

FAX

OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FACTORIES)
10-A, SAHEED KHUDIRAM BOSE ROAD, KOLKATA – 700001

No: PR/VII/1130/Gen/IV
Dated: 23 / 03 / 2015

To

All Controllers of Finance & Accounts (Fys)
Accounts Office, _____

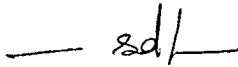
Subject: Correction Slip to Office Manual Part-VI.

Reference: Para 638 of Office Manual Part - VI

With reference to the above Para of OM Part VI, it is intimated that a New Proforma for preparing the Quarterly Concurrent Review Report has been set up. The New Proforma for the rendition of the reports is detailed in the **Annexure** to this letter.

Therefore, prescribed format of Concurrent Review Report as detailed in Para 638 OM Part VI may please be amended accordingly.

This Correction slip is issued on the approval of C of A (Fys).


(Avra Ghosh)

Addl. Controller of Accounts (Fys)

Copy to:

1. The CGDA, Ulan Batar Road, Delhi Cantt. -10
2. The Secretary, OFB, Kolkata
3. The Finance Division, OFB
4. All Sr. GMs/GMs
5. OFB - P&P Sec
6. The Regional Training Centre, Salt Lake, Kolkata – 91
7. All Branch Accounts Offices.
8. The O-I/C, AA Section, MO.



Sr. Accounts Officer (Fys)

TABLE - 6

Overhead cost:

		Item 1	Item 2
Total FOH per unit (in Rs.)	Estimate / Budgeted		
	Actual		
	% diff between estimate & actual		
Total VOH per unit (in Rs.)	Estimate / Budgeted		
	Actual		
	% diff between estimate & actual		

Note 1: Difference between actual and estimate FOH should not exceed $\pm 5\%$. If the difference between the two exceeds $\pm 5\%$, then re-levy have to be done to bring the difference within the stipulated norm.

Note 2: The value of FHO/VOH shown should be equal to the total of FOH booked in all the cost card opened against the warrants.

Note 3: The minutes of the CBC/SBC meetings for fixing the VOH / FOH rate may be furnished for detailed information regarding the nature of expenditure booked against VOH & FOH.

TABLE - 1

1. Target , Quantity issued & value of issue

Sl No.	Name of Item	Targeted Quantity for 2014-15	Unit Issue Price for 2014-15	Quantity issued upto the quarter
1				
2				

TABLE - 2

2. Item I (Name of the item) & Item II (Name of the item) [separately for both] –
a. Comparison of actuals & estimated cost & percentage of variation

Sl No	Work Order & Warrant No. with date	Quantity Ordered	Quantity completed during the quarter	Unit value of estimate	Actual expenditure booked in the warrant	Actual exp divided by quantity completed = unit cost (approx)	% differen between actu and estimate
1							
2							

TABLE - 3

Material cost

		Item 1	Item 2
Total Material Consumption (unit cost (in Rs.))	Estimate		
	Actual		
	% diff between estimate & actual		

Note 1 : The value of direct material shown should be equal to the total of material booked in all the cost card opened against the warrants.

TABLE - 3A

Material cost (detailed analysis)

Nomenclature of Major Input Material	Source / Unit		Item 1		Item 2	
			Usage factor	Rate	Usage factor	Rate
i)		Estt.				
		Act.				
ii)		Estt.				
		Act.				
iii)		Estt.				
		Act.				
iv)		Estt.				
		Act.				

Note 1: Major input materials comprising of 50% of the total cost of the materials may be selected have to be made on the same lines.

Note 2: Copy of the material estimate should be provided for more detailed information, if required.

TABLE - 4

Labour cost

		Item 1	Item 2
Total labour cost per unit (in Rs.)	Estimate		
	Actual		
	% diff between estimate & actual		

Note 1: The value of direct labour shown should be equal to the total of labour booked in all the cost card opened against the warrants.

TABLE - 4A

Labour cost (process wise analysis)

		Item 1	Item 2
SMH for each process (1)	Estimate		
	Actual		
Direct Labour Rate per SMH (2)	Estimate		
	Actual		
Value of Direct Labour per process = (1) * (2)	Estimate		
	Actual		
	% diff between estimate & actual		

Note 1: For each section there will be two labour rates, one for Piece workers and other for Day workers. The labour rates for the month should be worked out with reference to actual payment comprising of all elements of pay (excluding Productivity Linked Bonus, arrears of pay and Allowances, etc.) made for the month divided by the total SMH booked during the month for that particular section.

Note 2 : Copy of the labour estimate should be provided for more detailed information, if required.

TABLE - 5

Direct expense:

		Item 1	Item 2
Total direct expense per unit (in Rs.)	Estimate		
	Actual		
	% diff between estimate & actual		

Note 1: The value of direct expense will be arrived at by following two methods:

(i) Multiplying the actual unit consumed for electricity & water with the rate, where Fy. Mgt is providing the no. of unit of electricity or water consumed for production purpose.

(ii) Multiplying the SMH booked in the cost card with the predetermined rate fixed by OFs. Here predetermined rates will be fixed by dividing the previous year's actual of Direct Expense booked in the cost cards by the total SMH for the year.

(iii) Reasons for not showing direct expense may please be elucidated.

Note 2 : The value of direct expense shown should be equal to the total of expense booked in all the cost card opened against the warrants.

TABLE - 6

Overhead cost:

		Item 1	Item 2
Total FOH per unit (in Rs.)	Estimate / Budgeted		
	Actual		
	% diff between estimate & actual		
Total VOH per unit (in Rs.)	Estimate / Budgeted		
	Actual		
	% diff between estimate & actual		

Note 1: Difference between actual and estimate FOH should not exceed $\pm 5\%$. If the difference between the two exceeds $\pm 5\%$, then re-levy have to be done to bring the difference within the stipulated norm.

Note 2: The value of FHO/VOH shown should be equal to the total of FOH booked in all the cost card opened against the warrants.

Note 3: The minutes of the CBC/SBC meetings for fixing the VOH / FOH rate may be furnished for detailed information regarding the nature of expenditure booked against VOH & FOH.

IMPORTANT CIRCULAR

OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)

10-A, S.K.BOSE ROAD, KOLKATA-700001

No. PR/XI/1392/Price

Dated: 28.07.2014

To

All the Branch Accounts Offices (Fys.),

Sub:- Forwarding of Price of Spares and Products to Higher Formations.

Ref:- OFB letter vide No. FIN.MAS/PRICE/GENL/2014-15 dated
08.07.2014

Reference is invited to the above, it has been observed by the 'Ordnance Factory Board' that some of the Ordnance Factories are directly communicating to the 'Department of Defence Production', 'Army Head Quarter' etc. on pricing /costing matters. It has further been intimated that such communication / communications and its contents are being sent by lower level functionary of the 'Ordnance Factories' without approval of the Sr. General Manager / General Manager / OITC which has attracted the adverse observation/criticism from the Higher Formations that the information provided is vague, incomplete or irrelevant, apart from not having the approval of the 'Ordnance Factory Board'.

The issue has been examined by the competent authority and it has been decided that all the communications addressed to the 'Ordnance Factory Board' shall not be corresponded directly by the 'Ordnance Factories' and shall provide the requisite inputs / comments / pricing data, with approval of the Sr. General Manager / General Manager / OITC to the 'Local Accounts Office' (LAO) for vetting and subsequent transmission to the 'Finance Division' of 'Ordnance Factory Board' for appropriate reply to the Higher Formations i.e. 'Department of Defence Production', 'Army Head Quarter' etc. after obtaining the approval of 'Competent Authority' of the 'Ordnance Factory Board'. In case of any issues regarding such references, the matters may be referred to the 'PCA (Fys.)' for clarifications as well by the LAOs or the Controllers.

It has also been decided that where references have directly been received from the Higher Formations i.e. 'Department of Defence Production', 'Army Head Quarter' etc. on pricing / costing matters, shall be responded only after vetting by the 'Local Accounts Office' (LAO) concerned. The 'Local Accounts Offices' (LAOs) are hereby directed to take prior approval of the 'Group Controller of Finance & Accounts' or 'PCA (Fys.) if deemed fit, before concurring such proposals.

The issue prices of the 'Principal Items' (value of issue more than Rs. 10 Lakhs) and 'Non - Principal Items' are fixed by the 'Ordnance Factory Board' and the respective 'Ordnance Factory' with concurrence of the 'Local Audit Office' (LAO). The Competent Authority has now been decided that the copies of the issue price in respect of 'Non-principal Items' alongwith all the supporting documents shall invariably be forwarded in the first instance to the 'Finance Division' of 'Ordnance Factory Board' as an immediate steps and requisite due diligence and following essential factors shall be considered before pricing of the same.

- (i) Previous Years Issue Price
- (ii) Estimated Cost of Production for the Current Year duly considering the variation on the Cost of Input Resources based on reasonable data.
- (iii) Actual Cost of Production.

It may also be noted that the variation of the Issue Price are being fixed from the previous year's Issue Price and the same should not in any circumstances be in excess of 8% per annum and in the event, where the same is found to be more than the stipulated 8% per annum, a formal prior approval has to be obtained from the 'Finance Division' of the 'Ordnance Factory Board'.

The issue may please be noted for information, guidelines and future compliance please.

The Pr. Controller of Accounts (Fys.) has approved.



(AVRA GHOSH)

Additional Controller of Accounts (Fys.)

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OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FACTORIES)
10-A, S K ROSE ROAD KOLKATA-700 001

No. PR/1145/II-D/

Dated : 29-01-2008.

To,

- I) All Controller of Finance & Accounts (Fys.)
- II) All Br. Accounts Officer.

Subject: Proposed Accounting System for Trade Assistance.

The necessary guidelines regarding implementation of Accounting System for Trade Out-sourcing is mentioned below for necessary action:-

The Trade Assistance cases can be divided into three categories:-

Category – 1 : Fabrication contracts (cases where materials would be supplied by factories and fabrication work carried out outside Fy. premises.)

The existing Accounting Instructions contained in this office letter No. S/8109 dt. 30.03.63 (copy enclosed) may please be followed for above type of transaction.

Category – 2 :- Contract Labour deployed in Indirect/Non production jobs :-

- 1) The expenditure will be met from (other Expenditure Minor Head 800) Financial Code 810/08.
- 2) The relevant supply order / contracts should provide the scope of work, details of jobs to be performed & date by which the work should be completed amongst other relevant details.
- 3) Expenditure on Contract Labour engaged in Indirect / Non-Production jobs will be accounted as Fixed Over Head.
- 4) Indirect W.O. No. 01/70037/00 (Expenses on contract labour) under class of cost "43" (other charges) is required to be operated for booking and monitoring / control purpose. It may be stated in this context that 01/10037/00 to 01/60037/00 have been allotted for booking of expenditure incurred towards 'TOT' out of I & M Grant (810/11). Hence, '7' in the 3rd digit of this Work Order will denote expenses on Contract Labour. Amount so booked should tally with the financial compilations (Code 810/08)

Category – 3 :- Contract Labour deployed in production jobs within Fy. Premises.

- 1) Expenditure to be compiled against a new Sub-Head opened under "Manufacture Head" classification hand book – Defence Services Receipt & Charges as mentioned below :-

Major Head – 20/9 – Defence Services – Ord. Fys.

Minor Head - 054 Manufactures.

Insert new Head (ix) below subhead (viii) Medical Treatment.

(ix) Payment to labourers engaged on Contract with-in the Fy. Premises
for production jobs. 805/11

(To be effective from 2007-08)

- 2) Separate warrants will be issued by the Factory Management for deployment of Contract Labour. In the body of the warrant, under the Col. 'Grade', the word 'Contract Labour' should be indicated clearly. For standardisation a number " 8 " may be used in the 5th digit of the warrant to indicate the same related to " Contract Labour ".
- 3) Bills claiming payment for Contract Labour should clearly indicate the work order and warrant-wise break-up of payment. The number of labourers, Hrs. of engagement & payment involved in respect of each Work Order and warrant should also be clearly specified in the bill for payment. Entire amount thus paid will constitute Direct Labour charges. DA will not be levied in such cases.
- 4) Accounts office will prepare allocation sheets for such payment for incorporation in Labour Abstract.
- 5) Cost Cards should be maintained separately for manufacture of items by own Labour and Contract Labour.
- 6) Separate estimates should be maintained for manufacture of same item by own Labour & Contract Labour.
- 7) In all cost documents including Principal Ledger, accounts and reports wherever the entry 'Direct Labour' appears (e.g. Production A/C, WIP (Labour component), Statement 10, 10A & 10B) the same should be shown in two segments as mentioned below.
 - a) By Fy. / Own Labour.
 - b) By Contract Labour.
- 8) At the time of fixation of leviable Over head percentage estimated Direct Labour through engagement of Contract Labour should also be added with estimated direct labour should be taken as the denominator. Overhead will be levied on pre-determined percentage on Direct Labour including Contract Labour. ✓

General Instructions:

- a) In principal ledger, wherever the entry 'Direct Labour' appears, the same should be shown in two segments :- i) By Fy. /Own Labour ii) By Contract Labour.
- b) As regards Trade Assistance for hiring consultancy, since the expenditure is normally met out of I & M grant, such expenditures are continue to be accounted as fixed Overhead charges.
- c) Wherever an item is produced through a combination of in-house and Trade Assistance process, price for the product will be determined at the weighed average of the estimated and actual cost taking into consideration both the estimates for in-house production & production through Trade Assistance.

For the purpose of computation of PL Bonus and Piece Work Profit, Output Hours achieved through engagement of, Contract Labour should not be taken into consideration.


P. e. of A (Fys) has seen.


Additional Controller of Accounts (Fys.)

Copy to :

The Controller of Finance,
Finance Division, OFB,
Kolkata - 700 001.

- for information please.


Asst. Controller of Accounts (Fys.)



OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K. BOSE ROAD, KOLKATA-700 001

No. PR/IX/833/XXV

Dt. 02.12.2009

To

The All Group Controllers

The Addl C of FA / JCFA / DCFA / ACFA i/c

All Br. Accounts Officer i/c.

Sub: Revised rate for levying of Superannuation Charges and inclusion in the Production Account of Ordnance & Ordnance Equipment Fys for Financial Year 2009-10 and onwards.

- Ref: 1) Finance Division, OFB ID No. Misc-3/Superannuation/
FM-V Dt. 06.11.2009.
2) This office Immediate Circular No. ^{PR}/IX/833/XXV
dt. 06.5.09

Consequent on implementation of the 6th CPC, rate for levying of superannuation charges as an interim measure for the financial year 2008-09 only was circulated vide this office Immediate Circular No. ^{PR}/IX/833/XXV dt. 06.5.09. Subsequently a proposal determining the rate of superannuation charges for the financial year 2009-10 onwards was mooted by this office to O.F. Board for according approval to the module of calculation suggested by this office.

Board has since approved the revised rates for calculation and levy of superannuation charges for the financial year 2009-10 onwards in the production accounts as per details given below :-

For Officers & Staff of Ord. & Ord. Eqpt. Fys and C of F.A (Fys) Organisation who do not fall under the ambit of "New Defined Contribution Pension" scheme introduced w.e.f. 01.01.2004.

Sl. No.	Grade	Revised Rate
1.	Group 'A' Officer	Rs. 10962/- P.M(Fixed)
2.	Group 'B' Officer	For each officer monthly @ 12.25% of the average of minimum and maximum of pay band and of grade pay.
3.	Group 'C' Officer	For each individual monthly @ 10.45% of the average of minimum and maximum of pay band and of grade pay.

		of minimum and maximum of pay band and of grade pay.
5.	I.Es (whose maximum monthly Basic Pay does not exceed Rs. 7440/- revised in 6 th Central Pay Commission)	For each individual monthly @ 6.90% of the average of minimum and maximum of pay band and of grade pay.
6.	Other IEs	For each individual monthly @ 10.45% of the average of minimum and maximum of pay band and of grade pay.

For Officers & Staff of Ord. & Ord. Eqpt. Fys and C of F.A (Fys) Organisation coming under the ambit of "New Defined Contribution Pension" scheme introduced w.e.f. 01.01.2004.

Grade	Revised Rate
Group "A" Officers of Ord. & Ord. Eqpt. Fys, IDAS Officers, Group "B" Officers & Staff and I.Es of Ord. & Ord. Eqpt. Fys and C of A(Fys) Organisation coming under the ambit of "New Defined Contribution Pension" scheme introduced w.e.f. 01.01.2004.	An amount equivalent to Govt. contribution i.e. 10% of Basic Pay + Grade Pay + Dearness Allowance + NPA.

Kindly acknowledge receipt.

G. C. Chakrabarti
(G. C. Chakrabarti)
Asstt. Controller of Accounts (Fys)

Copy for information to:-

- 1) The Controller of Finance,
OFB/Finance Division,
10A, S.K. Bose Road,
Kolkata - 1
- 2) The Secretary,
OFB/ Secretariat,
10A, S.K. Bose Road,
Kolkata - 1
- 3) The Officer-in-Charge,
'AA' - Section,
M.O. (Local)

[Signature]
Sr. Accounts Officer (Fys)

31-01-07

dt. 01.2007

01-02-2007

No. PR/II/922/R&D/Vol-III

To
The Sr. Controller of Accounts (Fys)
..... Group of Fys.
Accounts Office,
.....
.....

2. The Br. Accounts Officer (Fys)
Accounts Office,
.....
.....

Subj: Accounting of In-house R&D Expenditure.

A reference is invited to this office important circular No. PR/II/922/R&D/Vol-III dt. 27.09.2006 on the above subject. Course of actions among others relating to booking of In house R & D expenditure suggested therein were broadly as under:-

1) Expenditure of following categories relating to In house R & D project should be booked direct to the code heads :

<u>Code</u>	<u>UCC</u>	<u>Expenditure</u>
	001	Consultancy
	002	CAD Analysis
812/02	003	Cost of technical books / literature
	004	Proof charge
	005	Inspection Charge etc.

Contd..... P/2

i) Relieving of LP code i.e. 01/806/01 for booking of direct stores/materials utilized in In house R&D project irrespective of LP, CP, IFD etc. should be dispensed with. Instead code 811/55 using UCC code '074' need to be operated (refer page -7 of updated list circulated vide Accounts section MO No. A/II/02/XX dt. 8.9.2006).

iii) Revised instructions are to be given effect from 1.4.2006

2. On review of the compilation appeared in CCO2 upto 12/06 it reveals that despite clear instruction of this office to afford relieve to 811/55 UCC code '074' (not to LP code 806/01), some of BR. AOs are still continuing the previous practice of relieving the code 806/01 in stead of correct code 811/55 UCC code '074' while booking direct store/materials utilized in In house R&D projects.

3. A list containing such in correct compilations made by some of Br. AOs is shown in Annexure 'A' enclosed. The list is only illustrative not exhaustive.

4. To avoid aberration in Annual Account Br. AOs are requested once again to ensure strict compliance of the instructions enjoined upon vide our important circular *ibid*. They are also requested to review and identify the erroneous compilation already made in this regard and carry out necessary re-adjustment immediately.

5. It is also revealed that low booking appeared against the code head 812/02 meant for In house R&D expenditures of the categories mentioned in sub item(i) of Para-I above

6. In view of the above it is requested to ensure that action on the above lines including re-adjustment is carried out immediately and feed back report sent to reach this office by 15th February 2007.

Encl: As above

Ana Gauri
DY. Controller of Accounts(Fys)

Contd... P/2

for Kind attention

to Sh. Rajesh Kumar; Accounts Officer (Fy) ✓
Osdy Nalanda.

IMMEDIATE CIRCULAR

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

No. PR/V/938/TOT

Dated: 26-10-2006

To

All Group Controllers of Finance & Accounts (Fys)

..... Group of Factories,

Accounts Office,

.....
All Branch Accounts Officer,

Accounts Office,

~~Osdy Nalanda~~

Sub:- **Cost Accounting treatment of 'TOT' charges.**

Ref:- This Office circular No. PR/V/938/TOT
dated 29-09-2003.

In supercession of the above order on the subject, it has now been decided that treatment of TOT charges incurred out of Revenue Grant (code head 810/11) should henceforth be treated as "Deferred Revenue" instead of "Capital Assets" as is done hitherto. Expenditure on account of TOT charges is to be absorbed in cost of the item as an element of Fixed Overhead to the outturn work orders alone, which are benefited from the respective TOT agreement. Keeping that aspect in view procedure of charging TOT expenditure, as an element of FOH would be different from general procedure of levying based on predetermined percentages.

Modalities to be followed to account for the TOT charges are out lined below:

1. **When TOT is concluded:-**

I) Generally "TOT" agreements remain operational either for (i) specified number of items, or (ii) for a specified period of time.

Contd. onPage/2

II) In the 1st case amount of "TOT" charges at a uniform rate should be absorbed in per item product cost

III) In the 2nd case total cost of "TOT" should be distributed over the period during which the "TOT" would remain operational. Thus total "TOT" charges to be absorbed in concerned year's COP would remain constant from year to year whereas per item rate of absorption may vary.

IV) At the time of conclusion of the "TOT" Factory Management should decide the rate of absorption (whether per item rate or total annual amount keeping above consideration in view and same should be intimated to the Accounts attached to Factory.

V) As and when production of the item(s) under concerned "TOT" agreement will commence, LAO should levy "TOT" charges on products alone which are benefited from the respective "TOT" agreement applying the rates intimated beforehand by the Factory Management.

VI) There should be a clear indication/suitable remarks in the Estimate, Warrant and Cost cards of products concerned to include this elements viz 'share of TOT charges' in the cost of production as an element of Fixed Overhead in addition to the levied amount as per normal procedure.

VII) Both in Estimate and actual cost of production concerned Br. AO will ensure that such additional expenditure of Fixed Overhead where applicable has properly been taken care of.

2. When expenditure is incurred towards "TOT": -

I) As and when expenditure is incurred towards "TOT", out of I & M grant (code head 810/11), same should be booked against W.O. 01/10037/00 ['1' is to be put in the third digit of existing main W.O. 01/00037/00 to identify "contingent expenditure relating to TOT charge"] under class of cost "43" (other charges). However, in case one factory is operating more than one TOT agreement, for identification purposes, control codes 1,2,3 etc may be used at 3rd digit of this W.O. i.e. say - for "TOT" agreement no 1: - W.O. No. 01/10037/00,

for "TOT" agreement no 2: - W.O. No. 01/20037/00 and so on. The expenditure booked in these W.Os. (i.e. 01/10037/00, 01/20037/00 etc) under class of cost "43" should agree with compilation appeared in CCO2 against code head 810/11.

II) Simultaneously, the entire amount of "TOT" expenditure booked to W.O. 01/10037/00, 01/20037/00 etc., should be transferred to outstanding asset "unabsorbed amount of Deferred Revenue on account of TOT charges" through indirect work order 01/10154/00 [1' is to be put in the third digit of existing main W.O. 01/00154/00 to identify "unabsorbed fixed charges on account of TOT charges"].

3. How "TOT" expenditure to be charged to production cost: -

I) A new class of cost "45" is opened to identify the share of TOT charges. Each year Br. AOs will work out the portion of TOT charges to be absorbed in the cost of production adopting the rates and following the methodology enumerated in para-1 above and then allocate the same to all relevant work orders/ warrant of the products benefited from the respective TOT agreement under designated class of cost "45".

II) In respective cost cards the amount charged on account of TOT as deferred revenue through class of cost "45" should be shown as an element of Fixed Overhead apart from levying based on pre-determined percentage. Thus Fixed Overhead of concerned product cost will include levied Overhead based on pre-determined percentage plus expenditure allocated on account of TOT under class of cost "45".

III) Levy of amount booked direct to out turn work order under class of cost 45, representing Deferred Revenue on a/c of TOT charges, would actually restrict to a few selected out turn work orders/ warrants. To this extent, same would be distinct from general allocation of Overheads where levy is made on the basis of a predetermined percentage on direct labour cost and spread over a direct out turn work orders. As such, the total amount charged through class of cost '45' during a year should be added to the indirect work order 01/00037/01 in the indirect expenditure statement for Fixed Overhead. Similarly this amount should be included in the total amount while exhibiting the levied figure of fixed Overhead charges in the summary below the indirect expenditure statement for

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fixed overhead. Thus share of TOT amount charged to concerned direct work order as an element of fixed overhead under class of cost '45' would be in addition to levied amount as per normal procedure. Hence such portion of expenditure should not be taken into account for the purpose of fixing the leviable FOH percentage.

IV) Aggregate amount appearing against indirect work order 01/100: 01/20037/00,..... (for TOT expenditure plus TOT charges levied as debit to revenue through class of cost 45) would thus exceed the actual expenditure compiled amount of CCO2) on a/c of TOT. This would require reconciliation keeping in view the amount relieved through credit W.O. 01/10154/00.

V) The total expenditure booked against the W.Os. (i.e. 01/100: 01/20037/00..... etc) in a year should be accounted for in the Annual Accounts "Contingent Charges" Dr. item 4 (C) (a) of Production Account and need to be included in the supporting statement containing details of contingent charges and summary of "Outstanding assets on a/c of TOT charges" as per format prescribed in Statement-A is enclosed. Br. AOs should prepare the statement and submit the same with the Production Account.

Above procedures are to be given effect from 1.4.2006.

C of A (Fys) has seen.

Please acknowledge receipt.

Encl: As above


Deputy Controller of Accounts (

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Copy to:

1 The Controller of Finance
OFB Finance Div
Kolkata

For information with
reference to his UO Note No.
1/Army/FM-VI.Dated 4.8.2006

2. The Officer In Charge
Annual Accounts Section
MO Local

For information. He is requested the
MIS purpose, total amount charged t
production during the year through c
of cost "45" should be dist
separately below "O.E" in the elemen
break up shown under "Dr. total" of
"Indirect expenditure statement
fixed Overhead as " Deferred Reve
account of TOT charges".

3.The Nodal Officer
Package Monitoring Group
RTC Kolkata

4.The Officer In Charge
Accounts sec/IA Sec/Store
Sec/ Inspection Sec
M.O Local

For Information

5. The Officer In Charge
RTC, Kolkata

Card
Sr. AO

28.10.06

Statement of TOT Charges

Sl No.	Particulars	Amount Rs
1	Outstanding Assets on account of TOT Charge as on 1st April.....	
2.	Add : Fresh expenditure on TOT charge during the year (should be equal to the compilation appeared against code 810/11 which should also agree with the amount booked under W.O 01/10037/00 , 01/20037/00, ... etc.	
3	Less: Amount absorbed in cost of production during the year (should be equal to the amount allocated under class of cost "45").	
4	Out standing asset as on 31 st March.....	

E-mail/ OA
Important Circular

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

No. PR/II/922/ Vol- LXXXIV/MISC

Dated 16.09.2009

To
All Group Controllers of Finance & Accounts (Fys)

.....
All Br AOs
.....

Subject: Creation/Setting up of Ordnance Development
Centres (ODCs): Accounting Procedure - Amendment of

Reference: This office Important Circular No. PR/II/922/ Vol-
LXXXIV/MISC dt. 25.3.2009

Please refer to this office important Circular No. PR/II/922/LXXXIV/MISC dt. 25.3.2009 under which accounting instructions of ODC expenditures incurred towards R&D have been circulated by this office. Now, Director R & D has proposed certain changes on our accounting instructions since OFB is encountering certain operational difficulties.

This office has examined the changes now proposed and following amendment may please be made in the copy of this office earlier important circular dated 25.3.2009.

(i) Para 5(A)(i) of Annexure of circular :

For

"OFB will issue extracts authorizing factories to undertake R&D project for development based on the proposal of ODC"

contd... ?

