

Tele : 23793509/35763(A)
Fax : 23794549/23793541

Policy letter No 08/2006
Dte Gen Md Accn Project
Engr-in-Chief's Branch
Integrated HQ of MoD(Army)
Kashmir House, Rajaji Marg
New Delhi - 110 011

21362/DO/P&S/18/MAP

23 Nov 2006

M/s RITES Ltd

M/s IRCON International Ltd

M/s NBCC Ltd

FINANCIAL CONTROL: ACCOUNTING FOR DEVIATIONS

1. It is observed during the recent past that the PSUs are projecting cases of deviations for approval suggesting further requirement of funds on account of changes necessitated due to variation in quantities between the DPR and that actually executed/to be executed at site and also on account of changes necessitated as a result of certain policy letters issued by this office. Such projections at this stage, when projects at various stations are at advanced stages of construction, may lead to cost time over runs and the users aspirations may not be met with , in the allocated time frame.

2. Such changes are to be adjusted under the provisions of clause 2.4.3 (g) of CA with DG MAP. However, in case funds sanctioned within A/A are fully utilized, the EA should take the following actions to request for additional funds:-

(a) Render a certificate that no savings are possible against which the deviation can be adjusted.

(b) Forward the financial effect of the deviation (s), as per Terms and Conditions of contract between EA/Deployed contractor at the rates contained therein. While it is the charter of DG MAP to accord approvals for changes, the correctness of pricing remains the responsibility of the EA.

(c) Forward financial statement of the project, duly signed by the Director Project. Committed as well as anticipated liabilities should be clearly priced and endorsed. All approvals/sanctions of deviations already accorded by the DG MAP shall also be accounted for and reflected in the financial statement.

Contd.....2/-

(d) Certificate stating that 'No unintended benefit accrues to the deployed contractor due to increase/decrease in quantities or changes ordered', must be enclosed.

(e) Certificate mentioning that 'There is no change in conceptually approved scope of work as per DPR', to be enclosed.

3. Under no circumstances, shall the financial limit exceed 5% of the Adm Approval cost of project.

(Aalok Sood)
Col
Dir (P&S)
For DG MAP

Copy to :-

DG MAP Sectt

Plg Team A

Plg Team B

Contract Sec

All TAs of PSU Stns

All RCs of PSU Stns