powers will be twice the powers indicated above.		

SCHEDULE - 2
MILITARY FARMS
MAJOR HEAD – 2076 MINOR HEAD 106

Sl. No.	Competent Financial Authority	Rs in Lakhs
2.1.	Central Procurement – Military farms items	
	QMG	2000
	DDG MF	500
2.2.	Local Procurement - Military farms items	
	GOC-in-C	200
	Corps / Area Cdr	100
	Div Cdr / Sub Area Cdr	50
	Dir MF	25
	Asstt Dir MF	2
	Dy Asstt Dir MF / Farm Officer / Manager	1

SCHEDULE - 3
ASC STORES
MAJOR HEAD – 2076 MINOR HEAD 110 A

Sl. No.	Competent Financial Authority	Rs in Lakhs
3.1.	Dry items / Rations	
	QMG	10000
	DGST	5000
	ADGST	2000
Note		
1. Procurement to be done through APO. IFA Coverage to be given by IFA (Army/Q)		
3.2.	FOL, Hyg, Chemicals and related Equipment	
	QMG	10000
	DGST	5000
	ADGST	2000
	DDG ST (FT)	500
	DDG FI	100
	CO CFL	10
	OC FIU	5
3.3.	ASC Contracts - Fresh Supplies including Milk, Dairy Products, Flour (Atta), derivatives of wheat and Special Rations	
	GOC-in-C	Full powers
	Corps Cdr / Cdr Area (Lt Gen)	1000
	Div Cdr / Sub Area Cdr (Maj Gen)	500
	Bde Cdr (Brig) / Stn Cmdr (Brig)	100
3.4.	Local Procurement – ASC items	
	GOC-in-C	500
	MG ASC	100
	Brig ASC Corps / Area	50
	ADST / CO ASC Bn / Comdt Supply Depot ASC	20
	OC Sup Depot ASC (Lt Col / Maj)	5
3.5	Utilization of LPG Dealership Commission	
	ADGST (for IHQ Army cases) / MGASC	20
	Brig ASC Corps / Area	10
	ADST /CO ASC Bn / Comdt Supply Depot ASC	5
	OC Sup / FOL Dep	1

Note.

1. These powers can be used for following purposes –
 - a. Repair of LPG appliances
 - b. Stationery and printing of forms as stipulated by Oil Coys
 - c. Employment of Part time help, extra duty- pay run the agencyat Sup/FOL Dep& LPG Cell at HQ Army/Commands/Areas/Corps
 - d. Inventory control/account, Registration/Issue of Transfer Voucher & Automation of systems at Sup/FOL at HQ/Army/Commands/Areas/Corps
 - e. Any other miscellaneous expenditure to improve the efficiency of dealership, insurance cover & cooking appliances as approved
2. Accounting of such expenditure will be done as per the existing guidelines.

SCHEDULE - 4
ANIMALS
MAJOR HEAD – 2076 MINOR HEAD - 110 B

Sl. No	Competent Financial Authority	Rs in Lakhs
4.1.	Procurement of Animals	
	QMG	500
	DG RVS	200
	DDG MF	50
	Comdt RVC Centre & College	20

SCHEDULE - 5
A.O.C. STORES
MAJOR HEAD – 2076, MINOR HEAD – 110 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
	CENTRAL PROCUREMENT	
5.1.	Central Procurement - Indigenous (Scaled) – A.O.C. stores	
	MGO	10000
	DGOS	5000
	ADG OS	2000
	Comdt Central Depots (AOC) / Comdt Regional Depots performing role of Central Depot for specific range of stores, eqpt, spares, sub assy, etc - Class B stores only	200
5.2.	Central Procurement - Foreign (Scaled) – A.O.C. stores	
	MGO	5000
	ADG Proc	1000
5.3.	Central Procurement - (Non Scale / NIV) – A.O.C. stores	
	VCOAS (Indigenous)	5000
	MGO (Indigenous)	2000
	VCOAS (Import)	2500
	MGO (Import)	1000
5.4.	Local Procurement - A.O.C. stores	
	GOC-in-C	500
	ADGOS / MGAOC	200
	Comdt all Ord Depots (Brig/Col) / Brig OS Corps	100
	COs of Ord Units / Ord reps at Formation HQs (Col/Lt Col)	50
	OCs Ord Units / Ord reps at Formation HQs (Lt Col/Maj) / Ord officers of formation HQs	20
	ADGEME / MGEME / Cdr Base WkspGp / Cdr Tech Group EME	50
	Comdt MCEME / EME School / CME Pune / EME Centre	30
	Comdt Army / Adv Base Workshop and Brig EME Corps / Area	20
	CO/OC EME Bn Wksp/unit/Est /Flight/wksp coy (Col/Lt Col)	10
	OC EME Wksp/unit/Est/ Flight/ Coy/Det (Maj/Cap)	5
	DDG PMO SURAJ	20

	Comdt MCTE / CSO Comds / ADG Tac / ADG T / Cdr Sig Gps	50
	CSO Corps / Area, Comdt Army HQ Sig Unit, Comdt Sig Trg Centres, Cdr ANC, DDSI(Zones), Dir CMO, CAFSO	20
	OC Units incl Indep Coys upto rank of Maj and above and Sub Group Cdr Sig Gp	5

Note for SI 5.1 to 5.4.

1. Procurement of MT/ Specialist vehicles under SI 5.1 to 5.3 will be done only at IHQ (Army), which will be subject to latest austerity measures issued by MoF on the subject and regulated in terms of MoD (Fin) instructions as issued from time to time.
2. Specialist vehicles will also include items like Nitrogen charger plants, Oxygen charger, Air jet starter, SAT, GPU, HST, Truck fork lifter, Refueller, Water tender lorry, Heavy tractor, Light tractor, MM van, Station wagon, Water trailer, DFT, CFT, etc among other specialist vehicles.
3. Powers in SI 5.4 also include for modification of specialist vehicles and associated equipment to meet operational & technical needs but will be exercised only by Command Hqs and Ord Depots.
4. Local procurement also includes the following –
 - (a) Procurement of stores out of A- in -U Grants for Ordnance units.
 - (b) Grant of ULPO sanction.

5.5.	Security System Developed Exclusively for Army	
	DCOAS (IS&T)	1000
	SO-in-C	500
	CSO Comds	200
	CSO Corps/Area	100

Note.

1. These powers are to be exercised only in respect of security system developed exclusively for Army with approval of SAG by a Seller restricted from supplying the same system to any other org, subject to all existing conditions in MoD letter dated 15.10.2003.

5.6.	Intelligence Stores/Equipment	
	DG MI	100
	ADG MI / Comdt Mil Int Trg School and Depot	50
	BGS (Int) Comds	10
	COs Army HQ LU	5
	OC Units	1
5.7.	Urgent and Critical Stores/ Spares	
	MAs/DAs in Indian Embassies in Foreign Countries	50

Note.

1. For such cases, procurement by Military Attache will be done only after AoN is accorded by appropriate CFA in IHQ (Army). IFA coverage to Air Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.

SCHEDULE - 6
VETERINARY MEDICAL STORES
MAJOR HEAD – 2076, MINOR HEAD – 110 - D

Sl. No	Competent Financial Authority	Rs in Lakhs
6.1.	Veterinary Stores / Medicines	
	DG RVS	100
	Brig RVS / Dir RVS / Comdts Remount Training School & Depots, Equine Breeding Studs, RVC Centre & College & Central Mil Veterinary Laboratory	50
	OC RV Units (Col and below)	10
Note. 1. Financial powers of DG RVS, and Commandants RV Trg School and Centre shall be utilized for procurement including local procurement and repair and for hiring of labour and equipment and machinery for harvesting of crops.		

SCHEDULE - 7
ENGINEER STORES
MAJOR HEAD – 2076, MINOR HEAD – 110 E

Sl. No.	Competent Financial Authority	Rs in Lakhs
7.1.	Central Procurement - Indigenous (Scaled) – Engineer stores	
	VCOAS	10000
	E-in-C	5000
	Comdt ESDs	500
7.2.	Central Procurement - Foreign (Scaled) – Engineer stores	
	VCOAS	5000
	E-in-C	2000
7.3.	Central Procurement - (Non Scale / NIV) – Engineer stores	
	VCOAS (Indigenous)	5000
	VCOAS (Import)	2500
	E-in-C (Indigenous / Import)	1000
7.4.	Local Procurement - Engineer stores	
	GOC-in-C	500
	ADG ESP / ES / CE Command	200
	Comdt Centres / CME	100
	Cdr Eng Bde / Comdt ESDs	50
	COs Engrs Units (Col)	10
	CO, IWT Op Units / Engrs / Units holding boats (all type)	5
	COs Engrs Units (Lt Col/Maj)	1

SCHEDULE - 8
AIRFRAMES AND ENGINES
MAJOR HEAD – 2076, MINOR – 110 F

Sl. No.	Competent Financial Authority	Rs in Lakhs
8.1.	Central Procurement - Indigenous (Scaled) – Airframes and Engines	
	VCOAS	3000
	MGO	2000
	DGOS	1000
	Comdt (CASD)	200
8.2.	Central Procurement - Foreign (Scaled) – Airframes and Engines	
	VCOAS (Import)	2000
	MGO (Import)	1000
	Comdt (CASD)	100
8.3.	Central Procurement - (Non Scale/NIV) – Airframes and Engines	
	VCOAS (Indigenous / Import)	1000
	MGO (Indigenous / Import)	500
8.4.	Local Procurement - Airframes and Engines	
	GOC-in-C	100
	ADGOS / MGs AOC	50
	Comdt CASD / ROD	25

SCHEDULE - 9
AVIATION STORES
MAJOR HEAD – 2076, MINOR – 110 G

Sl. No.	Competent Financial Authority (CFA)	Rs in Lakhs
9.1.	Central Procurement - Indigenous (Scaled) – Aviation stores	
	VCOAS	3000
	MGO	2000
	DGOS	1000
	Comdt (CASD)	200
9.2.	Central Procurement - Foreign (Scaled) – Aviation stores	
	VCOAS	2000
	MGO	1000
	Comdt (CASD)	100
9.3.	Central Procurement - (Non Scale/NIV) – Aviation stores	
	VCOAS (Indigenous / Import)	1000
	MGO (Indigenous / Import)	500
9.4.	Local Procurement - Aviation stores	
	GOC-in-C	100
	ADGs OS / MGAOC	50
	Comdt CASD / ROD	25

SCHEDULE - 10
INFORMATION TECHNOLOGY
MAJOR HEAD – 2076, MINOR - 110 H

Sl. No.	Competent Financial Authority	Rs in Lakhs
10.1.	Information Technology Items / Services	
	DCOAS (IS&T) / GOC-in-C	1000
	DG Info Sys	500
	COS Command / GOC Corps / Area / Cat A Ests (Commanded by Lt Gen)	200
	GOC Div / Sub Area Cdr / Comdt Centres and Cat A & B Ests Commanded by Maj General / ADGIS / ADG (Adm & Coord)	100
	Cdr Bde / Cdr Indep Bde / DDG Rtg / Comdt Centres & Trg Ests / Units commanded by Brig	50
	All Indep units / Ests / Centres and Trg Centres commanded by Col and below	20
	DG EME	500
	MG EME / Cdr Tech Group / Cdr Base Wksp Group	100
	CIME, HQ Tech Gp EME / Comdt Army / Advance Base Wksp	50
	Brig EME	20
	CO EME Bn / Wksp / Unit / Est / FRI / AWD / Flight commanded by Col and below	10

Note.

1. These powers cover all kinds of IT procurement cases including as under -
 - a) IT / Systems Automation or any relevant IT related projects.
 - b) IT Main Hardware, IT Networking eqpts, IT peripherals / accessories.
 - c) IT / Systems / Application software (subject to AON by Command HQ / SHQ for units under SHQ).
 - d) IT-related networks, Internet facility, media connectivity including associated hardware and software and payment of networking/internet charges.
 - e) Software development and technical consultancy for IT projects (subject to AON by Command HQ / SHQ for units under SHQ).
 - f) IT Stationary and consumables.
 - g) Spares, up-gradation, repair and maintenance of items mentioned above.
2. Any new technology / item / services in IT field can also be procured.

10.2	Training related to Information Technology	
	DCOAS (I&T) / GOC-in-C	500
	DG Info Sys / DG EME	200
	COS Command / GOC Corps / GOC Area / Cat A Ests (Commanded by Lt Gen)	100
	GOC Div / Sub Area Cdr / Comdt Centres and Cat A & B Ests Commanded by Maj General / MG EME	50
	Cdr Bde / Cdr Indep Bde / DDG Rtg Comdt Centres / Trg Ests Commanded by Brig / Brig EME	10
	All Indep units / Ests / Centres and Trg Centres commanded by Col / Lt Col.	2

SCHEDULE - 11
INDIGENISATION AND RESEARCH & DEVELOPMENT
MAJOR HEAD – 2076, MINOR – 110 I

Sl.No.	Competent Financial Authority	Rs in Lakhs
11.1	Research and Development through Private Sector	
	VCOAS / MGO / GOC-in-C ARTRAC	500
	E-in-C / DGEME / SO-in-C	250
	GOC-in-Cs other than GOC-in-C ARTRAC	100
	Cdr Base Wksp Gp / Comdt SDD / Comdts Army Adv Base Wksp / DDG(Indigenization)	50
11.2	Research and Development through government/autonomous R&D Organizations, In-House Defence agencies, professional / technical institutions like IITs, etc on Proprietary basis	
	VCOAS / MGO / GOC-in-C ARTRAC	1000
	E-in-C / DGEME / SO-in-C	500
	GOC-in-Cs other than GOC-in-C ARTRAC	200
	Cdr Base Wksp Gp / Comdt SDD / Comdts Army Adv Base Wksp / DDG(Indigenization)	100

Note for 11.1. and 11.2

1. These powers also include Design and Development activities pertaining to Army Special Vehicles, Platforms, Equipments and consultancy services and will also cover the following activities -
 - a. Model test analysis.
 - b. Software development and procurement for conducting tests.
 - c. Weapon System Integration.
 - d. Setting up of Software Engineering Environment / Procurement of Software tools.
 - e. Other D&D activities of interest for Army.
2. Also includes expenditure on manufacture / fabrication, Procurement or issue of stores / spares / eqpt / other articles for experimental purposes / test & trials covering essential applied research which are of interest to or are in use in Army, or for expediting production / developing indigenous source, etc.
3. Also includes offloading Design / Development activity to academic institutions / Research Labs.
4. GOC-in-C ARTRAC to exercise powers as Chairman of Army Technology Board & Army Management Studies Board also.
5. Expenditure should not overlap with DRDO Projects or Projects formed out of Joint Operations with DRDO.

11.3	Indigenization of Equipment / Simulators/ Training aids / Maintenance Stores & Spares, Development of modification Kits & Software / Development of Upgrades / Technology Insertion for Legacy / imported Items / Equipment	
	VCOAS / MGO / GOC-in-C ARTRAC	1000
	E-in-C / DGEME / SO-in-C / GOC-in-Cs other than GOC-in-C ARTRAC	500
	MGAOC / MGEME	200
	CIME, HQ Tech Gp EME / Cdr Tech Group / Cdr Base Wksp Gp / Comdt SDD / Comdts Army Adv Base Wksp / Cdr Tech Group / DDG (Indigenization)	100
	Brig EME	20

SCHEDULE - 12
DISASTER RELIEF BRICKS
MAJOR HEAD – 2076, MINOR – 110 J

Sl. No.	Competent Financial Authority	Rs in Lakhs
12.1.	Ordnance Stores	
	MGO	3000
	DGOS	1000
12.2.	Engineering Stores	
	VCOAS	2000
	E-in-C	1000
12.3.	Community Kitchen and food items (Consumable Items), Shelter Stores (Cleaning Hygiene Kits)	
	QMG	1000
	DGST	500
12.4	Communication Stores	
	DCOAS (IS&T)	200
	SO-in-C	100
Note.		
1. These powers are for replenishment / recouping / repairs of stores, forming part of Disaster Management brick.		

SCHEDULE - 13
SECURITY SYSTEMS
MAJOR HEAD – 2076, MINOR – 110 K

Sl. No.	Competent Financial Authority	Rs in Lakhs
13.1.	Security Items / Services	
	QMG / GOC-in-C	1000
	Corps Cdr / Area Cdr / Comdts of Trg Ests / Centres (commanded by Lt Gen)	100
	GOC Div / Sub Area / Trg Ests / Centres (commanded by Maj Gen) / ADG (Adm & Coord) / MG ADM (Command)	50
	Cdr Bde / Indep Bde / Indep Sub Area / Trg Ests / Centres / Units (commanded by Brig)	25
	Comdt IHQ of MoD (Camp)	10
	Comdt / CO / OC Units / Head of Trg Ests / Centres / Units commanded by Col/Lt Col	5
	Comdts, Selection / Rtg / APS Centres / Cdr Tech Gp EME	5
Note.		
1. Above power includes procurement of Security equipment/stores, security related communication and surveillance equipment and their repair, maintenance, up gradation, etc and anti sabotage measures. However, the list of equipments, which can be procured by different CFAs, will be drawn and approved by Service HQs.		

SCHEDULE - 14**CIVIL WORKS****MAJOR HEAD – 4076-01, MINOR HEAD – 202 – CONSTRUCTION WORKS,****MAJOR HEAD – 2076, MINOR HEAD – 111 - WORKS**

		Rs in Lakhs	
Sl. No.	Competent Financial Authority	Authorized Works	Special Works
14.1.	Acceptance of Necessity and Adm Approval		
	COAS	5000	250
	GOC-in-C / QMG	2000	100
	Corps Commander / Area Cdr (Lt Gen) / Comdt Cat 'A' Est (Lt Gen)	1000	50
	Div Cdr / Ind Sub Area Cdr / CIF RR / Cdr Indep Bde Gp / GOC Sub Area (Maj Gen)	500	25
	Stn Cdr of rank of Brig / Bde / RR Sectors / Comdt Regimental Centres & Cat B Est	250	10
	CO / OC unit below rank of Brig	50	2
14.2.	Demolition of Buildings		
	COAS	1000	
	GOC-in-C	500	
Note			
1. Powers mentioned in Defence Works Procedure stand amended to the extent mentioned above.			

SCHEDULE - 15
RASTRIYA RIFLES
MAJOR HEAD – 2076, MINOR - 112

Sl. No.	Competent Financial Authority	Rs in Lakhs
15.1	Misc and Contingent items / services	
	DGRR	Full powers
	RR Force	100
	RR Sector	50
	CO/OC of RR Bn of Rank of Col	20
	CO/OC of RR of the rank of Lt Col	10
	CO/OC of RR of the rank of Maj	5
15.2	Expenditure out of SAG and Adventure Activity Grant.	
	DGRR	1000
	RR Force Cdrs	100
	RR Sect	50
	RR Bn Unit commanded by Col	20
	RR Units commanded by Lt Col	10
	RR Units commanded by Maj	5
15.3	Transportation cases	
	DG RR	500
	Force Cdrs	100
	Sector Cdr	50
	CO units	25
15.4	Local Procurement	
	DG RR	100
	Force Cdr	50
	Sector Cdr	25
	CO Units	10

15.5	IT	
	DG RR	500
	Force Cdr	100
	Sector Cdr	50
	CO units	5
Note for SI 15.1 to 15.5.		
1. Above powers will be used as per 'Note' given in respective Schedules of Army.		

SCHEDULE - 16
MISCELLANEOUS AND CONTINGENT EXPENDITURE
MAJOR HEAD – 2076, MINOR - 800

Sl. No.	Competent Financial Authority (CFA)	Rs in Lakhs
16.1.	Misc and Contingent items / services	
	GOC-in-C	Full Powers
	Corps Cdr / Area Cdr (Lt Gen) / Comdts Trg Ests (Lt Gen)	500
	GOC Div / Sub Area / Indep Sub Area / Comdts Ests including Trg estab / Records / Centres (Commanded by Maj Gen) / MG Adm Command Hqs	100
	Indep Bde / Bde / Trg Est (Commanded by Brig) / Emb Hqs Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Brig rank) Officers heading PMOs of rank of Brig Comdt IHQ of MoD (Camp) / Cdr Signal Gp / Brig APS Comds / CE Zone / Cdr Tech Gp EME / Cdr Base Wksp Gp / Comdt Emb HQs / OC MC Gp / Dir RVS / Dir APS	50
	Emb Hqs / Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Col rank) Officers heading PMOs of rank of Col	25
	Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Lt Col rank)	10
	Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Maj rank)	5
	Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Lt/Capt of APS rank)	1
	QMG / AG	Full Powers
	ADG Adm & Coord	100
	DDG Adm & Coord	50
	DDG DSC / DDG MF	20
	JS & CAO	Full powers
	Director / Dy CAO in CAO office	1
	MS To President	20

	DDG HQ Rtg Zone	10
	Rtg Office Commanded by Col	5
	Rtg Office Commanded by Lt Col	2
Note. 1. The above powers includes all kinds of contingent expenditure including as under - - Procurement of all kinds of office equipment and related consumables and any other latest equipments required for day to day functioning of an office - All kinds of administrative support services related to office functioning - Expenditure related to forms, printing, stationery, journals, legal fees, etc. - Expenditure incurred in connection with all kinds of ceremonial events. Allocation given to MoD (D-Cer) to cover expenditure will be spent under powers available to JS (Trg & CAO) / Director / Dy CAO in CAO office with concurrence of MoD (Fin). - Welfare and amenity measures that help in the well being and morale of officers / staff / troops. - Any item/equipment needed for running of establishment - Powers of AG are for ceremonial events only		
16.2	Publicity and Advertisement	
	VCOAS through DAVP	Full powers
	VCOAS through sources other than DAVP	500
	GOC-in-C	100
	ADGPI	50
16.3	Misc Expenditure incurred while on tour	
	COAS	20
	VCOAS	10
Note.	1. Subject to an overall annual ceiling of Rs 200 Lakhs. 2. These powers will be used to provide welfare measures and amenities for troop comforts.	

SCHEDULE - 17
SPORTS AND ADVENTURE
MAJOR HEAD – 2076, MINOR HEAD - 800 C

Sl. No.	Competent Financial Authority (CFA)	Rs in Lakhs
17.1	Sports and Adventure Items / Activities	
	DCOAS (IS&T)	2000
	DGMT / GOC-in-C	1000
	COS Command	500
	Corps Cdrs / Area Cdrs	200
	Div Cdrs / Sub Area Cdrs	100
	Cdr Bde / Indep Bde / Indep Sub Area / Comn Zone Area	50
	Trg Ests - Lt Gen	100
	Trg Ests- Maj Gen	50
	Trg Ests- Brig	20
	Trg Ests- Col	10
	Trg Ests- Lt Col/Maj	5
	Comdt IHQ of MoD(Camp)	2
	Units Commanded by Col	5
	Units Commanded by Lt Col / Maj	2
Note.		
1. It includes expenditure on sports and adventure activities, stores and equipment including adventure Arms and ammunition, propagation of organized sports and adventure activities etc.		

SCHEDULE - 18
TELE-COMMUNICATION
MAJOR HEAD – 800

Sl. No.	Competent Financial Authority (CFA)	Rs in Lakhs
18.1	Tele-Communication Items / Services	
	SO-in-C	1000
	GOC-in-C	500
	CSO Command	200
	CSO Corps / Area / Comdt, Army HQ Signals (Brigadier) / Cdr Signal Groups (Brigadier)	100
	Sub Area / Station Commander / OiC - Brig level	20
	CO / OiC / Director of Establishment - Col and below	10
18.2	Signal Works Service Grant	
	SO-in-C	100
	Comdt MCTE	50
	CSO Comd, ADG TT and ADG T	20
	CSO Corps Comdt AHQ Sigs, Cdr ANC, Comdt STC, CSO Area, CAFSO, Dir CMO, Comdt Sig Gp	10
	OC Units (Maj & above) and Sub Gp Cdr Sig Gp	5

Note.

1. The above powers are meant for procurement of all kinds of communication items / technology / services and will also include as under –
 - a) All categories of Telephony and communication network equipments, Radio Access Network items, Telecom network / Telephone-related items, Media Secrecy Units, etc.
 - b) All kinds of payment related to Internet connectivity.
 - c) Telecom consultancy (design, optimization and audit) & training, power supply, environment control equipment, fire protection equipment, data centres, test equipment and tools etc.
 - d) Renting of circuits, INMARSAT, SATCOM and any other latest satellite - communication related items / services to meet operational requirements.
 - e) Any communication equipment / services necessitated due to improvements in technology.
 - f) Renting of circuits will be sanctioned only at IHQ MoD (A) / Command HQs. Operational circuits for purpose of Exercises, Overseas deployments, POGs etc can also be hired.

SCHEDULE - 19
AERO SPACE SAFETY
MAJOR HEAD – 2076, MINOR - 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
19.1	Flight safety items / services	
	VCOAS / C-in-C	1000
	COS / Corps Cdr	200
	Div Cdrs / ADG (AD)	100
	Stn Cdr / CO of Air Defence units	10
Note.		
1. These powers cover procurement of all kinds of items / services for flight safety purposes including as under - i. Hiring of different kinds of mechanical transport / services to clear vegetation and environment control measures. Procurement of De-vegetation / vegetation control equipment / manual vegetation clearance implements. ii. All kinds of anti-rodent measures, anti-wild life measures, disposal of carcass. iii. All kinds of animal / bird scaring measures including surveys / study / accident / incident analysis by specialist bodies, specialized equipments, audio-visual equipments. iv. Specialized flight safety equipments like AAIB Kits, OHR (Operational Hazard Report) Boxes, FOD (Foreign Object Damage) Bins etc for enhancing Flight Safety. v. All kinds of Publicity measures and associated Audio-visual equipments. vi. Contingent expenditure on BHCT and accident investigation personnel. vii. All associated expenditure incurred on above mentioned items like their recurring maintenance, consumables (including LPG/POL), electric eqpt, stationary items, etc.		

SCHEDULE - 20
OUTSOURCING
MAJOR HEAD – 800

Sl. No.	Competent Financial Authority (CFA)	Rs in Lakhs
20.1	Outsourcing of Services	
	QMG / GOC-in-C	1000
	Corps Cdr / Area Cdr (Lt Gen) / Comdts Trg Ests (Lt Gen)	200
	GOC Div / Sub Area / Indep Sub Area / Comdts Trg Ests (Commanded by Maj Gen) / MG Adm Command Hqs Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Maj Gen rank) ADG (Adm & Coord) / MG ADM (Command)	100
	Indep Bde / Bde / Trg Est (Commanded by Brig) Comdt / CO / OC Units / OC Tps / Est Offr / Head of Ests incl Trg Ests / Records / Centres - (Brig rank) Officers heading PMOs of rank of Brig	50
	CO/OC of Units/Ests	20
Notes		
1. Provisions of GFR are to be followed and will be carried out as per extant orders of MoD on this subject.		

SCHEDULE - 21
TRAINING
MAJOR HEAD – 2076, MINOR HEAD - 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
21.1	Organization of Seminar / Workshop / Conference / Training course in India	
	DCOAS (IS&T) / GOC-in-C	Full Powers
	DGMT	500
	TrgEstt / Centre (Lt Gen)	200
	COS / Corps Cdr / Area Cdr Trg Estt / Records / Centre (Maj Gen)	100
	GOC Div / Sub Area / Force Cdr (Maj Gen) Trg Estt / Records / Centre (Brig)	50
	Bde / Indep Bde Cdr / Stn Cdr (Brig)	20
	CO / OC of units / establishments - Col / Lt Col	5
Note.		
1. Powers to sanction expenditure for inviting Govt faculty / outside Guest speakers / experts for training courses will be as per DoPT rules.		
2. TA/DA for Govt faculty / outside Guest speakers / experts will be done as per DoPT rules.		
3. Includes procurement of training material for regular training and payment to guest faculty for travel/ lecture/ honorarium.		
4. Includes power to sanction expenditure towards Travel Fare, TA/DA and Honorarium to Non-Official / Civilian members of University Committees / Evaluation teams for visits to IAF Establishments for validation / re-validation of Accreditation/Affiliation of courses.		
21.2	Participation of Army personnel / Civil employees of Army in Short-term Training courses, Seminars, Symposia, Workshops, Annual Conventions at Civil / Defence / Professional / Academic organizations and institutions in India	
	DCOAS (IS&T) / GOC-in-C	Full Powers
	DG MT	100
	Comdts Trg Ests / Centres (Lt Gen)	50
	COS / Corps Cdr / Area Cdr	20

	Trg Estt / Records / Centre (Maj Gen)	
	GOC Div / Sub Area / Force Cdr (Maj Gen) Trg Estt / Records / Centre (Brig)	10
	Bde / Indep Bde Cdr / Stn Cdr (Brig)	2
Note.		
1. Training courses for 1 year and more will require approval of Govt.		
21.3	Expenditure out of ATG / TTEIG / FP&TG Grant / Education related services including libraries	
	DCOAS (IS&T) / DCOAS (P&S)	2000
	DG MT	1000
	GOC-in-C / Comdt Trg Estt / Centres (Lt Gen)	500
	COS / Corps Cdr / Area Cdr / Comdt Trg Estt / Centre (Maj Gen)	200
	Div Cdr / Sub Area Cdr / RR Force Cdr / Comdt Trg Estt / Centres (Brig & below)	100
	Brig Cdrs / Indep Brig Cdrs / Cdr RR Sector / Cdr Communication Zones	50
	All units and Estts commanded by Brig	20
	All units and Estts commanded by Col	10
	All units and Estts commanded by Lt Col	5
	All units and Estts commanded by Maj	2
Note		
1. This will cover all expenditure related to creation/maintenance of libraries/e-libraries /educational resource centres, printed/digital publications, examinations/evaluations, implementation of official language, conduct of educational activities, distance education, e-learning, opinion polls, language courses and skill development, including outsourcing of the above to private agencies.		

SCHEDULE - 22
ARMY CDRS' SPECIAL FINANCIAL POWERS (ACSFP)
MAJOR HEAD – 2076, MINOR – 110 C & 800

SI No	Budget Head	Rs in Lakhs
	Special Fin Powers of GOC-in-C Northern & Eastern Commands	
22.1.	Major Head 2076, Minor Head 110 C - Procurement of stores of Ord Origin	4000
22.2.	Major Head 2076, Minor Head 110 C - Sector Stores / Ex Import Stores	1000
22.3.	Major Head 2076, Minor Head 800 - Misc and contingent Expenditure	100
	Special Fin Powers of GOC-in-C Southern, Western, Central & South Western Commands	
22.4.	Major Head 2076, Minor Head 110 C - Ordnance Stores - Powers for Procurement of stores / Sector stores of Ord Origin	1000
22.5.	Major Head 2076. Minor Head 800 - Miscellaneous and Contingent Expenditure.	50
<u>Note.</u>		
1. The powers at ser No. 1 above are subject to Annual ceiling as under – GOC-in-C Northern Command – Rs 400 cr GOC-in-C Eastern Command – Rs 200 cr GOC-in-C Other Commands except ARTRAC – Rs 50 cr		
2. In addition to above, GOC-in-C Northern Command will also exercise the above financial powers for meeting urgent / immediate requirements of RR CIF / Force / Bns / units upto a ceiling of Rs 100 crs per annum, to be allocated additionally out of the RR budget under MH 112.		
2. The powers at SI 22.3 and 22.5 are subject to a limit of 10 % of Annual ceiling given at Para 1 above.		
3. All procurement procedures as prescribed in Government orders and Service instructions will be complied with in respect of procurement of ordnance and other items of stores.		
4. A tentative list of items, which have been approved for introduction in the Army, and which are to be procured in the ensuing financial year, will be forwarded by Command to MGO Budget Cell by 01 Jan. MGO Budget Cell will intimate the Commands by 01 Mar which items in the tentative list may not be procured as they would be positively made available through central procurement in a shorter time frame. The details of items procured under these powers will be forwarded to MGO's Branch Budget Cell and Ordnance Directorate, Army HQ at the end of each financial year by 15 April for being taken into account as assets in the Annual Provision Review.		
5. Non standard pattern equipment / items and spares for specific operational requirements in need based quantities may also be procured.		

6. These powers are to be used for procuring items coming under Schedule-5 and Schedule-16 of this MoD Order.
7. The purpose of delegation is to facilitate the procurement of equipment / spares/ items to supplement the availability of these through central sources to obviate non availability becoming a constraint, particularly in Defence of border areas / Counter Insurgency Operations / Internal Security Duties / Aid to Civil Authorities during Natural Calamities and Disaster Relief Operations and other immediate operational requirements.
8. Drawl of FOL for eqpt / machinery / vehicles purchased out of ACSFP Funds, is authorised from ASC Depots.
9. All equipment and stores will be properly accounted for by the designated Depots/Units and issued to the designated units under the orders of GOC-in-C as per existing procedure. Non-Standard items procured under these powers will be treated as Sector Stores, except those procured in limited quantities in lieu of standard equipment in case of extreme urgency. All stores / equipment procured under these powers will be treated as Ord stores for purposes of condemnation and disposal.

SCHEDULE - 23
EMERGENCY POWERS

Sl. No.	Competent Financial Authority	Rs in Lakhs
23.1	Emergency Procurement of all kinds of Stores / Eqpt / Veh, Hiring of Specialized services / manpower, Hiring of specialized machinery / equipment, all kinds of Transportation cases and any Misc / Contingent expenditure connected with Exercises / Operations	
	GOC-in-C	Full powers

Note.

1. These powers will be applicable in the case of urgent / Op Immediate military necessity relating to Military preparedness to meet the eventualities such as war or war like situation, Natural Calamities, etc. The essence of delegating these powers is to expedite the procurement / repair of equipment / items / material / stores and provisioning of various services, urgently required for the successful conduct of the operation.
2. These powers will be exercised as and when Government notifies an event by way of a Government order declaring War, Hostility, Natural Calamity / Disaster, etc or when Raksha Mantri declares and orders Military preparedness for Emergency / Op-Immediate Military necessity. It will also be applicable as and when a proposal, mooted by hand by Service Chiefs, is approved by Raksha Mantri for immediate action to be taken in case of serious Accidents.
3. Once the approval of Raksha Mantri is given, SHQ will immediately convey the order to concerned C-in-C (CFA) for taking procurement action. The order will contain the essential requirements to be fulfilled by the C-in-C. Based on this, C-in-C will workout and approve the technical specifications, scope of work, quantity required for items, based on actual needs as deemed fit.
4. The procurement action will be taken by a 3-member Emergency Empowered Committee (EEC), on behalf of the CFA, consisting of the Chief of Staff / equivalent as Chairman, the Command IFA and a Technical / Logistics Member of the Command. The Chairman of EEC is empowered to co-opt any official / expert at his discretion only to assist EEC and not act as member. EEC will be fully empowered to take all decisions independently on all aspects at any stage of procurement (from issue of RFP, conducting technical examination, holding commercial negotiations, preparing draft Supply order / Contract, etc). Full flexibility will be available to EEC for completing procurement cycle at shortest possible time. Potential Bidders can be contacted and their response bids can be received through fastest possible means of communication like taking bids by hand or even by email / fax (if inescapable), shortening time for submission of bids to whatever is considered feasible for bidders to give their bids, etc. There will be no requirement for movement of files in EEC and every decision will be taken in a collegiate manner by recording of minutes for each stage of procurement i.e. issue of RFP, mode of bidding, technical evaluation, CST, commercial negotiation, draft Supply order / Contract, etc. In case of disagreement among the 3 members, directions will be sought from CFA and the EEC will act as per the decision of CFA. It is open for CFA to take oral / written clarifications from MoD / MoD (Fin) on any issue pertaining to procurement process / stage.
5. The EEC will promptly prepare its report and the same will be signed by all 3

members. The Report will be submitted by EEC to the CFA on file. CFA will accord Expenditure Angle Approval of the procurement without any reference to any authority unless he himself desires to do so. After procurement cycle is completed, CFA will send a report on procurement undertaken under these powers to MoD through staff channels for record.

6. Though the empowered committee is to follow all existing regulations as per existing Govt orders / DPM on procurement of Goods / services, there could be occasions requiring deviations from DPM. Such deviations from DPM would be promptly put up by EEC to CFA for approval with adequate justifications. If in view of CFA, any delay in case will not be in interests of state, then he can approve deviations from DPM and the case can be processed further. However, once the case is finalized and action taken, a detailed report will be furnished by CFA to MoD giving detailed justifications for deviations from DPM. This report will be put up through staff channels to Raksha Mantri for his information.

SCHEDULE - 24
NON-PROCUREMENT FINANCIAL POWERS

Sl. No.	Competent Financial Authority	Rs in Lakhs / Period
24.1	Write off of Losses of Public money and Stores Including MT Vehicles & MES Stores Not Due to Theft, Fraud, or Gross Neglect	
	VCOAS // PSOs at Army HQ	50
	GOC-in-C	35
	Corps Cdr / Area Cdr / Comdts Trg Ests and Centres (Lt Gen) / MGO	20
	GOC Div / Sub Area / Comdts Trg Ests and Centres / RR Force Cdr (Maj Gen)	15
	CE / CSO / All MGs at Command	15
	Brig ASC / AOC / EME / CWE / CSO at Corps	10
	Comdt Emb HQs / OC MC Gp / Dir RVS / Dir APS / Dir MF	10
	Heads of all Self Accounting Units headed by -	
	Maj Gen	15
	Brig	10
	Col	7
	Lt Col	5
	ADG Adm&Coord	15
	DDG DSC / DDG MF / DDG HQ RTG Zone	10
	Comdt IHQ of MoD (Camp)	5
24.2	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores Due to Theft, Fraud or Gross Neglect	
	VCOAS / PSOs at Army HQ	10
	GOC-in-C	7
	Corps Cdr / Area Cdr / Comdts Trg Ests (Lt Gen)	5
	GOC Div / Sub Area / RR Force Cdr (Maj Gen) CE / CSO / All MGs at Command / ADG Adm&Coord	4

Note For Sl. No. 24.1& 24.2

1. The above powers include as follows –
 - a. Irregularities connected with use of MT, Railway warrants and military Credit notes e.g. Irregular issue of warrants / Military Credit notes, loss of auditable documents, irregularities with respect to MC Notes.
 - b. Non-production of receipted copies of issue voucher of stores and failure to trace credits in the ledgers in respect of receipt vouchers.
 - c. Regularization of deficiencies of stores revealed at the time of stock-taking.
 - d. Erroneous expenditure in respect of deployment of manpower.
2. To include Reserve/ Advanced / Forward Base Supply / Petroleum Depots and other Supply and Petroleum installations / EME Units. These powers will also be exercised in respect of Engineers Establishments not covered by MES Regulations including losses of stores those in transit in respect of E-in-C's stock. These powers may also be exercised in respect of DSC personnel attached to Army units.

24.3	Regularization of Audit Objections Arising Out of Breaches of Rules and Regulations when the Monetary Value of the Loss could be Assessed in Consultation with PCDA / CDA	
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MGO / QMG / AG / DCOAS (P&S) / DCOAS (IS&T)	10
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GOC-in-C / Heads of Arms & Services at SHQ	5
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Note.

1. In all cases of audit objections arising out of breaches of rules and regulations; efforts should be made to assess the loss / financial implication, if any, involved in the irregularity where the loss to the state or the financial implication involved can be computed the irregularity will be regularized in consultation with the PCDA / CDA. An illustrated list of the type of objections which may be regularized and this procedure is shown below -

(a) Irregularities connected with Railway Warrants and Military Credit Notes e.g irregular issue of warrants military credit notes.

(b) Non-production of receipted copies of issue vouchers of stores. Failure to trace in the ledgers credit in respect of receipt voucher.

(c) Loss of auditable documents like car diaries, ration strength statements where the ceiling of the value of transaction involved can be assessed with reference to other connected accounts, e.g. with reference to the total value of POL issued or rations drawn during the period to which lost documents pertain.

(d) Irregularities connected with the use of M.T.

2. In the case of objections which involve loss to the state, efforts will be made to assess the actual/approximate financial value of the loss on some. These powers are to be exercised only if –

(a) The necessity for and the practicability of recovery has been considered by the CFA

(b) The irregularity does not disclose a defect in the rules or regulations the amendment of which requires the sanction of the Government vide Rule 157 FR Part I Vol I.

(c) The authorities concerned (or their predecessors) are themselves not personally responsible for the loss / overpayment/ irregularity.

(d) Prior approval of the next higher financial authority shall be obtained in respect of cases mentioned at (c) above.

	(e) Objections, which do not involve any loss to the State or when the monetary loss is not assessable, be referred to the respective Administrative Authorities/Head of the Branch at IHQ, MoD (A) for establishments under the direct administrative control of IHQ, MoD (A). (f) Copies of sanctions issued for the settlement of audit objections shall also be endorsed to the statutory Audit Officers concerned. (g) The financial powers contained in these orders are to be utilized for regularization of cases outstanding as on date of issue of these orders. (h) PCDA / CDA will report to the Govt of India cases in which the intention of this rule has been misapplied.	
24.4	Issue of items on loan to Sellers, within service and to sister Defence services / Para-military forces / DPSUs and other Central / State Govt Agencies	
	VCOAS / MGO / QMG / DCOAS (P&S) / DCOAS (IS&T) / GOC-in-C	5 Years
	DG OS / DG ST / E-in-C / DG EME	3 Years
	MG OS / MG ASC / CE Command / Formation HQs (Major General and above)	2 Years
	Station Commander , COs Estab (Brig level)	1 year
Note.		
1. The cases of EW, Armament and Secret equipment will be exercised by VCOAS only. Issue of MT / Specialist Vehicles on Loan can be given by VCOAS / GOC-in-C. 2. Issue of Stores on Loan to Sellers can be done only against contracts for Design and Development by CFAs at Service HQs / C-in-C at Command Hqs. 3. The Rules / Procedure governing the loan issue shall be followed.		
24.5	Issue of Technically Life Expired and Declared Obsolete Weapon Systems / Components / Items to Government and Private Organizations / Institutions for Display / Educational / CCD (Camouflage, Concealment and Deception) and Decoy Purposes.	
	COAS	Full powers
24.6	Declaration of Surplus / Obsolete Stores	
	QMG / MGO / DCOAS (IS &T) / DCOAS (P&S)	Full Powers
Note.		
1. Powers are to be exercised only for declaration of surplus if item is a. Pre-mod or pre-upgrade b. Technically life expired c. System to which it belong is rendered obsolete		
24.7	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Govt organizations / PSUs	
	MGO / QMG / E-in-C	Full powers

	DGOS / DGST / DG EME / GOC-in-C	3000
	COS	2000
	Commandant Depots	1000
	Station Commander	5
24.8	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Private Sector	
	MGO / QMG / E-in-C	Full powers
	DGOS / DGST / DG EME / GOC-in-C	2000
	COS	1000
	Commandant Depots	500
	Station Commander	2
24.9	Disposal of salvage	
	Station Commander / COs of units / establishments	Full powers
24.10	Relaxation of RGP	
	MGO / QMG	Beyond 50%*
	DGs OS / ST / E-in-C	40%-50%
	Comdt Depots / DDG MF	20%-40%
	Sale Supervising Officer	Upto 20%
	Note.	
	1. Monetary ceiling for lotting for salvage stores only will be as under - (i) Gen Stores - 20 lakhs (ii) B Vehicles - 100 lakhs (iii) A & C Vehicles - 200 lakhs	
24.11	Taking Surplus Stores on Charge Including Unserviceable Stores	
	MGO / QMG	50
	DGOS / DGST/ E-in-C	25
	ADGs / MGAOC/ MGASC / CE Command	10
	Comdt Depots	2
24.12	Condonation of Unlinked CRVs	

	DGOS / ST/ E-in-C	10
	ADGs / MGAOC / MGASC / CE Command	5
24.13	Advance for General Farms Works, Harvesting Operation, Fodder Supplies, Procurement of Cattle, Dairy Products and Stores	
	DDG MF	5
	Dir MF	2
24.14	Casting & Culling of Live Stock	
	DDG MF	Full Powers
	Dir MF	Full Powers
24.15	Cutting of Trees and Disposal of Wood and Other Usufructs from Farm land	
	QMG	Full Powers
	COS Command	20
	Corps Cdr / Area Cdr	10
	DDG MF	5
	Dir MF	1
24.16	Extra Wharfage, Demurrage, container detention, Ground rent and other such charges for clearance of cargo	
	DGOL / C-in-C	100
	COS / Corp Cdr / Area Cdr	25
	GOC Div / Sub Area / Station Cdr (Brig level)	10
Note.		
1. Payment will be made first by unit / Emb Hqs to the concerned port / air / railway authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA / CFA for according ex-post-facto concurrence / approval.		
2. Efforts should be made to avoid demurrage payments to the to the maximum extent possible.		

NSP-2015

NAVY

SCHEDULES

OF POWERS

2015

SCHEDULE – 1
TRANSPORTATION
MAJOR HEAD – 2077, MINOR HEAD - 105

SI No	Competent Financial Authority	Rs in Lakhs
1.1	Transportation	
	VCNS / FOC-in-C	1000
	COS / Flag Officers Naval Area / Fleet Cdrs	200
	Commandant (INA / NWC) Ch Hydro / ASD / ASY / MS / NSD	100
	NOIC / WED / NAD / NSRY/ NAY / NAI / GM (ND) / CLOGO / PDOA	50
	COs of ships and COs / OiC / Directors of Establishment / CABS / President NSB	10
1. These powers will cover all types of transportation cases including as under – - Hiring of civil transport, when service transport is not adequate or not available. - Hiring of different kinds of specialized vehicles, material handling equipment, mechanical transports, water transport, animal transport, etc, whatever is considered essential by the organizations for performing their tasks. - Airlift / shipping of stores from & to abroad and within the country. - Dispatch of items through specialized courier / post office. - Technical storage charges and expenditure in connection with loading / unloading of goods. - Incidental charges associated with transportation like insurance premium, handling charges, etc. - Port charges for berthing ships in ports. 2. Depending upon the need and convenience, it will be open for the organization / user to decide on the mode of transport irrespective of it not being the cheapest mode.		
1.2	Hiring of Vessels / Boats / Yard crafts and Associated Equipments	
	FOC-in-C	2000
	COS	100
	ASD	50
	Flag Officer Naval Area / NOICs	20
Note.		
1. Includes hiring for Harbor Patrols / Force protection / Coastal Security etc.		

SCHEDULE – 2

MAINTENANCE, REPAIRS AND REFITS OF SHIPS / SUBMARINES

MAJOR HEAD – 2077, MINOR HEAD – 106 A & B

SI No	Competent Financial Authority	Rs in Lakhs
	Offloading Repairs and Refits of I.N. Ships / Submarines/ Yard craft/ Vessels/ Floating Dry Dock including their Machinery/ Equipment / Armament / Components	
2.1.	Through PSU / Port Trust Authority / Defence Organizations / Work Shops	
	VCNS	8000
	COM	6000
	FOC-in-C	4000
	CSO (Tech)	2000
	ASY / ASD	1200
	Flag Officer Naval Area / FOSM / NOIC	1000
	NSRY / GM (ND/ASY) / FMU / CO Eksila /COMCOS	400
	Ch Hydro	100
	Commandant INA	20
2.2	Through Private Sector	
	VCNS	7000
	COM	5000
	C-in-C	3000
	CSO (Tech)	1500
	Flag Officer Naval Area / FOSM / NOICs	500
	ASY/ ASD	1000
	COMCOS / NSRY / GM (ND/ASY) / CO Eksila / FMU	300
	Ch Hydro	60
	Commandant INA	10
2.3	Abroad when Ships / Submarines are in Foreign waters	
	VCNS	1000
Note.		

1. These powers are to be exercised only when capacity for repairs is not available with Navy's workshops and Dockyards / NSRY. While entrusting the work to private firms provisions of Regulations 4411 of Regulations (Navy) Part-I Non-statutory are to be adhered to. Powers to be utilized for refits as per Refit Plan promulgated by IHQ, MoD (N).		
2. Off loading may be resorted to by the CFA of the AA under whose operational command the ship operates.		
3. Para 2.2 will also include repairs through OEM abroad.		
2.4	Dry Docking & Berthing of I.N. Ships / Submarines / Yard Craft / Vessel in Commercial Yards / Port Trust / PSUs	
	VCNS	2000
	FOC-in-C	1000
	CSO (Tech)	600
	ASY / ASD	400
	Fleet Cdr / Flag Officer Naval Area	200
	NSRY / COMCOS	100
	GM (ND / ASY)	50
	Ch Hydro	40
Note.		
1. These powers are to be exercised only when capacity for repairs is not available with Navy's workshops and Dockyards / NSRY.		
2. On each occasion of docking / berthing per ship.		
3. To cover all expenditure of dry docking/ alongside berthing of a ship, bottom cleaning, painting and attendant charges for services supplied (i.e. electricity, water, drainage, removal of garbage, arranging of blocks, etc.) on each occasion dry docking and/or alongside berthing in commercial yards/ berths is to be authorized only when facilities cannot be provided by the Navy at the ports concerned.		
	Emergency Repair of I.N. Ships / Submarines / Equipment / Vessels / Craft in cases where Fighting or Seagoing Efficiency is Impaired	
2.5	Through PSUs / Port Trust authorities / Private Sector	
	VCNS	2000
	FOC-in-C	1000
	Fleet Cdr / Flag Officers Naval Area / NOIC	400
	ASD / ASY	600
	NSRY/ FMU / COMCOS	200
	GM (ND / ASY)	100
	COs of Ships / Submarines	10

2.6	Abroad when Ships / Submarines are in Foreign Waters.	
	VCNS	1000
Note. 1. These powers are to be exercised in cases of extreme operational exigency when the fighting / seagoing efficiency of the ship is seriously affected. 2. Para 2.5 will also include repairs through OEM abroad.		
	Alteration, Addition and Modification to Items affecting an individual I.N. Ship / Vessel / Craft and their Machinery / Eqpt / Armament including Development of Documentation, Software Validation and Diagnostic Software	
2.7	Addition and Alterations (As & As)	
	VCNS	1000
	COM / FOC-in-C	500
	CSO (Tech)	100
	Fleet Cdr / Flag Officer Naval Area / ASY / ASD	60
	NSRY / NAD	50
	GM (ND/ASY) / CO Eksila	40
2.8	Modifications to Machinery / Equipment including Procurement of Mod Kits / Software Upgrades.	
	VCNS	1000
	FOC-in-C	500
	COM / Fleet Commander / Flag Officer Naval Area / ASY / ASD / NSRY / NAD	100
	Commandant INA	5
Note. 1. All cases of As&A would be approved by IHQ MoD (Navy) as per extant orders. 2. The estimates of cost of additions and alterations should include the cost of labour and material and over heads.		

SCHEDULE – 3
REPAIRS / REFITS (AIRCRAFTS)
MAJOR HEAD – 2077, MINOR HEAD – 106 C

Sl. No	Competent Financial Authority	Rs in Lakhs
	Offloading Survey, Repair and Overhaul of Aircraft, UAV, Drone, PTA, etc. Including their Engines, Equipment, Components	
3.1	Through PSU / Civil Aviation Authority	
	DCNS / FOC-in-C	3000
	COS / Flag Officer Naval Aviation / NAY / MS / NSD	800
	Commandant INA	100
	CO's of Naval Air Stations	50
3.2	Through Private Sector	
	DCNS / FOC-in-C	2000
	COS / Flag Officer Naval Aviation / NAY	400
	Commandant INA	100
	CO's of Naval Air Stations	20
3.3	Abroad on operation / transit / ships in foreign waters	
	DCNS	1000
3.4	Pre Survey of Aircraft through PSU / Private Sector	
	DCNS	1000
	FOC-in-C	500
	COS / Flag Officer Naval Aviation	200
	NAY	100
	Commandant INA	40
	COs of Naval Air Stations	30
3.5	Pre-Survey of Aircraft through Foreign Manufacturer	
	DCNS	200
Note.		
1. These powers are to be exercised only when defective equipment and stores cannot be repaired in Naval Aircraft Yard/Base Support Facilities owing to limited capacity.		
2. Powers of Commandant INA are for authorizing survey of micro light aircrafts and gliders.		
3. Para 3.2 will also include repairs through OEM abroad.		

3.6	Alteration, Addition and Modification to Items affecting an individual Aircraft, UAV, Drone, PTA etc. and their Equipment / Components.	
	DCNS	1000
	FOC-in-C	500
	Flag Officer Naval Aviation / NAY	100
Note.		
1. All As&A shall be approved by IHQ MoD (Navy). 2. Includes development, modification for import substitution & trials of new equipment on aircraft.		

SCHEDULE – 4
MISCELLANEOUS REPAIRS
MAJOR HEAD – 2077, MINOR HEAD - 106

Sl. No.	Competent Financial Authority	Rs in Lakhs
4.1	Items fitted / held in stock in Ships / Submarines, Shore establishments, Dockyards, Repair Yards / Organizations / Facilities / Units	
	VCNS	1000
	COM / DCNS	700
	FOC-in-C	500
	ASD /ASY	200
	Ch Hydro / Commandant (INA/NWC) / Flag Officers Naval Area / Flag Officers Naval Aviation / COMNETCEN / CLOGO	50
	NSRY / MS / WED / NAY / NAD / FMU/ NAI / NSD	20
	COs of ships and CO s / OiC / Directors of Establishment / President NSB	5
Note.		
1. These powers can be exercised provided it is not economical to get the stores/equipment repaired through the nearest Naval Repair Organization or owing to limited capacity / expertise. 2. Repairs abroad to be undertaken only under IHQ MoD (N) powers. 3. Replacement of Yard Equipment is to be recommended by a Board of Officers and approved by IHQ MoD (Navy) to enable maintenance of existing capacity level. 4. Yard Eqpt / facilities include Dry Docks with associated machinery including Dock gates, Flap gates, Caissons, Pontoons etc. Ship lifts System with associated machinery and systems. Workshop Machinery such as Cranes, Forklifts, Lathes, Milling machines, Machining centres, MHEs, Electrical Transmission Eqpt, Test benches/CRETE/ATEs/Static Service installations including pipelines, cabling, hydrants, Switchboards, Junction boxes, etc. Other installations in Dockyards, Aircraft Yards, Workshops and Repair Organizations/shore establishments which require periodical/regular maintenance.		
4.2	Items for Yard Equipment	
	COM	500
	COS	300
	ASD / ASY / NSRY / NAY / MS	200
	GM (ND/ASY)	20
	FMU	1

SCHEDULE – 5
NAVAL STORES AND SPARES
MAJOR HEAD – 2077, MINOR HEAD – 110 A, C, E & J

Sl. No.	Competent Financial Authority	Rs in Lakhs
5.1	Central Procurement - Naval Stores / Spare Parts / Equipment Indigenous	
	COL	3000
	ACOL	2000
	COS / CSO (P&A) - not below the rank of Rear Admiral	1200
	MS / NSD	800
5.2	Central Procurement - Naval Stores / Spare Parts / Equipment - Foreign	
	COL	2500
	ACOL	1200
	COS / CSO (P&A) - not below the rank of Rear Admiral	800
	MS / NSD	400
5.3	Local Procurement - Naval Stores / Spare Parts / Equipment	
	FOC-in-C	100
	CSO (P&A) / Commandant (INA / NWC)	50
	Ch Hydro / Flag Officer Naval Area / FOSM / Fleet Cdr / NOIC	10
	ASD / ASY	20
	MS / NSD	30
	NAD / WED / NAY / NSRY / FMU / NAI / GM (ND/ASY)	10
	COs of ships and COs/ OIC / Directors of Establishment / President NSB	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority.		
2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		

5.4.	Procurement of Urgent requirements through Defence Attache	50
Note.		
1. For such cases, procurement by Defence Attache will be done only after AoN is accorded by appropriate CFA in IHQ, MoD (N). IFA coverage to Defence Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.		

SCHEDULE – 6
VICTUAL STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 B & D

Sl. No	Competent Financial Authority	Rs in Lakhs
6.1	Galley equipment	
	COL / FOC-in-C	5000
	Commandant (INA / NWC)	20
	CSO (P & A) / Flag Officer Naval Area / NOIC	10
	COs of Ships and COs/OIC/Director of Establishment	2
6.2	Victual stores	
	COL / FOC-in-C	10000
	Flag Officer Naval Area / Fleet Cdr / CSO(P&A) / Commandant (INA / NWC)	200
	CLOGO / NOIC / CO India / BVOs	50
	Ch Hydro	20
	COs of ships and COs / OiC / Director of establishment / President NSB	5
Note.		
1. To Procure items authorized by scale and not supplied by Govt source of supply.		
2. These will also include procurement at foreign ports and at such Indian ports/ stations where no IN organization exists.		
3. Includes supply of fresh water to <i>IN</i> ships and establishments.		
6.3	Provisions to BV Yards, Establishments and Outlying units	
	COL / FOC-in-C	Full Powers
	CSO (P & A) / Ch Hydro / Commandant INA	400
	Flag Officer Naval Area / Commandant NWC / NOIC	200
	BVO / CO India	100
Note.		
1. For items authorized as per scale and not provided by source of supply		
6.4	Sieving / Fumigation, Irradiation, Cleaning of infested stocks of Milled Products, Cleaning of Rice, etc	
	COL / FOC-in-C	Full Powers
	Commandant (INA / NWC) / CLOGO / Flag Officer Naval Area / NOIC	50
	CABS / BVO	5
	COs of ships and COs / OIC / Director of establishment	1

SCHEDULE – 7
ARMAMENT STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 F

Sl. No.	Competent Financial Authority	Rs in Lakhs
7.1	Central Procurement - Armament Stores / Spare Parts / Equipment - Indigenous	
	VCNS	3000
	DGONA / DGNAI	2000
	NAD (CGM / GM)	1000
7.2	Central Procurement - Armament Stores / Spare Parts / Equipment - Foreign	
	VCNS	2500
	DGONA / DGNAI	1500
	NAD (CGM / GM)	500
7.3	Local Procurement - Armament Stores / Spare Parts / Equipment	
	FOC-in-C	100
	CSO (P&A)	50
	ASD / ASY	20
	Flag Officer Naval Area / FOSM / Fleet Cdr / NOIC / NAD / WED / NSD / NAY / NSRY / FMU / NAI / GM (ND / ASY)	10
	COs of ships and COs / OiC / Directors of Establishment	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority.		
2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		
7.4	Procurement of Urgent requirements through Defence Attache	50
Note.		
1. For such cases, procurement by Defence Attache will be done only after AoN is accorded by appropriate CFA in IHQ, MoD (N). IFA coverage to Defence Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.		

SCHEDULE – 8
CLOTHING STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 G

Sl. No	Competent Financial Authority	Rs in Lakhs
8.1	Central Procurement - Clothing stores including Mess Straps	
	COL	1000
	ACOL	500
	COS / CSO (P&A) - not below the rank of Rear Admiral	200
	MS / NSD	100
Note. 1. IHQ, MoD (Navy) may promulgate guidelines to identify the list of items to be procured by each MS.		
8.2	Sewing of Uniforms, Clothing and initial addition / alteration, washing, repairing & re-stuffing troops, bedding, cobbler contracts, preservation of equipment / stores / machinery	
	FOC-in-C	Full powers
	CSO (P & A) / Commandant (INA / NWC) / Flag Officer Naval Area / ASD / ASY	200
	NOIC / Ch Hydro / CO India / BLOGO	20
	BVO / COs of Ships and COs / OIC / Director of Establishment	10
	AGM(P&A) of ND (MB / V) / NSRY	5
8.3	Local procurement of Clothing and Mess Straps	
	FOC-in-C	200
	CSO (P & A)	100
	Commandant (INA / NWC) / ASD / ASY / Flag Officer Naval Area / NOIC / Ch Hydro / CO India / BVO	50
	MS / NSD / BLOGO / CO, Basic Training Est	10
	GM / ND (MB / V)	2
	CABS / COs of ships and COs / OIC / Director of establishment other than basic trg establishment	1
Note. 1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by competent authority. 2. Local procurement will be resorted to only after obtaining non-availability certificate from		

the nearest Store Depot.

3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots which may stock upto 6 months requirement.

4. Rate contracts to include contracts for tailoring and washing for Comdt Training Establishments.

SCHEDULE – 9
MT / SPECIALIST VEHICLES AND STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 I

SI No	Competent Financial Authority	Rs in Lakhs
9.1	Central Procurement - MT / Specialist vehicles and stores - Indigenous	
	COL	1000
9.2	Central Procurement - MT / Specialist vehicles and stores - Foreign	
	COL	750
9.3	Central Procurement - MT / Specialist vehicles and stores - Indigenous / Foreign (New item)	
	VCNS	100
Note.		
1. Procurement of MT/Specialist vehicles will be done only at IHQ MoD (N) which will be subject to latest austerity measures issued by MoF on the subject and regulated in terms of MoD (Fin) instructions as issued from time to time. 2. Specialist vehicles will also include items like Nitrogen charger plants, Oxygen charger, Air jet starter, SAT, GPU, HST, Truck fork lifter, Refueller, Water tender lorry, Heavy tractor, Light tractor, MM van, Station wagon, Water trailer, DFT, CFT, etc among other specialist vehicles.		
9.4	Local Procurement – MT Stores	
	FOC-in-C	100
	CSO (P&A) / Commandant (INA / NWC) / Flag Officer Naval Area	50
	CLOGO / ASD / NSRY / NAY / ASY / WED / CH Hydro / MS / NSD / NAD / WED / NAI	20
	GM / ND (MB / V)	10
	Oi/C Tpt wk shop / COs of Ships and CO / OiC / Directors of Estb / President NSB	5
Note.		
1. Powers also include for modification of specialist vehicles and associated equipment to meet operational & technical needs but will be exercised only by Command Hqs.		

SCHEDULE – 10
WEAPON STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 K

Sl. No.	Competent Financial Authority	Rs in Lakhs
10.1	Central Procurement - Weapon Stores / Spare Parts / Equipment - Indigenous	
	COM	3000
	ACOM (IT & S)	1500
	WED	800
10.2	Central Procurement - Weapon Stores / Spare Parts / Equipment - Foreign	
	COM	2500
	ACOM (IT & S)	1000
	WED	500
10.3	Local Procurement - Weapon Stores / Spare Parts / Equipment	
	FOC-in-C	100
	CSO (P&A) / ASD / ASY	50
	Flag Officer Naval Area / Fleet Cdr / NOIC / NAD / WED / NSD / NAY / NSRY / FMU / NAI / GM (ND/ASY)	20
	COs of ships and COs/ OIC/ Directors of Establishment	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority.		
2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		

SCHEDULE – 11
AVIATION STORES
MAJOR HEAD – 2077, MINOR HEAD – 110 M

Sl. No.	Competent Financial Authority	Rs in Lakhs
11.1	Central Procurement - Aviation stores / Spare Parts / Equipment - Indigenous	
	DCNS	3000
	ACNS (Air/AM)	1500
	FONA / COS	1000
	MS / NSD	500
11.2	Central Procurement - Aviation stores / Spare Parts / Equipment - Foreign	
	DCNS	2500
	ACNS (Air/AM)	1000
	FONA / COS	500
	MS / NSD	250
11.3	Local Procurement - Aviation stores / Spare Parts / Equipment	
	FOC-in-C	100
	MS / NSD	30
	Commandant INA / Ch Hydro	20
	Flag Officer Naval Area / FONA / Fleet Cdr / NAY	10
	COs of ships / Aviation Units	5
Note.		
- Articles (Stores / Spare Parts / equipments) so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by competent authority. - Local procurement will be resorted to only after obtaining non-availability certificate from the nearest Store Depot. - Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots which may stock upto 6 months requirement.		
11.4	Procurement of Urgent requirements through Defence Attache	50
Note.		
For such cases, procurement by Defence Attache will be done only after AoN is accorded by appropriate CFA in IHQ (N). IFA coverage to Defence Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.		

SCHEDULE – 12
IT EQUIPMENT AND SERVICES
MAJOR HEAD – 2077, MINOR HEAD – 110 O

Sl. No.	Competent Financial Authority	Rs in Lakhs
12.1	Information Technology Items / Services	
	VCNS / FOC-in-C	1000
	COL	500
	COS / Commandant (INA / NWC) / Ch Hydro	200
	ACOM (IT&S) / MS / NSD / Flag Officers Naval Area / Fleet Commander / NOIC / CSO (P&A) / ASD / ASY / FOST / FOSM	100
	CABS / NSRY / NAY / NAD / WED / FMU / NAI	50
	COs of ships and COs / OiC / Dir of establishment / President NSB	20
Note. 1. These powers cover all kinds of IT procurement cases including as under - a) IT / Systems Automation or any relevant IT related projects. b) IT Main Hardware, IT Networking eqpts, IT peripherals / accessories. c) IT / Systems / Application software (subject to AON by Command HQ / SHQ for units under SHQ). d) IT-related networks, Internet facility, media connectivity including associated hardware and software and payment of networking/internet charges. e) Software development and technical consultancy for IT projects (subject to AON by Command HQ / SHQ for units under SHQ). f) IT Stationary and consumables g) Spares, up-gradation , repair and maintenance of items mentioned above. 2. Any new technology / item / services in IT field can also be procured.		
12.2	Training related to Information Technology	
	VCNS / FOC-in-C	500
	Commandant (INA / NWC)	100
	ASD / Ch Hydro / ASY / Flag Officer Naval Area / Fleet Cdr / FOST / FOSM / NOIC	50
	MS / NSRY / NAY / NAD / WED / NAI / CABS	10
	COs of ships and Cos / OiC / Dir of Estb / President NSB	2

SCHEDULE – 13
INDIGENISATION AND RESEARCH & DEVELOPMENT
MAJOR HEAD – 2077, MINOR HEAD – 110 P, Q & 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
13.1	Indigenization of Equipment / Simulators / Training aids / Maintenance Stores & Spares, Development of Modification Kits & Software / Development of Upgrades / Technology Insertion for Legacy / imported Items / Equipment	
	VCNS / COM	1000
	FOC-in-C	500
	ASD / ASY	200
	NAQAS / NASDO / NOIC / MS / NSD / NAD / WED / NAY / NSRY / NAI / CO Eksila, Shivaji, Tunir, Valsura, Kalinga / OiC NIC	100
13.2	Research and Development Activities through Private Sector	
	VCNS / COM	500
	COL / DCNS / DGONA / DGNAI	250
	FOC-in-C	100
	Commandant (INA / NWC) / CO (Valsura / Shivaji)	50
13.3	Research and Development through Government / Autonomous R&D Organizations, In-House Defence agencies, Professional / Technical institutions like IITs, etc on Proprietary basis	
	VCNS / COM	1000
	COL / DCNS / DGONA / DGNAI	500
	FOC-in-C	200
	Commandant (INA / NWC) / CO (Valsura / Shivaji)	100
13.4	Manufacture, Fabrication, Procurement or issue of Stores / Spares / Eqpt / Clothing for experimental purposes or Proof of Concept or Applied Research which are of interest to or are in use in Navy, or for expediting Production / Developing Indigenous source, etc	
	VCNS	100
	COM / COL / FOC-in-C	50
	COS	20
	Commandant (INA / NWC)	10
	MS / NAD / WED / NSRY / NAY / FMU / NAI / NSD	5

Sl. No.	Competent Financial Authority	Rs in Lakhs
13.5	Design and Development activities related to Warship / Aircraft / Platforms including consultancy services	
	VCNS	1000
	DCNS / COM	200
Note for 13.2, 13.3, 13.4 and 13.5.		
1. These powers include Design and Development activities pertaining to Warships, Aircrafts, Platforms and consultancy services and will also cover the following activities - (a) Model test analysis. (b) Software development and procurement for conducting tests. (c) Weapon System Integration. (d) Setting up of Software Engineering Environment/ Procurement of Software tools. (e) Other D&D activities of interest for Navy 2. Includes expenditure on manufacture / fabrication, Procurement or issue of stores / spares / eqpt / other articles for experimental purposes / test & trials covering essential applied research which are of interest to or are in use in the three services/ joint staff, or for expediting production / developing indigenous source, etc. 3. To include offloading Design / Development activity to academic institutions/ Research Labs. 4. Expenditure should not overlap with DRDO Projects or Projects formed out of Joint Operations with DRDO.		

SCHEDULE – 14
SECURITY SYSTEMS
MAJOR HEAD – 2077, MINOR HEAD – 110 R

Sl. No.	Competent Financial Authority	Rs in Lakhs
14.1	Security Equipments / Items	
	DCNS / FOC-in-C	1000
	Commandant INA / Ch Hydro	100
	Commandant NWC / Flag Officers Naval Area / Fleet Cdr / NOIC / ASD / ASY	50
	MS / NSRY / WED / NAY / NAD / NAI / BVO / NSD	25
	COs of ships and COs / Oi/C / Director of establishment / President NSB	10
Note.		
1. Above power includes procurement of all kinds of Security items, works, services, etc, which are considered essential for security of their respective area. However, the list of items, which can be procured by different CFAs, will be promulgated by each Service HQs.		

SCHEDULE – 15
DISASTER MANAGEMENT BRICKS
MAJOR HEAD – 2077, MINOR HEAD – 106, 110 & 800

Sl. No.	Item	Competent Financial Authority	Rs in Lakhs
15.1	To replenish Disaster Management Bricks		
	COL		500
Note.			
1. These powers are for replenishment / recouping / repairs of stores, forming part of Disaster Management brick.			

SCHEDULE – 16
DREDGING
MAJOR HEAD – 2077, MINOR HEAD – 111 H

Sl. No.	Competent Financial Authority	Rs in Lakhs
16.1	Maintenance Dredging of Naval Area	
	FOC-in-C	Full Powers
	ASD / ASY / Flag Officer Naval Area / NOIC	500
Note.		
1. To be based on Operational requirement.		
2. To cover hire and use of dredging equipment to clear approaches to Naval areas on each occasion.		

SCHEDULE – 17
MISCELLANEOUS AND CONTINGENT EXPENDITURE
MAJOR HEAD – 2077, MINOR HEAD – 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
17.1	Miscellaneous and Contingent Expenditure	
	VCNS / FOC-in-C	Full Powers
	Commandant (INA / NWC) / Fleet Cdr / Flag Officer Naval Area / FOSM / ASD / ASY / Ch Hydro	200
	NOIC / COMCOS / MS / NSD	100
	NSRY / WED / NAD / NAY / FMU / NAI / BVO / PDOA / CLOGO	50
	COs of Ships / Units / Estt / Oi/C / Director of establishment - (Rank of Captain and above) President NSB / AGM (P&A) / GM (ND / ASY)	25
	COs of Ships / Units / Estt / OiC / Director of establishment - (Rank of Commander and below)	10
Note. 1. The above powers includes all kinds of contingent expenditure including as under - h. Procurement of all kinds of office equipment and related consumables and any other latest equipments required for day to day functioning of an office i. All kinds of administrative support services related to office functioning j. Expenditure related to forms, printing, journals, stationery, legal fees, etc. k. Misc Expenditure incurred in connection with all kinds of ceremonial events. l. Welfare and amenity measures that help in the well being and morale of officers / staff / troops. m. Any item / equipment needed for running of establishment.		
17.2	Misc Expenditure while on Tour	
	CNS	20
	VCNS	10
Note 1. Subject to an annual ceiling of Rs 100 Lakhs for combined powers of CNS and VCNS 2. These powers will be used to provide welfare measures and amenities for troop comforts.		

17.3	Publicity and Advertisement	
	COP (through DAVP)	Full powers
	COP (through sources other than DAVP)	500
	FOC-in-C	100

SCHEDULE – 18
OUTSOURCING
MAJOR HEAD – 2077, MINOR HEAD – 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
18.1	Outsourcing of Services	
	VCNS / FOC-in-C	1000
	COS / Commandant INA / Ch Hydro	200
	ASD / ASY / Commandant NWC / Flag Officer Naval Area	100
	CABS / MS / NSRY / NAY / WED / NAD / FMU / NAI / NOIC / PDOA	50
	COs of ships and COs / OiC / Director of establishment / President NSB	20
Note.		
1. Provisions of GFR are to be followed and will be carried out as per extant orders of MoD on this subject.		

SCHEDULE – 19
TRAINING
MAJOR HEAD – 2077, MINOR HEAD – 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
19.1	Organization of Seminar / Workshop / Conference / Training course in India	
	VCNS / FOC-in-C	Full Powers
	COP / Commandant INA	200
	COS / Commandant NWC	100
	Fleet Commander / Flag Officer Naval Area / FOST / FOGA / FOSM	50
	ASD / ASY / Ch Hydro / NOIC / MS / NSRY / NAD / WED / NAY / FMU / NAI	20
	CABS / OiCs / COs Directors of establishments / COs of Trg ships	5
Note.		
1. Powers to sanction expenditure for inviting Govt faculty / outside Guest speakers / experts for training courses will be as per DoPT rules.		
2. TA/DA for Govt faculty / outside Guest speakers / experts will be done as per DoPT rules.		
3. Includes procurement of training material for regular training and payment to guest faculty for travel/ lecture/ honorarium.		
4. Includes power to sanction expenditure towards Travel Fare, TA/DA and Honorarium to Non-Official / Civilian members of University Committees / Evaluation teams for visits to Indian Naval Ships / Establishments for validation / re-validation of Accreditation/Affiliation of courses.		
19.2	Participation of Navy personnel / Civil employees of Navy in Short-term Training courses, Seminars, Symposia, Workshops, Annual Conventions at Civil / Defence / Professional / Academic organizations and institutions in India	
	COP / FOC-in-C	Full Powers
	Commandant (INA / NWC)	50
	COS / Flag Officer Naval Area / Fleet Cdr / Ch Hydro	20
	ASD / OiCs and Directors of Trg Schools and establishments / CO, Eksila	10
	ASY / MS / NSRY / NAD / WED / NAY / FMU / NAI / OiC / COs / CABS / NSD / President NSB / COs of Training ships	2
Note.		
1. Training courses for 1 year and more will require approval of Govt.		

19.3	Annual Training Grant (ATG) and Technical Training Grant (TTG)	
	VCNS	1000
	FOC-in-C	500
	Commandant INA	200
	Commandant NWC / CSO (P&A)	100
	COs of Training Establishments (Commodore)	50
	COs of Training ships and COs / OiC / Director of Training Establishments (Captain & below)	20
	Flag Officer Naval Area / NOIC	15
	COs of Ships / Units / Shore Establishments (Commodore and above)	10
	COs of Ships / Units / Shore Establishments (Captain and below)	5
Note.		
1. Existing MoD instructions on ATG & TTG are to be followed.		
19.4	Education Related Services and Reference Library Grant	
	COP	1000
	FOC-in-C	500
	COS / ASD / ASY / Commandant (INA / NWC)	100
	Fleet Cdr / Flag Officer Naval Area	5
	COs of ships and COs / OiCs / Directors of establishments / NOIC	2
(a) All expenditure related to creation/ maintenance of libraries/ e-libraries/ educational resource centres, printed/ digital publications, examinations/ evaluations, implementation of official language, conduct of educational activities, distance education, e-learning, opinion polls, language courses, and skill development, including outsourcing of the above to private agencies. (b) Powers for creation of libraries shall be exercised only by COP with no fresh accretion of manpower.		

SCHEDULE – 20
VISIT OF FOREIGN SHIPS
MAJOR HEAD – 2077, MINOR HEAD – 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
20.1	Reciprocal Hospitality during Foreign Naval ships visit to Indian Ports	
	FOC-in-C	2
	COS / Flag Officer Naval Area / NOIC	0.50
Note.		
1. Powers are per foreign naval ship per Indian port.		
20.2	Gifts on Occasion of Foreign Naval Ships visit to Indian Ports	
	FOC-in-C	1
	COS / Flag Officer Naval Area / NOIC	0.15
Note.		
1. Powers are per foreign naval ship per Indian port.		

SCHEDULE – 21
SPORTS AND ADVENTURE
MAJOR HEAD – 2077, MINOR HEAD – 800 F

Sl. No.	Competent Financial Authority	Rs in Lakhs
21.1	Sports and Adventure items / activities	
	VCNS	2000
	FOC-in-C / CPS	1000
	Commandant (INA / NWC) / COS	100
	Fleet Commander / Flag Officer Naval Area	50
	FOST / ASD / ASY / NOIC / COMCOS / MS / NSRY / NAD / WED / FMU / NAY / CABS / NAI	10
	COs of Ships and COs / OiC / Directors of Establishments / President NSB	5
Note.		
1. It includes expenditure on sports and adventure activities, stores and equipment including adventure Arms and ammunition, propagation of organized sports and adventure activities etc.		

SCHEDULE – 22
AERO SPACE SAFETY
MAJOR HEAD – 2077, MINOR HEAD – 800 J

Sl. No.	Competent Financial Authority	Rs in Lakhs
22.1	Flight Safety Items / Services	
	DCNS / FOC-in-C	1000
	COS	200
	FONA / Fleet Cdr / Flag Officer Naval Area / ACNS (Air)	100
	COs of Air Stations / Aircraft Carriers / Helicopter capable ships	10
Note.		
1. These powers cover procurement of all kinds of items / services for flight safety purposes including as under - - Hiring of different kinds of mechanical transport / services to clear vegetation and environment control measures. Procurement of De-vegetation / vegetation control equipment / manual vegetation clearance implements. - All kinds of anti-rodent measures, anti-wild life measures, disposal of carcass. - All kinds of animal / bird scaring measures including surveys / study / accident / incident analysis by specialist bodies, specialized equipments, audio-visual equipments. - Specialized flight safety equipments like AAIB Kits, OHR (Operational Hazard Report) Boxes, FOD (Foreign Object Damage) Bins etc for enhancing Flight Safety. - All kinds of Publicity measures and associated Audio-visual equipments. - Contingent expenditure on BHCT and accident investigation personnel. - All associated expenditure incurred on above mentioned items like their recurring maintenance, consumables (including LPG/POL), electric eqpt, stationary items, etc.		

SCHEDULE – 23
TELE-COMMUNICATION
MAJOR HEAD – 2077, MINOR HEAD – 800 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
23.1	Tele-Communication Items / Services	
	VCNS	1000
	FOC-in-C	500
	COS	200
	ACNS (CSNCO) / Fleet Cdr / ASD / ASY / Flag Officer Naval Area / NOIC / Commandant (INA / NWC)	100
	COs of Ships and COs / OiC / Directors of Establishments	10

Note.

1. The above powers are meant for procurement of all kinds of communication items / technology / services and will also include as under –
 - a. All categories of Telephony and communication network equipments, Radio Access Network items, Telecom network / Telephone-related items, Media Secrecy Units, etc.
 - b. All kinds of payment related to Internet connectivity.
 - c. Telecom consultancy (design, optimization and audit) & training, power supply, environment control equipment, fire protection equipment, data centres, test equipment and tools etc.
 - d. Renting of circuits, INMARSAT, SATCOM and any other latest satellite - communication related items / services to meet operational requirements.
 - e. Any communication equipment / services necessitated due to improvements in technology.
2. Renting of circuits will be sanctioned only at IHQ MoD (N) / Command HQs. Operational circuits for purpose of Exercises, Overseas deployments, POGs etc can also be hired.

SCHEDULE – 24**CIVIL WORKS****MAJOR HEAD 4076-03, MINOR HEAD 202 - CONSTRUCTION WORKS****MAJOR HEAD 2077 MINOR HEAD 111 - WORKS**

Sl. No.	Competent Financial Authority	Rs in Lakhs
24.1	Authorized Works - Acceptance of Necessity and Administrative Approval	
	CNS	5000
	FOC-in-C	2000
	Commandant INA / Cat 'A' Training Establishment / Ch Hydro	1000
	Flag Officer Naval Area / Commandant NWC / ACNS (P&P)	500
	NOIC / Station Commander / CO (Rank of Cmde)	250
	Station Commander / CO / OC (Below rank of Cmde)	50
24.2	Special Works - Acceptance of Necessity and Administrative Approval	
	CNS	250
	FOC-in-C	100
	Commandant INA / Cat 'A' Training Establishment / Ch Hydro	50
	Flag Officer Naval Area / Commandant NWC / ACNS (P&P)	25
	NOIC / Station Commander / CO (Rank of Cmde)	10
	Station Commander / CO / OC (Below rank of Cmde)	2
24.3	Demolition of Building	
	CNS	1000
	FOC-in-C	500
Note.		
1. Powers mentioned in Defence Works Procedure stand amended to the extent mentioned above.		

SCHEDULE – 25
EMERGENCY POWERS

SI No	Competent Financial Authority	Rs in lakhs
25.1	Emergency Procurement of all kinds of Stores / Eqpt / Veh, Hiring of Specialized services / manpower, Hiring of specialized machinery / equipment, all kinds of Transportation cases and any Misc / Contingent expenditure connected with Exercises / Operations	
	FOC-in-C	Full powers
Note.		
1. These powers will be applicable in the case of urgent / Op Immediate military necessity relating to Military preparedness to meet the eventualities such as war or war like situation, Natural Calamities, etc. The essence of delegating these powers is to expedite the procurement / repair of equipment / items / material / stores and provisioning of various services, urgently required for the successful conduct of the operation. 2. These powers will be exercised as and when Government notifies an event by way of a Government order declaring War, Hostility, Natural Calamity / Disaster, etc or when Raksha Mantri declares and orders Military preparedness for Emergency / Op-Immediate Military necessity. It will also be applicable as and when a proposal, mooted by hand by Service Chiefs, is approved by Raksha Mantri for immediate action to be taken in case of serious Accidents. 3. Once the approval of Raksha Mantri is given, SHQ will immediately convey the order to concerned C-in-C (CFA) for taking procurement action. The order will contain the essential requirements to be fulfilled by the C-in-C. Based on this, C-in-C will workout and approve the technical specifications, scope of work, quantity required for items, based on actual needs as deemed fit. 4. The procurement action will be taken by a 3-member Emergency Empowered Committee (EEC), on behalf of the CFA, consisting of the Chief of Staff / equivalent as Chairman, the Command IFA and a Technical / Logistics Member of the Command. The Chairman of EEC is empowered to co-opt any official / expert at his discretion, only to assist EEC and not act as member. EEC will be fully empowered to take all decisions independently on all aspects at any stage of procurement (from issue of RFP, conducting technical examination, holding commercial negotiations, preparing draft Supply order / Contract, etc). Full flexibility will be available to EEC for completing procurement cycle at shortest possible time. Potential Bidders can be contacted and their response bids can be received through fastest possible means of communication like taking bids by hand or even by email / fax (if inescapable), shortening time for submission of bids to whatever is considered feasible for bidders to give their bids, etc. There will be no requirement for movement of files in EEC and every decision will be taken in a collegiate manner by recording of minutes for each stage of procurement i.e. issue of RFP, mode of bidding, technical evaluation, CST, commercial negotiation, draft Supply order / Contract, etc. In case of disagreement among the 3 members, directions will be sought from CFA and the		

EEC will act as per the decision of CFA. It is open for CFA to take oral / written clarifications from MoD / MoD (Fin) on any issue pertaining to procurement process / stage.

5. The EEC will promptly prepare its report and the same will be signed by all 3 members. The Report will be submitted by EEC to the CFA on file. CFA will accord Expenditure Angle Approval of the procurement without any reference to any authority unless he himself desires to do so. After procurement cycle is completed, CFA will send a report on procurement undertaken under these powers to MoD through staff channels for record.
6. Though the empowered committee is to follow all existing regulations as per existing Govt orders / DPM on procurement of Goods / services, there could be occasions requiring deviations from DPM. Such deviations from DPM would be promptly put up by EEC to CFA for approval with adequate justifications. If in view of CFA, any delay in case will not be in interests of state, then he can approve deviations from DPM and the case can be processed further. However, once the case is finalized and action taken, a detailed report will be furnished by CFA to MoD giving detailed justifications for deviations from DPM. This report will be put up through staff channels to Raksha Mantri for his information.

SCHEDULE – 26
NON-PROCUREMENT POWERS

SI No	Competent Financial Authority		Rs in Lakhs / Period
26.1	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores Due to Theft, Fraud or Gross Neglect		
	VCNS / DCNS / COM / COL / COP		10
	FOC-in-C		7
	Ch Hydro / Fleet Cdr / Flag Officer Naval Area / Flag Officer Naval Aviation / ASD		4
26.2	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores <u>Not</u> Due to Theft, Fraud or Gross Neglect		
	VCNS / DCNS / COM / COL / COP		50
	C-in-C		35
	Ch Hydro / Commandant (INA / NWC) / Fleet Cdr / Flag Officer Naval Area / ASD		20
	MS / NAY / NSRY/ CE / BVO / CGM / GM NAD / NOIC		10
	COs of ships / Estab / Store Depot / Repair Yard / Inspectorate / Dir / OiC of Independent Units		5
Note For SI. No. 24.1 & 24.2. 1. The above powers include as follows – a. Irregularities connected with use of MT, Railway warrants and military Credit notes e.g. Irregular issue of warrants / Military Credit notes, loss of auditable documents, irregularities with respect to MC Notes. b. Non-production of receipted copies of issue voucher of stores and failure to trace credits in the ledgers in respect of receipt vouchers. c. Regularization of deficiencies of stores revealed at the time of stock-taking. d. Erroneous expenditure in respect of deployment of manpower. 2. These powers may also be exercised in respect of DSC personnel attached to Naval units.			
26.3	Write Off of Losses due to Downgrading of Stores held in Depot / BVY In Respect of Attractive Stores, Viz. Clothing & Mess traps and other than Clothing and Mess traps		
		<u>Not</u> Due to Theft, Fraud or Gross Neglect	Due to Theft, Fraud or Gross Neglect
	VCNS / COL	5	2.5
	FOC-in-C	3	1.5
	MS / BVO	2	1

Note.		
1. For stores held on charge of MOs / Depots / BVYs as serviceable are found to be Repairable / BER(C) / Scrap owing to deterioration while in stock, the change in condition shall be adjusted by MOs / Depots / BVYs provided defects are due to fair wear and not due to lack of suitable storage accommodation or failure to look after the articles properly in store. The change in condition to be certified by CTS / BVO or by his authorized representatives on the above lines.		
2. In case value of total quantity to be downgraded of any single item is more than the financial limits prescribed for clothing & mess traps and other than clothing & mess traps respectively, regularization of the loss due to down- gradation will be sanctioned by CFA based on the approved proceedings of Board of Officers constituted by AAs for downgrading the condition of the stores.		
26.4	Sanction and Pass Defect lists and Estimates on Account of Repairs and Refit of Ships, Submarines and Vessels and Yard Craft.	
	FOC-in-C	Full Powers
Note.		
1. As per approved refit plan by IHQ MoD(N).		
26.5	Destruction of Category 'G' Foodstuffs.	
	VCNS / FOC-in-C	Full Powers
	COL	20
	Commandant (INA / NWC) / Flag Officer Naval Area / Fleet Cdr / NOIC / CLOGO	10
	Ch Hydro / BVO	1
26.6	Regularize over Issue of Rations by Ships / Establishments	
	VCNS / FOC-in-C	5
	COL	2
	Commandant (INA / NWC)	1
	CLOGO / Flag Officer Naval Area / Fleet Cdr / Ch Hydro / NOIC	0.50
	CABS / Cos / OIC / Director of Establishments/ President NSB / COs of Ships	0.15
26.7	Survey Contingency	
	Officer in-charge Detached Survey party from Survey Ships, Surveying Units & National Hydrographic School	1
Note.		
1. These powers can be used for procurement of the following –		
(a) Dry and fresh provisions and fuel.		
(b) Expenditure on Jeep, i.e. POL Servicing and repairs etc.		
(c) Hiring of transport both surface and sea borne		

(d) Telephone charges including STD calls. (e) Hiring of photographic services/equipment, developing and printing. (f) Clearing of survey sites, digging of snake pits around the field tents, hiring of coolie / labour. (g) Consumable spares to meet immediate operational requirements. (h) Hiring of office accommodation where available. Electricity, Water and rent charges, installation of temporary telephone connection etc. (j) Charges for photocopying and blue printing. (k) Clearing of helicopter landing sites. (l) Charges for battery charging. (m) Water carrier charges. (n) Faxing/Speed Post/Courier service charges. (p) Bank charges. (q) Hiring of Survey/Processing equipment/services where not provided by parent ships/units. (r) Miscellaneous and contingent expenditure other than above. (s) Provisioning of field Hydrographic/Trials software.		
26.8	Declaration of Surplus / Obsolete Stores	
	VCNS / DCNS / COM / COL	Full Powers
Note. 1. Powers are to be exercised only for declaration of surplus if item is - Pre-mod or pre-upgrade - Technically life expired - System to which it belong is rendered obsolete		
26.9	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Govt organizations / PSUs	
	VCNS / COL / COM / DCNS	Full Powers
	FOC-in-C	2000
	COS / ACOL / ACOM (IT&S) / ACNS (Air/AM) / DGONA	500
	ASD / FONA / ASY / MS / OiC NSD	200
	Commandant (INA / NWC) / Ch Hydro / PDOA	100
	COs of Ships / Establishments	5
26.10	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Private Sector	
	VCNS / COL / COM / DCNS	Full powers
	FOC-in-C	1000
	COS / ACOL / ACOM(IT&S) / ACNS (Air/AM) / DGONA	200
	Commandant (INA / NWC) / Ch Hydro / PDOA	50

	COs of Ships / Establishments	2
Note for 26.9 & 26.10.		
1. After fixing the reserve price in advance. 2. Provisions of Rule 196-201 of GFR to be adhered to. 3. Disposal should normally be done through authorized auctioneer. However where it is not possible, reasons for the same to be recorded in writing. Reserve price to be fixed in advance. 4. This includes disposal of Armament Stores by dumping in the sea. 5. Ch Hydro in respect of stocks held at NHO, Dehradun only. 6. Commandant INA / NWC for disposal of vessels, gliders and stores. 7. This includes stores declared unserviceable due to technical /safety reasons even within shelf life.		
26.11	Disposal of Salvage	
	COs of ships & CO / OiC / Dir establishments	Full powers
26.12	Issue of Technically Life Expired and Declared Obsolete Weapon Systems / Components / Items to Government and Private Organizations / Institutions for Display / Educational / CCD (Camouflage, Concealment and Deception) and Decoy Purposes.	
	CNS	Full Powers
26.13	Regularization of Audit Objections Arising Out of Breaches of Rules and Regulations when the Monetary Value of the Loss could be assessed in consultation with PCDA / CDA	
	VCNS / COP / COM / DCNS / COL	10
	FOC-in-C	5
Note. 1. In all cases of audit objections arising out of breaches of rules and regulations; efforts should be made to assess the loss/financial implication, if any, involved in the irregularity where the loss to the state or the financial implication involved can be computed the irregularity will be regularized in consultation with the PCDA / CDA. An illustrated list of the type of objections which may be regularized and this procedure is shown below - (a) Irregularities connected with Railway Warrants and Military Credit Notes e.g irregular issue of warrants military credit notes. (b) Non-production of receipted copies of issue vouchers of stores. Failure to trace in the ledgers credit in respect of receipt voucher. (c) Loss of auditable documents like car diaries, ration strength statements where the ceiling of the value of transaction involved can be assessed with reference to other connected accounts, e.g. with reference to the total value of POL issued or rations drawn during the period to which lost documents pertain. (d) Irregularities connected with the use of M.T. 2. In the case of objections which involve loss to the state, efforts will be made to assess the actual/approximate financial value of the loss on some. These powers are to be		

exercised only if –

- (a) The necessity for and the practicability of recovery has been considered by the CFA
- (b) The irregularity does not disclose a defect in the rules or regulations the amendment of which requires the sanction of the Government vide Rule 157 FR Part I Vol I.
- (c) The authorities concerned (or their predecessors) are themselves not personally responsible for the loss / overpayment/ irregularity.
- (d) Prior approval of the next higher financial authority shall be obtained in respect of cases mentioned at (c) above.
- (e) Objections, which do not involve any loss to the State or when the monetary loss is not assessable, be referred to the respective Administrative Authorities/Head of the Branch at IHQ, MoD (N) for establishments under the direct administrative control of IHQ, MoD (N).
- (f) Copies of sanctions issued for the settlement of audit objections shall also be endorsed to the statutory Audit Officers concerned.
- (g) The financial powers contained in these orders are to be utilized for regularization of cases outstanding as on date of issue of these orders.
- (h) PCDA / CDA will report to the Govt of India cases in which the intention of this rule has been misapplied.

26.14	Issue of items on loan to Sellers, within service and to sister Defence services / Para-military forces / DPSUs and other Central / State Govt Agencies	
	VCNS / COM / FOC-in-C	5 Years
	DCNS / COL	3 years
	Commandant INA / NWC / CLOGO / Flag Officers Naval Area / Fleet Cdr / ASD / Ch Hydro / CSO (Tech)	2 Years
	NOIC / MS / NSRY / NAD / NAY / FMU / FTSU / FTTT / NAY / NAQAS / NASDO / PDOI / Captain Technical Position / CO Eksila	1 Year

Note.

1. The cases of EW, Armament and Secret equipment will be exercised by VCNS only. Issue of MT / Specialist Vehicles on Loan can be given by VCNS / C-in-C.
2. Issue of Stores on Loan to Sellers can be done only against contracts for Design and Development by CFAs at Service HQs / C-in-C at Command Hqs.
3. The Rules / Procedure governing the loan issue shall be followed.

26.15	Repairs of Damage to Hired Transport / Mobile Yard Equipment Hired for the use in Dockyard / Depots / Repair Yards Including NAY	
	FOC-in-C	10
	ASD / ACOL	5
	Commandant (INA / NWC)	4
	MS / NSRY / NSD / NAY / NAD	2

Note.

1. Where the liability of Government for damages incurred is not in question and the circumstances are not of such a nature, as to require report, bills on this account may be

sanctioned by these authorities in each case. In cases in which the cost of repairing the damage is estimated to exceed Rs.50,000 and where there is the least doubt as to the liability of the Government, or where the circumstances in which the damage occurred are of an unusual character, however small the amount involved, a full report of the case with the opinion of the transmitting authorities should be submitted for the orders of the Government of India.

26.16	Extra Wharfage, Demurrage, container detention, Ground rent and other such charges for clearance of cargo	
	COL / FOC-in-C	100
	Ch Hydro / Flag Officer Naval Area / NOIC / ASD / ASY / CSO (P&A)	25
	MS / WED / NAD / NAY / NSD / FMU / NAI	10

Note.

1. Payment will be made first by unit / Emb Hqs to the concerned port / air / railway authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA / CFA for according ex-post-facto concurrence / approval.

2. Efforts should be made to avoid demurrage payments to the to the maximum extent possible.

AFSP-2015

AIR FORCE

SCHEDULES

OF POWERS

2015

SCHEDULE – 1
TRANSPORTATION
MAJOR HEAD 2078, MINOR HEAD – 105

SI No	Competent Financial Authority	Rs in Lakhs
1.1	Transportation	
	AOM / AOC-in-C	1000
	ACAS (Lgs) / SMSO / AOES / AOLM	200
	Commandant (AFA / SDI / ASTE / CAW)	100
	AOC / Comdt (Self Accounting Units)	50
	Stn Cdr / CO / OC (Self Accounting units) / MESDs / MCUs	10
Note.		
1. These powers will cover all types of transportation cases including as under – - Hiring of civil transport, when service transport is not adequate or not available. - Hiring of different kinds of specialized vehicles, material handling equipment, mechanical transports, water transport, animal transport, etc, whatever is considered essential by the organizations for performing their tasks. - Airlift / shipping of stores from & to abroad and within the country. - Dispatch of items through specialized courier / post office. - Technical storage charges and expenditure in connection with loading / unloading of goods. - Incidental charges associated with transportation like insurance premium, handling charges, etc. 2. Depending upon the need and convenience, it will be open for the organization / user to decide on the mode of transport irrespective of it not being the cheapest mode.		

SCHEDULE – 2
AIRFRAME AND ENGINES
MAJOR HEAD 2078, MINOR HEAD – 110 A

SI No	Competent Financial Authority	Rs in Lakhs
2.1	Central Procurement - Airframe & Engines - Indigenous (Scaled)	
	AOM / AOC-in-C HQ, MC	5000
	DG(Aircraft) / DG(System) / SMSO(MC)	2500
	AOC/StnCdr/CO/OC of self-accounting ED/ASP/BRD/402 AF Stn/AFLE - Only to top Up SSF at self accounting EDs/BRDs and UE at ASPs	500
2.2	Central Procurement - Airframe & Engines - Foreign (Scaled)	
	AOM / AOC-in-C	3500
	DG(Aircraft) / DG(System) / SMSO(MC)	2000
2.3	Central Procurement - Airframe & Engines - Indigenous / Foreign (Non-scaled / New item)	
	VCAS	2000
	AOM	1000
2.4	Local Procurement - Airframe & Engines	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air Hqs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10
Note.		
1. For foreign procurement under SI 2.2, Expenditure Angle Approval powers are limited to CFAs at Air HQ only. Other CFAs to accord only AoN approval (applicable for decentralized ranges).		
2. These powers also cover RMSOs and task orders against firm task placed on M/S HAL, where approved FPQ exist or pricing is carried as per approved pricing norms. Process of according necessity and expenditure angle approvals would be combined in cases where FPQ/Price List/Pricing norms are available/have been finalized. Powers of AFLE are only for placing of RMSOs.		
2.3.	Procurement of AOG/PHU/MCM Items through Air Attaches.	50
Note.		
1. For such cases, procurement by Air Attache will be done only after AoN is accorded by appropriate CFA in Air Hqs. IFA coverage to Air Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.		

SCHEDULE – 3
AVIATION STORES & MET STORES
MAJOR HEAD 2078, MINOR HEAD – 110 B

SI No	Competent Financial Authority	Rs in Lakhs
3.1	Central Procurement - Aviation stores - Indigenous (Scaled)	
	AOM / AOC-in-C (MC)	5000
	DG(Aircraft) / DG(System) / SMSO(MC)	2500
	AOC/StnCdr/CO/OC of self-accounting ED/ASP/BRD/402 AF/AFLE Stn/ - Only to top Up SSF at self-accounting EDs/BRDs and UE at ASPs	500
3.2	Central Procurement - Aviation stores - Foreign (Scaled)	
	AOM /AOC-in-C (MC)	3500
	DG(Aircraft) / DG(System) / SMSO(MC)	2000
3.3	Central Procurement - Aviation stores - Indigenous / Foreign (Non-scaled / New item)	
	VCAS	2000
	AOM	1000
3.4	Local Procurement - Aviation stores	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air Hqs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10
3.5	Meteorological stores - Scaled	
	VCAS	1000
	DG Air (Ops)	500
3.6	Meteorological stores - Non-Scaled / New	
	VCAS	100
	DG (Air Ops)	20
Note.		
1. For foreign procurement under SI 3.1.2, Expenditure Angle Sanction powers are limited to CFAs at Air HQ only. Command CFAs to accord only AoN approval for decentralized ranges.		
2. These powers also cover RMSOs and task orders against firm task placed on M/S HAL,		

where approved FPQ exist or pricing is carried as per approved pricing norms. Process of according necessity and expenditure angle approvals would be combined in cases where FPQ/Price List/Pricing norms are available/have been finalized. Powers of AFLE are only for placing of RMSOs.

4. These powers also include maintenance of Aviation stores- TST, PSM, Tropo units (sources other than HAL)

3.7	Procurement of AOG/PHU/MCM Items through Air Attaches	50
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Note.

1. For such cases, procurement by Air Attache will be done only after AoN is accorded by appropriate CFA in Air Hqs. IFA coverage to Air Attache will be given by Counsellor-coord in Indian embassy or any other authority nominated by Indian Ambassador in that country.

SCHEDULE – 4
MT / SPECIALIST VEHICLES AND STORES
MAJOR HEAD 2078, MINOR HEAD – 110 C

SI No	Competent Financial Authority	Rs in Lakhs
4.1	Central Procurement - MT / Specialist vehicles and stores - Indigenous (Scaled)	
	AOM	1000
4.2	Central Procurement - MT / Specialist vehicles and stores - Foreign (Scaled)	
	AOM	750
4.3	Central Procurement - MT / Specialist vehicles and stores - Indigenous / Foreign (Non Scaled / New item)	
	VCAS	100
4.4	Local Procurement – MT Stores	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air Hqs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10
Note.		
1. Procurement of MT/ Specialist vehicles will be done only at Air HQs, which will be subject to latest austerity measures issued by MoF on the subject and regulated in terms of MoD (Fin) instructions as issued from time to time. 2. Specialist vehicles will also include items like Nitrogen charger plants, Oxygen charger, Air jet starter, SAT, GPU, HST, Truck fork lifter, Refueller, Water tender lorry, Heavy tractor, Light tractor, MM van, Station wagon, Water trailer, DFT, CFT, etc among other specialist vehicles. 3. Powers in SI 4.4 also include for modification of specialist vehicles and associated equipment to meet operational & technical needs but will be exercised only by Command Hqs. BRDs and EDs		

SCHEDULE – 5
PROVISIONS AND COAL, FIREWOOD & LPG
MAJOR HEAD 2078, MINOR HEAD – 110 D & E

SI No	Competent Financial Authority	Rs in Lakhs
5.1	Provisions, Coal, Firewood & LPG stores	
	AOC-in-C	Full powers
	SMSO / AOES or AOLM / ACAS (Lgs) for units under Air Hqs	100
	AOC / Comdt (Self Accounting Units)	50
	Stn Cdr / CO / OC (Self Accounting Units)	25
Note.		
1. Cost of items of Ration including fresh condiments as authorized in the scale of rations and supplies issued by the ASC where authorized to be procured locally for code head 744.		
2. Cost of items of fuel (LPG, Wood kindling, steam coal and coke hard) as authorized in the scale of rations and supplies issued by the ASC where authorized to be procured locally for code head 745		
3. The above powers also relate to repair and maintenance of cooking equipment's including steam cooking and LPG systems.		
4. Cost of Ration commodities as per scale of rations when not available through ASC.		

SCHEDULE – 6
POL
MAJOR HEAD 2078, MINOR HEAD – 110 F

SI No	Competent Financial Authority	Rs in Lakhs
6.1	Central Procurement - POL - Indigenous	
	AOM	10000
	ACAS (Lgs)	2000
	AOC/StnCdr/CO/OC of self-accounting ED/BRD/ASP - Only to top up at self accounting EDs/BRDs and UE at ASPs	500
6.2	Central Procurement - POL - Foreign	
	AOM	5000
	ACAS (Lgs)	1000
6.3	Local Procurement - POL	
	AOC-in-C	500
	SMSO / ACAS (Lgs) for units under Air Hqs	100
	AOC / Comdt (Self Accounting Units)	50
	Stn Cdr / CO / OC (Self Accounting Units)	25
Note.		
1. This includes powers for indenting and payment of ATF, FOL (Fuel, Oils and Lubricants) also.		

SCHEDULE – 7
ORDNANCE STORES
MAJOR HEAD 2078, MINOR HEAD – 110 G

SI No	Competent Financial Authority	Rs in Lakhs
7.1	Central Procurement - Ordnance stores - Indigenous (Scaled)	
	AOM	1000
	DG(Aircraft) / DG(System)	500
	SMSO / AOLM / AOES	200
	AOC/StnCdr/CO/OC of self-accounting ED/ASP/BRD - Only to top Up SSF at self-accounting EDs/BRDs and UE at ASPs	100
7.2	Central Procurement - Ordnance stores - Foreign (Scaled)	
	AOM	500
	DG(Aircraft) / DG(System)	200
7.3	Central Procurement - Ordnance stores - Indigenous / Foreign (Non-scaled / New item)	
	VCAS	100
7.4	Local Procurement - Ordnance stores	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air HQs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10

SCHEDULE – 8
CLOTHING STORES
MAJOR HEAD 2078, MINOR HEAD – 110 H

SI No	Competent Financial Authority	Rs in Lakhs
8.1	Central Procurement - Clothing stores - Indigenous (Scaled)	
	AOM	1000
	AOC-in-C (MC)	500
	ACAS (Lgs) / AOLM / AOES	300
	AOC 23ED (Mother Depot) / Stn Cdr & CO of Self accounting ASPs - To top up at self-accounting EDs/BRDs and UE at ASPs	200
8.2	Central Procurement - Clothing stores - Foreign (Scaled)	
	AOM	500
	ACAS (Lgs)	200
8.3	Central Procurement - Clothing stores - Indigenous / Foreign (Non-scaled / New item)	
	VCAS	100
8.4	Local Procurement - Clothing stores	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air Hqs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10
8.5	Stitching of clothing	
	AOES or AOLM / SMSO (Other Commands) / ACAS (Lgs) for units under Air Hqs	Full powers
	AOC / Comdt (Self Accounting Units)	50
	Stn Cdr / CO / OC (Self Accounting Units)	25

SCHEDULE – 9
OTHER MISC STORES
MAJOR HEAD 2078, MINOR HEAD – 110 J

SI No	Competent Financial Authority	Rs in Lakhs
9.1	Central Procurement - Other Misc stores - Indigenous (Scaled)	
	AOM	1000
	DG(Aircraft) / DG(System) / SMSO (MC)	500
	SMSO / AOLM / AOES	200
	AOC/StnCdr/CO/OC of self-accounting ED/BRD/ASP - To top up at self-accounting EDs/BRDs and UE at ASPs	100
9.2	Central Procurement - Other Misc stores - Foreign (Scaled)	
	AOM	500
	DG(Aircraft) / DG(System)	200
9.3	Central Procurement - Other Misc stores - Indigenous / Foreign (Non-scaled / New item)	
	VCAS	100
9.4	Local Procurement - Other Misc stores	
	AOC-in-C	100
	SMSO / ACAS (Lgs) for units under Air Hqs	50
	AOC / Comdt (Self Accounting Units)	25
	Stn Cdr / CO / OC (Self Accounting Units)	10

SCHEDULE – 10
INDIGENIZATION AND RESEARCH & DEVELOPMENT
MAJOR HEAD 2078, MINOR HEAD – 110 K

SI No	Competent Financial Authority	Rs in Lakhs
10.1	Research and Development through Private sector	
	VCAS / AOM / AOC-in-C (Hqs MC)	500
	AOC of ASTE / Commandant SDI	250
	AOC-in-Cs other than HQ MC	100
	AOC / CO of BRD / 402 AF Stn	50
10.2	Research and Development through government / autonomous R&D Organizations, In-House Defence agencies, professional / technical institutions like IITs, etc on Proprietary basis	
	VCAS / AOM / AOC-in-C (Hqs MC)	1000
	AOC of ASTE / Commandant SDI	500
	AOC-in-Cs other than HQ MC	200
	AOC / CO of BRD / 402 AF Stn	100
Note.		
- Expenditure should not overlap with DRDO Projects or Projects formed out of Joint Operations with DRDO. - The above powers also include items as under - - R&D of aircraft / weapon system oriented / experimental, trials, modification, trial of eqpt for project including manufacture of special tools and eqpt for aircraft weapon system, radars, missiles, communication systems and all test ground eqpt (including life extension studies) including Indigenization / Indigenous development of maintenance stores - Test and trials for experimental and development purpose and indigenous development of eqpt undertaken by IAF and other agencies - Test and trials for experimental and development purpose and indigenous development of eqpt undertaken by IAF and other agencies. - These powers also include Design and Development activities pertaining to Aircrafts, Platforms and consultancy services and will also cover following activities - - Model test analysis. - Software development and procurement for conducting tests. - Weapons, Electronics and System Integration. - Setting up of Software Engineering Environment / Procurement of Software tools		

10.3	Indigenization of Equipment / Simulators/ Training aids / Maintenance Stores & Spares, Development of modification Kits &Software / Development of Upgrades / Technology Insertion for Legacy / imported Items	
	VCAS / AOM / AOC-in-C (Hqs MC)	1000
	AOC-in-Cs other than HQ MC	500
	AOC of ASTE / Commandant SDI	200
	AOC / CO of BRDs / 402 AF Stn	100

SCHEDULE – 11
INFORMATION TECHNOLOGY
MAJOR HEAD 2078, MINOR HEAD – 110 L

SI No	Competent Financial Authority	Rs in Lakhs
11.1	Information Technology items / services	
	VCAS / AOC-in-C	1000
	DG (Air Ops) / SMSO(MC) / SASO / Comdt AFA	500
	Comdt SDI, ASTE, CAW	200
	ACAS (IT) / SMSO (Other Commands) / AOLM or AOES	100
	AOC / Commandant (Self accounting Units) - Air Cmde level	50
	Stn Cdr / CO / OC (Self Accounting Units) – Below Air Cmde level	20
Note. 1. These powers cover all kinds of IT procurement cases including as under - - IT / Systems Automation or any relevant IT related projects. - IT Main Hardware, IT Networking eqpts, IT peripherals / accessories. - IT / Systems / Application software (subject to AON by Command HQ / SHQ for units under SHQ). - IT-related networks, Internet facility, media connectivity including associated hardware and software and payment of networking/internet charges. - Software development and technical consultancy for IT projects (subject to AON by Command HQ / SHQ for units under SHQ). - IT Stationary and consumables. - Spares, up-gradation, repair and maintenance of items mentioned above. 2. Any new technology / item / services in IT field can also be procured.		
11.2	Training related to Information Technology	
	VCAS / AOC-in-C	500
	Comdt AFA	100
	Comdt SDI, ASTE & CAW	50
	AOC / Commandant (Self accounting Units) - Air Cmde level	10
	Stn Cdr / CO / OC (Self Accounting Units) - – Below Air Cmde level	2

SCHEDULE – 12
SECURITY SYSTEMS
MAJOR HEAD 2078, MINOR HEAD – 110 M & 800 C

SI No	Competent Financial Authority	Rs in Lakhs
12.1	Security Equipments / Items	
	AOA / AOC-in-C	1000
	Commandant AFA	100
	Commandant SDI, ASTE & CAW	50
	AOC / Comdt (Self accounting Units) - Air Commodore level	25
	Stn Cdr / CO / OC (Self Accounting Units) - Group Captain and below	10
Note.		
1. Above power includes procurement of all kinds of Security items, works, services, etc, which are considered essential for security of their respective area. However, the list of items, which can be procured by different CFAs, will be promulgated by each Service HQs.		

SCHEDULE – 13

MISCELLANEOUS AND CONTINGENT EXPENDITURE

MAJOR HEAD 2078, MINOR HEAD – 800 A, D, E, I, J, K & L

SI No	Competent Financial Authority	Rs in Lakhs
13.1	Misc and Contingent Expenditure	
	AOA / AOC-in C	Full Powers
	DG (Works & Cer), SOA / SAASO(MC) / Comdt AFA	200
	Comdt SDI, ASTE & CAW	100
	AOC / Commandant (Self accounting Units) at rank of Air Commodore / PD Org (Adm)	50
	Stn Cdr / CO / OC (Self Accounting Units) (Group Captain)	25
	Stn Cdr / CO /OC (Self Accounting Units) (Wing Cdr and below)	10
Note. 1. The above powers includes all kinds of contingent expenditure including as under - a. Procurement of all kinds of office equipment and related consumables and any other latest equipments required for day to day functioning of an office b. All kinds administrative support services related to office functioning c. Expenditure related to forms, printing, stationery, journals, legal fees, etc. d. Misc Expenditure incurred in connection with all kinds of ceremonial events. e. Welfare and amenity measures that help in the well being and morale of personnel. f. Any item/equipment needed for running of establishment.		
13.2	Procurement of Dogs	
	AOA	100
	CO, Air Force Dog School	20
13.3	Publicity and Advertisement	
	VCAS - through DAVP	Full Powers
	VCAS - through other Agencies	500
	AOC-in-C	100
13.4	Misc Expenditure incurred while on tour	
	CAS	20
	VCAS	10
Note. 1. Subject to an annual ceiling of Rs 100 lakhs for combined powers of CAS and VCAS. 2. These powers will be used to provide welfare measures / amenities for troop comforts.		

13.5	Meteorological facilities provided by Civil Departments	
DG Air (Ops)		100
ACAS (Met) / SASO / SAASO (MC)		50
AOC / Comdt Self Accounting Unit (Air Cmde) – Air Cmde level		10
StnCdr / CO / OC Self Accounting Unit – Below Air Cmde level		5
Note.		
1. Payments made to the meteorological department mainly for the supply of weather reports and other information and data relating to flying conditions.		

SCHEDULE – 14**OUTSOURCING OF SERVICES
MAJOR HEAD 2078, MINOR HEAD – 800**

SI No	COMPETENT FINANCIAL AUTHORITY	Rs in Lakhs
14.1	Outsourcing of Services	
	AOA / AOC-in-C	1000
	Commandant AFA	200
	SOA / SAASO(MC) / Commandant SDI, ASTE & CAW / ACAS (Org)	100
	AOC / Commandant (Self accounting Units) - Air Cmde level	50
	Stn Cdr / CO / OC (Self Accounting Units) – Below Air Cmde level	20
Note.		
1. Provisions of GFR are to be followed and will be carried out as per extant orders of MoD on this subject.		

SCHEDULE – 15
AERO SPACE SAFETY
MAJOR HEAD 2078, MINOR HEAD – 800 A (5)

SI No	Competent Financial Authority	Rs in Lakhs
15.1	Flight Safety items / services	
	DG (I&S) / AOC-in-C	1000
	SASO / SAASO	200
	AOC / Comdt (Self Accounting Units) – Air Cmde level and above	10
	Stn Cdr / CO / OC (Self Accounting Units) – Below Air Cmde	5

Note.

1. These powers cover procurement of all kinds of items / services for flight safety purposes including as under -

- a. Hiring of different kinds of mechanical transport / services to clear vegetation and environment control measures. Procurement of De-vegetation / vegetation control equipment / manual vegetation clearance implements.
- b. All kinds of anti-rodent measures, anti-wild life measures, disposal of carcass.
- c. All kinds of animal / bird scaring measures including surveys / study / accident / incident analysis by specialist bodies, specialized equipments, audio-visual equipments.
- d. Specialized flight safety equipments like AAIB Kits, OHR (Operational Hazard Report) Boxes, FOD (Foreign Object Damage) Bins etc for enhancing Flight Safety.
- e. All kinds of Publicity measures and associated Audio-visual equipments.
- f. Contingent expenditure on BHCT and accident investigation personnel.
- g. All associated expenditure incurred on above mentioned items like their recurring maintenance, consumables (including LPG/POL), electric eqpt, stationary items, etc.

SCHEDULE – 16
DISASTER MANAGEMENT BRICKS
MAJOR HEAD 2078, MINOR HEAD – 110 & 800

SI No	Competent Financial Authority	Rs in Lakhs
16.1	To replenish Disaster Management Bricks	
	AOM	500
Note.		
1. These powers are for replenishment / recouping / repairs of stores, forming part of Disaster Management brick.		

SCHEDULE – 17
TELE-COMMUNICATION
MAJOR HEAD 2078, MINOR HEAD – 800 F

SI No	Competent Financial Authority	Rs in Lakhs
17.1	Tele-Communication Items / Services	
	VCAS	1000
	AOC-in-C	500
	DG (Air Ops) / SASO / SMSO (MC)	200
	Commandant AFA / SDI / ASTE / CAW	100
	AOC / Comdt Self Accounting Unit (Air Cmde) – Air Cmde level	20
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	10

Note.

1. The above powers are meant for procurement of all kinds of communication items / technology / services and will also include as under –
 - a. All categories of Telephony and communication network equipments, Radio Access Network items, Telecom network / Telephone-related items, Media Secrecy Units, etc.
 - b. All kinds of payment related to Internet connectivity.
 - c. Telecom consultancy (design, optimization and audit) & training, power supply, environment control equipment, fire protection equipment, data centres, test equipment and tools etc.
 - d. Renting of circuits, INMARSAT, SATCOM and any other latest satellite - communication related items / services to meet operational requirements.
 - e. Any communication equipment / services necessitated due to improvements in technology.
2. Renting of circuits will be sanctioned only at Air Hqs / Command HQs. Operational circuits for purpose of Exercises, Overseas deployments, POGs etc can also be hired.

SCHEDULE – 18
TRAINING
MAJOR HEAD 2078, MINOR HEAD – 800

SI No	Competent Financial Authority	Rs in Lakhs
18.1.	ATG items	
	AOP / AOC-in-C	1000
	SAASO / SASO / Comdt AFA / ACAS (Trg)	100
	IAF Self Accounting Trg Establishment Commanded by Air Cmde & above	50
	IAF Self Accounting Trg Establishment commanded by Gp Capt & below	20
	AOC / Comdt Self Accounting Unit – Air Cmde level	10
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	5
Note.		
1. Includes all items related to training.		
18.2.	ETG items	
	ACAS (Edn) / PSOs at Command HQ	500
	AOC / Comdt Self Accounting Unit – Air Cmde level	50
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	25
Note.		
1. Includes all items related to Educational training / Books / Journals, etc		

18.3	Participation of Air Force personnel / Civil employees of IAF in Short-term Training courses, Seminars, Symposia, Workshops, Annual Conventions at civil / defence / professional / academic organizations and institutions in India	
	AOP / AOC-in-C	Full Powers
	Commandant AFA	50
	ACAS (Trg) / ACAS (P&C) / SOA / SAASO(MC) / Commandant SDI / ASTE / CAW	20
	AOC / Comdt Self Accounting Unit – Air Cmde level	10
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	10

Note.		
1. Training courses for 1 year and more will require approval of Govt.		
18.4	Organization of Seminar / Workshop / Conference / Training course in India	
	VCAS / AOC-in-C	Full Powers
	PSOs at Air HQ / Commandant AFA	200
	PSOs at Command HQ / Commandant SDI / ASTE / CAW	100
	AOC / Comdt Self Accounting Unit – Air Cmde level	20
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	5
Note.		
1. Powers to sanction expenditure for inviting Govt faculty / outside Guest speakers / experts for training courses will be as per DoPT rules.		
2. TA/DA for Govt faculty / outside Guest speakers / experts will be done as per DoPT rules.		
3. Includes procurement of training material for regular training and payment to guest faculty for travel/ lecture/ honorarium.		
4. Includes power to sanction expenditure towards Travel Fare, TA/DA and Honorarium to Non-Official / Civilian members of University Committees / Evaluation teams for visits to IAF Establishments for validation / re-validation of Accreditation/Affiliation of courses.		

SCHEDULE – 19
SPORTS AND ADVENTURE
MAJOR HEAD 2078, MINOR HEAD – 800 Q & S

SI No	Competent Financial Authority	Rs in Lakhs
19.1.	Sports and Adventure Items / Activities	
	AOA	2000
	AOC-in-C	1000
	DG (Wks&Cer) / SOA / SAASO (MC) / Commandant AFA, SDI, ASTE & CAW	100
	AOC / Comdt Self Accounting Unit – Air Cmde level	10
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	5
Note.		
1. It includes expenditure on sports and adventure activities, stores and equipment including adventure Arms and ammunition, propagation of organized sports and adventure activities etc.		

SCHEDULE – 20**CIVIL WORKS****MAJOR HEAD – 4076-03, MINOR HEAD – 202 – CONSTRUCTION WORKS****MAJOR HEAD – 2078, MINOR HEAD – 111 - WORKS**

SI No	Competent Financial Authority	Rs in Lakhs	
		Authorized Works	Special Works
20.1. Acceptance of Necessity and Administrative Approval			
	CAS	5000	250
	AOC-in-C	2000	100
	Commandant AFA	1000	50
	Commandant SDI / ASTE / CAW / ACAS (Works)	500	25
	AOC / Comdt Self Accounting Unit – Air Cmde level	250	10
	Stn Cdr / CO / OC Self Accounting Unit – Below Air Cmde level	50	2
20.2. Demolition of Buildings			
	CAS	1000	Nil
	AOC-in-C	500	Nil
Note.			
1. Powers mentioned in Defence Works Procedure stand amended to the extent mentioned above.			

SCHEDULE – 21
EMERGENCY POWERS

SI No	Competent Financial Authority	Rs in Lakhs
21.1	Emergency Procurement of all kinds of Stores / Eqpt / Veh, Hiring of Specialized services / manpower, Hiring of specialized machinery / equipment, all kinds of Transportation cases and any Misc / Contingent expenditure connected with Exercises / Operations	
	AOC-in-C	Full powers
Note.		
1. These powers will be applicable in the case of urgent / Op Immediate military necessity relating to Military preparedness to meet the eventualities such as war or war like situation, Natural Calamities, etc. The essence of delegating these powers is to expedite the procurement / repair of equipment / items / material / stores and provisioning of various services, urgently required for the successful conduct of the operation. 2. These powers will be exercised as and when Government notifies an event by way of a Government order declaring War, Hostility, Natural Calamity / Disaster, etc or when Raksha Mantri declares and orders Military preparedness for Emergency / Op-Immediate Military necessity. It will also be applicable as and when a proposal, mooted by hand by Service Chiefs, is approved by Raksha Mantri for immediate action to be taken in case of serious Accidents. 3. Once the approval of Raksha Mantri is given, SHQ will immediately convey the order to concerned C-in-C (CFA) for taking procurement action. The order will contain the essential requirements to be fulfilled by the C-in-C. Based on this, C-in-C will workout and approve the technical specifications, scope of work, quantity required for items, based on actual needs as deemed fit. 4. The procurement action will be taken by a 3-member Emergency Empowered Committee (EEC), on behalf of the CFA, consisting of the Chief of Staff / equivalent as Chairman, the Command IFA and a Technical / Logistics Member of the Command. The Chairman of EEC is empowered to co-opt any official / expert at his discretion only to assist EEC and not act as member. EEC will be fully empowered to take all decisions independently on all aspects at any stage of procurement (from issue of RFP, conducting technical examination, holding commercial negotiations, preparing draft Supply order / Contract, etc). Full flexibility will be available to EEC for completing procurement cycle at shortest possible time. Potential Bidders can be contacted and their response bids can be received through fastest possible means of communication like taking bids by hand or even by email / fax (if inescapable), shortening time for submission of bids to whatever is considered feasible for bidders to give their bids, etc. There will be no requirement for movement of files in EEC and every decision will be taken in a collegiate manner by recording of minutes for each stage of procurement i.e. issue of RFP, mode of bidding, technical evaluation, CST, commercial negotiation, draft Supply order / Contract, etc. In case of disagreement among the 3 members, directions will be sought from CFA and the EEC will act as per the decision of CFA. It is open for CFA to take oral / written clarifications from MoD / MoD (Fin) on any issue pertaining to procurement process / stage. 5. The EEC will promptly prepare its report and the same will be signed by all 3		

members. The Report will be submitted by EEC to the CFA on file. CFA will accord Expenditure Angle Approval of the procurement without any reference to any authority unless he himself desires to do so. After procurement cycle is completed, CFA will send a report on procurement undertaken under these powers to MoD through staff channels for record.

6. Though the empowered committee is to follow all existing regulations as per existing Govt orders / DPM on procurement of Goods / services, there could be occasions requiring deviations from DPM. Such deviations from DPM would be promptly put up by EEC to CFA for approval with adequate justifications. If in view of CFA, any delay in case will not be in interests of state, then he can approve deviations from DPM and the case can be processed further. However, once the case is finalized and action taken, a detailed report will be furnished by CFA to MoD giving detailed justifications for deviations from DPM. This report will be put up through staff channels to Raksha Mantri for his information.

SCHEDULE – 22
NON-PROCUREMENT POWERS

SI No	Competent Financial Authority	Rs in Lakhs / Period
22.1	Issue of Forecast Factor	
	VCAS / AOM	Full powers
	ACAS (Lgs) - For Non-Tech Store	Full powers
Note. 1. To be done as per IAP 1541		
22.2	Issue of Rate of Effort within Govt approved rates	
	VCAS	Full powers
22.3	Issue of Repair Task to IAF BRDs, PSUs and Repair Agencies	
	AOM	Full powers
	AOC-in-C (decentralized ranges)	Full powers
Note. 1. Includes task of repairs/overhauls for all government organizations (Other services like Army, Navy, Paramilitary forces and other government agencies) on book debit basis. 2. As per norms given in IAP 1541 leaflet 30 and 31.		
22.4	Decentralize indigenous Procurement normally undertaken centrally by Air HQs / HQs MC	
	VCAS / AOC-in-C Hq MC	500
Note . 1. To be resorted to on grounds of Administrative necessity and / or if an IAF repair depot is the AHSP for the item. Procurement would be done by Depot on specific authorization by Air HQs. 2. AOC-in-C (MC) to exercise power for decentralized ranges only.		
22.5	AOG / PHU / MCM requisition on DPSUs	
	AOC / Stn Cdr / CO / OC self accounting ED / BRD / AFLE	200
Note. 1. Powers are in respect of only Indigenous stores. 2. Requisition is to be followed by an order within 30 days.		

22.6	Extra Wharfage, Demurrage, container detention, Ground rent and other such charges for clearance of cargo	
	VCAS / AOM / AOC-in-C	100
	PSOs at Command Hqs / Commandant AFA, SDI, ASTE & CAW	50
Note.		
1. Payment will be made first by unit / Emb Hqs to the concerned port / air / railway authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA / CFA for according ex-post-facto concurrence / approval.		
2. Efforts should be made to avoid demurrage payments to the to the maximum extent possible.		
22.7	Issue of items on loan to Sellers / within service and to sister Defence services / Para-military forces / DPSUs and other Central / State Govt Agencies	
	VCAS / AOM / AOC-in-C	5 Years
	DG Air(Ops) / DG(Aircraft) / DG(System)	3 Years
	SMSO / ACAS (Lgs) / AOES / AOLM	2 Years
	AOC / Comdt / CO / OC of self accounting unit	1 Year
Note.		
1. The cases of EW, Armament and Secret equipment will be exercised by VCAS only. Issue of MT / Specialist Vehicles on Loan can be given by VCAS / AOC-in-C.		
2. Issue of Stores on Loan to Sellers can be done only against contracts for Design and Development by CFAs at Service HQs / C-in-C at Command Hqs.		
3. The Rules / Procedure governing the loan issue shall be followed as per IAP-1501.		
22.8	Declaration of Surplus / Obsolete Stores	
	VCAS / AOM / AOC-in-C	Full powers
Note.		
1. Powers of C-in-C are for decentralized ranges.		
2. Powers are to be exercised only for declaration of surplus if item is		
a. pre-mod or pre-upgrade		
b. Technically life expired		
c. System to which it belong is rendered obsolete		
3. As per guidelines in IAP 1541 leaflet 41 & AFO 19/2000		
22.9	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Govt organizations / PSUs	
	VCAS / DCAS / AOM / DG(I&S)	Full powers
	AOC-in-C	2000

	SMSO / AOES / AOLM	500
	AOC / Comdt of self accounting unit - Air Cmde and above	100
	Stn Cdr / CO / OC of self accounting unit - Below Air Cmde	5
22.10	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Private Sector	
	VCAS / DCAS / AOM / DG(I&S)	Full powers
	AOC-in-C	1000
	SMSO / AOES / AOLM	200
	AOC / Comdt of self accounting unit - Air Cmde and above	50
	Stn Cdr / CO / OC of self accounting unit - Below Air Cmde	2
22.11	Disposal of salvage	
	AOC / Stn Cdr / CO / OC (Self Accounting Unit)	Full powers
22.12	Relaxation of MRP	
	AOC-in-C	Beyond 50%
	AOC/Comdt/StnCdr/CO/OC (Self Accounting Units)	upto 50%
Note.		
1. MRP is to be fixed as per laid down Govt norms/orders		
22.13	Issue of technically life expired and declared obsolete weapon systems / components / items to government and private organizations / institutions for display / educational / CCD (Camouflage, Concealment and Deception) and decoy purposes.	
	Chief of the Air Staff	Full powers
22.14	Regularization of Audit Objections Arising Out of Breaches of Rules and Regulations when the Monetary Value of the Loss could be assessed in consultation with PCDA / CDA	
	VCAS / DCAS / AOM / AOP / AOA / DG(I&S)	10
	AOC-in-C	5
Note.		
1. In all cases of audit objections arising out of breaches of rules and regulations; efforts should be made to assess the loss/financial implication, if any, involved in the irregularity where the loss to the state or the financial implication involved can be computed the irregularity will be regularized in consultation with the PCDA/CDA. An illustrated list of the type of objections which may be regularized and this procedure is shown below -		
(a) Irregularities connected with Railway Warrants and Military Credit Notes e.g irregular issue of warrants military credit notes.		
(b) Non-production of receipted copies of issue vouchers of stores. Failure to trace in the ledgers credit in respect of receipt voucher.		

(c) Loss of auditable documents like car diaries, ration strength statements where the ceiling of the value of transaction involved can be assessed with reference to other connected accounts, e.g. with reference to the total value of POL issued or rations drawn during the period to which lost documents pertain.

(d) Irregularities connected with the use of M.T.

2. In the case of objections which involve loss to the state, efforts will be made to assess the actual/approximate financial value of the loss on some. These powers are to be exercised only if –

(a) The necessity for and the practicability of recovery has been considered by the CFA

(b) The irregularity does not disclose a defect in the rules or regulations the amendment of which requires the sanction of the Government vide Rule 157 FR Part I Vol I.

(c) The authorities concerned (or their predecessors) are themselves not personally responsible for the loss/ overpayment/ irregularity.

(d) Prior approval of the next higher financial authority shall be obtained in respect of cases mentioned at (c) above.

(e) Objections, which do not involve any loss to the State or when the monetary loss is not assessable, be referred to the respective Administrative Authorities/Head of the Branch at Air HQs for establishments under the direct administrative control of Air HQs.

(f) Copies of sanctions issued for the settlement of audit objections shall also be endorsed to the statutory Audit Officers concerned.

(g) The financial powers contained in these orders are to be utilized for regularization of cases outstanding as on date of issue of these orders.

(h) PCDA / CDA will report to the Govt of India cases in which the intention of this rule has been misapplied

22.15	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores Due to Theft, Fraud or Gross Neglect	
22.16	VCAS / DCAS / AOM / AOP / AOA / DG (I&S)	10
	AOC-in-C	7
	Commandant AFA / SDI / ASTE / CAW / SOA / SAASO / AOES or AOLM at Command Hqs / ACAS Lgs (For units under Air Hqs)	4
	ACAS (Accts) - (for writing off debit balance of non-effective IRLA)	
	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores <u>Not</u> Due to Theft, Fraud or Gross Neglect	
	VCAS / DCAS / AOM / AOP / AOA / DG(I&S)	50
	AOC-in-C	35
	Commandant AFA / SDI / ASTE / CAW / SOA / SAASO / AOES or AOLM at Command Hqs / ACAS Lgs (For units under Air Hqs)	20
	ACAS (Accts) - (for writing off debit balance of non-effective IRLA)	

Self Accounting units (AOC/Comdt/CO/OC) Commanded by-	
(a) Air Commodore	10
(b) Group Captain	7
(c)Wing Commander	5

Note For Sl. No. 22.15 & 22.16.

1. The above powers include as follows –
 - a. Irregularities connected with use of MT, Railway warrants and military Credit notes e.g. Irregular issue of warrants / Military Credit notes, loss of auditable documents, irregularities with respect to MC Notes.
 - b. Non-production of receipted copies of issue voucher of stores and failure to trace credits in the ledgers in respect of receipt vouchers.
 - c. Regularization of deficiencies of stores revealed at the time of stock-taking.
 - d. Erroneous expenditure in respect of deployment of manpower.
2. These powers may also be exercised in respect of DSC personnel attached to Air force units.

ISP-2015

IDS

SCHEDULE

OF POWERS

2015

SCHEDULE – 1
MAINTENANCE, REPAIRS / REFITS (SHIPS & SUBMARINES)
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
	Offloading Repairs and Refits of I.N. Ships / Submarines / Yard craft / Vessels / Floating Dry Dock including their Machinery / Equipment / Armament / Components	
1.1	Through PSU / Port Trust Authority / Defence Organizations / Work Shops	
	CISC	8000
	C-in-C	4000
	NOIC	1000
	NSRY	400
	Cmdt TSIs / ISOs	20
1.2	Through Private Sector	
	CISC	7000
	C-in-C	3000
	NOIC	500
	NSRY	300
	Cmdt TSIs / ISOs	10
1.3	Abroad when Ships / Submarines are in Foreign waters	
	CISC	1000
Note.		
1. These powers are to be exercised only when capacity for repairs is not available with Navy's workshops and Dockyards / NSRY. While entrusting the work to private firms provisions of Regulations 4411 of Regulations (Navy) Part-I Non-statutory are to be adhered to. Powers to be utilized for refits as promulgated by IHQ MoD (Navy). 2. Sl 1.2 will also include repairs by OEMs abroad.		
1.4	Dry Docking & Berthing of I.N. Ships / Submarines / Yard Craft / Vessel in Commercial Yards / Port Trust / PSUs	
	CISC	1500
	C-in-C	1000
	NSRY / CSY	100

Note.		
	1. These powers are to be exercised only when capacity for repairs is not available with Navy's / IDS's Workshops and Dockyards / NSRY.	
	2. On each occasion of docking / berthing per ship.	
	3. To cover all expenditure of dry docking/ alongside berthing of a ship, bottom cleaning, painting and attendant charges for services supplied (ie electricity, water, drainage, removal of garbage, arranging of blocks, etc.) on each occasion dry docking and/or alongside berthing in commercial yards/ berths is to be authorized only when facilities cannot be provided by the Navy at the ports concerned.	
	Emergency repair of IN ships / submarines / equipment / vessels / craft in cases where fighting or sea going efficiency is impaired	
1.5	Through PSUs / Port Trust Authorities / Private Sector	
	CISC	1500
	C-in-C	1000
	NOIC	400
	NSRY / CSY	200
	COs of Ships/Submarines	10
1.6	Abroad when ships / submarines are in foreign waters	
	CISC	1000
Note.		
1. These powers are to be exercised in cases of extreme operational exigency when the fighting / sea going efficiency of the ship is seriously affected.		
1.7	Addition and Alterations (As&As)	
1.8	CISC	1000
	C-in-C	500
	NSRY / CSY	50
	Modifications to Machinery / Equipment including Procurement of Mod Kits / Software Upgrades.	
	CISC	1000
	C-in-C	500
	NSRY / CSY	100
Note.		
1. All cases of As&A would be approved by Hqs IDS after concurred by IHQ (Navy).		
2. The estimates of cost of additions and alterations should include the cost of labour and material and over heads.		

SCHEDULE – 2
REPAIRS / REFITS (AIRCRAFTS)
MAJOR HEAD 2077, MINOR HEAD – 112 C

SI No.	Competent Financial Authority	Rs in Lakhs
	Offloading Survey, Repair and Overhaul of Aircraft, UAV, Drone, PTA, etc. Including their Engines, Equipment, Components	
2.1	Through PSU / Civil Aviation Authority	
	CISC / C-in-C	3000
	COS or Dy C-in-C / MS	800
	Cmdt TSIs / ISOs	100
	COs of Air Stations (Army, Navy, Airforce)	50
2.2	Through Private Sector	
	CISC / C-in-C	2000
	COS or Dy C-in-C / MS	400
	Cmdt TSIs / ISOs	100
	COs of Air Stations (Army, Navy, Airforce)	20
2.3	Abroad on operation / transit / ships in foreign waters	
	CISC	1000
2.4	Pre Survey of Aircraft through PSU / Private Sector	
	CISC	1000
	C-in-C	500
	NAY	100
	COs of Air Stations	30
2.5	Pre-Survey of Aircraft through Foreign Manufacturer	
	CISC	200
Note.		
1. These powers are to be exercised only when defective equipment and stores cannot be repaired in Aircraft Yard / Base Support Facilities owing to limited capacity.		
2. In case the total amount of initial and supplementary sanction exceeds the power of CFA, sanction of next higher CFA to be issued for the supplementary work.		
3. Para 2.2 will also include repairs through OEM abroad.		
2.6	Alteration, Addition and Modification to Items affecting an individual Aircraft, UAV, Drone, PTA etc. and their Equipment / Components	

	CISC	1000
	C-in-C	500
	NAY	100
Note.		
1. All As&A shall be approved by Hqs IDS after concurrence from respective services. 2. Includes development, modification for import substitution & trials of new equipment on aircraft.		

SCHEDULE – 3
MISCELLANEOUS REPAIRS
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
3.1	Items fitted / held in stock in Ships / Submarines, Shore establishments, Dockyards, Repair Yards / Organizations / Facilities / Units	
	CISC	1000
	C-in-C	500
	CLOGO / Budget Controller of Command / Cmdt TSIs / ISOs (Maj Gen and above)	50
	COs Technical position & Technical Establishments, / ADGSI	30
	NSRY / MS / WED / NAY / NAD / NAI / OC / CO's Wkshops / Depots / Coys / Repair Teams	20
	COs of Ships/ Units (Army, Navy, Airforce) / Establishment	5
Note.		
1. These powers can be exercised provided it is not economical to get the stores / equipment repaired through the nearest Repair Organization or owing to limited capacity / expertise. 2. Repairs abroad to be undertaken only under Hqs IDS powers. 3. Replacement of Yard Equipment is to be recommended by a Board of Officers and concurred by IHQ MoD (Navy) to enable maintenance of existing capacity level. 4. Yard Eqpt/facilities include Dry Docks with associated machinery including Dock gates, Flap gates, Caissons, Pontoons etc. Ship lifts System with associated machinery and systems. Workshop Machinery such as Cranes, Forklifts, Lathes, Milling machines, Machining centres, MHEs, Electrical Transmission Eqpt, Test benches / CRETE / ATEs / Static Service installations including pipelines, cabling, hydrants, Switchboards, Junction boxes, etc. Other installations in Dockyards, Aircraft Yards, Workshops and Repair Organizations / shore establishments which require periodical / regular maintenance.		

SCHEDULE – 4
MISCELLANEOUS AND CONTINGENT EXPENDITURE
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs In Lakhs
4.1	Miscellaneous and Contingent expenditure	
	CISC / C-in-C	Full Powers
	DGDIA / Cmdt TSIs / ISOs (Lt Gen equivalent)	200
	Cmdt TSIs / ISOs (Maj Gen equivalent) / CLOGO / Budget Controller of Command / MS / NOIC, Component Cdr Army / Navy / Air Force / AOC / Bde Cdr	100
	DACIDS (Adm&Coord) / Cmdts TSIs / ISOs (Brig equivalent) / CSY / MS / NSRY / NAD / NAY / FMU / NAI / BVO / DDGSI / DSI Zones	50
	COs of Ships / Units (Army, Navy, Airforce) / Estt / OCs (Rank of Col and equivalent)	25
	COs of Ships / Units (Army, Navy, Airforce) / Estt / OCs (Rank of Lt Col and equivalent and below)	10
Note. 1. The above powers includes all kinds of contingent expenditure including as under - - Procurement of all kinds of office equipment and related consumables and any other latest equipments required for day to day functioning of an office. - All kinds of administrative support services related to office functioning. - Expenditure related to forms, printing, stationery, journals, legal fees, etc. - Misc Expenditure incurred in connection with all kinds of ceremonial events. - Welfare and amenity measures that help in the well being and morale of officers / staff / troops. - Any item / equipment needed for running of establishment.		
4.2	Misc Expenditure while on tour	
	CISC	10
Note. 1. Subject to an Annual Ceiling of Rs 50 Lakhs. 2. These powers will be used to provide welfare measures and amenities for troop comfort.		
4.3	Publicity and Advertisement	
	CISC through DAVP	Full Powers
	CISC through sources other than DAVP	500

	C-in-C	100
4.4	Reciprocal Hospitality during Foreign Naval Ships Visit to Indian Ports	
	C-in-C	2
	COS / NOIC / Component Cdr Army / Navy / Airforce	0.50
	Note. 1. Powers are per foreign naval ship per Indian port.	
4.5	Gifts on occasion of Foreign Naval Ships visit to Indian Ports	
	C-in-C	1
	COS / NOIC	0.15
	Note. 1. Powers are per foreign naval ship per Indian port.	

SCHEDULE – 5
TELE-COMMUNICATION
MAJOR HEAD 2077, MINOR HEAD – 112 C

SI No.	Competent Financial Authority	Rs in Lakhs
5.1	Tele-Communication Items / Services	
	CISC	1000
	C-in-C	500
	COS or Dy C-in-C	200
	Comdt TSIs / ISOs (Maj Gen & Above) / ADGSI / NOIC	100
	Component Cdr (Navy/ Army/ Airforce), Bde Cdr / AOC / Comdt TSIs / ISOs (Brig and equivalent level) / DDGSI / DSI (Zones) / DACIDS (Adm&Coord)	20
	CO's of Ships / Units (Army, Navy, Airforce) / Establishment / Directors / Oi/Cs - Col and equivalent and below	10
Note. 1. The above powers are meant for procurement of all kinds of communication items / technology / services and will also include as under – a. All categories of Telephony and communication network equipments, Radio Access Network items, Telecom network / Telephone-related items, Media Secrecy Units, etc. b. All kinds of payment related to Internet connectivity. c. Telecom consultancy (design, optimization and audit) & training, power supply, environment control equipment, fire protection equipment, data centres, test equipment and tools etc. d. Renting of circuits, INMARSAT, SATCOM and any other latest satellite - communication related items / services to meet operational requirements. e. Any communication equipment / services necessitated due to improvements in technology. 2. Renting of circuits will be sanctioned only at Hqs IDS / Command HQs. Operational circuits for purpose of Exercises, Overseas deployments, POGs etc can also be hired.		
5.2	Intelligence stores / equipment	
	DGDIA	100
	ADGSI	50
	DDGSI / DSI (Zones)	10
	OC Units	1

SCHEDULE – 6
OUTSOURCING
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
6.1	Outsourcing of services	
	CISC / C-in-C	1000
	COS or Dy C-in-C / Cmdts TSIs / ISOs (Lt Gen equivalent)	200
	Compo Cdr Air Force / Navy / Army / Bde Cdr NOIC / Cmdts TSIs / ISOs (Maj Gen equivalent)	100
	MS / NSRY / CSY / NAY / NAI / OIC / Commandant TSIs / ISOs / JSOs (Brig level)/ DDGSI / DSI (Zones) COs Ships/ Units (Army, Navy, Airforce), Shore Establishment (Brig equivalent) / DACIDS (Adm&Coord)	50
	COs Ships/ Units (Army, Navy, Airforce), Shore Establishment - (Col equivalent and below)	20
Note.		
1.Provisions of GFR are to be followed and will be carried out as per extant orders of MoD on this subject.		

SCHEDULE – 7
SECURITY
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
7.1	Security items / services	
	CISC / C-in-C	1000
	DGDIA / Comdt TSIs / ISOs (Lt General equivalent)	100
	Comdt TSIs / ISOs (Major General equivalent)	50
	MS / NSRY / NAD / NAY / CSY / NAI / OiC / DDG SI / DSI (Zones) / BVO / Comdt TSIs / ISOs (Brigadier equivalent)	25
	COs of ships, Units (Army, Navy, Airforce) and COs / Oi/C / Directors of establishment	10
Note.		
1. Above power includes procurement of all kinds of Security items, works, services, etc, which are considered essential for security of their respective area. However, the list of items, which can be procured by different CFAs, will be promulgated by each Service HQs.		

SCHEDULE – 8
ANNUAL TRAINING GRANT / GETG / LIBRARY GRANT
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
8.1	Annual Training Grant / General Education Training Grant / Library Grant	
	DCIDS / C-in-C	1000
	COS or Dy C-in-C / Comdt TSIs (Lt Gen equivalent)	200
	ADGSI / Comdt TSIs (Maj Gen equivalent)	100
	Comdt TSI (Brig equivalent)	50
	NOIC / Component Cdrs (Army/Navy / Airforce) / AOC / Bde Cdr	15
	COs / OCs of Ships / Units (Army, Navy, Airforce) / Shore Establishments – Brig equivalent and above	10
	COs/OCs of Ships / Units (Army, Navy, Airforce) / Shore Establishments - Col equivalent and below	5
Note. 1. It will include expenditure on training education services and libraries related items. 2. It will include expenditure related to creation/ maintenance of libraries/ e-libraries/ educational resource centres, printed/ digital publications, examinations/ evaluations, implementation of official language, conduct of educational activities, distance education, e-learning, opinion polls, language courses, and skill development, including outsourcing of the above to private agencies. 3. Powers for creation of libraries shall be exercised only at Hqs IDS, with no fresh accretion of manpower.		

SCHEDULE – 9
SPORTS AND ADVENTURE
MAJOR HEAD 2077, MINOR HEAD – 112

Sl. No.	Competent Financial Authority	Rs in Lakhs
9.1	Sports and Adventure items and activities	
	CISC	2000
	C-in-C	1000
	COS or Dy C-in-C / Comdt TSIs & ISOs (Lt Gen equivalent)	100
	Comdt TSIs & ISOs (Maj Gen equivalent)	50
	Component Cdr (Army / Navy / IAF) / Bde Cdr / AOC / NOIC / MS / NSRY / Comdt TSIs / ISOs (Brig & below) / DDGSI / DSI Zone / DACIDS (Adm&Coord)	10
	CO Ships / Units (Army, Navy, Airforce) / Estt Units / OiC / Directors of Trg Estab	5
Note.		
1. It includes expenditure on sports and adventure activities, stores and equipment including adventure Arms and ammunition, propagation of organized sports and adventure activities etc.		

SCHEDULE – 10
AEROSPACE SAFETY
MAJOR HEAD 2077, MINOR HEAD – 112

Sl. No.	Competent Financial Authority	Rs in Lakhs
10.1	Flight safety items / services	
	CISC / C-in-C	1000
	COS / Dy C-in-C	200
	COs of Army Aviation Units / Naval Air Stations, Airforce Station, Aircraft Carriers / Helicopter capable Ships	10
1. These powers cover procurement of all kinds of items / services for flight safety purposes including as under - - Hiring of different kinds of mechanical transport / services to clear vegetation and environment control measures. Procurement of De-vegetation / vegetation control equipment / manual vegetation clearance implements. - All kinds of anti-rodent measures, anti-wild life measures, disposal of carcass. - All kinds of animal / bird scaring measures including surveys / study / accident / incident analysis by specialist bodies, specialized equipments, audio-visual equipments. - Specialized flight safety equipments like AAIB Kits, OHR (Operational Hazard Report) Boxes, FOD (Foreign Object Damage) Bins etc for enhancing Flight Safety. - All kinds of Publicity measures and associated Audio-visual equipments. - Contingent expenditure on BHCT and accident investigation personnel. - All associated expenditure incurred on above mentioned items like their recurring maintenance, consumables (including LPG/POL), electric eqpt, stationary items, etc.		

SCHEDULE – 11
INDIGENIZATION AND RESEARCH & DEVELOPMENT
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
11.1	Indigenization of Equipment / Simulators / Training aids / Maintenance Stores & Spares, Development of modification Kits & Software / Development of Upgrades / Technology Insertion for Legacy / imported Items / Equipment	
	CISC	1000
	DCIDS / C-in-C / DGDIA	500
	NOIC / MS / NAD / WED / NAY / NSRY	100
11.2	Research and Development through Private sector	
	CISC	500
	C-in-C	100
	Comdt TSI / ISO (Maj Gen equivalent and above)	50
11.3	Research and Development through government / autonomous R&D Organizations, In-House Defence agencies, professional / technical institutions like IITs, etc on Proprietary basis	
	CISC	1000
	C-in-C	200
	Comdt TSI / ISO (Maj Gen equivalent and above)	100
Note for 11.2 & 11.3.		
1. These powers include Design and Development activities pertaining to Warships, Aircrafts, Army Special Vehicle, Platforms and consultancy services and will also cover the following activities - (a) Model test analysis, (b) Software development and procurement for conducting tests, (c) Weapon System Integration, (d) Setting up of Software Engineering Environment / Procurement of Software tools and (e) Other D&D activities of interest for 3 services / JSDs / ISOs 2. Includes expenditure on manufacture / fabrication, Procurement or issue of stores / spares / eqpt / other articles for experimental purposes/ test & trials covering essential applied research which are of interest to or are in use in the three services / joint staff, or for expediting production / developing indigenous source, etc. 3. To include offloading Design / Development to academic institutions / Research Labs. 4. Expenditure should not overlap with DRDO Projects or Projects formed out of Joint Operations with DRDO.		

SCHEDULE – 12
TRAINING
MAJOR HEAD 2077, MINOR HEAD – 112 C

Sl. No.	Competent Financial Authority	Rs in Lakhs
12.1	Organization of Seminar / Workshop / Conference / Training course in India	
	CISC / C-in-C	Full Powers
	DCIDS / DGDIA / Cmdt Training Est (Lt Gen and equivalent)	200
	COS / Dy C-in-C / Cmdt Training Est (Maj Gen and equivalent)	100
	Non-training Organizations headed by Maj Gen and equivalent	50
	MS / NSRY / NAD / WED / NAY / CSY / FMU / NAI / NOIC / Component Cdr Army / Navy / Air Force / AOC / Bde Cdr, Cmdt TSIs / ISOs - Brig and equivalent	20
	COs of training ships / Shore establishments / Units (Army, Navy, Airforce) / Air Sqn / Hospital ships	5
Note.		
1. Powers to sanction expenditure for inviting Govt faculty / outside Guest speakers / experts for training courses will be as per DoPT rules.		
2. TA/DA for Govt faculty / outside Guest speakers / experts will be done as per DoPT rules.		
3. Includes procurement of training material for regular training and payment to guest faculty for travel/ lecture/ honorarium.		
4. Includes power to sanction expenditure towards Travel Fare, TA/DA and Honorarium to Non-Official / Civilian members of University Committees / Evaluation teams for visits to IDS ships / Establishments for validation / re-validation of Accreditation/Affiliation of courses.		
12.2	Participation of Service personnel / Civil employees of IDS in Short-term Training courses, Seminars, Symposia, Workshops, Annual Conventions at civil / defence / professional / academic organizations and institutions in India	
	CISC / C-in-C	Full Powers
	DCIDS / DGDIA / Cmdt Training Est (Lt Gen and equivalent)	50
	COS / Dy C-in-C / Cmdt Training Est (Maj Gen and equivalent)	20
	Non-training Organizations headed by Maj Gen and equivalent	10
	MS / NSRY / NAD / WED / NAY / CSY / FMU / NAI / NOIC / Component Cdr Army / Navy / Air Force / AOC / Bde Cdr, Cmdt TSIs / ISOs - Brig and equivalent	2
Note. 1. Training courses for 1 year and more will require approval of Govt.		

SCHEDULE – 13
TRANSPORTATION
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
13.1	Transportation	
	CISC / C-in-C	1000
	COS / Dy C-in-C	200
	Cmdt TSIs / ISOs (Maj Gen equivalent and above)	100
	NOIC / NAD / NSRY / CSY / NAY / NSD, NAI / Component Cdr Army / Navy / Air Force / AOC / Bde Cdr / Cmdt TSIs / ISOs Brig equivalent / MS / DDGSI / DSI (Zones) / CLOGO / Budget Controller of Command / DACIDS (Adm&Coord)	50
	COs Ships / Shore Est / Units (Army, Navy, Airforce)	10
1. These powers will cover all types of transportation cases including as under – - Hiring of civil transport, when service transport is not adequate or not available. - Hiring of different kinds of specialized vehicles, material handling equipment, mechanical transports, water transport, animal transport, etc, whatever is considered essential by the organizations for performing their tasks. - Airlift / shipping of stores from & to abroad and within the country. - Dispatch of items through specialized courier / post office. - Technical storage charges and expenditure in connection with loading / unloading of goods. - Incidental charges associated with transportation like insurance premium, handling charges, etc. - Port charges for berthing ships in ports. 2. Depending upon the need and convenience, it will be open for the organization / user to decide on the mode of transport irrespective of it not being the cheapest mode.		
13.2	Hiring of Vessels / Boats / Yard crafts and associated equipment	
	C-in-C	2000
	COS / Dy C-in-C	100
	NOIC / NSRY	20
Note. 1. Includes hiring for Harbour Patrols / Force protection / Coastal Security, etc.		

SCHEDULE – 14

VICTUAL STORES

MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
14.1	Galley Equipment	
	CISC / C-in-C	5000
	Cmdt of TSIs / ISOs Maj Gen equivalent & above	20
	CSO ((P&A) / LAP) / NOIC	10
	COs of Ships and COs/OIC/Director of Establishment	2
14.2	Victual Stores	
	CISC / C-in-C	10000
	Cmdt of TSIs / ISOs Maj Gen equivalent & above / CSO ((P&A) / LAP)	200
	CLOGO or Command Budget holder / BVO	50
	COs of ships and COs/ OIC / Director of establishment	5
Note.		
1. To procure those items authorized by scale and not supplied by Govt source of supply.		
2. These will also include Procurements at foreign ports and at such Indian ports/ stations where no Govt organization exists.		
3. Includes supply of fresh water to ships and establishments.		
14.3	Provisions to BV Yards / Establishments and Outlying units	
	CISC / C-in-C	Full Powers
	CSO (P&A) / LAP)	400
	NOIC	200
	BVO / Cmdt of TSIs / ISOs Maj Gen equivalent & above	100
	Note.	
1. For items authorized as per scale and not provided by Govt source of supply.		

14.4	Sieving / Fumigation, Irradiation, Pest control, Cleaning of infested stocks of milled products, Cleaning of rice, etc.	
	CISC / C-in-C	Full powers
	Cmdt of TSIs / ISOs Maj Gen equivalent & above / CLOGO / Budget Controller of Command	50
	Cmdt of TSIs / ISOs Brig equivalent / Compo Cdr Air Force, Army, Navy / AOC / Bde Cdr / NOIC / BVO	5
	COs of Ships, Shore Estb, Units (Army, Air Force, Navy) / DDGSI / DSI Zones	1

SCHEDULE – 15
NAVAL STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
15.1	Central Procurement - Naval Stores / Spare Parts / Equipment - Indigenous	
	CISC	3000
	COS / Dy C-in-C	1200
	MS	800
15.2	Central Procurement - Naval Stores / Spare Parts / Equipment - Foreign	
	CISC	2500
	COS / Dy C-in-C	800
	MS	400
15.3	Local Procurement - Naval Stores / Spare Parts / Equipment	
	C-in-C	100
	CSO ((P&A) / LAP)	50
	MS	30
	Comdt TSIs / ISOs (Brig equivalent) / NAD / WED / NSD / NAY / NSRY / NAY	10
	COs Ships / Estt / Units (Army, Navy, Airforce) / OiC	5
Note. 1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority. 2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot. 3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		

SCHEDULE – 16
ARMAMENT STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
16.1	Central Procurement - Armament Stores / Spare Parts / Equipment - Indigenous	
	CISC	3000
	NAD	1000
16.2	Central Procurement - Armament Stores / Spare Parts / Equipment - Foreign	
	CISC	2500
	NAD	500
16.3	Local Procurement - Armament Stores / Spare Parts / Equipment	
	C-in-C	100
	CSO ((P&A) / LAP)	50
	NAD / WED / NSD / NAY / NSRY / NOIC / Component Cdr Army / Air Force/ Navy / Brig Cdr / AOC / DSI Zones	10
	COs Ships / Estt / Units (Army, Navy, Airforce) / OiC / Dir of establishments	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority.		
2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		

SCHEDULE – 17
CLOTHING STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
7.1	Central Procurement - Clothing Stores including Mess Traps	
	CISC	1000
	COS / Dy C-in-C	200
	MS	100
Note.		
1. Hqs IDS may promulgate guidelines to identify the list of items to be procured by each MS		
17.2	Local Procurement of Clothing including Mess Traps	
	C-in-C	200
	CSO (P&A/LAP)	100
	Cmdt TSIs / ISOs (Maj Gen equivalent & above) / BVO / NOIC	50
	MS / Cmdt TSIs / ISOs (Brig equivalent)	10
	COs of ships and COs (Army,Navy, Airforce) / OiC / Director of establishment	1
17.3	Sewing of Uniforms, Clothing and initial addition / alteration, washing, repairing & re-stuffing troops, bedding, cobbler contracts, preservation of equipment / stores / machinery	
	C-in-C	Full Powers
	Cmdt TSIs / ISOs (Maj Gen & above) / CSO (P&A/LAP)	200
	NOIC	20
	BVO / COs of Ships and COs (Army,Navy, Airforce) / OiC / Director of Establishment	10
	NSRY	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by competent authority.		
2. Local procurement will be resorted to only after obtaining non-availability certificate from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots which may stock upto 6 months requirement.		
4. Rate contracts to include contracts for tailoring and washing for Comdt Training Establishments.		

SCHEDULE – 18
MT / SPECIALIST VEHICLES AND STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
	Central Procurement - MT / Specialist vehicles and stores	
18.1	Central Procurement - MT / Specialist vehicles and stores - Indigenous (Scaled)	
	CISC	1000
18.2	Central Procurement - MT / Specialist vehicles and stores - Foreign (Scaled)	
	CISC	750
18.3	Central Procurement - MT / Specialist vehicles and stores - Indigenous / Foreign (Non Scaled / New item)	
	CISC	100
Note.		
1. Procurement of MT/Specialist Vehicles will be done only at HQIDS which will be subject to latest austerity measures issued by MoF on the subject and regulated in terms of MoD (Fin) instructions as issued from time to time. 2. Specialist vehicles will also include items like Nitrogen charger plants, Oxygen charger, Air jet starter, SAT, GPU, HST, Truck fork lifter, Refueller, Water tender lorry, Heavy tractor, Light tractor, MM van, Station wagon, Water trailer, DFT, CFT, etc among other specialist vehicles.		
18.4	Local Procurement – MT Stores	
	C-in-C	100
	COS / Dy C-in-C / Cmdt TSIs / ISOs (Maj Gen equivalent & above)	50
	CLOGO or Command Budget holder / NSRY / NAY / MS / WED / NAD / Cmdt TSIs / ISOs (Brig equivalent)	20
	OC EME Bn / CO / OC Repair Units / Workshops / Depots (Army, Navy, Airforce)	10
	CO Ships / Units (Army, Navy, Airforce) / Establishments	5
Note.		
1. Powers also include for modification of Class A & C / specialist vehicles and associated equipment to meet operational & technical needs but will be exercised only by Command Hqs.		

SCHEDULE – 19
WEAPON STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
19.1	Central Procurement - Weapon Stores / Spare Parts / Equipment - Indigenous	
	CISC	3000
19.2	Central Procurement - Weapon Stores / Spare Parts / Equipment - Foreign	
	CISC	2500
19.3	Local Procurement - Weapon Stores / Spare Parts / Equipment	
	C-in-C	100
	CSO ((P&A) / LAP)	50
	NAD / WED / NSD / NAY / NSRY / NOIC	20
	COs of ships and units (Army, Navy, Airforce) / OIC / Directors of Establishment	5
Note.		
1. Articles so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by the competent authority.		
2. Local procurement will be resorted to on indication of non-availability from the nearest Store Depot.		
3. Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots who can stock upto 6 months requirements.		

SCHEDULE – 20
AVIATION STORES
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
20.1	Central Procurement - Aviation stores / Spare Parts / Equipment - Indigenous	
	CISC	3000
	COS / Dy C-in-C	1000
	MS	500
20.2	Central Procurement - Aviation stores / Spare Parts / Equipment - Foreign	
	CISC	2500
	COS / Dy C-in-C	500
	MS	250
20.3	Local Procurement - Aviation stores / Spare Parts / Equipment	
	C-in-C	100
	MS	30
	Cmdt TSIs / ISOs (Lt Gen equivalent)	20
	Cmdt TSIs / ISOs (Maj Gen equivalent) / NAY	10
	COs Ships / Station Cdr / COs of Aviation Units	5
Note.		
1.	Articles (Stores / Spare Parts / equipments) so procured shall be those authorized for use in the service and shall be for measures already sanctioned or approved by competent authority.	
2.	Local procurement will be resorted to only after obtaining non-availability certificate from the nearest Store Depot.	
3.	Local procurement is to be confined only to minimum urgent requirements and not for stock purpose, except in the case of Store Depots which may stock upto 6 months requirement.	

SCHEDULE – 21
DISASTER MANAGEMENT BRICKS
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
21.1	To Replenish Disaster Management Bricks	
	CISC	500
Note.		
1. These powers are for replenishment / recouping / repairs of stores, forming part of Disaster Management brick.		

SCHEDULE – 22
INFORMATION TECHNOLOGY
MAJOR HEAD 2077, MINOR HEAD – 112 D

Sl. No.	Competent Financial Authority	Rs in Lakhs
22.1	Information Technology Items / Services	
	CISC / C-in-C	1000
	DCIDS / DGDIA	500
	COS or Dy C-in-C / Comdt TSIs (Lt Gen equivalent)	200
	Comdt TSIs / ISOs (Maj Gen equivalent) CSO (P&A) / LAP / MS	100
	NSRY / CSY / NAD / WED / NAI Comdt TSIs / ISOs (Brig equivalent) Component Cdrs (Army/ Navy/Air Force) / AOC / Bde Cdr DDGSI / DSI Zones DACIDS (Adm & Coord)	50
	CO's of Ships / Units (Army, Navy, Airforce) / Shore Establishments / OiCs - Below Brig level	20
Note. 1. These powers cover all kinds of IT procurement cases including as under - a) IT / Systems Automation or any relevant IT related projects. b) IT Main Hardware, IT Networking eqpts, IT peripherals / accessories. c) IT / Systems / Application software (subject to AON by Command HQ / SHQ for units under SHQ). d) IT-related networks, Internet facility, media connectivity including associated hardware and software and payment of networking / internet charges. e) Software development and technical consultancy for IT projects (subject to AON by Command HQ / SHQ for units under SHQ). f) IT Stationary and consumables g) Spares, up-gradation, repair and maintenance of items mentioned above. 2. Any new technology / item / services in IT field can also be procured.		
22.2	Training related to Information Technology	
	CISC / C-in-C	500
	Comdt TSIs (Lt Gen equivalent)	100

Comdt TSIs (Maj Gen equivalent)	50
Comdt TSIs / ISOs (Brig equivalent) / DDGSI / DSI Zones / Component Cdrs (Army/ Navy/Air Force) / AOC / Bde Cdr MS / NSRY / NAD / WED / NAI	10
CO's of Ships / COs / OiCs / Units (Army, Navy, Airforce) / Director of Establishments	2

SCHEDULE – 23

CIVIL WORKS

MAJOR HEAD 4076-02, MINOR HEAD 202 - CONSTRUCTION WORKS

MAJOR HEAD 2077, MINOR HEAD – 112 F

SI No	Competent Financial Authority	Rs in Lakhs	
		Authorized Works	Special Works
23.1	Acceptance of Necessity and Administrative Approval		
	CISC	4000	200
	C-in-C	2000	100
	Cmdts TSIs / ISOs (Lt Gen equivalent)	1000	50
	Cmdts TSIs / ISOs (Maj Gen equivalent) / ACIDS (FP)	500	25
	Component Cdr Army, Navy, Airforce Org / Estabs / Cmdts TSIs / ISOs (Brig equivalent) DDG SI / DSI (Zones) / NOIC / Cdr Sub Area / Bde Cdr / AOC (Brig equivalent) / DACIDS (Adm&Coord)	250	10
	Stn Cdr / CO of Army, Navy, Airforce Units (Below rank of Brig)	50	2
23.2	Demolition of Buildings		
	CISC	800	-
	C-in-C	500	-
Note.			
1. Powers mentioned in Defence Works Procedure stand amended to the extent mentioned above.			
23.3	Maintenance Dredging of Sea / Port area		
	C-in-C	Full Powers	
Note.			
1. To be based on Operational Requirement.			
2. To cover hire and use of dredging equipment to clear approaches to Naval areas on each occasion.			

SCHEDULE – 24
SPECIAL POWERS TO C-IN-C SFC & ANC
MAJOR HEAD 2077, MINOR HEAD – 112

Sl. No.	Competent Financial Authority	Rs in Lakhs
	Special Financial Powers of C-in-C SFC & ANC for procurement of equipment and Stores and Carrying out modifications to equipment for meeting special operational requirements including those relating to counter insurgency / Internal Security duties and AID to Civil Authorities	
24.1	Stores / Sector Stores	
	C-in-C	1000
24.2	Miscellaneous and Contingent Expenditure	
	C-in-C	50
<u>Note.</u>		
1. The powers given at Sl 24.1 and 24.2 are subject to overall Annual ceiling of Rs 50 cr.		
2. The powers at Sl 24.2 are subject to a limit of 10 % of Annual ceiling given at Para 1 above.		
3. All procurement procedures as prescribed in Government orders and Service instructions will be complied with in respect of procurement of stores.		
4. A tentative list of items, which have been approved for introduction in the Army, and which are to be procured in the ensuing financial year, will be forwarded by Command to HQs IDS by 01 Jan. HQs IDS will intimate the Commands by 01 Mar which items in the tentative list may not be procured as they would be positively made available through central procurement in a shorter time frame. The details of items procured under these powers will be forwarded to Hqs IDS at the end of each financial year by 15 April for being taken into account as assets in the Annual Provision Review.		
5. Non standard pattern equipment / items and spares for specific operational requirements in need based quantities may also be procured.		
6. These powers are to be used for procuring items coming under Minor Head 112 E and 112 C.		
7. The purpose of delegation is to facilitate the procurement of equipment / spares/ items to supplement the availability of these through central sources to obviate non availability becoming a constraint, particularly in Defence of border areas / Counter Insurgency Operations / Internal Security Duties / Aid to Civil Authorities during Natural Calamities and Disaster Relief Operations and other immediate operational requirements.		
8. Drawl of FOL for eqpt / machinery / vehicles purchased out of ACSFP Funds, is authorised from ASC Depots / MS.		

9. All equipment and stores will be properly accounted for by the designated Depots /Units and issued to the designated units under the orders of C-in-C as per existing procedure. Non-Standard items procured under these powers will be treated as Sector Stores, except those procured in limited quantities in lieu of standard equipment in case of extreme urgency. All stores / equipment procured under these powers will be treated as Ord stores for purposes of condemnation and disposal.

SCHEDULE – 25
EMERGENCY POWERS

Sl. No.	Competent Financial Authority	Rs in Lakhs
25.1	Emergency Procurement of all kinds of Stores / Eqpt / Veh, Hiring of Specialized services / manpower, Hiring of specialized machinery / equipment, all kinds of Transportation cases and any Misc / Contingent expenditure connected with Exercises / Operations	
	C-in-C	Full Powers

Note.

1. These powers will be applicable in the case of urgent / Op Immediate military necessity relating to Military preparedness to meet the eventualities such as war or war like situation, Natural Calamities, etc. The essence of delegating these powers is to expedite the procurement / repair of equipment / items / material / stores and provisioning of various services, urgently required for the successful conduct of the operation.
2. These powers will be exercised as and when Government notifies an event by way of a Government order declaring War, Hostility, Natural Calamity / Disaster, etc or when Raksha Mantri declares and orders Military preparedness for Emergency / Op-Immediate Military necessity. It will also be applicable as and when a proposal, mooted by hand by Service Chiefs, is approved by Raksha Mantri for immediate action to be taken in case of serious Accidents.
3. Once the approval of Raksha Mantri is given, SHQ will immediately convey the order to concerned C-in-C (CFA) for taking procurement action. The order will contain the essential requirements to be fulfilled by the C-in-C. Based on this, C-in-C will workout and approve the technical specifications, scope of work, quantity required for items, based on actual needs as deemed fit.
4. The procurement action will be taken by a 3-member Emergency Empowered Committee (EEC), on behalf of the CFA, consisting of the Chief of Staff / equivalent as Chairman, the Command IFA and a Technical / Logistics Member of the Command. The Chairman of EEC is empowered to co-opt any official / expert at his discretion only to assist EEC and not act as member. EEC will be fully empowered to take all decisions independently on all aspects at any stage of procurement (from issue of RFP, conducting technical examination, holding commercial negotiations, preparing draft Supply order / Contract, etc). Full flexibility will be available to EEC for completing procurement cycle at shortest possible time. Potential Bidders can be contacted and their response bids can be received through fastest possible means of communication like taking bids by hand or even by email / fax (if inescapable), shortening time for submission of bids to whatever is considered feasible for bidders to give their bids, etc. There will be no requirement for movement of files in EEC and every decision will be taken in a collegiate manner by recording of minutes for each stage of procurement i.e. issue of RFP, mode of bidding, technical evaluation, CST, commercial negotiation, draft Supply order / Contract, etc. In case of disagreement among the 3 members, directions will be sought from CFA and the EEC will act as per the decision of CFA. It is open for CFA to take oral / written clarifications from MoD / MoD (Fin) on any issue pertaining to procurement process / stage.
5. The EEC will promptly prepare its report and the same will be signed by all 3

members. The Report will be submitted by EEC to the CFA on file. CFA will accord Expenditure Angle Approval of the procurement without any reference to any authority unless he himself desires to do so. After procurement cycle is completed, CFA will send a report on procurement undertaken under these powers to MoD through staff channels for record.

6. Though the empowered committee is to follow all existing regulations as per existing Govt orders / DPM on procurement of Goods / services, there could be occasions requiring deviations from DPM. Such deviations from DPM would be promptly put up by EEC to CFA for approval with adequate justifications. If in view of CFA, any delay in case will not be in interests of state, then he can approve deviations from DPM and the case can be processed further. However, once the case is finalized and action taken, a detailed report will be furnished by CFA to MoD giving detailed justifications for deviations from DPM. This report will be put up through staff channels to Raksha Mantri for his information.

SCHEDULE – 26
NON-PROCUREMENT POWERS

SI No	Competent Financial Authority	Rs in Lakhs / Period
26.1	Issue of items on loan to Sellers / within service and to sister Defence services / Para-military forces / DPSUs and other Central / State Govt Agencies	
	CISC / C-in-C	5 years
	DCIDS	3 years
	Cmdt TSIs / ISOs (Maj Gen equivalent and above) / ADGSI / CSO ((P&A) / LAP)	2 years
	Cmdt TSIs / ISOs (Brig equivalent) NOIC / Component Cdr (Army/ Navy/ Airforce), Bde Cdr / AOC MS / NSRY / NAY / CSY / WED / NAD / Oi/Cs Technical Positions / DDGSI / DSI (Zones)	1 year
Note.		
1. The cases of EW, Armament and Secret equipment will be exercised by CISC only. Issue of MT / Specialist Vehicles on Loan can be given by CISC / C-in-C. 2. Issue of Stores on Loan to Sellers can be done only against contracts for Design and Development by CFAs at Service HQs / C-in-C at Command Hqs. 3. The Rules / Procedure governing the loan issue shall be followed.		
26.2	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores Due to Theft, Fraud or Gross Neglect	
	CISC	10
	C-in-C	7
	Cmdt TSIs / ISOs Maj Gen equivalent & above	4
	NAD / MS / NAY / CE / NOIC / Compo Cdr (Army / Navy / Air Force) / Brig Cdr Cmdt TSIs / ISOs (Brig equivalent)	2
26.3	Write off of Losses of Public money and Stores Including MT Vehicles and MES Stores <u>Not</u> Due to Theft, Fraud or Gross Neglect	
	CISC	50
	C-in-C	35
	Cmdt TSIs / ISOs Maj Gen equivalent & above	20
	MS / NAY / CSY / CE / BVO / NAD / NOIC / Compo Cdr (Army / Navy / Air Force) / Brig Cdr AOC / Cmdt TSIs / ISOs (Brig equivalent)	10

	COs of ships / Estt / OiC Store Depots / Repair Yards / Inspectorates / Dir / Oic of Independent Units		5
Note.			
1. The above powers include as follows – a. Irregularities connected with use of MT, Railway warrants and military Credit notes e.g. Irregular issue of warrants / Military Credit notes, loss of auditable documents, irregularities with respect to MC Notes. b. Non-production of receipted copies of issue voucher of stores and failure to trace credits in the ledgers in respect of receipt vouchers. c. Regularization of deficiencies of stores revealed at the time of stock-taking. d. Erroneous expenditure in respect of deployment of manpower.			
2. To include Reserve / Advanced / Forward Base Supply / Petroleum Depots and other Supply and Petroleum installations / EME Units. These powers will also be exercised in respect of Engineers Establishments not covered by MES Regulations including losses of stores those in transit in respect of E-in-C's stock. These powers may also be exercised in respect of DSC personnel attached to units of Joint Staff.			
26.4	Write Off of Losses due to Downgrading of Stores held in Depot / BVY In Respect of Attractive Stores, Viz. Clothing & Mess traps and other than Clothing and Mess traps		
		<u>Not</u> Due to Theft, Fraud or Gross Neglect	Due to Theft, Fraud or Gross Neglect
	CISC	5	2.5
	C-in-C	3	1.5
	MS / BVO	2	1
Note.			
1. For stores held on charge of MOs / Depots / BVYs as serviceable are found to be Repairable / BER(C) / Scrap owing to deterioration while in stock, the change in condition shall be adjusted by MOs / Depots / BVYs provided defects are due to fair wear and not due to lack of suitable storage accommodation or failure to look after the articles properly in store. The change in condition to be certified by CTS / BVO or by his authorized representatives on the above lines.			
2. In case value of total quantity to be downgraded of any single item is more than the financial limits prescribed for clothing & mess traps and other than clothing & mess traps respectively, regularization of the loss due to down- gradation will be sanctioned by CFA based on the approved proceedings of Board of Officers constituted by AAs for downgrading the condition of the stores.			
26.5	Regularization of Audit Objections Arising Out of Breaches of Rules and Regulations when the Monetary Value of the Loss could be assessed in consultation with PCDA / CDA		
	CISC		10
	C-in-C		5

Note.

1. In all cases of audit objections arising out of breaches of rules and regulations; efforts should be made to assess the loss/ financial implication, if any, involved in the irregularity where the loss to the state or the financial implication involved can be computed the irregularity will be regularized in consultation with the PCDA/CDA. An illustrated list of the type of objections which may be regularized and this procedure is shown below -

(a) Irregularities connected with Railway Warrants and Military Credit Notes e.g. irregular issue of warrants military credit notes.

(b) Non-production of receipted copies of issue vouchers of stores. Failure to trace in the ledgers credit in respect of receipt voucher.

(c) Loss of auditable documents like car diaries, ration strength statements where the ceiling of the value of transaction involved can be assessed with reference to other connected accounts, e.g. with reference to the total value of POL issued or rations drawn during the period to which lost documents pertain.

(d) Irregularities connected with the use of M.T.

2. These powers are to be exercised only if -

(a) The necessity for and the particularly of recovery has been considered by the CFA.

(b) The irregularity does not disclose a defect in the rules or regulations the amendment of which requires the sanction of the Government vide Rule 157 FR Part-I Vol.I

(c) The authorities concerned (or their predecessors) are themselves not personally responsible for the loss/ overpayment/ irregularity.

(d) Prior approval of the next higher financial authority shall be obtained in respect of cases mentioned at (c) above.

3. Objections, which do not involve any loss to the State or when the monetary loss is not assessable, be referred to the respective Administrative Authorities/ Head of the Branch at Joint Staff Head quarters for establishments under the direct administrative control of Joint Staff HQs.

4. Copies of sanctions issued for the settlement of audit objections shall also be endorsed to the statutory Audit Officers concerned.

5. PCDA / CDA will report to the Govt of India cases in which the intention of this rule has been misapplied.

6. In the case of objections which involve loss to the state, efforts will be made to assess the actual / approximate financial value of the loss.

26.6

Extra Wharfage, Demurrage, container detention, Ground rent and other such charges for clearance of cargo

CISC / C-in-C

100

Cmdt TSIs / ISOs (Brig equivalent and above) / CSO ((P&A) / LAP)

25

MS / NAD / NAY / NAI

10

Note.

1. Payment will be made first by unit / Emb Hqs to the concerned port / air / railway

authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA / CFA for according ex-post-facto concurrence / approval.		
2. Efforts should be made to avoid demurrage payments to the to the maximum extent possible.		
26.7	Sanction and Pass Defect Lists and Estimates of Account of Repairs and Refit of Ships / Submarines, Vessels, Small Crafts and Floating Dry Dock	
	C-in-C	Full Powers
Note.		
1. As per Approved Refit Plan by IHQ, MoD(N) for Ships, Small crafts and Floating Dry Dock.		
26.8	Destruction of category 'G' food stuffs.	
	CISC / C-in-C	Full Powers
	Cmdt of TSIs / ISOs (Maj Gen equivalent & above) / CLOGO / Designated Logistic Officers of Comds / NOIC	10
	BVO	1
26.9	Regularize over issue of rations by Ships / Units / Establishments / JS Organizations	
	CISC / C-in-C	5
	Cmdt of TSIs / ISOs (Lt Gen equivalent)	1
	Cmdt of TSIs / ISOs (Maj Gen equivalent) / NOIC / CLOGO / Designated Logistic Officers of Comds	0.50
	Compo Cdr Army /Air Force/ Navy / Brig Cdr / AOC / Cmdt of TSIs / ISOs Brig equivalent & below, DDGSI / DSI Zones / COs of Ships / Units (Army, Navy, Airforce) / Estt	0.15
26.10	Survey Contingency	
	Officer in-charge Detached Survey party from Survey Ships, Surveying Units, National Hydrographic School	1

Note.

1. These powers can be used for following –

- (a) Local purchase of dry and fresh provisions and fuel.
- (b) Expenditure on Jeep, i.e. POL Servicing and repairs etc.
- (c) Hiring of transport both surface and sea borne
- (d) Telephone charges including STD calls.
- (e) Hiring of photographic services/equipment, developing and printing.
- (f) Clearing of survey sites, digging of snake pits around the field tents, hiring of coolie/labour.
- (g) Purchase of consumable spares to meet immediate operational requirements.
- (h) Hiring of office accommodation where available. Electricity, Water and rent charges, installation of temporary telephone connection etc.
- (j) Charges for photocopying and blue printing.
- (k) Clearing of helicopter landing sites.
- (l) Charges for battery charging.
- (m) Water carrier charges.
- (n) Faxing/Speed Post/Courier service charges.
- (p) Bank charges.
- (q) Hiring of Survey/Processing equipment/services where not provided by parent ships/units.
- (r) Miscellaneous and contingent expenditure other than above.
- (s) Provisioning of field Hydrographic/Trials software.

26.11	Declaration of Surplus / Obsolete Stores	
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	CISC	Full Powers
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Note.

1. Powers are to be exercised only for declaration of surplus if item is
- a. Pre-mod or pre-upgrade
 - b. Technically life expired
 - c. System to which it belong is rendered obsolete

26.12	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores including Armament / Explosive Stores through Govt organizations / PSUs	
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	CISC	Full Powers
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	C-in-C	2000
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	COS or Dy C-in-C / DCIDS	500
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	MS / Cmdt TSI / ISO (Maj Gen equivalent and above)	100
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	Cmdt TSI / ISOs Brig equivalent & below / CO / OICs of Depots (Col / Lt Col equivalents)	5
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26.13	Disposal of Life Expired, Unserviceable, Surplus and obsolete Stores	
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	including Armament / Explosive Stores through Private Sector	
	CISC	Full Powers
	C-in-C	1000
	COS or Dy C-in-C / DCIDS	200
	MS / Cmdt TSI / ISO (Maj Gen equivalent and above)	50
	Cmdt TSI / ISOs Brig equivalent & below / CO / OiC of Depots (Col / Lt Col equivalents)	2
Note for SI 26.12 and 26.13.		
1. After fixing the reserve price in advance. 2. Provisions of Rule 196-201 of GFR to be adhered to. 3. Disposal should normally be done through authorized auctioneer. However, where it is not possible, reasons for the same to be recorded in writing. 4. This includes disposal of Armament Stores by dumping in the sea. 5. Commandant TSIs/ ISOs for disposal of vessels, micro light gliders, gliders and stores. 6. This includes stores declared unserviceable due to technical /safety reasons even within shelf life.		
26.14	Disposal of salvage	
	COs of Ships / Units (Army, Navy, Airforce), Establishment / Depots / DDGSI / DSI Zones / DACIDS (Adm&Coord)	Full Powers
26.15	Repairs of Damage to Hired Transport / Mobile Yard Equipment Hired for the use in Dockyard / Depots / Repair Yards Including NAY	
	C-in-C	10
	Cmdt TSI (Maj Gen equivalent and above)	4
	MS / NAD / NAY / NSRY	2
Note.		
1. Where the liability of Government for damages incurred is not in question and the circumstances are not of such a nature, as to require report, bills on this account may be sanctioned by these authorities in each case. In cases in which the cost of repairing the damage is estimated to exceed Rs.50,000 and where there is the least doubt as to the liability of the Government, or where the circumstances in which the damage occurred are of an unusual character, however small the amount involved, a full report of the case with the opinion of the transmitting authorities should be submitted for the orders of the Government of India.		

MSP-2015

MEDICAL

SCHEDULES

OF POWERS

2015

SCHEDULE – 1
TRANSPORTATION
MINOR HEAD – 2076/2077/2078, MINOR HEAD – 105/112E

Sl. No.	Competent Financial Authority	Rs in Lakhs
1.1.	Transportation	
	DGAFMS	100
	DGMS (Army, Navy, Air force), DCIDS (Med)	50
	Comdt AFMSDs (Lucknow, Delhi, Mumbai) Heads of Medical branches at Comd / Formation HQs of Army / Navy / Air force / Joint Staff i.e. CMOs / PMOs Hospitals - Maj Gen and equivalent & above	25
	CO AFMSD Pune, AMSDs / FMSDs / AFTC / ECTC / AFMC (BTD) Hospitals - Brig and equivalent	10
	Hospitals - Col and equivalent & below	5
1. These powers will cover all types of transportation cases including as under – a. Hiring of civil transport, when service transport is not adequate or not available. b. Hiring of different kinds of specialized vehicles, material handling equipment, mechanical transports, water transport, animal transport, etc, whatever is considered essential by the organizations for performing their tasks. c. Airlift / shipping of stores from & to abroad and within the country. d. Dispatch of items through specialized courier / post office. e. Technical storage charges and expenditure in connection with loading / unloading of goods. f. Incidental charges associated with transportation like insurance premium, handling charges, etc. g. Port charges for berthing ships in ports. 2. Depending upon the need and convenience, it will be open for the organization / user to decide on the mode of transport irrespective of it not being the cheapest mode.		

SCHEDULE – 2**MEDICAL STORES****ARMY: MAJOR HEAD – 2076, MINOR HEAD – 110(D)****NAVY/IDS: MAJOR HEAD – 2077, MINOR HEAD – 110(H), 112(E)****AIR FORCE: MAJOR HEAD – 2078, MINOR HEAD – 110****ECHS: MAJOR HEAD – 2076, MINOR HEAD – 107(C)**

Sl. No.	Competent Financial Authority	Rs in Lakhs
2.1. Central Procurement - Scaled / PVMS – Medical / Dental / Vet Stores (Expendable & Non-Expendable)		
	DGAFMS	1000
	DGMS (Army/Navy/Air Force) / DCIDS (Med) / Addl DGAFMS (E&S)	200
	DGDS	100
	Comdts AFMSDs (Lucknow, Delhi, Mumbai)	25
	CO ECTC / AFTC / AFMC (BTD) Pune and CO AFMSD Pune	5
Note. 1. DGDS will exercise the above powers only after obtaining Approval-In-Principle (AIP) from DGAFMS.		
2.2. Central Procurement - NIV / Non Scaled – Medical / Dental / Vet Stores (Expendable & Non-Expendable)		
	DGAFMS	500
	DGMS (Army/Navy/Air Force) / DCIDS(Med) / Addl DGAFMS (E&S)	100
	DGDS	50
	Addl DGAFMS (MR)	20
	Comdts AFMSDs	10
	CO ECTC / AFTC / AFMC (BTD) Pune and CO AFMSD Pune	2
Note. 1. DGDS will exercise the above powers only after obtaining Approval-In-Principle (AIP) from DGAFMS.		

2.3. Rate Contract – PVMS / NIV - Medical Stores (Expendable & Non-Expendable) / ECHS stores		
	DGAFMS	1000
	Addl DGAFMS (E&S)	500
Notes. All DDOs can place direct orders on RC holding Seller in case of reqmt, incl for ECHS or other agency dependant on DGAFMS.		
2.4. Local Procurement – PVMS / NIV - Medical / Dental / Vet Stores (Expendable & Non-Expendable) / ECHS stores including Price Agreement		
	Heads of Medical Branches at Fmn / Cmd HQ of Army / Navy / Air Force & Joint Staff incl CMOs of Navy & PMOs of Air Force of the rank of Brig equivalent and above	200
	Comdts AFMSDs (Lucknow, Delhi, Mumbai)	50
	CO ECTC /AFTC /AFMC (BTD) Pune and CO AFMSD Pune	25
	Comdt AMSDs & FMSDs / MESDs / Fleet Medical Store Depots	10
Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	100
	Brig	50
	Col	25
	Lt Col and below	10
Dental Units - Comdts / Dir / COs of Dental Units of Army / Navy / Air Force, ADC (R&R) / AFDC / CMDCs / MDCs / NIDS / AFIDS / Joint Staff of the rank and their equivalent mentioned below -		
	Maj Gen	20
	Brig	10
	Col	5
	Lt Col and below	2
Note. 1. Comdt AFMSDs will exercise these powers only for maintenance and repairs of medical eqpts. 2. The powers also include price agreements valid for one year for medical stores excluding RC items concluded under Central Rate Contracts. 3. Hospitals may stock upto 60 days requirement as calculated by their MMF. 4. A Price Agreement may be concluded based on the value of annual drawl in respect of item to fix the prices of each item. Supply orders can be placed for upto 4 months' requirement (4xMMF) against Price Agreement.		

2.5	Emergency powers to procure medical stores	
	Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs or COs of Ships	Maximum upto 30 days' requirement
	Comdts / Dir / COs of Dental Units of Army / Navy / Air Force, ADC (R&R) / AFDC / CMDs / MDCs / NIDS / AFIDS / Joint Staff	Maximum upto 15 days' requirement

Note.

1. These powers are to be used only in emergency situations when medical stores are not available through normal channels or from stock and requirements are critically and immediately required by the hospitals to treat their patients. Head of hospital will certify the emergency situation before these powers can be exercised.
2. Procurement will be done only for those medical stores, which are critically required to handle the particular case, due to which emergency situation has occurred.
3. These powers can be used only for placing Supply orders on existing Rate Contracts and Price Agreements.
4. In such emergency procurement cases, no prior concurrence / reference is required to be made by above mentioned authorities to their IFA or higher CFAs. However, after emergency procurement is done, a MIS containing details of procurement will be sent to IFA / higher CFAs for their record and reference for future cases.

SCHEDULE – 3

INFORMATION TECHNOLOGY

ARMY: MAJOR HEAD – 2076, MINOR HEAD – 110(H)

NAVY/IDS: MAJOR HEAD – 2077, MINOR HEAD – 110(O), 112(E)

AIR FORCE: MAJOR HEAD – 2078, MINOR HEAD - 110

Sl. No.	Competent Financial Authority	Rs in Lakhs
3.1.	Information Technology Items / Services	
	DGAFMS	500
	DGMS (Army / Navy / Air Force) / DCIDS(Med)	200
	Comdt Cat A Est (AMC Centre & College, AFMC) / Comdt AH (R&R)	100
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	50
	Brig	30
	Col & below	10
Note. 1. These powers cover all kinds of IT procurement cases including as under - a) IT / Systems Automation or any relevant IT related projects. b) IT Main Hardware, IT Networking eqpts, IT peripherals / accessories. c) IT / Systems / Application software (subject to AON by DGAFMS). d) IT-related networks, Internet facility, media connectivity including associated hardware and software and payment of networking / internet charges. e) Software development and technical consultancy for IT projects (subject to AON by DGAFMS). f) IT Stationary and consumables. g) Spares, up-gradation, repair and maintenance of items mentioned above. 2. Any new technology / item / services in IT field can also be procured.		
3.2.	Training related to Information Technology	
	DGAFMS	200
	DGMS (Army/Navy/Air Force) / DCIDS (Med)	100
	DGDS / Comdt Cat A Est & AH (R&R)	50
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs Or		

COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	20
	Brig	10
	Col & below	2

SCHEDULE – 4
INDIGENISATION AND RESEARCH & DEVELOPMENT
MINOR HEAD – 2080, MINOR HEAD – 004

Sl. No.	Competent Financial Authority	Rs in Lakhs
4.1.	Research and Development through government / autonomous R&D Organizations, In-House Defence agencies, professional / technical institutions like IITs, etc on Proprietary basis	
	DGAFMS	200
4.2	Research and Development through Private Sector	
	DGAFMS	100
Note for 4.1 and 4.2 above.		
1. Also includes expenditure on manufacture / fabrication, procurement or issue of stores / spares / eqpt / other articles for experimental purposes / test & trials covering essential applied research which are of interest to or are in use in Medical field, or for expediting production / developing alternative sources, etc.		
2. Also includes offloading Development activity to academic institutions / Research Labs.		
3. Also includes steps for Indigenization of medical stores / Equipment / Training aids / Maintenance Stores & Spares, Development of medical software / Development of Upgrades / Technology Insertion for Legacy / imported Items / Equipment.		
4. Expenditure should not overlap with DRDO Projects or Projects formed out of Joint Operations with DRDO.		

SCHEDULE – 5

MISCELLANEOUS & CONTINGENT EXPENDITURE

ARMY: MAJOR HEAD – 2076, MINOR HEAD – 800

NAVY/IDS: MAJOR HEAD – 2077, MINOR HEAD – 800/112

AIR FORCE: MAJOR HEAD – 2078, MINOR HEAD - 800

Sl. No.	Competent Financial Authority	Rs in Lakhs
5.1.	Miscellaneous & Contingent Expenditure	
	DGAFMS	Full Powers
	DGMS (Army / Navy / Air force) / DCIDS (Med) (For Hospitals / Units / Est)	100
	DGDS, Comdt of AMC C&C / AFMC (Cat A Ests)	50
	Addl DGAFMS (E&S)	20
Heads of Medical Branches at Cmd/Fmn HQ of Army/Navy/Air force/IDS of the equivalent rank mentioned below in respect of medical and dental units -		
	Maj Gen	20
	Brig	10
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / FdHosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs Or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	20
	Brig	10
	Col & below	5
Note. 1. The above powers includes all kinds of contingent expenditure including as under - a. Procurement of all kinds of office equipment and related consumables and any other latest equipments required for day to day functioning of an office b. All kinds of administrative support services related to office functioning c. Expenditure related to forms, printing, stationery, journals, legal fees, etc. d. Expenditure incurred in connection with all kinds of ceremonial events. e. Welfare and amenity measures that help in the well being and morale of officers / staff / troops. f. Any item/equipment needed for running of establishment.		
5.2.	A-in-U Grant for upkeep of Store Houses & Office eqpt	
	DGAFMS	50
	Addl DGAFMS (E&S)	20
	Comdts AFMSDs (Lucknow, Delhi, Mumbai)	10
	CO ECTC / AFTC / AFMC (BTD) Pune / CO AFMSD Pune / CO AMSDs / FMSDs	5

5.3.	ATG	
	Comdt of AMC C&C / AFMC (Cat A Ests)	100
Med and Dental AFMS units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs Or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Lt Gen	50
	Maj Gen	20
	Brig	10
	Col	5
	Lt Col & below	2
Note.		
1. This will also cover expenditure on sports and adventure activities by designated units and ests against funds allotted for sports and adventure activities.		
5.4.	TTIEG / FP / TG Grant / Library Grant / ETG and any other Training Grant	
	DGAFMS	100
	DGMS (Army/Navy/Air force) / DCIDS (Med)	50
	DGDS, Comdt of AMC C&C / AFMC (Cat A Ests) and AH (R&R)	20
	Heads of Medical Branches at Cmd / Fmn HQ of Army/Navy/Air force/IDS of the equivalent rank mentioned below	
	Maj Gen	10
	Brig	5
	Col	2
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs/FMOs Or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	10
	Brig	5
	Col	2
	Lt Col & below	1
5.5 Participation of Medical personnel / Civil employees of Medical services in Short-term Training courses, Seminars, Symposia, Workshops, Annual Conventions at civil / defence / professional / academic organizations and institutions in India		

	DGAFMS	Full Powers
	Comdt of AMC C&C / AFMC (Cat A Ests)	10
Note. 1. Training courses for 1 year and more will require approval of Govt. 2. Powers for registration / admission / delegate fee in respect of courses not introduced in defence services. Expenditure is debitable to relevant head of defence services. 3. Powers cover cases in respect of offrs / civilian doctor / scientist in AMC, selected to attend professional conferences / seminars of associations / societies in approved list. Expdr is debitable to I&M grant of unit / est concerned. 4. DGAFMS powers may also be exercised in r/o civilians paid from Defence Service Estimates.		
5.6 Tests / Trials and Experiments pertaining to AFMS		
	Comdt AFMC Pune	20
	Comdt ALC	10
5.7 Investigations in civil / govt institutions		
	Countersignature of DGAFMS	5
	Countersignature of DGsMS / DCIDS (Med)	3
	DGDS / Comdts Maj Gen and above & equivalent	2
	COs Brig / Col& equivalent	1
	COs upto Lt Col& equivalent	0.5
5.8 Outsourcing of Services		
	DGAFMS	1000
	DGMS (Army/Navy/Air Force) / DCIDS (Med)	500
	DGDS, Comdt of AMC C&C / AFMC (Cat A Ests) & AH (R&R)	200
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs/FMOs Or COs of Ships & equivalent of Navy of the rank mentioned below -		
	Maj Gen and above	100
	Brig	20
	Col and below	10

Note.

1. Provisions of GFR are to be followed and will be carried out as per extant orders of MoD on this subject.
2. Outsourcing of any personnel service required by the hospital / medical establishment / medical unit which cannot be made up by available / existing personnel.

5.9	Organization of Seminar / Workshop / Conference / Training course in India	
	DGAFMS	Full powers
	Comdt of AMC C&C / AFMC (Cat A Ests)	100

Note.

1. Powers to sanction expenditure for inviting Govt faculty / outside Guest speakers / experts for training courses will be as per DoPT rules.

2. TA/DA for Govt faculty / outside Guest speakers / experts will be done as per DoPT rules.

3. Includes procurement of training material for regular training and payment to guest faculty for travel/ lecture/ honorarium.

4. Includes power to sanction expenditure towards Travel Fare, TA/DA and Honorarium to Non-Official / Civilian members of University Committees / Evaluation teams for visits to Indian Army Establishments for validation / re-validation of Accreditation/Affiliation of courses.

SCHEDULE – 6**CAPITAL ITEMS****ARMY: MAJOR HEAD – 4076, MINOR HEAD – 103(D) & 107(C)****NAVY/IDS: MAJOR HEAD – 4076-02, MINOR HEAD – 103(A)/104(A)****AIR FORCE: MAJOR HEAD – 4076/03, MINOR HEAD – 103****ECHS: MAJOR HEAD – 4076, MINOR HEAD - 107**

Sl. No.	Competent Financial Authority	Rs in Lakhs
6.1.	Medical / Dental / Vet Stores / items of capital nature	
	DGAFMS	500
	Addl DGAFMS (E&S)	100

SCHEDULE – 7
NON-PROCUREMENT POWERS

Sl. No.	Competent Financial Authority	Rs in Lakhs
7.1.	Regularization of Audit Objections Arising Out of Breaches of Rules and Regulations when the Monetary Value of the Loss could be Assessed in Consultation with PCDA / CDA	
	DGAFMS	10
Note. 1. In all cases of audit objections arising out of breaches of rules and regulations; efforts should be made to assess the loss / financial implication, if any, involved in the irregularity where the loss to the state or the financial implication involved can be computed the irregularity will be regularized in consultation with the PCDA / CDA. An illustrated list of the type of objections which may be regularized and this procedure is shown below - (a) Irregularities connected with Railway Warrants and Military Credit Notes e.g irregular issue of warrants military credit notes. (b) Non-production of receipted copies of issue vouchers of stores. Failure to trace in the ledgers credit in respect of receipt voucher. (c) Loss of auditable documents like car diaries, ration strength statements where the ceiling of the value of transaction involved can be assessed with reference to other connected accounts, e.g. with reference to the total value of POL issued or rations drawn during the period to which lost documents pertain. (d) Irregularities connected with the use of M.T. 2. In the case of objections which involve loss to the state, efforts will be made to assess the actual/approximate financial value of the loss on some. These powers are to be exercised only if – (a) The necessity for and the practicability of recovery has been considered by the CFA (b) The irregularity does not disclose a defect in the rules or regulations the amendment of which requires the sanction of the Government vide Rule 157 FR Part I Vol I. (c) The authorities concerned (or their predecessors) are themselves not personally responsible for the loss / overpayment/ irregularity. (d) Prior approval of the next higher financial authority shall be obtained in respect of cases mentioned at (c) above. (e) Objections, which do not involve any loss to the State or when the monetary loss is not assessable, be referred to the respective Administrative Authorities/Head of the Branch at IHQ, MoD (A) for establishments under the direct administrative control of IHQ, MoD (A). (f) Copies of sanctions issued for the settlement of audit objections shall also be endorsed to the statutory Audit Officers concerned. (g) The financial powers contained in these orders are to be utilized for regularization of cases outstanding as on date of issue of these orders. (h) PCDA / CDA will report to the Govt of India cases in which the intention of this		

rule has been misapplied.		
7.2.	Powers to auth the issue of stores to regularize previous issue of stores in exceptional cases	
	DGAFMS	Full powers
	Comdt AMC C&C, AFMC (Cat A Ests)	50
Note. 1. The exercise of the above financial powers is subject to the following conditions:- (a) The expdr should be a legitimate charge against Public Funds. (b) The canons of financial propriety should be observed. (c) The authority exercising the powers should be satisfied that the sanctioning of the expdr is not contrary to any declared or known policy of Government. 2. Under this schedule, issues made in error and over issues from whatever cause, may also be regularized by the above authorities subject to the financial limits specified.		
7.3. Loss regularization of Public Money		
	Not due to theft, fraud, or gross neglect	Due to theft, fraud or gross neglect
DGAFMS	50	10
Comdt of AMC C&C / AFMC (Cat A Ests)	20	4
Note. 1. Provisions of Rule 37 of Financial Regulations, Part I, Vol I and instructions for regulating enforcement of responsibility for losses etc, contained in Appendix I, Part I, Vol II of Financial Regulations will also be kept in view while processing and finalising cases relating to writing off of losses. 2. The term Public Money is defined in Rule 164 of Financial Regulations, Part I, and in addition to cash proper includes items listed at Ser No (a) to (i) in the Rule.		
7.4. Loss regularization of Govt Stores		
	Not due to theft, fraud or gross neglect	Due to theft, fraud or gross neglect
DGAFMS	50	10
DGMS (Army) / (Navy) / (Air Force) / DCIDS (Med)	35	7
DGDS / Comdt of AMC C&C / AFMC (Cat A Ests) and AH (R&R) / MG (Med) & equivalent in Navy, Air Force & Joint Staff*	20	4
Brig (Med) & equivalent in Navy, Air Force &	10	Nil

Joint Staff		
Col (Med) & equivalent in Navy, Air Force & Joint Staff	5	Nil
Med and Dental Units - Comdts / COs / OsC / OsIC of Hosp / Fd Hosp / Unit / Est / AFC of Army / Navy / Air Force / IDS & Joint Staff incl SMOs of Air Force stations & PMOs / FMOs Or COs of Ships & equivalent of Navy of the rank mentioned below -		
Maj Gen equivalent and above	20	4
Brig & equivalent	10	Nil
Col equivalent & below	5	Nil
Armed Forces Medical Stores Depots (AFMSDs)		
DGAFMS	50	10
MG (Med) and equivalent	20	4
Comdts / COs of AFMSDs Mumbai, Lucknow, Delhi & Pune	10	Nil
COs AFTC / BTD / TC(EC)	5	Nil
Medical Stores Depots (MSDs)		
DGMS (Army/Navy/Air force) / DCIDS	35	7
MG(Med) and equivalent	20	4
Offrs Commanding AMSDs / FMSDs	5	Nil
Note - These powers will be exercised by above-mentioned authorities in respect of all medical and dental units under their jurisdiction. - DGAFMS will also exercise powers for following - - In respect of AFTC, AFMSDs and BTD. - In respect of losses of imported Sera and Vaccine in AFMSD - In respect of Books and other publications - DGMS (Army/Navy/Air force) / DCIDS will also exercise powers in respect of losses of imported sera and vaccine in Hospitals/Medical units/Ests and Base Depot, Medical Stores Depots, Medical Stores and Sub Depots Medical Stores		
SI No.	Competent Financial Authority	Rs in lakhs
7.5.	Extra Wharfage, Demurrage, container detention, Ground rent and other such charges for clearance of cargo	
	DGAFMS	100
	DGMS (Army)/Navy/Air Force / DCIDS (Med)	50
	DGDS, Comdt of AMC C&C / AFMC (Cat A Ests) & AH(R&R)	25
	Note.	

	1. Payment will be made first by unit / Emb HQs to the concerned port / air / railway authorities without taking concurrence/approval of IFA / CFA. The payment will be regularized by sending the case to the appropriate IFA/CFA as mentioned above. 2. Efforts should be made to avoid demurrage payments to the maximum extent possible.
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SCHEDULE 8
EMERGENCY POWERS

8.1	Emergency Procurement of all kinds of Medical Stores / Eqpt / Veh, Hiring of Specialized services / manpower, all kinds of Transportation cases and any Misc / Contingent expenditure connected with Exercises / Operations	
	DGAFMS	Full powers
Note.		
1. These powers will be applicable in the case of urgent / Op Immediate military necessity relating to Military preparedness to meet the eventualities such as war or war like situation, Natural Calamities, etc. The essence of delegating these powers is to expedite the procurement / repair of equipment / items / material / stores and provisioning of various services, urgently required for the successful conduct of the operation. 2. These powers will be exercised as and when Government notifies an event by way of a Government order declaring War, Hostility, Natural Calamity / Disaster, etc or when Raksha Mantri declares and orders Military preparedness for Emergency / Op-Immediate Military necessity. It will also be applicable as and when a proposal, mooted by hand by Service Chiefs, is approved by Raksha Mantri for immediate action to be taken in case of serious Accidents. 3. Once the approval of Raksha Mantri is given, either MoD directly or concerned SHQ will immediately convey the RM's order to DGAFMS (CFA) for taking procurement action. The order will contain the essential requirements to be fulfilled by the DGAFMS. Based on this, DGAFMS will workout and approve the technical specifications, scope of work, quantity required for items, based on actual needs as deemed fit. 4. The procurement action will be taken by a 3-member Emergency Empowered Committee (EEC), on behalf of the CFA, consisting of the Major General equivalent as Chairman, the IFA to DGAFMS and a Technical / Logistics Member of the Command. The Chairman of EEC is empowered to co-opt any official / expert at his discretion only to assist EEC and not act as member. EEC will be fully empowered to take all decisions independently on all aspects at any stage of procurement (from issue of RFP, conducting technical examination, holding commercial negotiations, preparing draft Supply order / Contract, etc). Full flexibility will be available to EEC for completing procurement cycle at shortest possible time. Potential Bidders can be contacted and their response bids can be received through fastest possible means of communication like taking bids by hand or even by email / fax (if inescapable), shortening time for submission of bids to whatever is considered feasible for bidders to give their bids, etc. There will be no requirement for movement of files in EEC and every decision will be taken in a collegiate manner by recording of minutes for each stage of procurement i.e. issue of RFP, mode of bidding, technical evaluation, CST, commercial negotiation, draft Supply order / Contract, etc. In case of disagreement among the 3 members, directions will be sought from CFA and the EEC will act as per the decision of CFA. It is open for CFA to take oral / written clarifications from MoD / MoD (Fin) on any issue pertaining to procurement process / stage. 5. The EEC will promptly prepare its report and the same will be signed by all 3 members. The Report will be submitted by EEC to the CFA on file. CFA will		

accord Expenditure Angle Approval of the procurement without any reference to any authority unless he himself desires to do so. After procurement cycle is completed, CFA will send a report on procurement undertaken under these powers to MoD through staff channels for record.

6. Though the EEC is to follow all existing regulations as per existing Govt orders / DPM on procurement of Goods / services, there could be occasions requiring deviations from DPM. Such deviations from DPM would be promptly put up by EEC to CFA for approval with adequate justifications. If in view of CFA, any delay in case will not be in interests of state, then he can approve deviations from DPM and the case can be processed further. However, once the case is finalized and action taken, a detailed report will be furnished by CFA to MoD giving detailed justifications for deviations from DPM. This report will be put up through staff channels to Raksha Mantri for his information.