

## EAST CENTRAL RAILWAY

Office of the  
Principal Chief Materials Manager  
Hajipur, Bihar, 844101

### **Stores Instruction No: 129 dated 15.01.2025**

**All Stores Officers,  
E. C. Railway**

Sub: (i) Extension/Re-fixation of DP for developmental orders (ii) Applicability of SD and imposition of GD for developmental orders and (iii) Waiver of EMD/SD for local purchase of urgent stock items

Ref: Railway Board's L/No: 2021/RS(G)/779/7 Pt. dated 24.12.2024

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Railway Board vide letter under reference has stipulated that Liquidated Damages (LD) are not leviable in the case of developmental orders. However, it has been observed that some purchase sections are extending DP for developmental orders without LD but with DC whereas, some purchase sections are re-fixing the DP with DC. It has also been observed that there is lack of clarity regarding applicability of SD and imposition of GD for developmental orders too. Further, it has been noted that procurement of urgent stock items at Depot/Division level sometimes get delayed due to requirement of SD.

In view of the above, in order to bring uniformity in approach, following consolidated instruction is hereby issued for compliance by all concerned:

#### **A. Extension of DP for Developmental Orders:**

- 1.0 In case of failure in supply of material against developmental orders, the default action for extension of DP for the defaulted quantity on the request of firm will be re-fixation of DP with Denial Clause for 3 months (or less as asked by the firm).
- 2.0 In case, the firm is not able to supply the material within this extended period, then on firm's request, DP can be further re-fixed with DC up to next 6 months (or less as asked by the firm) in single stage or two stages based on firm's request or the P.O. may be processed for cancellation based on the merit of the case.
- 3.0 However, in case of developmental orders with proto-type inspection/field trial clearance clause, on request of firms, DP can be re-fixed with Denial Clause for 6 months at a time and for a total period of one year (or less as asked by the firm). Thereafter, further extension of DP can be given on the merit of the case and only if the firm's request is with documentary evidence, which can substantiate that the firm is capable/ in process to execute the Orders.

**B. Exemption from Security Deposit and imposition of General Damages for Developmental Orders:**

- 1.0 Security Deposit will be taken for developmental orders unless the same is exempted as per terms and conditions of the tender. However, in case of failure to supply, Damages will be levied as per the provisions of the contract wherever SD has been waived.
- 2.0 However, SD will be exempted for developmental orders with conditions for proto-type inspection/filed trial clause etc., as such orders are given for small quantities (< 5% of NPQ) with exclusive view to development of sources. Damages will also not be levied for non-supply against such orders if it is cancelled as such orders by nature are prone to failure.

**C. EMD/SD for local purchase of stock items:**

Against purchase of STOCK items by Depots/Divisions on urgency basis, Railways cannot wait for 21 days to get SD prior to issue of purchase order. SD will, therefore be waived in local purchase of STOCK items by Depots/Divisions in urgency as in SER.

A letter regarding this matter has been sent to Railway Board vide letter no. ECR-HQ0STR(ICIT)/0001/2024 dtd 09/12/24. Till the time any instruction regarding SD on such orders is received, the above instruction on waiver of SD may be followed. However, the existing conditions of damages shall be applicable in case of failure of supply.

This is issued with the approval of PCMM/ECR/HJP.

**KISHOR  
MALAKAR** Digitally signed by  
KISHOR MALAKAR  
Date: 2025.01.15  
12:08:21 +05'30'  
(Kishor Malakar)  
Sr. Materials Manager (C&W)  
E. C. Railway, Hajipur

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