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

No. 2007/CE-I/CT/18/Pt.3 **New Delhi, Dated 23.05.2012**

Addressed to :
As per list attached.

Sub : **'Mobilisation Advance'** in works contracts - Correction Slip to Engineering Code.

Ref : (i) Board's letter no. 2007/CE-I/CT/18, dated 07.03.2008
(ii) Board's letter no. 2007/CE-I/CT/18, dated 28.09.2007
(iii) Board's letter no. 2007/CE-I/CT/18(Pt.), dated 01.04.2009
(iv) Board's letter no. 2007/CE-I.CT/18/Pt.XII, dated 31.12.2010
(v) Board's letter no. 2007/CE-I.CT/18/Pt.3, dated 12.04.2012

In partial modification to the provisions of Para 1264E of Engineering Code regarding 'Mobilisation Advance' in Works Contracts, as approved by Railway Board (ME & FC), letter vide reference (v) above was issued on 12.04.12. The matter has further been reviewed and this letter is being issued as under with slight modifications and in supersession to the letter under reference (v) above :

(1) The rate of interest on 'Mobilisation Advance' is revised from existing 12% per annum to 4.5% per annum above the Base Rate of State Bank Of India, as effective on the date of approval of payment of Mobilisation Advance by the Competent Authority.

(2) The Mobilisation Advance Clause shall be restricted only for high value tenders of Rs. 25 crore and above.

(3) The Mobilisation Advance shall be against an irrevocable guarantee (Bank Guarantee, FDRs, KVPs/NSCs) of at least 110% of the value of the sanctioned advance amount. The Bank Guarantee shall be from a Nationalised Bank in India.

(4) The interest rate on Mobilisation Advance as per item-1 above shall also be applicable to other advances extended by Railways to contractors as per extant rules and in terms of instructions in reference (iii) above.

The Correction Slip to Para 1264E of the Engineering Code shall follow.

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

23.05.12
(आलोक कुमार)
कार्यकारी निदेशक/सिविल इंजीनियरिंग(जी)/रेलवे बोर्ड

No. 2007/CE-I/CT/18/Pt.3 **New Delhi, Dated 23.05.2012**

Copy forwarded for information to :

1. The FA&CAOs, All Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No. 224, Rail Bhawan, New Delhi.

For **Financial Commissioner/Railways**