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

New Delhi, Dated: 01 -02-2010

No: 2004/RS(G)/779/11

The Controller of Stores,
All Indian Railways and Production Units & other units

Sub: Security Deposit for procurement of Safety items

Ref: Board's letters of even no. dated 24-07-2007, 19-02-2008 & 6-8-2008.

In the 70th COSs Conference held in Bangalore, it was discussed inter-alia, by Railways that reputed firms who have a record of making timely supplies are unwilling to pay Security Deposit for supply of certain safety items, stating that they are well established supplier to Indian Railways. On being raised this problem earlier by a few Railways, this issue had already been considered by the Board and suitable instructions were issued to the concerned Railways with concurrence of associate finance of Ministry of Railways, in terms of Board's letter of even number dated 7-8-08. A copy of the same is enclosed for your information and guidance please.

(This disposes of :

(i) CMM/SR's letter No.S.05/08/0027 dated 11.12.2009;
(ii) COS/W.Rly.'s d.o. letter No.S/89/2 Vol. V dated 16.12.2009 &
(iii) CMM/C.Rly.'s d.o. letter No.S/220/G/O/I dated 4.1.2010).

Santosh Mittal
(Santosh Mittal)
Dy. Director Railway Stores(G)I
Railway Board

DA : as above

Copy to:

FA&CAOs, All Indian Railways and Production Units & other units

COPY

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

No.2004/RS(G)/779/11 New Delhi, Dated: 07-08-2008

The Controller of Stores,
West Central Railway,
Jabalpur.

Sub: Earnest Money Deposit (EMD) and Security Deposit (SD) for Stores tenders for procurement of Safety items.

Ref: WCR's DO letter No. WCR/S-HQ/COS/SD dt. 14-07-2008.

1.0 Please refer to your above mentioned letter on above cited subject. The matter has been examined in consultation with Finance Dte of Ministry of Railways. It is clarified that the directives as contained in Board's letter of even no. dated 24-07-2007 & 19-02-2008 that Security Deposit shall be taken from all the tenderers regardless of their approval/registration status (subject to exemptions as mentioned in these letters) for procurement of Safety items were issued to comply with the requirements of establishing **"Near Zero Defect Regime"**. Hence, any further exemption in this respect should be considered under exceptional circumstances only (such as reported by you in your letter under reference) and on case to case basis, and after obtaining the approval of the competent authority towards deviation from tender conditions.

2.0 Board's letter of even no. dated 19-02-2008 has been partially modified by substituting the word **'is mandatory'** with **'shall be taken'** vide letter of even no. dated 06-08-2008.

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

(Trilok Kothari)
Director Railway Stores(IC)
Railway Board

Copy to:

FA&CAO/WCR, Jabalpur.