

दक्षिणमध्यरेलवे SOUTH CENTRAL RAILWAY

प्रधानकार्यालय Headquarters Office

भंडारशाखा Stores Branch

रेलनिलयम Rail Nilayam

सिकंदराबाद Secunderabad – 71

सं.No. S.232.Tender & Purchase Procedure

Dt.11.02.2025

All Purchase Officers/HQrs./Depot/Divisions.

OFFICE PROCEDURE ORDER NO: 01/2025

विषय Sub:- **EMD & SD** in stores Procurement

संदर्भ Ref- i) Rly Bd Lr.No. 2025/RS(G)/709/3 dt. 21.01.2025 (**EMD**)

ii) Rly Bd Lr.No.2020/RS(G)/779/16 DT.27.02.2024 (**SD**)

iii) Rly Bd Lr.No. 2020/RS(M)/Paperless Working Dt.04.05.2020. (**EMD**)

iv) Rly Bd Lr.No. 2004/RS(G)/779/11Pt. Dt. 23.12.2019 (**EMD & SD**)

v) Rly Bd Lr.No.2018/Trans Cell/Store ProcurementDT.02.01.2019 (**EMD & SD**)

With reference to the above Railway Board letters vide referred to (i-v), the EMD & SD/Performance Security conditions are supersede all the existing EMD & SD/Performance security conditions for Stores Contracts and the same is attached herewith please.

This is issued with the approval of competent authority.

**P B RAM
KUMAR**

Digitally signed

by P B RAM

KUMAR

Date: 2025.02.11

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(P.B.RAM KUMAR)

**Dy. CHIEF MATERIALS MANAGER/SCRAP
For PRINCIPAL CHIEF MATERIALS MANAGER**

13.0	Earnest Money Deposit (EMD) for Stores Tenders:						
13.1	<p>EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the EMD amount mentioned in clause 13.2 below or as decided by the purchaser under the policy. There shall be no exemption from submission of EMD for any tender or by any tenderer, subject to provisions under clause 14.6 below, except following:</p> <ul style="list-style-type: none"> a) EMD shall normally not be called against limited tenders with estimated value upto Rs 25 lakhs (including single tenders, global limited tenders). <p>If considered necessary, authority competent to issue tender may incorporate the condition to call for EMD even in such limited tenders, on case-to-case basis.</p> <ul style="list-style-type: none"> b) Micro and Small Enterprises (MSEs) registered for the tendered item in terms of Railway Board's letter No. 2010/RS(G)/363/1 dated 05.07.2012 c) Other Railways and Government Departments in terms of Railway Board's 2004/RS(G)/779/11 dated 24.07.2007 d) Indian Ordnance Factories in terms of Railway Board's letter No. 92/RS(G)/363/1 dated 08.04.1993. e) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway Board's letter No. 2003/RS(G)/779/5 dated 10.09.2004. f) Vendors registered with Railways for the trade group of the item tendered. g) Vendors appearing on the approved vendor lists of RDSO/PUS/CORE (As available on IREPS/UVAM), subject to approval status being valid on the date of tender closing. h) Vendors registered with Railways for supply of medicine, medical equipment and consumables shall be exempted from submission of EMD for these items. i) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them. <p>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.</p> <p><u>NOTE:</u> There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.</p>						
13.2	<p>The amount of EMD shall be as under:</p> <table border="1"> <tr> <td>Estimated value of tender</td><td>EMD (rounded off to nearest higher Rs.10 (ten))</td></tr> <tr> <td>Above Rs.25 Lakh and upto Rs.50 Crore</td><td>@ 2% of the estimated value of the tender subject to maximum of Rs.20 Lakhs</td></tr> <tr> <td>Above Rs.50 Crore</td><td>Rs.50 Lakhs</td></tr> </table> <p>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.</p>	Estimated value of tender	EMD (rounded off to nearest higher Rs.10 (ten))	Above Rs.25 Lakh and upto Rs.50 Crore	@ 2% of the estimated value of the tender subject to maximum of Rs.20 Lakhs	Above Rs.50 Crore	Rs.50 Lakhs
Estimated value of tender	EMD (rounded off to nearest higher Rs.10 (ten))						
Above Rs.25 Lakh and upto Rs.50 Crore	@ 2% of the estimated value of the tender subject to maximum of Rs.20 Lakhs						
Above Rs.50 Crore	Rs.50 Lakhs						

13.3	<p>Offers submitted without EMD shall be summarily rejected.</p> <p>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.</p>
13.4	<p>In exceptional cases exemption from seeking EMD shall be decided prior to issue of tender and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case-to-case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.</p> <p>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.</p>
13.5	<p>All the tenderers have to select the bid security declaration in the UNDERTAKING column while publishing the tender as follows.</p> <p><i>"I/we certify that my/our offer is eligible for exemption from submission of bid security/ Earnest Money Deposit, in terms of the tender conditions.</i></p> <p><i>In case my/our claim to exemption from submission of bid security/ Earnest Money Deposit is not found valid as per terms of the tender, I/we understand and accept that Railways has unquestionable right to summarily reject my bid and my offer shall not be considered for ordering. Further, 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 issued by any unit of Indian Railway Published during this Period".</i>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.</p> <p>a) This para shall be not be applicable for Govt. Departments/Ordnance Factories / other Railways/Railway PSUs/KVIC/ACASH and matter shall be taken up with them Departmentally /Administratively.</p>
13.6	<p><u>FORFEITURE OF EARNEST MONEY:</u></p> <p>Railways have the Right to forfeit the Earnest Money Deposit if the tenderer withdraws or revises his offer within the offer validity period.</p>
13.7	<p>Automatic Release of EMD Wherever is due:</p> <ol style="list-style-type: none"> EMD shall be refunded when any one of the following conditions is satisfied: <ol style="list-style-type: none"> After finalization of tender the bidder is an unsuccessful bidder. Validity of Offer expires and validity extension is not sought. Validity of offer expires and bidder refuses to extend validity of offer. After finalization of the tender successful bidder submits required SD. After finalization of the first stage, i.e., technical evaluation in case of two stage or two packet tenders (including eRA), if the bidder is declared unsuccessful or unsuitable.

	<p>ii. EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion. The Purchaser may initiate the process of release just after the EMD is due for release.</p> <p>iii. System for online release of EMD has been rolled out by CRIS. Automatic release of EMD of unsuccessful tenderers should be ensured.</p> <p>Ref: 2004/RS(G)/779/11 Pt. dated: 23.12.2019.(excluding point-e)</p> <p>Ref: For Par–“e” above: 2005/RS(G)/709/3 dated: 21.01.2025.</p>
13.8	<p>The bidders will be allowed to <u>UPDATE THE BANK DETAILSONLY</u> under the following circumstances:</p> <p>i. The tendering authority has not yet generated the digital pay order for release of EMD/TDC to the firm, against the tender,</p> <p>ii. The digital pay order generated against the bidder against the tender has been returned by accounts for any reason whatsoever and same has not been resubmitted to IPAS for payment.</p> <p>The modified bank details submitted by the bidder shall also be incorporated in all the subsequent purchase orders issued through iMMS/IREPS in the name of the bidder against that tender, subject to the condition that the draft purchase order preparation has been initiated after submission of modified bank details by the bidder.</p> <p>Ref: 2020/RS(M)/Paperless Working dated. 04.05.2020.</p>
14.0.	<u>SECURITY DEPOSIT (SD) / PERFORMANCE SECURITY FOR STORES CONTRACTS:</u>
14.1.	<p>There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:</p> <p>a) The Store contract cases of value upto Rs.25 (Twenty-Five) lakhs.</p> <p>b) Other Railways and Government Departments in terms of Railway board letter No. 2004/RS(G)/779/11 dt.24.07.2007.</p> <p>c) Indian Ordinance Factories in terms of Railway board letter No.92/RSS(G)/363 /1 dt.08.04.1993.</p> <p>d) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them in terms of Railway board letter No 2003/RS9G)779/5 dt.10.09.2004.</p> <p>e) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD. KVIC and ACASH shall be exempted from SD for items supplied by them.</p> <p>f) Vendors registered with Railways for the trade group of the item tendered shall be exempted from SD for orders valued upto their monitory limit of registration.</p>

	<p>g) Vendors appearing on the approved vendor lists of RDSO/Pus/CORE (As available on IREPS/UVAM), subject to approval status being valid on the date of tender closing.</p> <p>h) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD for these items.</p> <p>Note: Apart from claiming damages from vendors, in case of failure to comply with the contractual obligations, Railways shall record poor performance of the vendors for taking suitable penal action as per extant instructions.</p> <p>(Ref: i) For Point Nos (b) (c) & (d) as per Rly Bd Lr.No. Rly Bd Lr.No. 2018/Trans Cell/Stores Procurement dt. 02.01.2019.</p> <p>ii) For point No.(a), (e) to (h) as per Rly Bd Lr.No. 2004/RS(G)/779/11Pt. Dt.23.12.2019)</p> <p>NOTE: <i>There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.</i></p>						
14.2.	<p>AMOUNT OF SECURITY DEPOSIT:-</p> <p>(i). a)</p> <table border="1"> <tr> <th>Contract value</th><th>SD (rounded off to nearest higher Rs. 10 (ten)</th></tr> <tr> <td>Above Rs. 25 lakh and Upto Rs 50 cr.</td><td>@ 5% of contract value subject to Max. Rs.50 lakh.</td></tr> <tr> <td>Above Rs. 50 cr.</td><td>Rs. 1 cr.</td></tr> </table> <p>Ref: As per Rly Bd Lr.No. 2004/RS(G)/779/11Pt. Dt. 23.12.2019.</p> <p>b) Railways are permitted to raise the upper sealing of SD, upto 5% of the contract value in high value cases (above Rs.10 Crs).</p> <p>(Ref:- Rly Bd Lr.No.2020/RS(G)/779/16 DT.27.02.2024)</p>	Contract value	SD (rounded off to nearest higher Rs. 10 (ten)	Above Rs. 25 lakh and Upto Rs 50 cr.	@ 5% of contract value subject to Max. Rs.50 lakh.	Above Rs. 50 cr.	Rs. 1 cr.
Contract value	SD (rounded off to nearest higher Rs. 10 (ten)						
Above Rs. 25 lakh and Upto Rs 50 cr.	@ 5% of contract value subject to Max. Rs.50 lakh.						
Above Rs. 50 cr.	Rs. 1 cr.						
14.3	<p>Security Deposit(SD) should remain valid for a period of 60 days, beyond the date of completion of all the contractual obligations.</p> <p>Ref:- Rly Bd Lr.No. 2018/Trans Cell/Stores Procurement dt. 02.01.2019).</p>						
14.4	<p><u>Time for deposit of SD:</u></p> <p>i) SD from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the purchaser.</p> <p>(ii) Authority competent to condone delay in submission of SD shall be SAG for cases upto acceptance power of SAG. PHOD/ CHOD shall have full power for such condonation. Condonation shall be on case-to-case basis.</p> <p>(Ref:- Rly Bd Lr.No.2004/RS(G)/779/11Pt. Dt. 23.12.2019)</p>						
14.5	<p>In the event of successful tender(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, the EMD submitted by such successful tenderer(s) shall be automatically adjusted towards SD in view of the fact that in most of the cases, EMD amount would be adequate to meet the SD amount. In case where</p>						

	<p>available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case will be dealt with as that of withdrawal of offer by the tenderer as per extant instructions. This will resolve the problem faced by purchaser to great extent due to intentional delay in submission of SD by successful tenderer(s).</p> <p>(Ref:- Rly Bd Lr.No. 2018/Trans Cell/Stores Procurement dt. 02.01.2019).</p>
14.6	<p>(A) (i) There shall be no exemption to such bidders from submitting EMD and SD for all tenders published during the period of time they are disqualified as per declaration signed by them.</p> <p>(ii) Authority competent to approve the disqualification shall be the tender accepting authority not below the level of SAG Including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM, subject to PHOD/CHOD having full powers to approve disqualification.</p> <p>(iii) The disqualification procedure and all correspondence thereof shall be online and digital. Updation on IREPS shall be done by minimum JAG level officer dealing with vendor registration in the Railway.</p> <p>(iv) This para shall not be applicable for Govt. Departments/ordnance factories/ other Railways/RailwayPSUs/KVIC/ACASHand matter shall be taken up with them departmentally /administratively.</p> <p>(B) Wherever SD has been exempted, for anyreason, and the supplier fails to supply goods as per conditions of contract, as amended from time to time, Purchaser shall have right to levy damages from the supplier for failing to comply with the contractual conditions, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with a non-exempted vendor. These damages shall be treated as recoveries out standing against the vendor and dealt with accordingly.</p> <p>(Ref:- Rly Bd Lr.No.2004/RS(G)/779/11Pt. Dt. 23.12.2019)</p>
14.7	<p>Purchaser should ensure that the contracts are worded so as to conclude severable contractsfor each lot. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot. Authority available to Consignee/Depot Officer vide Para 27 & 28 of Railway Board's letter no. 88/RS(G)/779/14 Pt. dated 06.01.2017 shall continue.</p> <p>(Ref:- Rly Bd Lr.No. 2018/Trans Cell/Stores Procurement dt. 02.01.2019).</p>
14.8	<p><i>Risk Purchase clause shall not be applicable.</i></p> <p>(Ref:- Rly Bd Lr.No.2004/RS(G)/779/11Pt. Dt. 23.12.2019)</p>
14.9	<p>In exceptional cases exemption from seeking SD shall be decided prior to issue of tender (including global tenders) and suitably incorporated in tender conditions. Exemption shall require personal approval of the authority, on case to case basis, competent to issue the tender based on estimated value thereof, but not below the SAG level including SAG officers in the field units namely CMM, ADRM, CWM, CAO, CPM.</p> <p>(Ref: 2004/RS(G)/779/11 Pt. dt. 23.12.2019)</p>

15.0	<p><u>Security deposit is to be paid in any of the manner prescribed below:</u></p> <ul style="list-style-type: none"> i. Government securities at 5 percent below the market value. ii. Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds (as per annexure 'A') of the State Bank of India or any of the Nationalized Bank. iii Deposit Receipts, Pay Orders, Demand Drafts and Guarantee Bonds (as per annexure 'A') issued by any Scheduled Commercial Bank. iv. Deposit Receipts of the Post Office Saving Bank. v. The Bond of Indian Railway Finance Corporation (in case of bonds issued under non-cumulative interest scheme, postdated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due) and KRCL Bonds of Rs.1000 each. Payment of Security Deposit and Earnest Money in the form of Pay Order/Demand Draft should be drawn in favor of FA&CAO only. vi. If the SD is submitted in the form of Bank Guarantees, the Bank Guarantee for SD should be submitted in the prescribed format. No other format will be acceptable. If SD is submitted under structured Financial Management system (SFMS) the Bank account details of South Central Railway are as following: <table border="1" data-bbox="358 884 1276 1100"> <tr> <td>Name of the Bank</td><td>State Bank of India</td></tr> <tr> <td>Place</td><td>Himmatnagar / Secunderabad</td></tr> <tr> <td>Account Number</td><td>62337131167</td></tr> <tr> <td>Bank Code</td><td>SBIN</td></tr> <tr> <td>IFSC Code</td><td>SBIN0020244</td></tr> <tr> <td>Name of the Railway Account</td><td>FA& CAO/SC 01</td></tr> </table> <p>(This account is to be operated for HEADQUARTERS UNITS ONLY)</p> <p>The Bank Guarantees are to be sent directly by the Bank to the Principal Chief Material Manager, Stores Department, 6th floor, Rail Nilayam, Secunderabad-71 in Bank's letter head only and no other formats of BG submitted by the firm will be entertained.</p>	Name of the Bank	State Bank of India	Place	Himmatnagar / Secunderabad	Account Number	62337131167	Bank Code	SBIN	IFSC Code	SBIN0020244	Name of the Railway Account	FA& CAO/SC 01
Name of the Bank	State Bank of India												
Place	Himmatnagar / Secunderabad												
Account Number	62337131167												
Bank Code	SBIN												
IFSC Code	SBIN0020244												
Name of the Railway Account	FA& CAO/SC 01												
16.0	Bank Guarantee should be submit as per Annexure-A												

This issues with the approval of the PCMM.

**P B RAM
KUMAR**

Digitally signed by P
B RAM KUMAR
Date: 2025.02.11
17:15:17 +05'30'

(P.B.RAM KUMAR)
Dy. CHIEF MATERIALSMANAGER/SCRAP
For PRINCIPAL CHIEF MATERIALS MANAGER

Copy to:- PS to PCMM for kind information of PCMM

CMM/, CMM/E, CMM/G & CMM/T

Dy.CMM/G&P- to incorporate the above in IREPS (INSTRUCTIONS TO TENDERERS FOR E-TENDERS)

Dy.CVO/Stores/SC; All Purchase Officers of HQrs, Depots & Divisions

PROFORMA FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT (SD)

To:
The President of India Acting through
PFA, South Central Railway.

GUARANTEE BOND

1. In consideration of the President of India (hereinafter called "the Government") having agreed to exempt _____ (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated _____ made between **Principal Chief Materials Manager**, South Central Railway, and _____ for (hereinafter called "the said Agreement"), of security deposit for due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement on _____ production of a bank Guarantee for Rs. _____ (Rupees _____ only), we (Indicate name of the bank) (hereinafter referred to as "the Bank") at the request of _____ contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. _____ against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.
2. We _____ (Indicate name of the bank) do here by undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damages caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs _____ .
3. We under take to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s)/Supplier(s) in any suit or proceeding pending before any Court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.
4. We _____ (Indicate name of the bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till **Principal Chief Materials Manager, South Central Railway**, Ministry of Railway certifies that the terms and conditions of the said Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the _____ we shall be discharged from all liability under this Guarantee thereafter.

5. We _____ (Indicate name of the Bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s) / Supplier(s).
7. We _____ (indicate name of bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Date the _____ day of _____

For _____
(Indicate name of the Bank)
(Bank's common seal)