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**No. 1-40/2012-IFD**  
**Government of India**  
**Ministry of Environment & Forests**

**CGO Complex, Lodhi Road,**  
**New Delhi, the 31<sup>st</sup> December, 2012.**

**OFFICE MEMORANDUM**

**Subject: Payment to suppliers for goods procured under the DGS&D System of procurement.**

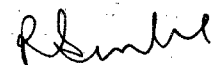
As you are aware that the system of payment was changed from a system based on Suspense Account to the system of Letter of Authorization of funds by CGA, Ministry of Finance, vide O.M. No. 1(8)/2011/TA/290 dated 30.3.2012 as implemented by the DGS&D in respect of supply orders placed on or before 03.07.2012.

2. It has now been reported by the Ministry of Commerce & Industry, Department of Commerce that the supply orders are being placed without placement of funds while in some cases, the Letter of Authorities have been forwarded by unauthorized signatories which has led to delay in making payment to suppliers. Placement of funds can be made only by the authority competent for the same. Issue of Letter of Authority by unauthorized signatories would result in chances of frauds and would have repercussions on the reconciliation of expenditure figures & fund balances.

3. 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.

4. All the indenting units of this Ministry as well as Attached Offices/Subordinate offices are requested to ensure that instructions issued on the subject on 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 are strictly complied with.

This issues with the approval of AS&FA.



(Ravi Sinha)  
Director (FF)

**All Divisional Heads in the Ministry.**

**CC: All heads of attached/subordinate offices of Ministry of Environment & Forests for compliance.**

**2. Copy to Controller of Accounts, Ministry of Environment & Forests for information and necessary action.**