



इंडियन रेलवे केटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड
(भारत सरकार का उद्यम-मिनी रत्न)
INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
(A Govt. of India Enterprise-Mini Ratna)

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No.2020/IRCTC/CO/P&T/General Policy

January 06, 2021

All GGM's
IRCTC Corporate Office
Zonal Offices/IRCTC

Sub:- Earnest Money Deposit (EMD) and Security Deposit for all contracts of IRCTC.

Ref:- i) Railway Board letter No. 2020/RS(G)/779/16 dated 27.11.2020 on EMD and SD in stores. (Copy Enclosed)

(ii) Railway Board letter No. 2017/EnHM/25/11 dated 11.12.2020 on Revision of instructions regarding Performance Guarantee. (Copy Enclosed).

(iii) Ministry of Finance Letter No. 18/4/2020-PPD dated 13.05.2020 regarding Performance Security in terms of Rule 171 of GFR-2017-Guidelines reg.(Copy Enclosed).

1. Vide letter referred at (i) to (iii) above, inter-alia, instructions on Earnest Money Deposit (EMD), Security Deposit (SD)/ Performance Security were issued by Ministry of Finance and Railway Board.
2. The matter has been examined by Competent Authority and following instructions are issued for implementation at IRCTC:

2.1 Earnest Money Deposit (EMD):

- (i) The policy issued vide this instruction shall apply to **all tenders issued till 31.12.2021.**
- (ii) All the bidders shall be exempted from submission of EMD in all tenders except those disqualified from such exemption vide note 2.1 (iii) below.

(iii) All the bidders shall be required to sign the **Bid Securing Declaration** as follows:-


"I/we hereby understand and accept that if I/ we withdraw or modify my/ our bids during the period of validity, or if I/we are awarded the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/ Security Deposit, before the deadline defined in the request for bid document/ Notice Inviting tender, I/we shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security deposit for a period of 6 (six) months, from the date I/we are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods/works/services/consultancy etc.issued by any unit of IRCTC published during this period".

2.2 Security Deposit (SD)/ Performance Security:-

- (i) It is decided for all the existing contracts, in case the performance security is more than 3% of the value of contract, to reduce performance Security to 3% of the value of the contract. However, the benefit of the reduced performance Security will not be given in contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.
- (ii) Further all tenders / contracts issued/ concluded till 31.12.2021 shall have performance security as per existing instructions or 3% wherever is lower.
- (iii) In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31/12/2021. Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31/12/2021.
- (iv) Wherever, there are compelling circumstances to ask for Security Deposit/Performance security/EMD in excess of three percent as stipulated above, the same should be taken only with the approval of the next higher authority to the authority competent to finalize the particular tender.

This has the concurrence of finance and approval of CMD and issued with finance vetting.

DA:- As above.


(Sanjeev Misra)
GGM/Procurement

Copy to: (i) CMD
(ii) DTM } For kind information pls.
(iii) DF }
(iv) AGM/IT –for wide circulation pls.