



भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
(रेलवे बोर्ड Railway Board)



No.2022/CE-I/CT/GCC-2022/POLICY

New Delhi, Dated 27.04.2022

As per list attached

Sub:- Indian Railway Code for Engineering Department - Advance Correction Slip No. 58.

Ministry of Railways (Railway Board) have decided to amend Para 1264 of Indian Railway Code for Engineering Department, Fourth Re-print 2012 as shown in enclosed Advance Correction Slip No. 58.

This issues with concurrence of the Finance Directorate of the Ministry of Railways.

Encl: As above.

(अजीत कुमार झा) 27.4.22

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No.2022/CE-I/CT/GCC-2022/POLICY

New Delhi, Dated 27.04.2022

Copy forwarded for information to:

1. The PFAs, All Indian Railways.
2. Dy. Comptroller and Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi

(Signature)

For Member Finance

LIST FOR DISTRIBUTION (No.2022/CE-I/CT/GCC-2022/POLICY, Dated 27.04.2022)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad.
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways
6. PFAs, All Indian Railways
7. THE Deputy Controller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi

- (A)
1. CAO, COFMOW, Tilak Bridge, New Delhi
 2. Principal CAO, Diesel Loco Modernization Works, Patiala (Punjab)
 3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

- (B)
1. Director General, RDSO, Manak Nagar, Lucknow
 2. Director General, NAIR, Vadodara
 3. Director, IRICEN, Pune – 411 001 (Maharashtra)
 4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
 5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
 6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
 7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

- (C)
1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi- 110076.
 2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
 3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.
 4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1st Floor, Bhikaji Cama Place, New Delhi.
 5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
 6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi-110001.
 7. MD, DFCCIL, 5th Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
 8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
 9. MD, CRIS, Chanakyapur, New Delhi.
 10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
 11. CME, IROAF, 12th Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi- 110092
 12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
 13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001
 14. CMD, Braithwaite & Co. limited, 5 Hide Road Kolkata 700043.

Copy to:

(A)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of Chairman cum CEO, M/Infra, M/T&RS M/O&BD, M/Finance, Railway Board
2. Chief Vigilance Officers, All Indian Railways.
3. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), PED(B&S), PED(Vigilance), PEDCE(P), EDCE(G), EDTK(M&MC), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED(PSU), EDVE, ED(Safety), ED(Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.

**Advance Correction Slip (ACS) No. 58 to Indian Railways Code for Engineering
Department Revised Edition-1982 and Fourth Re-print 2012**

Para No. 1264 should be amended as under:

1264: Advances to Contractors —

It shall be duty of the Executives to abstain as far as possible from giving advances and they should endeavour to maintain a system under which no payments are made except for work actually done. General Managers may, however, sanction advances within their delegation of powers, as per limits indicated hereunder for such of the works which are capital intensive and of specialized nature, if the estimated value of the tender exceeds **Rs. 50 (fifty) crore**. Suitable provisions may be included in the special conditions of the tender for grant of Mobilisation Advance and advance against machinery and equipment, if the work warrants grant of such advances, subject to conditions stated hereunder:

(a): Mobilisation Advance —

This shall be limited to 10% of the Contract value and payable in 2 stages as indicated below:

Stage I – 5% of Contract Value on signing of the contract agreement.

Stage II – 5% on mobilization of site-establishment, setting up offices, bringing in equipment and actual commencement of work.

The 1st stage of advance shall be payable immediately after signing of contract documents.

The 2nd stage of advance shall be payable at the time of mobilisation, after submission of an utilization certificate by the contractor that the Stage I advance has been properly utilized in the contract.

(b): Advance Against Machinery and Equipment —

This advance shall be limited to a maximum of 10% of the contract value against new Machinery & Equipment, involving substantial outlay, brought to site and essentially required for the work. This advance shall not exceed 75% of the purchase price of such Equipment and shall be payable when hypothecated to the President of India by a suitable bond or alternatively covered by an irrevocable Bank Guarantee for full cost of the Plant & Equipment from a Nationalised Bank in India in a form acceptable to Railways. The Plant & Equipment shall be insured for the full value and for the entire period, they are required for the work. This Plant & Equipment shall not be removed from the site of work without prior written permission of the Engineer. No advance should be given against old Plant & Machinery.

(c): Advances for accelerating progress of the work during course of execution of Contract —

This advance is to be decided on the merits of each case and shall be restricted to a maximum of 5% of contract value. This is to be granted by the General Manager on the recommendations of the Chief Engineer in-charge, in consultation with the Associate Finance. While recommending this advance for sanction of General Manager, the Chief Engineer in-charge shall also confirm

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that progress of the contract work has been as per milestones/ targets laid down and no extension to Date of completion of the contract has been given on contractor's account.

(d): Advances in Exceptional Cases —

General Managers are further empowered to grant advances in exceptional cases upto a maximum of Rs. 20 lacs in respect of even contracts of value less than Rs. 50 crore, if considered absolutely essential, depending on the merits of each case and circumstances in each situation, to be recommended by the Chief Engineer in-charge and in consultation with the Associate Finance.

(e): The above advances are subject to the following conditions —

- i. The advance shall carry an interest at the rate to be decided by the Railway Board and communicated at the beginning of every financial year, to be applicable for the tenders to be opened in that financial year.
- ii. Advances except those against machinery and equipment, shall be payable against irrevocable guarantee (Bank Guarantee, FDRs, KVPs/NSCs) of at least 110% of the value of the sanctioned advance amount (covering principal plus interest). The Bank Guarantee shall be from a Nationalised Bank in India or State Bank of India in a form acceptable to the Railways;
- iii. The recovery shall commence when the value of contract executed reaches 15% of original contract value and shall be completed when the value of work executed reaches 85% of the original contract value. The installments on each "on account bill" will be on pro-rata basis;
- iv. That the grant of advance is primarily in Railway's own interest;
- v. That a contractor does not receive advances for same work from different officers;
- vi. That arrangements are made with the Accounts Officer for proper accounts being kept with regard to payment and recovery of these advances; and
- vii. That all necessary precautions are taken to secure Government from the possibility of loss and for preventing the system becoming more general or continuing longer than what may be absolutely necessary for proper progress of the work.

(f): Method of Recovery of Interest —

Interest shall be recovered on the advance outstanding for the period commencing from the date of payment of advance till date of particular on-account bill (through which recovery of principal is effected) and adjusted fully against on-account bill along with pro-rata principal recovery. In the event of any short-fall, the same shall be carried forward to the next on account bill and shall attract interest.

The Bank Guarantee for such advance shall clearly cover at least 110% of the value of the sanctioned advance amount (covering principal plus interest).

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