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No.1/29/2012-Bud. /11
Government of India
Ministry of Water Resources

dlh
New Delhi, the January , 2013

Office Memorandum

Sub: System of procurement through DGS&D suppliers - reg.

The undersigned is directed to forward herewith a copy of D.O. No. Pr. AO/CCA/(Sy)/e-procurement/LOA/12-13/92 dated 11.12.2012 received from Additional Secretary & Finance Adviser, Ministry of Commerce & Industry on the above cited subject for further necessary action and strict compliance.

Encl: As above


(Vijay Srivastava)
Under Secretary (Budget)
Tel. No. 23719302

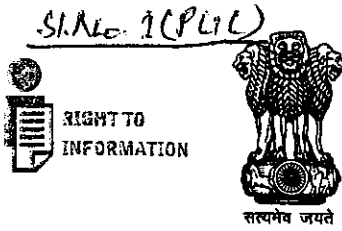
To,

Jt. Secy. (A & PP)/ ADG(Stat.)/ Commissioner (PR)/ Commissioner (B&B)/
Commissioner (CADWM)/ Commissioner (Ganga)/ Commissioner (Indus)/
Adviser (Eco.)/ Controller of Accounts, MoWR, New Delhi.

Copy to:

1. All Heads of Organizations under this Ministry of Water Resources for necessary action and strict compliance.
2. NIC, MoWR for uploading on intra-website of MoWR under Finance Division.

ANITA AGNIHOTRI

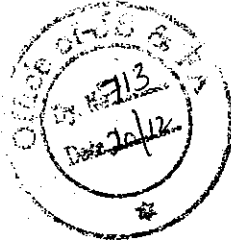


Pr. AO/CCA(Sy)/e-procurement/LOA/12-13
अपर सचिव तथा वित्तीय सलाहकार

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/92

भारत सरकार
वाणिज्य एवं उद्योग मंत्रालय
वाणिज्य विभाग
उद्योग भवन, नई दिल्ली-110 011

ADDITIONAL SECRETARY & FINANCIAL ADVISER
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
UDYOG BHAVAN, NEW DELHI-110 011



Dated: 11.12.2012

Dear Sh. Kohli,

This is with reference to the system of payment to suppliers for goods procured under the DGS&D system of procurement.

As you are aware, following the discovery of alleged fraud in procurement through DGS&D and also the fact that several Ministries delay the reimbursement of funds to DGS&D on payments made on their behalf by DGS&D - the system of payment was changed from a system based on Suspense Account to the system of Letter of Authorization of funds vide Office of CGA, Ministry of Finance O.M. No. 1(8)/2001/TA/290 Dt 30.3.2012, as implemented by the DGS&D in respect of Supply Orders placed on or after 03.07.2012.

It has been noted that in some Ministries the Supply orders are being placed without placement of funds, while in some cases the Letter of Authorities have been forwarded by unauthorised signatories, which has led to delay in making payments to suppliers. You would no doubt appreciate the fact that placement of funds can be made only by the authority competent for the same. Issue of letter of Authority by unauthorised signatories would result in, not only chances of further frauds but also would have repercussions on the reconciliation of expenditure figures and fund balances.

Further some doubts have been raised by certain Ministries regarding the authorised signatory to issue the Letter of Authority. It has been clarified by the office of CGA that the Letter of Authority must be signed by the Accounts Officer of the Principal Accounts Office, Office of CCA of the Ministry concerned and addressed to the Principal Accounts Office of the agent ministry (in this case the Principal Accounts Office - Department Commerce, Supply Division).

You are requested to kindly ensure that all indenting units are aware of the new system of procurement through DGS&D suppliers by placement of funds through Letter of Authority duly signed by the Accounts Officer of the Principal Accounts Office of the Ministry, for all supply orders placed on and after 3/7/2012.

This may kindly be accorded priority.

27/12/2012
Sh. K.S.

27/12/12
S/O
M/W S/O

Regards
Yours sincerely,
Anita Agnihotri
(Anita Agnihotri)

Sh. Sunil Kumar Kohli,
Joint Secretary & Financial Advisor
M/o Water Resources
Room No. 401, Sharam Shakti Bhawan,
New Delhi

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16/12/12

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