



सत्यमेव जयते

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE

OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)  
10-A, S.K. BOSE ROAD, KOLKATA: 700001

E-mail ID: aapcoa.dad@hub.nic.in  
Website : www.pcafys.nic.in

Phone No: (033) 2248-5077 to 5080 Extn-547/549  
FAX No : (033) 2248-0991

**CIRCULAR**

No. AA/82/2017-18/CIRCULAR/I

Dated: 10/01/2018

To  
The Addl.CFA/Jt.CFA/Dy.CFA/ACFA (By Name)

..... (All Br. AOs)  
.....

Sub: Discrepancies noticed in Store In Transit (SIT) statement (ID list) as compared to issue made by sister factories.

.....X.....

During scrutiny of Annual Accounts 2016-17 it is observed that ID list received from different Consignor factories as provided by different Br. AOs did not tally with the "Store despatched by different Factories" figures shown by Consignee factory's Br. AOs in their SIT statement of Annual Accounts resulting improper accounting of SIT.

All Consignee Br. AOs therefore, are requested to reconcile the entire ID list received at their end from different Consignor factory's Br. AOs and immediate action is to be taken for the proper accounting procedure to avoid future complications during the accounting of SIT figure [Asset Item 2(d) of Statement of Assets & Liabilities of Ordnance & Ordnance Equipment Factories] in the Annual Accounts for the financial year 2017-18 and onwards.

A Study has been carried out by Main Office regarding huge SIT balance of Rs.944 Cr. [Asset Item 2(d) of Statement of Assets & Liabilities of Ordnance & Ordnance Equipment Factories 2016-17] of different factories as received in the format as per Main Office Circular No. AA/82/16-17/Circular/I dated 10-03-2017 (format enclosed in Annexure-A). In this regard many anomalies have been observed by this office and following suggestions are being appended below for strict compliance in future:-

- (i) It has been observed that figures for "Stores despatched by different factories" are obtained on consolidation of issue vouchers value received from sister consignor factories.  
At times many a vouchers are left aside. It is therefore urged that the voucher value should be tallied with I.D List received from Consignor Br.AO. Consignee Br.AO should insist for receipt of I.D. List from the Consignor Br. AO.
- (ii) Many Factories Consignee Br. AO left out issue vouchers received from Consignor Br.AO on pretence of late arrival. Annual Accounts are finalized only in the month of July of ensuing year. Any vouchers issued by 31<sup>st</sup> March should be received by 1 or 2 months and therefore accommodated in finalization of accounts of previous year.

- (iii) Consignor factory Br.AO should be more aware in preparation of I.D list while accommodating all issue vouchers made for consignee factory. It is the responsibility of every Consignor Factory Br.AO to dispatch monthly as well as Consolidated I.D List to Consignee Br.AO along with details of 'P' & 'S' Issue voucher.
- (iv) **Many Factories took lackadaisical attitude in preparation of SIT balance sheets and thereby made mistakes in preparation of accounts which led to fictitious assets. Necessary corrective action should immediately be taken under intimation to this office.**
- (v) Consignor Br.AO should reflect the issue value against IFD issue in 'Store Accounts' for 'S' issue and 'Finished Stock Account' for 'P' issue after tallying with the I.D list despatched to Consignee Br.AO.

Certain other discrepancies observed are provided in the following examples:-

**Example 1 :-**

As per Manufacturing Statement-A of AO OF Ambernath total IFD P-Issue to GSF Cossipore during the Financial Year 2016-17 has been reflected as Rs. 37,73,007/- whereas amount shown by AO GSF Cossipore in their ID list for Rs. 11331619/- [i.e. Dr. Item 2(ii) of "Store Supplied by Other Factories Account" in Principal Ledger No.III] resulting in creation of fictitious outstanding assets of Rs.7558612/- (i.e. Rs.11331619 minus 3773007/-). Please see table below:-

MFG-A of AO OF Ambernath (IFD P-Issue to GSF Cossipore) (Amount In Rs.)	ID List of AO GSF Cossipore for OF Ambernath (Amount In Rs.)	Receipt Vr. Prepared by AO GSF Cossipore (Amount In Rs.)	Fictitious SIT Balance Reflected in Annual Account (Amount In Rs.)	Remarks
(1)	(2)	(3)	(1) minus (2)	(4)
3773007	11331619	3773007	7558612	creation of fictitious outstanding assets of Rs.7558612/- as SIT

**Example – 2:-**

During the scrutiny of Store Account of **VF Jabalpur** it is observed that:-

**A] PSA Receipt and CCO2 IFD Receipt Mar-2017 not tally with each other**

Name of Factory	PSA Code	Amount as per PSA	Amount booked as per CCO2 IFD Receipt	Difference
(1)	(2)	(3)	(4)	(3) – (4)
GIF Jabalpur	172(S)	18345	68349024	9481000
GIF Jabalpur	173(P)	77811679		
EF Avadi	188	6480065	12933978	3440
EF Avadi	189	6457353		

**B] PSA Receipt and IFD Issued by other Factories as per CCO2 IFD Issue Mar-2017 Not tally with each other**

Name of Factory	PSA Code	Amount as per PSA	Amount booked as per CCO2 IFD by the Issuing Factory	Difference
(1)	(2)	(3)	(4)	(3) – (4)
OEF Kanpur	47	43117920	50609320	(-)7491400
HVF	-	-	21329	(-)21329
GIF	172	18435	53408179	24421935
GIF	173	77811679		
OFDR	-	-	384	(-)384
OF Medak	-	-	3576182	(-)3576182
EFA	188	6480065	31337192	(-)18399774
EFA	189	6457353		

Likewise similar discrepancies have been observed in AO OF Dehu Road, AO GSF Cossipore, AO OEF Kanpur etc.

**Example – 3:-**

**SIT OB not tally with CB of previous year**

As per “Statement of Asset & Liability As on 31.03.2016” of MTPF Ambarnath Asset item 2(d) “Store in Transit between Fys.” was Rs. 20993664/- (Store Rs. 181131+ Production Rs. 21174795/-). But as per the SIT statement for the year 2016-17 opening balance has been reflected as Rs. 19715973/- (i.e. Stock: Rs. 645474/- + Production: Rs. 19070499/-). Likewise similar discrepancy has been observed in AO OF (P) Korwa, AO VFJ, AO OFT, AO OF Muradnagar, AO SAF Kanpur, AO OF Itarsi etc.

**Example – 4:-**

**SIT Balance Sheet not received:-**

SIT balance sheet and SIT statement not received as per Main Office Circular No. AA/82/16-17/Circular/I dated 10-03-2017 (Statement-VI & Statement-VII Page 14) from the Br. AOs like AO HAPP Trichi, AO OCF Avadi, AO HVF Avadi, AO EF Avadi, AO HEF Kirkee, AO OF Bhandara, AO FGF Kanpur, AO OF Dumdum, AO GIF Jabalpur, AO OF Itarsi, AO OF Ambajhari, AO OEF Hazratpur etc.

**Example – 5:-**

During the scrutiny of Statement-VI and Statement-VII (as mentioned in Annexure-A) as forwarded by the Br. AOs it is observed that, in some of Br. AOs total PSA IFD receipt (Production + Stock) do not match with the Column-5 of Statement VII.

**Example – 6:-**

During the scrutiny of Statement-VI and Statement-VII it is observed that some of the Br. AOs do not reflect the segregation of the **Issue from Stock** and **Issue from Production as bifurcated in the Statement VI & VII**.

In view of the foregoing, it is requested that due care is to be taken by both Consignor and Consignee Branch AOs during the preparation of Statement VI & VII and proper reflection of SIT balance in the Annual Accounts to avoid the above discrepancies. Further, it is the duty of the Material Section of the Br. AO to forward the SIT Statement as mentioned in Annexure-A while forwarding the Annual Store Account.

Any further clarification on the issue may be done from Annual Account Section PCA(Fys), Kolkata.

**Controller of Accounts (Fys) Kolkata has seen.**

**-Sd/-  
(Nabarun Dhar)  
Addl. Controller of Accounts (Fys)**

Copy To:-

1. ~~The CFA~~ \_\_\_\_\_ - For information and necessary advice to Br. AOs under your jurisdiction.
2. ~~The Officer i/c  
PR Section M.O. Local~~ - For information please.
3. The Officer i/c  
EDP Section M.O. Local - For information and to upload the circular in PCA (Fys) Kolkata website.



**(Nabarun Dhar)**  
**Addl. Controller of Accounts (Fys)**

## Annexure-A

### **Statement of Assets and Liabilities as on 31-3-2017**

- Statement indicating reasons for variation in respect of all Assets and Liability items where the difference as compared to 2015-16 is 5% and above.

**Note: Please show the liability pertaining to store supplied to other Govt. Department separately against Liability item 3(vii).**

- Statement showing reconciliation of figures of Store-in Transit between the factories with year-wise break up as per format given below:-

#### Statement-VI

SNO	NAME OF FACTORY	Value of Store-in-Transit As on 01-04-2016		Value As Per Consolidated ID List For The Yr 2016-17		Total Up To 2015-16		Value of Store Accounts For the yr 2016-17		Closing Value of Store-in-Transit As on 31.03.2017	
		STOCK	PRODUCTION	STOCK	PRODUCTION	STOCK	PRODUCTION	STOCK	PRODUCTION	STOCK	PRODUCTION
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(5)	(8)=(4)+(6)	(9)	(10)	(11)=(7)-(9)	(12)=(8)-(10)

- Statement showing the mismatch in SIT balance as on 31-03-2017 and reason therefore in the format given below: -

#### Statement-VII

Statement showing the mismatch in SIT balance as on 31-3-17 and reasons therefore

Name of Factory : \_\_\_\_\_

Amount of SIT shown in Accounts 15-16		Stores issued by other factories during 16-17			IFD Stores Received during 16-17		Likely SIT balance as on 31-3-17 (1+4-5)		Amount of SIT shown in Accounts 16-17		Difference (6-7)	Remarks/Reasons for difference, if any
Prod	Stock	Prod	Stock	Total	Prod	Stock	Prod	Stock	Prod	Stock		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				

Note: 1. Figures shown under Col. 1 should tally with asset item 2(d) of the statement of Assets & Liabilities of 2015-16.

2. Figures shown under Col. 2&3 should tally strictly with ID list forwarded by the Consignor Factory LAOs.

3. Figures shown under Col. 5 should tally with Dr item 6 of Store Account (16-17).

4. Figures shown under Col. 7 should tally with asset item 2(d) of the statement of Assets & Liabilities of 2016-17.

5. Figure appearing under Col. 8, if any, need to be explained in a clear manner indicating:

- (i) The Factory responsible for such difference, if any,
- (ii) SIT balance reduced, if any, by operation of Capital Outlay Account with the approval of CFA
- (iii) Any other reason(s) contributing to the difference.