

**No. 10/V-12/Audit Reports/2017-VS. I  
Government of India**



**Office of JS & CVO  
Vigilance Unit, CPWD  
Nirman Bhawan, New Delhi-110108**

Dated: 15.06.17

**To**

**The Chief Engineer (CSQ)(Civil),  
CPWD, Nirman Bhawan,  
New Delhi- 110 108.**

**Sub: Recommendations for issue of proper guidelines regarding recovery of interest on mobilization advance**

***(Systemic improvement No. 11/2017)***

**(A) Issue of less recovery of interest on mobilization advance –**

During scrutiny of audit reports of a division by this office, it was observed that the Audit has pointed out that in four No. works executed by the division, the interest on mobilization advance has been calculated and recovered by the division office after the recovery of entire advance while simultaneous recovery of advance and interest was to be made. Due to this, less recovery of interest has been made. The Audit has advised that balance amount should be recovered from the agencies. The CE's office has intimated that this situation has occurred because no guidelines regarding method of recovery of interest on mobilization advance are available in the CPWD Works Manual.

**(B) Recommendations for systemic improvements –**

The clause 10B (iv) of GCC deals with recovery of mobilization advance/plant & machinery advance along with interest. The meaning of outstanding advance after recovery of instalment is to be clearly explained in Manual as the instalment recovered also contain the component of interest. As in this case, balance advance after recovery through each instalment has been erroneously calculated. In order to avoid recurrence of such situation, it is suggested that proper guidelines regarding recovery of interest on mobilization advance (supported with an example) may be issued by your

office and also incorporated in the CPWD Works Manual. The copy of interest calculated by the division office and interest worked out by the Audit in above case are enclosed for your reference please.

This office may also be apprised of the action taken in the matter.

This issues with the approval of CVO, CPWD.

Encl : as above

PPfhl  
15.6.17

(N. P. Gupta)  
Executive Engineer (V)-12

Copy to –

✓ AE (Computer), Vigilance Unit, CPWD for uploading it on the website.