

Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi- 66

11031/Loss/DGNCC/Lgs Coord

10 Aug 2015

All State Dtes

REGULARIZATION OF LOSS CASES.

1. MoD has raised following observations / comments during consideration of regularization of loss cases submitted by this HQ:-
  - (a). It must be ensured that no similar loss case occurs in future. To prevent such loss cases some remedial measures should be adhered to.
  - (b) The loss cases are not being initiated in time and incomplete documents are being forwarded to this office. It has been observed that loss cases which have been returned to the State Dte for completing the documents are being re-submitted after undue delay of 2 to 3 years. This leads to delay in their submission to MoD.
2. It has also been observed that regularization of some of the loss cases are within the delegated financial powers of state ADG/ DDG and are being erroneously forwarded to DGNCC seeking approval. The State ADG/ DDG are requested to regularize such cases as per SOP.
3. Unreasonable delay in processing of such cases will be viewed seriously by MoD in future and the documents must accompany necessary explanation and remedial measures adopted to avoid recurrence of loss of similar nature.
4. Needless to emphasize adherence to the correct procedure and submission of related documents will streamline the need for speeding up the finalization of the cases.
5. It is once again requested that prior to forwarding the loss cases to this HQ, appropriate priority be accorded in processing / handling of these cases strictly in accordance with the guidelines issued vide this office letter of even No dated 31/10/2014(Copy enclosed).
6. Please acknowledge receipt.

Sd/-  
(Kaushal Kishore Pandey)  
Dy Dir Lgs (Coord)  
For DG NCC

Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi- 66

11031/Loss/DGNCC/Lgs Coord

31 Oct 2014

All State Dtes

### REGULARIZATION OF LOSS CASES.

1. During scrutiny of loss cases received at this HQ from various state Dtes, it has been observed that in many cases regularization is pending since long due to non compliance of minor/major procedural requirements by the originator. It should be the endeavor of the originator that all laid down procedures are followed and all relevant documents are attached along with the proposal while submitting the loss case to this HQ for seeking regularization of the loss by the CFA (i.e. DGNCC/Ministry of Defence). Further, it has also been observed that state Dtes resubmitted the case without clarifying the objections / queries raised by this HQ. This has resulted into anfractuious correspondences and delay in processing of cases for regularization.

2. While processing loss cases it must be ensure that the following procedures are strictly followed and adhered to:-.

(a). It must be ensured that the court of inquiry is completed within one month from the date of issue of convening order, in ordinary circumstances.

(b) Clear-cut recommendations/directions of Officers up the chain should be endorsed on the Court of Inquiry proceedings (i.e. state Dtes ADG/DDG).

(c) Simultaneous action should be taken for preparation of Loss Statements on IAFA 498 to obtain Audit Report.

(d) Loss statement should be signed by OC / GP Cdr and ADG/ DDG up the chain must give recommendations duly categorizing the loss.

(e) The Loss Statement No and date should be mentioned on IAFA 498. It should be duly priced checked by LAO with his/her signatures & by name rubber stamp. It has to be categorized as either "**Due to Theft, Fraud, Gross Neglect**" or "**Not Due to Theft, Fraud, Gross Neglect**".

(f) Required number of copies of loss statement should be prepared (6 copies) and fwd to LAO for pre scrutiny and rendition of Preliminary Audit

Report. LAO in turn sends LS to PCDA/CDA for rendition of Final Audit Report

- (g) Copy of remedial measures should be attached.
- (h) A Copy of orders / proof on disciplinary /Adm action taken, wherever applicable, should be attached.
- (i) Recoveries from blameworthy officers/ personal, if any, should be made at the earliest and copy of PCDA/CDA acknowledgement of MRO should be attached.
- (j) Statement of Case must be prepared with full facts of the case.
- (k) SOC should be countersigned by the State Dte ADG/DDG.
- (l) Up to date delay report duly countersigned by ADG/DDG of State Dte must be attached.
- (m) Final Audit Report of PCDA/CDA concerned must be attached.
- (n) Copy of FIR, if any, to be attached.
- (o) In case of loss of railway warrants, immediate action must be initiated to get the loss of Rly Warrants published in the Railway Gazette and copy of Gazette notification be attached.
- (p) Claims against Railways for losses or Damages in transit, claim against railway authority will be preferred as soon as possible after the discovery of the loss but not later than six months from the date of booking of consignment and reply of railway authority must be attached.
- (q) In case of MT Accidents, FIR and MACT claims to be initiated and damage assessment/down gradation exercise to be taken up with Station workshop/EME Workshop etc.
- (r) In case of loss of Animal, book value, history sheet, postmortem result and death certificate are to attach.
- (s) In case of loss of unrecoverable clothing items from NCC Cadets, proof of issue of clothing items must be attached.

3. It has been observed that regularization of some of the loss cases are within the delegated financial powers of state ADG/ DDG and are being erroneously forwarded to DGNCC seeking his approval. The State ADG/ DDG are requested to regularize such cases as per SOP.

4. Unreasonable delay in processing of such cases in future will be viewed seriously and the documents must accompany necessary explanation and indicate remedial measures being adopted to avoid recurrence of loss of similar nature.

5. Needless to emphasize adherence to the correct procedure and submission of related documents will streamline the need for speeding up the finalization of the cases.
6. In view of the above, it is requested that prior to forwarding to this HQ, appropriate priority be accorded in processing / handling of these cases keeping in mind the above guidelines.
7. List of loss case pertaining to your Dte is attached as appx 'A'
8. Please acknowledge receipt.

Sd/-  
(V L Renga Hriller)  
Dy Dir Lgs (Coord)  
For DG NCC

Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi- 66

11031/Loss/DGNCC/Lgs Coord

31 Oct 2014

All State Dtes

### REGULARIZATION OF LOSS CASES.

1. During scrutiny of loss cases received at this HQ from various state Dtes, it has been observed that in many cases regularization is pending since long due to non compliance of minor/major procedural requirements by the originator. It should be the endeavor of the originator that all laid down procedures are followed and all relevant documents are attached along with the proposal while submitting the loss case to this HQ for seeking regularization of the loss by the CFA (i.e. DGNCC/Ministry of Defence). Further, it has also been observed that state Dtes resubmitted the case without clarifying the objections / queries raised by this HQ. This has resulted into anfractuious correspondences and delay in processing of cases for regularization.

2. While processing loss cases it must be ensure that the following procedures are strictly followed and adhered to:-.

(a). It must be ensured that the court of inquiry is completed within one month from the date of issue of convening order, in ordinary circumstances.

(b) Clear-cut recommendations/directions of Officers up the chain should be endorsed on the Court of Inquiry proceedings (i.e. state Dtes ADG/DDG).

(c) Simultaneous action should be taken for preparation of Loss Statements on IAFA 498 to obtain Audit Report.

(d) Loss statement should be signed by OC / GP Cdr and ADG/ DDG up the chain must give recommendations duly categorizing the loss.

(e) The Loss Statement No and date should be mentioned on IAFA 498. It should be duly priced checked by LAO with his/her signatures & by name rubber stamp. It has to be categorized as either "**Due to Theft, Fraud, Gross Neglect**" or "**Not Due to Theft, Fraud, Gross Neglect**".

- (f) Required number of copies of loss statement should be prepared (6 copies) and fwd to LAO for pre scrutiny and rendition of Preliminary Audit Report. LAO in turn sends LS to PCDA/CDA for rendition of Final Audit Report
- (g) Copy of remedial measures should be attached.
- (h) A Copy of orders / proof on disciplinary /Adm action taken, wherever applicable, should be attached.
- (i) Recoveries from blameworthy officers/ personal, if any, should be made at the earliest and copy of PCDA/CDA acknowledgement of MRO should be attached.
- (j) Statement of Case must be prepared with full facts of the case.
- (k) SOC should be countersigned by the State Dte ADG/DDG.
- (l) Up to date delay report duly countersigned by ADG/DDG of State Dte must be attached.
- (m) Final Audit Report of PCDA/CDA concerned must be attached.
- (n) Copy of FIR, if any, to be attached.
- (o) In case of loss of railway warrants, immediate action must be initiated to get the loss of Rly Warrants published in the Railway Gazette and copy of Gazette notification be attached.
- (p) Claims against Railways for losses or Damages in transit, claim against railway authority will be preferred as soon as possible after the discovery of the loss but not latter than six months from the date of booking of consignment and reply of railway authority must be attached.
- (q) In case of MT Accidents, FIR and MACT claims to be initiated and damage assessment/down gradation exercise to be taken up with Station workshop/EME Workshop etc.
- (r) In case of loss of Animal, book value, history sheet, postmortem result and death certificate are to attach.
- (s) In case of loss of unrecoverable clothing items from NCC Cadets, proof of issue of clothing items must be attached.

3. It has been observed that regularization of some of the loss cases are within the delegated financial powers of state ADG/ DDG and are being erroneously forwarded to DGNCC seeking his approval. The State ADG/ DDG are requested to regularize such cases as per SOP.

4. Unreasonable delay in processing of such cases in future will be viewed seriously and the documents must accompany necessary explanation and indicate remedial measures being adopted to avoid recurrence of loss of similar nature.

5. Needless to emphasize adherence to the correct procedure and submission of related documents will streamline the need for speeding up the finalization of the cases.
6. In view of the above, it is requested that prior to forwarding to this HQ, appropriate priority be accorded in processing / handling of these cases keeping in mind the above guidelines.
7. List of loss case pertaining to your Dte is attached as appx 'A'
8. Please acknowledge receipt.

(V L Renga Hriller)  
Dy Dir Lgs (Coord)  
For DG NCC

Registered Post

Tele: 26195672

Dte Gen NCC  
Min of Def  
West Block-IV,  
R K Puram  
New Delhi - 66

11031/Loss /DGNCC/Lgs Coord

April 2014

NCC State Dtes

REGULARIZATION OF LOSS CASES

1. During the scrutiny of loss cases received at this HQ from various Dtes, it is observed that in many cases regularization is pending since long due to non compliance of minor/major procedural requirements from the side of the originator. It should be the Endeavour of the originator that all laid down procedures are followed and all relevant documents are attached along with the proposal on its submission to this HQ, for seeking approval of the CFA (i.e DGNCC/Ministry of Defence).

2. Under mentioned documents /actions are required while processing of loss cases:-

(a) It must be ensured that the Court of Inquiry is completed within one month from the date of issue of convening order, in ordinary circumstances.

(b) Clear-cut recommendations /directions of officers up the chain should be endorsed on Court of Inquiry proceedings.

(c) Simultaneous action should be taken for prep of Loss Statements on IAFA 498 to obtain Audit Report.

(d) Loss statement should be signed by OC Gp Cdr and State DDG up the chain must give recommendations duly categorizing the loss.

(e) The Loss Statement No and date should be mentioned on IAFA 498. It should be priced by LAO under his sigs & stamp. It has to be categorized as Due to Theft, Gross Neglect or Not Due to Theft, Fraud, Gross Neglect".

(f) Required number of copies of loss statement should be prepared (6 copies) and fwd to LAO for pre scrutiny and rendition of Preliminary Audit Report. LAO in turn sends LS to CDA for rendition of Final Audit Report.

(g) Copy of remedial measures if any should be attached.



- (h) A Copy of orders / proof on disciplinary/Adm action taken where applicable should be attached.
- (i) Recoveries from blameworthy pers, if any, should be made at the earliest and copy of CDA acknowledgement of MRO should be attached.
- (j) Statement of Case must be prepared with full facts of the case.
- (k) SOC should be countersigned by the State DDG.
- (l) Up to date delay report duly countersigned by ADG/DDG of State Dte must be attached.
- (m) Final Audit Report of CDA concerned must be attached.
- (n) Copy of FIR, if any, to be attached.
- (o) In case of loss of railway warrants, immediate action must be initiated to get the loss of Rly Warrants published in the Railway Gazette and copy of Gazette notification be attached.
- (p) In case of MT Accidents, FIR and MACT claims to be initiated and damage assessment/down gradation exercise to be taken up with Stn HQ/EME Workshop etc.

3. It has been observed that regularization of some of the loss cases are within the delegated financial powers of state DDsG and are being erroneously forwarded to DGNCC seeking his approval. The State Dy DGs are requested to regularize such cases as per SOP.

4. Unreasonable delay in processing of such cases in future will be viewed seriously and the documents must accompany, necessary explanation and indicate remedial measures being adopted to avoid recurrence of loss of similar nature.

5. Needless to emphasize adherence to the correct procedure and submission of related documents, will obviate the need for avoid unnecessary /infractions correspondence, and speed up the finalization of the case.

6. In view of the above, appropriate priority be accorded in processing / handling of these cases keeping in mind the above guidelines.

7. Please acknowledge receipt.

(VLRenga Hillar)  
Dy Dir (Lgs-Coord)  
For DG NCC

Tele: 26195672

Dte Gen NCC  
Min of Def  
West Block – IV  
R K Puram  
New Delhi - 66

11031/Policy/DGNCC/Lgs Coord

Feb 2009

List 'A' & 'B'

### HANDLING OF LOSS CASES

1. Further to this HQ letter of even No dated 7 Mar 1995.
2. The experience over the years has revealed that such cases occur due to the following:-
  - (a) Natural Calamities.
  - (b) MT Accidents.
  - (c) Theft of stores .
  - (d) Missing of Railway Warrants.
  - (e) Down gradation of Ammunition.
  - (f) Fire incident.
  - (g) Loss in transit.
  - (h) Store Irregularities.
3. It has been observed that in most cases, the Dtes have not followed the laid down procedure or submitted incomplete documents to this HQ which ultimately lead to undue delay in finalizing the cases.
4. The guidelines for regularisation of losses has been laid in HQ NCC Policy letter No 11031/Policy/DGNCC/Lgs Coord dated 07 Mar 1995, however, the procedure in brief is given below:-
  - (a) As soon as the incident comes to the notice of the authorities, a Board of Officers / Court of Inquiry has to be constituted:-
    - (i) To ascertain the circumstances leading to the incident.
    - (ii) To assess the quantum of loss.
    - (iii) To identify direct and indirect involvement of personnel.
    - (iv) To recommend disciplinary / adm action / recovery of loss against guilty pers, if required.
    - (v) To recommend remedial measures to prevent recurrence of such incidents in future.
  - (b) File FIR with Civil Police, if needed.
  - (c) Liaise with Railway authorities for publication of the incident in the Railway Gazettes in case the loss relates to missing of railway warrants / CVs.
  - (d) Liaise with Railway authorities for fixing responsibility for loss and obtain a 'Short Certificate' in case the loss relates to loss of stores in transit.

- (e) The board proceedings / opinion of the court is to be ratified / vetted by the respective Dte.
- (f) The quantum of loss to be got verified by LAO / CDA and Loss Statement countersigned by the DDG of concerned State NCC Dte.
- (g) On completion of the above actions, Statement of Case be prepared and approved by the DDG concerned.
- (h) If the loss is beyond State DDG's financial power, the complete documents in triplicate be forwarded to HQ DG NCC duly recommended by DDG State Dte.
- (j) All the documents will then be submitted to the concern CDA for obtaining Final Audit Report.
- (k) All documents alongwith Final Audit Report to be submitted to the Dy DG of State NCC Dte / Lgs Dte of this HQ, for obtaining the approval of the Competent Authority ie DG NCC / Min of Defence, as per delegation of powers contained in Govt of India, Min of Defence letter No 0106/DGNCC/BUD/2435/D(GS-VI)/2001 dated 31 Oct 2001.

3. In view of the above, it is requested that appropriate directions be issued to all units under the Dte to strictly adhere to the laid down procedures from time to time. Needless to say that if the guidelines are followed in the desired manner, it would obviate infructuous correspondence and speed up the regularisation process.

(Sajjad Ali)  
Col  
JD Lgs Coord

Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi- 66

11031/Loss/DGNCC/Lgs Coord

Aug 2015

All State Dtes

### REGULARIZATION OF LOSS CASES.

1. During scrutiny of loss cases received at this HQ from various state Dtes, it has been observed that in many cases regularization is pending since long due to non compliance of minor/major procedural requirements by the originator. It should be the endeavor of the originator that all laid down procedures are followed and all relevant documents are attached along with the proposal while submitting the loss case to this HQ for seeking regularization of the loss by the CFA (i.e. DGNCC/Ministry of Defence). Further, it has also been observed that state Dtes resubmitted the case without clarifying the objections / queries raised by this HQ. This has resulted into anfractuious correspondences and delay in processing of cases for regularization.

(2) All losses of stores shall be subjected to a preliminary investigation by the officer-in-charge of the stores to determine the cause of the loss the amount involved. These will, where necessary; be further investigated by a court of inquiry depending on the nature and amount of loss. Such courts of inquiry should be promptly convened and the proceedings will be forwarded without delay through staff channels to the appropriate branch of Army HQ for submission to the Government where Government sanction for write off of loss is required. Disciplinary action against person(s) found responsible for the loss will be initiated simultaneously. The proceeding will not be held up for disciplinary action to be taken or loss statements to be prepared. They will be accompanied by-

- (i) A statement as to disciplinary action taken or contemplated and persons involved.
- (ii) An estimate, however rough, of the losses of stores and buildings.
- (iii) A certificate that loss statements are being prepared and will be forwarded through staff channels.

### **A court of inquiry shall invariably be held to investigate the loss in the following cases-**

- (a) All losses which require the sanction of the Government to write off. (In such cases the discretion to waive a court of inquiry will vest in the Government and the specific concurrence of Government; of India shall be obtained to the waiving of the general rule requiring an inquiry).

- (b) Losses due to inaccuracies in previous stock taking.
- (c) Losses of Arms, ammunition and explosives.
- (d) Losses due to theft, fraud, neglect, fire or due to any unusual occurrence. In cases of loss of stores due to theft, fraud or neglect the holding of a court of inquiry may, at the discretion of the prescribed authority be dispensed with, where the reported loss is less than Rs10000.

2. Losses of store will be classified under the following headings;--

- (a) Losses due to theft, fraud or neglect.
- (b) Losses due to other causes:-
  - (i) Fire.
  - (ii) Deficiencies in actual balances.
  - (iii) Deterioration.
  - (iv) Defective storage.
  - (v) In transit-
    - (1) Between depots and consuming units;
    - (2) Between one depot to another;
    - (3) Between manufacturing establishments and depots and
    - (4) Between manufacturing establishments or trade and consuming units.
  - (vi) Rain/Storm/Flood.
  - (vi) Casualties in the case of animals.
  - (vii) Miscellaneous causes.

3. Loss statements will be prepared on IAFA-498 in sextuplicate for use as under—

- (a) Original copy to be sent to CFA for sanction;
- (b) Duplicate copy to be retained as office copy;
- (c) Triplicate copy to retain in central ledger section to support writes off;
- (d) Quadruplicate copy for LAO with decadelly statement.
- (e) Quintuplicate copy to be retained by pricing authorities.
- (f) Sextuplicate copy for the group holder- in-charge.

After having been priced, they will be submitted to the competent financial authority through the staff or departmental channels, as the case may be, and through the PCDA/CDA or his representative concerned, for sanction. Courts of Inquiry proceedings, if any, as well as a statement of the case, preferred in respect of those losses that are exhibited in the Appropriation Accounts will accompany each and every loss statement. The original copy of the loss statement will be signed by the competent financial authority in ink and this will be produced for audit in support of the relevant transaction in the store account. This will indicate the penal recoveries made or to be made from the individuals concerned, or in case of loss in transit the amount of the claim accepted by the Railway or other carrying agency if any.

4 All copies of the loss statement will be forwarded for pricing to the pricing party, who will after pricing, retain one copy thereof for audit and return the other copies to the unit/depot for the further action to obtain the order of the competent financial authority.

5 No loss statement will be required in the following cases:-

(a) Losses due to fair, wear and tear.

(b) Losses due to difference between the book value and sale proceeds of stores disposed of by or under orders of the Central Disposal Organization or other orders.

(c) Deficiencies or damages in transit to stores received from UK or other overseas station, discovered at the time of the opening of packages at destination and reported to the, DGISD, London.

(d) Unavoidable losses in manufacturing or building operations.

(e) Losses due to unrecovered quantities of expended metals, sand, bags and barbed wire after use for instructional purposes.

(f) Losses in ammunition or explosives declared as unserviceable on reaching the prescribed age limit. Loss statements are, however, necessary if they are found unserviceable on test before reaching the prescribed age limit.

(g) Discrepancies due to incorrect nomenclature (having been given to stores) in the case of receipts from ordnance etc, depots provided the acknowledgement of the consignor for discrepancy is obtained.

(h) Losses due to casualties and castings among animals. In these cases the strike off of animals will be supported by the under mentioned documents according to the nature of the loss.

**Note;-so far as military farms are concerned animals lost will have to be regularized on loss statement after SIX MONTHS FROM THE DATE OF LOSS.**

1	Remount Cases	Castings rolls approved by the DRVS
2	Veterinary Cases	Castings rolls approved by the DRVS , GOC-IN-C Command, Are Commander, or any officer specified by the QMG.
3	Worn out Cases	As in (ii) above
4	Destruction of animals incurably injured	The order of the Sub-Area, Brigade Commander or OC station for destruction.
5	Destruction of Vety, Cases in hospital	A certificate from the veterinary officer or the senior officer present.
6	Animals strayed or lost	The orders of the competent authority on the Court of Inquiry proceeding.

(i) Claims against Railways for losses or Damages in transit, claim against railway authority will be preferred as soon as possible after the discovery of the loss but not later than six months from the date of booking of consignment and reply of railway authority must be attached.

(i) In cases of loss of stores during transit by rail or on sea or air or road or from the custody of Railway/Sea Port/Air Port/Transport authorities, when claim preferred against Railway carrying agency/Sea Port/AirPort/Transport authorities has been accepted in full, no formal write off will be required.

(ii) In cases of loss of stores during transit by rail or on sea or air or road or from the custody of Railway/Sea Port/Air Port/Transport authorities, where the carrying agency admits the claim in part, the residual loss will be regularized on loss statement by to sanction the net amount of loss but CFA will be required on gross value of loss.

(6) MT Losses;-In the case of stores pertaining to M.T. accidents, where a large number of loss statements are held up for an indefinite period pending settlement of the litigations in the civil courts awaiting awards/comp0ensation to arrive at the net loss after deducting from gross loss, the following action will be taken for their finalization-

(a) In the case of M.T. accidents irrespective of whether the down gradation of vehicle is involved or not, the loss will be written off by the Competent Financial Authority (to be determined with reference to the gross loss) independently of any liability for the loss attaching to the concerned unit/individual/other party. However, whenever any amount to make good the loss has been recovered as a penal deduction or otherwise prior to finalization /regularization of the loss, the same will not be taken into account to arrive at the net loss to be actually written off. No loss statement/audit report thereon will, however, be pended on account of such recoveries / finalization of impending Court Judgements to avoid withholding of loss cases for indefinite period.

(b) If any compensation is awarded by a Civil Court / Tribunal in favour of the Govt. after regularization of any loss, the amount so awarded, will be deposited with the Govt. and the onus for watching recovery / finalization of the claim would rest on administrative authorities and local audit. In cases where the court Judgement in contrary to the findings of the Court, of Inquiry based on which regularization was taken e.g., where the loss categorized by the Court of Inquiry as not due to theft, fraud or neglect, is later on viewed as a loss due to theft, fraud or neglect by the civil court / motor accident claim tribunal or vice-versa, the loss statements already finalized will not be re-opened for regularization of the loss.]

7. Please acknowledge receipt.

(Kaushal Kishore Pandey)  
Dy Dir Lgs (Coord)  
For DG NCC



Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi- 66

11031/Loss/DGNCC/Lgs Coord

Aug 2015

All State Dtes

REGULARIZATION OF LOSS CASES.

2. MoD has raised following observations / comments during consideration of regularization of loss cases submitted by this HQ:-
  - (a). It must be ensured that no similar loss case occurs in future. To prevent such loss cases some remedial measures should be adhered to.
  - (b). The loss cases are not being initiated in time and incomplete documents are being forwarded to this office. It has been observed that loss cases which have been returned to the State Dte for completing the documents are being re-submitted after undue delay of 2 to 3 years. This leads to delay in their submission to MoD.
2. It has also been observed that regularization of some of the loss cases are within the delegated financial powers of state ADG/ DDG and are being erroneously forwarded to DGNCC seeking approval. The State ADG/ DDG are requested to regularize such cases as per SOP.
3. Unreasonable delay in processing of such cases will be viewed seriously by MoD in future and the documents must accompany necessary explanation and remedial measures adopted to avoid recurrence of loss of similar nature.
4. Needless to emphasize adherence to the correct procedure and submission of related documents will streamline the need for speeding up the finalization of the cases.
5. It is once again requested that prior to forwarding the loss cases to this HQ, appropriate priority be accorded in processing / handling of these cases strictly in accordance with the guidelines issued vide this office letter of even No dated 31/10/2014(Copy enclosed).
6. Please acknowledge receipt.

(Kaushal Kishore Pandey)  
Dy Dir Lgs (Coord)  
For DG NCC

Tele: 26177259

Dte Gen NCC  
Min of Def  
West Block-IV  
R K Puram  
New Delhi - 66

11031/Loss/DGNCC/Lgs Coord

July 2015

All State Dtes

**REGULARIZATION OF LOSS/MFAI CASES- UPDATED STATUS**

1. There is a requirement to compile / update the latest position of all loss cases pending with the Dte for proper monitoring / timely settlement.
2. In this connection, it is requested that the present status of all MFAI / loss cases pertaining to your Dte which require regularization by DG NCC / MOD may please be forwarded to this HQ by 10 Aug 2015 positively, as per pro-forma given at Appendix 'A'.
3. Please accord PRIORITY.

(Kaushal Kishore Pandey)  
Dy Dir Lgs (Coord)  
For DGNCC

-----  
**Appendix 'A'**

<u>Ser No.</u>	<u>Loss statement NO. &amp; Date</u>	<u>Name of unit /fomation</u>	<u>Amount</u>	<u>Nature of Loss / case in brie</u>	<u>Present Position / Status</u>

All losses of stores shall be subjected to a preliminary investigation by the officer-in-charge of the stores to determine the cause of the loss the amount involved. These will, where necessary; be further investigated by a court of inquiry depending on the nature and amount of loss. Such courts of inquiry should be promptly convened and the proceedings will be forwarded without delay through staff channels for submission to the Government of India. where Government sanction for write off of loss is required.

- (1) Disciplinary action against person(s) found responsible for the loss will be initiated simultaneously. The proceeding will not be held up for disciplinary action to be taken or loss statements to be prepared. They will be accompanied by-
  - (i) A statement as to disciplinary action taken or contemplated and persons involved.
  - (ii) An estimate, however rough, of the losses of stores and buildings.
  - (iii) A certificate that loss statements are being prepared and will be forwarded through staff channels.

**A court of inquiry shall invariably be held to investigate the loss in the following cases-**

- (e) All losses which require the sanction of the Government to write off. (In such cases the discretion to waive a court of inquiry will vest in the Government and the specific concurrence of Government; of India shall be obtained to the waiving of the general rule requiring an inquiry).
  - (f) Losses due to inaccuracies in previous stock taking.
  - (g) Losses of Arms, ammunition and explosives.
  - (h) Losses due to theft, fraud, neglect, fire or due to any unusual occurrence. In cases of loss of stores due to theft, fraud or neglect the holding of a court of inquiry may, at the discretion of the prescribed authority be dispensed with, where the reported loss is less than Rs10000.
2. Losses of store will be classified under the following headings;--
- (a) Losses due to theft, fraud or neglect.
  - (b) Losses due to other causes:-
    - (i) Fire.
    - (ii) Deficiencies in actual balances.
    - (iii) Deterioration.
    - (iv) Defective storage.
    - (v) In transit-

- (1) Between depots and consuming units;
- (2) Between one depot to another;
- (3) Between manufacturing establishments and depots and
- (4) Between manufacturing establishments or trade and consuming units.
- (vi) Rain/Storm/Flood.
- (vi) Casualties in the case of animals.
- (vii) Miscellaneous causes.

3. Loss statements will be prepared on IAFA-498 in sextuplicate for use as under—

- (a) Original copy to be sent to CFA for sanction;
- (b) Duplicate copy to be retained as office copy;
- (c) Triplicate copy to retain in central ledger section to support writes off;
- (d) Quadruplicate copy for LAO with decedely statement.
- (e) Quintuplicate copy to be retained by pricing authorities.
- (f) Sextuplicate copy for the group holder- in-charge.

After having been priced, they will be submitted to the competent financial authority through the staff or departmental channels, as the case may be, and through the PCDA/CDA or his representative concerned, for sanction. Courts of Inquiry proceedings, if any, as well as a statement of the case, preferred in respect of those losses that are exhibited in the Appropriation Accounts will accompany each and every loss statement. The original copy of the loss statement will be signed by the competent financial authority in ink and this will be produced for audit in support of the relevant transaction in the store account. This will indicate the penal recoveries made or to be made from the individuals concerned, or in case of loss in transit the amount of the claim accepted by the Railway or other carrying agency if any.

4 All copies of the loss statement will be forwarded for pricing to the pricing party. who will after pricing, retain one copy thereof for audit and return the other copies to the unit/depot for the further action to obtain the order of the competent financial authority.  
regularization.

5. While processing loss cases it must be ensure that the following documents are strictly followed and adhered to:-.

- (a). Copy of the court of inquiry.

(b) Copy of the court of inquiry is completed within one month from the date of issue of convening order

(c) Clear-cut recommendations/directions of Officers up the chain should be endorsed on the Court of Inquiry proceedings (i.e. state Dtes ADG/DDG).

(d) Six set of loss Statements prepared on IAFA 498 for obtain of Audit Report.

(e) Loss statement should be signed by OC / GP Cdr and ADG/ DDG duly categorizing the loss.

(f) The Loss Statement No and date should be mentioned on IAFA 498.

(g) Loss statement should be priced checked by LAO with his/her signatures & by name rubber stamp. It has to be categorized as either "**Due to Theft, Fraud,Gross Neglect**" or "**Not Due to Theft, Fraud, Gross Neglect**".

(h) All copies of loss statement should be f wd to LAO for pre scrutiny and rendition of Preliminary Audit Report. LAO in turn sends LS to PCDA/CDA for rendition of Final Audit Report

(i) Copy of remedial measures should be attached.

(j) A Copy of orders / proof on disciplinary /Adm action taken, wherever applicable, should be attached.

(k) Recoveries from blameworthy officers/ personal, if any, should be made at the earliest and copy of PCDA/CDA acknowledgement of MRO should be attached.

(l) Statement of Case must be prepared with full facts of the case.

(m) SOC should be countersigned by the State Dte ADG/DDG.

(n) Up to date delay report duly countersigned by ADG/DDG of State Dte must be attached.

(o) Final Audit Report of PCDA/CDA concerned must be attached.

(p) Copy of FIR, if any, to be attached.

(q) Recommendation of State Dte,ADG/DDG

5 In addition following documents loss of Railway warrants are required.

(a) Copy of the railway Gazette wherein the loss of the said railway warrants has been published should be attached

(b) As per AO 145 / 79 all loss of railway warrants final audit report rendered by PCDA(fy) kolkata except IAFT-1752.

6. Claim against railway for losses or damages in Transit ; - A claim on the railways will be preferred as soon as possible after the discovery of the loss but not later six month from the date of bookingnment.

7. M.T Accident cases .

(a). Copy of fuel receipt voucher duly signed by LAO concerned.

(b). Photocopy of log book/mileage card.

(c). Prop of original value of veh.

(d). Assessment value of loss by Army WKSP.

8. loss of Army Animal.

(a) Losses due to fair, wear and tear.

(b) Losses due to difference between the book value and sale proceeds of stores disposed of by or under orders of the Central Disposal Organization or other orders.

(c) Deficiencies or damages in transit to stores received from UK or other overseas station, discovered at the time of the opening of packages at destination and reported to the,DGISD, London.

(d) Unavoidable losses in manufacturing or building operations.

(e) Losses due to unrecovered quantities of expended metals, sand, bags and barbed wire after use for instructional purposes.

(f) Losses in ammunition or explosives declared as unserviceable on reaching the prescribed age limit. Loss statements are, however, necessary if they are found unserviceable on test before reaching the prescribed age limit.

(g) Discrepancies due to incorrect nomenclature (having been given to stores) in the case of receipts from ordnance etc, depots provided the acknowledgement of the consignor for discrepancy is obtained.

(h) Losses due to casualties and castings among animals. In these cases the strike off of animals will be supported by the under mentioned documents according to the nature of the loss.

Note;-so far as military farms are concerned animals lost will have to be regularized on loss statement after **SIX MONTHS FROM THE DATE OF LOSS.**

1	Remount Cases	Castings rolls approved by the DRVS
2	Veterinary Cases	Castings rolls approved by the DRVS , GOC-IN-C Command, Are Commander, or any officer specified by the QMG.
3	Worn out Cases	As in (ii) above
4	Destruction of animals incurably injured	The order of the Sub-Area, Brigade Commander or OC station for destruction.
5	Destruction of Vety, Cases in hospital	A certificate from the veterinary officer or the senior officer present.
6	Animals strayed or lost	The orders of the competent authority on the Court of Inquiry proceeding.

(ii) Claims against Railways for losses or Damages in transit, claim against railway authority will be preferred as soon as possible after the discovery of the loss but not later than six months from the date of booking of consignment and reply of railway authority must be attached.

(iii) In cases of loss of stores during transit by rail or on sea or air or road or from the custody of Railway/Sea Port/Air Port/Transport authorities, when claim preferred against Railway carrying agency/Sea Port/AirPort/Transport authorities has been accepted in full, no formal write off will be required.

(iv) In cases of loss of stores during transit by rail or on sea or air or road or from the custody of Railway/Sea Port/Air Port/Transport authorities, where the carrying agency admits the claim in part, the residual loss will be regularized on loss statement by to sanction the net amount of loss but CFA will be required on gross value of loss.

(6) MT Losses;-In the case of stores pertaining to M.T. accidents, where a large number of loss statements are held up for an indefinite period pending settlement of the litigations in the civil courts awaiting awards/comp0ensation to arrive at the net loss after deducting from gross loss, the following action will be taken for their finalization-

(a) In the case of M.T. accidents irrespective of whether the down gradation of vehicle is involved or not, the loss will be written off by the Competent Financial Authority (to be determined with reference to the gross loss) independently of any liability for the loss attaching to the concerned unit/individual/other party. However, whenever any amount to make good the loss has been recovered as a penal deduction or otherwise prior to finalization /regularization of the loss, the same will not be taken into account to arrive at the net loss to be actually written off. No loss statement/audit report thereon will, however, be pended on account of such

recoveries / finalization of impending Court Judgements to avoid withholding of loss cases for indefinite period.

(b) If any compensation is awarded by a Civil Court / Tribunal in favour of the Govt. after regularization of any loss, the amount so awarded, will be deposited with the Govt. and the onus for watching recovery / finalization of the claim would rest on administrative authorities and local audit. In cases where the court Judgement is contrary to the findings of the Court, of Inquiry based on which regularization was taken e.g., where the loss categorized by the Court of Inquiry as not due to theft, fraud or neglect, is later on viewed as a loss due to theft, fraud or neglect by the civil court / motor accident claim tribunal or vice-versa, the loss statements already finalized will not be re-opened for regularization of the loss.]

7. Please acknowledge receipt.

(Kaushal Kishore Pandey)  
Dy Dir Lgs (Coord)  
For DG NCC