

**Office of the CGDA, West Block-V, R.K.Puram, New Delhi-66  
Pr. IFA Wing**

**INSTRUCTION NO. 12 OF 2007  
Dated: 7<sup>th</sup> August 2007**

**No. PIFA/Navy/SNC/PC-I/AON  
To**

**All PCsDA/CsDA/IFAs**

**Subject: Concurrence of cases at AON stage without linking to Budget Allocation.**

IFA SNC Kochi had raised the issue of processing of cases upto AON stage by IFAs irrespective of budget availability. The matter was taken up with the IFAs to ascertain their views and practice followed by them in this regard. From the feedback received from the IFAs it is seen that concurrence is being accorded by the IFAs up to AON stage without linking to the budget availability for the said year. However, availability of funds is being ensured at the time of concurrence prior to issue of expenditure sanctions.

2. In view of the fact that financial commitment is not created at the AON stage, it is clarified that proposals for AON may be considered for concurrence in anticipation of funds becoming available subsequently, where such proposals are included in the Priority Procurement Plan (PPP), Planned Provisioning Review, Planned Repair Programme or pertain to contract for recurring requirement such as conservancy services, AMC, etc. In other cases also, concurrence for AON may be accorded, on case to case basis, keeping in view the lead time involved for the procurement. However, in all cases, financial concurrence for expenditure sanction/issue of supply order/conclusion of contract should be accorded subject to allocation being available under the concerned budget head.

3. Cases of AON concurred in anticipation of allocation of funds should be closely monitored by the IFA with regard to the progress of procurement. In all cases it should be ensured that the time frame suggested in para 5.20 of DPM 2006 is adhered to so as to ensure that the bids are finalised within the validity period. Normally, after the AON has been concurred/approved and the bids have been called for, there should not be occasion for extension of bid validity, for re-tendering or for dropping of the proposal on the ground that funds have not/did not become available. In case such situation(s) occur, the position should be reviewed by the IFA with suitable advice to the CFA.

Pr.IFA has seen.

Copy to:  
**Jt. CGDA (AT-I), Jt. CGDA (AT-II)**

sd/-  
**(Anuradha Prasad)  
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