

Annexure IV-A

Our Audit Observations

We give below the matters that have come to our attention during the course of audit which might have a significant impact on the implementation of the Project :-

ALE : Allahabad East
ALW: Allahabad West

S. No	Unit	Particular										
1.	ALE & ALW*	<p><u>Expenditure claimed in duplicate</u></p> <p>On reconciliation of expenditure incurred on eligible contracts and the total expenditure claimed in IUFR during FY 2017-18, we noted that expenditure of ₹ 42,27,984/- on PMC contract eligible for reimbursement under contract have been claimed twice in IUFR first in September, 2017 and again in October, 2017 resulting in overstatement of amount of expenses incurred and claimed as tabulated below:</p> <table><tr><th>Date</th><th>Vendor Name</th><th>Category</th><th>Voucher No</th><th>Eligible Amt (In ₹)</th></tr><tr><td>14-09-2017</td><td>M/S Systra- Mott-JV</td><td>PMC</td><td>BV/ALW/2017/0421</td><td>42,27,984</td></tr></table> <p>As per the defined process, on receipt of expenditure details from project unit, loan division reconciles the same with the payments made to Contractors as reflected in the ledger account taken from accounting team.</p> <p>On root causing the reason for claiming the above expenditure twice in IUFR, we noted following gaps in control procedures:</p> <ul style="list-style-type: none">a. Project unit reported expenditure twice in IUFR.b. As appraised, reconciliation of expenditure details submitted with contractors' ledgers is not performed for every quarterly IUFR by HO. While preparing IUFR for subsequent period, the reconciliation, if performed, is limited to that particular period (e.g. for that particular quarter without covering the previous period for which reconciliation was pending). <p>Steps already taken by DFCCIL:</p> <p>As appraised, the loan division has appointed a finance officer (FO) during FY 2018-19 to ensure correctness of claims.</p>	Date	Vendor Name	Category	Voucher No	Eligible Amt (In ₹)	14-09-2017	M/S Systra- Mott-JV	PMC	BV/ALW/2017/0421	42,27,984
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14-09-2017	M/S Systra- Mott-JV	PMC	BV/ALW/2017/0421	42,27,984								



S. No	Unit	Particular
		<p>Recommendation:</p> <p>a. More than 95% of the eligible expenditure is incurred under the approved contracts which are updated in client connection, the liability in respect of such expenditure are recorded under particular contractors' ledgers. Therefore, it is advised that a list of all such ledgers is prepared and obtained from accounts division and checked before submission of IUFR. The checking at HO should not be limited to only those contract ledgers where expenditure is reported by Project Units.</p> <p>b. To reconcile expenditure details submitted by project units with contractors' ledgers while preparing an IUFR. In case, the reconciliation is not performed during a particular period, the same needs to be performed from last reconciliation date to the date of current claim.</p> <p>c. To perform yearly reconciliation of total expenditure in IUFR till date with total expenditure as per subsidiary ledgers maintained by Project units (i.e. subsidiary records).</p> <p>Management's Responses</p> <p>It has been verified that actual payment of ₹ 42,27,984/- has been made to M/S Systra S.A on 14.09.17. This payment was reported in IUFR of quarter ending Sep-2017. But inadvertently this transaction was wrongly reported in IUFR of quarter ending Dec-2017 also. This excess amount will be adjusted in next IUFR report of Dec-2018. In further all expenditure included in IUFR report will be reconciled before including it in IUFR report.</p> <p>Name Of Process Owner: MGR/Fin./MA</p> <p>Timeline for completion of activity: 2nd Week of Feb, 2018.</p>
2.	ALE & ALW	<p><u>Non Receipt of PAC for purchase of HSD resulting into additional cost of ₹14,02,43,792 due to excise duty</u></p> <p>DFCCIL issued Project Authority Certificate (PAC) to the contractor TATA-Aldesa (Tundla-Project EDFC-1-LOT103) to enable it to purchase HSD (diesel) from Indian Oil Corporation Ltd without payment of Excise duty (PAC No. HQ/EN/DB/BHAUPUR-KHURJA/103/IOCL/HSD/01 Dated 27-01-2017).</p> <p>In this project, GIL-SIL civil contractor (contract numbers 201 & 202) has also submitted request vide following letters for issue of Project Authority Certificates (PAC) for 91,10,000 LTR each for purchase of diesel from Indian Oil Corporation Ltd. (Barauni and Mathura refineries)</p> <p>(i) GIL-SIL/DFCC/201/PAC/2017-18/PD-1900 Dated 21-02-2017 and</p> <p>(ii) GIL-SIL/DFCC/201/PAC/2017-18/PD-1901 Dated 21-02-2017</p> <p>PMC vide letter number PMCS/EDFC2/LTT/2017/00993 dated 27-02-2017 has requested DFCCIL for clarification on issuance of PAC for HSD, however, as informed, no response has been received from the corporate office.</p>



S. No.	Unit	Particulars
		<p>PMC vide letter Number PMCS/EDFC2/LTT/2017/07212 dated 29-12-2017 has sent copy of claim raised by GIL-SIL for ₹ 8,92,47,886 for ALW and ₹ 5,09,95,906 for ALE respectively on account of excise duty paid for non-issuance of PAC for diesel. On this issue, ALW and ALE units have written the various letters to the corporate office regarding the clarity on the issue of PAC but the clarification on the same is not given by the corporate office of DFCCIL. Letter written by ALE unit is ALD(E)/EN/PAC/180/Part-II dated 01-01-2018, whereas following letters are written by ALW:-</p> <p>(i) ALD(W)/EN/PAC/302/63 dated 06-07-2018 (ii) ALD(W)/EN/PAC/302/64 dated 25-07-2018 (iii) ALD(W)/EN/PAC/302/65 dated 09-10-2018</p> <p>Pending determination of the above issue, the amount has not been released to the contractor and accounted for in the books of the Company.</p> <p>Recommendation:- There should be defined timeline for reply of issues raised by the project unit/PMC particularly in cases where the issue raised has financial implication.</p> <p>Management's Responses:- Clarification regarding this issue are being asked from concerned Authorities. In the meantime, the contractor has asked that matter shall be referred to DAB as per the contract condition. Accordingly, the matter has been referred to Dispute Adjudication Board.</p> <p>Name of Process Owner:- CPM/ALD(E) & ALD(W) Timeline for completion of activity:- At the earliest possible time.</p>
3.	ALE & ALW	<p><u>Price Variation Clause (PVC) :-</u></p> <p>Railway Board under vide notification number 2007/CE-I/CT/18/Pt.19 dated 28-08-2018 has revised the base year of All-India Wholesale Price Index (WPI) from 2004-05 to 2011-12 w.e.f January 2017. Upto January, 2017, indices with base year 2004-05 shall be used to operate PVC clause & contract price shall be updated upto January, 2017. This updated price then be taken as the base price as at January, 2017 and will thereafter index of base year 2011-12 shall be used for further indexation.</p> <p>Vide letter number HQ/EN/Proc/WPI dated 12-09-2018, Mr. Ajay Kumar (E.D.) with the concurrence of Director Finance and MD of DFCCIL has clarified that:-</p> <p>"Change in the WPI shall not only be change of base indices but there shall also be a change of PVC formulae itself. In case there is change in commodity Index change of PVC formulae to incorporate new commodity indices is a matter which the contracting authority has to decide."</p>



S. No.	Unit	Particular
		<p>As informed, in ALE & ALW units, 90% of price adjustment for the contract Nos. 201 & 202 with GIL-SIL, has been released in Interim Payment certificate (IPC) 33-A in September 2018 on Ad-hoc basis after taking the approval of Director PP vide letter dated 02-11-2018 number ALD(E)/EN/CP-201/Payment/187/Part-iv for ALE unit and vide letter dated 27-11-2018 number HQ/GM/CO/EC/APL/CP-202/CA/Pt.II for ALW unit. Our observations are as under:-</p> <ol style="list-style-type: none"> 1) As discussed above, approval of the contracting authority has not been taken for change in price variation & payment of price variation from Feb 2017 is made on Ad-hoc basis i.e.90% of the IPC-33A amount. 2) Effect of the price variation has not been taken in the IUFR of the Company for the financial year ended March 31, 2018. 3) During the course of audit, we have also observed that the various units of DFCCIL viz. ALE, ALW, Tundla and Ambala have not followed a uniform policy with respect to payment of price variation claim (PVC). ALE & ALW units have paid 90% of the total price variation, Ambala unit has paid 100% of total price variation and Tundla unit has not paid anything. <p>Recommendation:- To take approval of the contracting authority for change in price adjustment.</p> <p>Management's Responses:- There was no guidelines to deal with this matter. Guidelines was issued by Railway Board vide letter no. 2007/CE-I/CT/18/Pt.19 New Delhi 28.08.18. (Attached Annexure-M1) Accordingly after obtaining these guidelines the matter is now being dealt on priority. As the guidelines were issued in August-2018, hence, the effect of price variation not taken in to IUFR of the company for financial year ending March 2018. Interim payment on account of PVC is being made after taking approval of competent Authority. As & when its final impact worked out, its impact in the finance of the company will be considered.</p> <p>Name Of Process Owner: CPM/ALD(E) & ALD(W) Timeline for completion of activity:- At the earliest possible time.</p>
4.	ALE & ALW	<p><u>Approval of Overall extension is not granted:-</u></p> <p>In accordance with the GC sub-clause Number 1.1.2.2 & 1.3 of Contracts 201(contract value ₹ 24,66,00,00,000 and amounts paid ₹ 6,76,82,92,562 till March 31, 2018 as per the IUFR) GC sub-clause number 1.1.3.3 of contract number 202 (contract value of ₹ 26,91,00,00,000 and amounts paid ₹ 7,13,52,70,071 till March 31, 2018 as per the IUFR) both Civil Contracts for the units - ALE and ALW respectively, awarded to GIL-SIL (GMR), the contract completion date specified is 20-01-2019.</p> <p>But the contractor (GIL-SIL) has done only 34.59% of the total work for contract 201 (Unit-ALE) and 34% of the total work for contract 202 (unit –ALW) in accordance with the monthly progress report (submitted by PMC Systra-Mott Macdonald) by the end of October 2018 and as discussed, the contract is not likely to be completed by the date specified in the contract.</p>



S. No.	Unit	Particulars
		<p>Therefore, both the above contracts need to be extended. Both units on the basis of letters issued by the contractor and PMC has submitted its recommendations to the Head Office (Letter number ALD(W)/EN/PMC/Pro-2/281/663 dated 24-11-2018 w.r.t. to ALW unit and letter number ALD(E)/EN/PMC/159/Vol.-I/Part-VII dated 08-11-2018 w.r.t. ALE unit respectively) for extension of the 5th Milestone that will result in the extension of the overall contract to 07-12-2019 for ALW and 31-12-2019 for ALE. But as on the date of this report the final approval has not been granted by the corporate office. The same issue is also relevant for L&T-Inabensa contract no. 204 (contract value ₹ 8,47,00,00,000 and amounts paid ₹ 42,89,53,674 till March, 2018 as per the IUFR) where contract completion date is 12-03-2019 but during the period 2017-18, no amount is paid/ accrued and mobilization advance paid in 2016-17 are lying as it is. Therefore, this contract would also require extension.</p> <p>Recommendation:- To take a time bound decision for extension of overall contracts 201, 202, 203 & 204.</p> <p>Management's Responses:- Proposal of extension of overall 201, 202 & 204 has been sent to World bank for approval</p> <p>Name Of Process Owner: CPM/ALD (E) & (ALD (W) Timeline for completion of activity:- At the earliest possible time</p>
5.	ALE /ALW	<p><u>GST Payment on Adhoc Basis:-</u></p> <p>After implementation of GST Law w.e.f. 1st July 2017, contractor is charging GST @12% in their invoice and claiming it as additional cost due to change in legislation as per clause 13.7 but because of some taxes are already subsumed in the contract price some amount of claim is reduced by contractor i.e. 4% which is approved by PMC.</p> <p>We noted that Contractors -GIL-SIL, L&T- Inabensa Consortium and Beijing have submitted the calculation of GST and the Engineer has reviewed the calculation sheet for assessing GST impact. Based on various meetings with Employer/Contractors and Contract provisions, the Engineer made determination (as per clause 3.5) and submitted recommendation for approval of the Employer (as per clause 3.1). However, no approval has been granted by DFCCIL till Dec-18. In the meantime, circular numbers 46 and 52 have been issued by DFCCIL HQ, the compliances of which are still pending from the Contractors.</p> <p>Declarations under section 171 of CGST Act duly approved by the Contractors have been obtained by PMC, but the same has not been certified by their Statutory Auditor.</p> <p>Till date of this report (extended timeline of circular 32), all monthly IPC have been processed & released on adhoc basis. Payment of ₹ 27,83,55,633 and ₹ 21,71,69,884 on account of GST amount is made on ad-hoc basis for ALW and ALE respectively.</p>



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		<p>Recommendation:- To finalize GST impact in a time bound manner.</p> <p>Management's Responses: - Impact of GST on the contract is worked out as it requires examination of lot of document regarding to material procurement by the contractor. Contractor has submitted the impact calculation which has been forwarded by PMC. Observation of DFCCIL has been conveyed to PMC vide letter No. ALD(W)/EN/PMC/Pro-2/281/675 dated 14.12.2018(attached – Anex-M2) . After receipt of reply, it will be examined all efforts will be made to close the GST impact analysis as early as possible.</p> <p>Name Of Process Owner: CPM/ALD(E) & ALD(W)</p> <p>Timeline for completion of activity:- At the earliest possible time.</p>												
6.	ALW & ALW	<p><u>Last date of submission of Monthly Progress Report (MPR) issued by PMC is not decided by DFCCIL:-</u> As per the General Contract Conditions (GCC) w.r.t. Contract Number 201 & 202 entered into with GIL-SIL (GMR) for civil work and contract number 203 entered into with Beijing Corporation for Signaling and Telecommunication & contract no 204 entered into with L&T Inabensa for electrical work, Systra-Mott-MacDonald's (PMC) needs to provide a Monthly Progress Report to DFCCIL for each of the four contracts. However, last date of submission of the Monthly Progress Report is not decided by DFCCIL and hence there is lack of uniformity in the submission of the report by the PMC. Generally, report is submitted between 7th of next month to 15th of next month. However, in following cases, report was submitted beyond 15th of next month:-</p> <table><tr><th>Contractor Name & Contract No.</th><th>Unit</th><th>Month to which report pertains to</th><th>Date of submission of report by PMC</th></tr><tr><td>GIL SIL 201</td><td>ALE</td><td>February 2018</td><td>16-03-18</td></tr><tr><td>L&T 204</td><td>ALE</td><td>June 2017</td><td>18-07-17</td></tr></table> <p>Recommendation:- Last date for submission of report should be specified and PMC should be advised to submit report on time.</p> <p>Management's Responses:- PMC is submitting the monthly progress report in time barring a few instances due to pre occupation with other work. However, PMC has been advised to submit the report by 5th of next month vide letter no. ALD(W)/EN/PMC/Pro-2/281 dated 21.12.18 (attached annexure-M3)</p> <p>Name Of Process Owner: CPM/ALD(E) & ALD(W)</p> <p>Timeline for completion of activity:- At the earliest possible time.</p>	Contractor Name & Contract No.	Unit	Month to which report pertains to	Date of submission of report by PMC	GIL SIL 201	ALE	February 2018	16-03-18	L&T 204	ALE	June 2017	18-07-17
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7.	ALW & ALE	<p><u>Non-submission of monthly bills by the contractor:-</u></p> <p>As per the clause 14.3 of General Contract Conditions (GCC) of the contract number 203 & 204 entered into with Beijing & L&T-Inabensa respectively, the contractor needs to submit the monthly bills to PMC from the date of commencement of contract even if the contractor has not achieved billing stage, he has to give monthly bills to DFCCIL of Nil or zero amount.</p> <p>However, the contractor has not submitted bills for following months:-</p> <table><tr><th>Contract No.</th><th>Unit</th><th>Month</th><th>Submitted to monthly bill</th></tr><tr><td>Beijing 203</td><td>ALW</td><td>April 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>May 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>June 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>July 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>August 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>September 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>October 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>November 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>December 2017</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>January 2018</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>February 2018</td><td>No</td></tr><tr><td>Beijing 203</td><td>ALW</td><td>March 2018</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>April 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>May 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>June 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>July 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>August 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>September 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>October 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>November 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>December 2017</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>January 2018</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>February 2018</td><td>No</td></tr><tr><td>L&T 204</td><td>ALE</td><td>March 2018</td><td>No</td></tr></table>	Contract No.	Unit	Month	Submitted to monthly bill	Beijing 203	ALW	April 2017	No	Beijing 203	ALW	May 2017	No	Beijing 203	ALW	June 2017	No	Beijing 203	ALW	July 2017	No	Beijing 203	ALW	August 2017	No	Beijing 203	ALW	September 2017	No	Beijing 203	ALW	October 2017	No	Beijing 203	ALW	November 2017	No	Beijing 203	ALW	December 2017	No	Beijing 203	ALW	January 2018	No	Beijing 203	ALW	February 2018	No	Beijing 203	ALW	March 2018	No	L&T 204	ALE	April 2017	No	L&T 204	ALE	May 2017	No	L&T 204	ALE	June 2017	No	L&T 204	ALE	July 2017	No	L&T 204	ALE	August 2017	No	L&T 204	ALE	September 2017	No	L&T 204	ALE	October 2017	No	L&T 204	ALE	November 2017	No	L&T 204	ALE	December 2017	No	L&T 204	ALE	January 2018	No	L&T 204	ALE	February 2018	No	L&T 204	ALE	March 2018	No
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<p>Recommendation</p> <p>The Contractor should be advised to submit monthly bills as required in the contract.</p> <p>Management's Responses:-</p> <p>Contractor has already been advised by PMC vide its letter no. PMCS/EDFC/LTT/2018/05629 dated 20.07.18 (Attached annexure -M4 & PMCS/EDFC2/LTT/2018/07346 dated 29.09.18 (Attached annexure -M5) to submit the monthly bill as per contract condition. During the meetings, also contractors has been asked to submit monthly bill as per contract condition.</p> <p>Name Of Process Owner: CPM/ALD(E) & ALD(W)</p> <p>Timeline for completion of activity:- At the earliest possible time.</p>																																																																																																						





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

New Delhi, dated 28.08.2018

No. 2007/CE-I/CT/18/Pt.19

As per attached list.

Sub: Change of base year of All-India Wholesale Price Index (WPI) and its effect on PVC in Railway Works Contracts.

Wholesale Price Indices published in RBI Bulletin on the basis of data of Economic Advisor, Ministry of Commerce & Industry are used to evaluate price variation in railway works contract as per Clause. 46A of Indian Railways Standard General Conditions of Contract (GCC), July 2014.

2. The base year of All-India Wholesale Price Index (WPI) has been revised from 2004-05 to 2011-12, w.e.f April 2017. Discontinuation of indices with base year 2004-05 has rendered existing PVC evaluation (based upon 2004-05 series) unworkable.

3. In order to workout PVC as per revised WPI (2011-12) series, in the existing contracts (wherein Indices of 2004-05 base year are applicable), following procedure shall be adopted:

(i) Upto Jan, 2017, indices with base year 2004-05 shall be used to operate PVC clause. This being part of contract and being feasible to evaluate shall not be tinkered with, to ensure sanctity of a valid and workable contract.

(ii) From Feb, 2017 onwards, PVC available in contract is rendered unworkable because of non-availability of final WPI indices with base year 2004-05. In such cases, following method shall be used:

a) The contract price shall be updated upto Jan, 2017, by indices with 2004-05 series, using PVC as contained in contract. [This updated price shall then be taken as the base price on indices, of Jan, 2017, of 2011-12 series as base index.

b) The base price of Jan, 2017 calculated in (a) above shall further be updated after Jan, 2017 using the PVC formula as per indices w.r.t. 2011-12 series.

(iii) Contracting authority may revise PVC formulae to incorporate new Commodities/Major Groups/Groups/Sub-Groups as required.

कोशिल 30/8/18

Be Singh.

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

(अनिल कुमार)
28/8/18

(अनिल कुमार)

निदेशक/सिविल इंजीनियरिंग(जी)/रेलवे बोर्ड

[Phone: Rly: 030-47598, MTNL: 011-23047598]

No. 2007/CE-I/CT/1/Pt.19

New Delhi, dated 28.08.2018

Copy forwarded for information to:

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

For Singh

For Financial Commissioner/Railways



डेडीफ्रेट क्रेट कोरीडोर

डेडीफ्रेट क्रेट कोरीडोर कॉर्पोरेशन ऑफ इण्डिया लि.

भारत सरकार (रेल मंत्रालय) का उपक्रम

Dedicated Freight Corridor Corporation of India Ltd.

A Govt. of India (Ministry of Railways) Enterprise

No.: ALD (W)/EN/PMC/Pro-2/281/675

Date: 14/12/2018

SYSTRA Mott MacDonald (JV)
 3rd & 4th Floor Mahalaxmi Tower,
 9 T.B Sapru Marg, Civil Lines,
 Allahabad.

Sub:- Project Management Consultancy Services for Mughalsarai-New Bhaupur section of EDFC. **Reg:-** Determination of GST Impact-the adjustment to the contract Price on account of change in legislation for the implementation of GST-Sub Clause 13.7 of GCC of GIL-SIL JV Contract Agreement.

Ref:- Your letter No. PMCS/EDFC2/LTT/2018/06393 dt 22/08/2018.

Dear Sir;

Vide above reference, PMC has submitted GST impact determination of CP-202. The following are the observations:

1. No adjustment on account of Building and other construction workers (BOCW) is done while computing the overall impact of GST on the contract. BOCW is included in the contract price and an adjustment for the same is needed for the proper impact analysis.
2. The tax liability of the contractor before & after the implementation of GST has been worked out taking into account all stipulated taxes in force before GST implementation i.e. Customs & Excise Duty, Vat, Entry Tax, Octroi Duty prevalent Service tax etc, irrespective of whether the same were actually paid by agency or not.
3. Cost center wise data has not been provided.
4. The tax on balance amount of work to be executed in the contract is calculated on the basis of estimated quantities to be used in the contract. However, details of quantities arrived and rates taken are not furnished with the determination.
5. PMC proposal is silent regarding input credits to be passed on to the Employer.
6. Contractor should be asked to submit detailed GST impact calculation with supporting details and back up papers. Detailed excel template with assumptions (Pre GST and Post GST) should also be shared.
7. Declaration under section 171 of CGST Act should be obtained duly approved by BOD of each contractor/each consortium partner duly certified by Statutory Auditor of each contractor/each consortium partner.
8. The difference in amount of total taxes due to "change in law" clause on contract price arrived in respect of Pre-GST taxes and Post GST duly considering the ITC availed/refund claimed if any along with working sheets shall be verified and vetted by authorized signatory of contractor and certified as correct by the Statutory Auditors of the contractor. In case of consortium partners, this will be required to be done by the Statutory Auditors of each consortium partner.

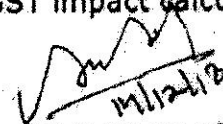
Contd...

Annex- II
2

:2:

9. Stock of material as on 30.06.2017 has not been provided. Instead, quantity of material utilized till 30.06.2017 has been presented in the statement PMC has considered the same balance of material required to procure for the GST evaluation.
10. In the summary of impact on contract price due to implementation of GST, PMC has taken material value as Rs. 8,65,90,94,708/-, service value with tax as 6,00,00,000/- and service value tax free as 17,92,18,05,292/-, basis of taking these value should be provided.
11. Contractor shall agree to provide any other additional details required by DFCCIL officers/Auditors/Any Govt Agency/Anti Profiteering Authority at any stage even after contract amendment has taken place.
12. Contractor shall agree that further change in the GST tax structure till date of completion of work or any error/omission is noticed in the calculation of amount payable resulting into recovery, same shall be paid by the contractor to DFCCIL.

In view of above, PMC is advised to submit detailed GST impact calculation with supporting details and backup documents.


(S.K. Maurya)
CGM/DFCCIL/ALD(W)

Ane- 4



डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इण्डिया लि.
भारत सरकार (रेल मंत्रालय) का उपक्रम
Dedicated Freight Corridor Corporation of India Ltd.
A Govt. of India (Ministry of Railways) Enterprise

No.: ALD(W)/EN/PMC/Pro-2/281/678

Date: 21/12/2018


SYSTRA Mott MacDonald (JV)
3rd & 4th Floor Mahalaxmi Tower,
9 T.B Sapru Marg, Civil Lines,
Allahabad

Sub:- Project Management Consultancy Services for Mughalsarai-New Bhaupur section of EDFC Project-2. **Reg: Monthly Progress Report of CP-201, 202, 203 & 204.**

As per PMC contract Para 5.2, "a monthly progress report (5 copies) in English shall be submitted by PMC to DFCC. This report shall be submitted by the 5th day of each Calendar month and shall account for all work actually performed up to the end of previous month....."

It is observed that Monthly Progress Report submitted by PMC are delayed. Since, the monthly progress reports consist the updated progress upto last month which is useful for analysis of progress of the various projects and other aspects also during the progress review meeting. Therefore, PMC is advised to submit the Monthly Progress Report of EDFC2 projects by 5th of each month as mentioned in PMC CA.

This is for information and necessary action please.


(S.K. Maurya)
Chief General Manager
DFCCIL/ALD(W)

SYSTRA

Aner- 5

M
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No.: PMCS/EDFC2/LTT/2018/05629

Date: 20.07.2018

To: M/s Beijing National Railway Research & Design Institute of Signal
& Communication Group Co. Ltd.,
Building No.12, Block 1 of Advanced Business Park,
No. 188 Nansihuan Xilu Fengtai District
Beijing, CHINA.
E-Mail: crscdn@crscd.com.cn

Kind Attention: Mr QI Yinliang (Authorized Representative)

Subject: Project Management Consultancy Services for Mughalsarai – New Bhaupur Section
of Eastern Dedicated Freight Corridor Project 2, CP 203 – Reg. Application for
Interim Payment Certificates under Sub-Clause 14.3.

Ref. : 1. Contract Agreement CP-203.

CC : 1. CPM/ West, DFCCIL, Allahabad.
2. CPM/ East, DFCCIL, Allahabad.

Dear Sir,

With Reference to Sub-Clause 14.3 Particular Conditions of Contract Agreement (Application for Interim Payment Certificates).

The contractor shall submit a Statement in six paper copies and two digital copies (Read only CD/DVD) to the Engineer after the end of the period of payment stated in the Contract (if not stated, after the end of each month).

Even if no stage work is completed during the month or Contractor does not choose to submit a Statement, a 'NIL' Statement shall be submitted by them.

Hence, PMC advise CRSCD to submit statement after the end of each month.

Best Regards,



Panagiotis Amerikanos
Team Leader,
Authorised Signatory for SYSTRA-Mott MacDonald (JV)
pamerikanos@systra.com
Allahabad (U.P.)

SYSTRA

Arev - 6

M
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MACDONALD

Reminder - 1

Date: 29.09.2018

No.: PMCS/EDFC2/LTT/2018/07346

To: M/s Beijing National Railway Research & Design Institute of Signal
& Communication Group Co. Ltd.,
Building No.12, Block 1 of Advanced Business Park,
No. 188 Nansihuan Xilu Fengtai District
Beijing, CHINA.
E-Mail: crscdin@crscd.com.cn

Kind Attention: Mr Qi Yinliang (Authorized Representative)

Subject: Project Management Consultancy Services for Mughalsarai – New Bhaupur Section
of Eastern Dedicated Freight Corridor Project 2, CP 203 – Reg. Application for
Interim Payment Certificates under Sub-Clause 14.3.

Ref. : 1. Contract Agreement CP-203.
2. PMC Letter No. PMCS/EDFC2/LTT/2018/05629, Dated: 20.07.2018.

CC : 1. CGM/ West, DFCCIL, Allahabad.
2. CGM/ East, DFCCIL, Allahabad.

Dear Sir,

In continuation to the letter at ref. 2 PMC reminds CRSCD that as per Sub-Clause 14.3 Particular
Conditions of Contract Agreement;

- a) "The contractor shall submit a Statement in six paper copies and two digital copies (Read
only CD/DVD) to the Engineer after the end of the period of payment stated in the Contract
(if not stated, after the end of each month)".
- b) "Even if no stage work is completed during the month or Contractor does not choose to
submit a Statement, a 'NIL' Statement shall be submitted by him".

CRSCD is again advised to submit statement after end of the each month.

Best Regards,



Kamal Sharma
Authorised Signatory for SYSTRA-Mott MacDonald (JV)
ksharma1@systra.com
Allahabad (U.P.)

JV SITE OFFICE • SYSTRA – Mott MacDonald (JV) •
3rd & 4th Floor • Mahalaxmi Tower • 9TB Sapru Marg • Civil Lines • Allahabad • Uttar Pradesh - 211001 | Tel +915322261153

JV HEADQUARTERS • SYSTRA MVA Consulting India Pvt. Ltd. •
The Great Eastern Centre • Building No. 70, Nehru Place • New Delhi - 110019 • India | Tel +911126413310