

Copy of Lr No. 51288/170/96-1, dt: 10.12.96 of J. Ananthan, S.O.,
Under Secretary to Government, Chennai-9. (Animal Husbandry and
Fish Rios) addressed to this office.

Sub : Public sector undertakings - Tamil Nadu Small
Industries Corporation Ltd., - Exemption
from payment of Earnest Money Deposit,
Tender Fee etc., for tenders called for by
Government department Local Bodies and
State owned Corporations/Boards - Instructions
Reiterated.

Ref : Govt. Lr. No. 19588/116/96-2, S.I. Deptt.,
Dated 10.12.96.

I am directed to enclose a copy of the letter cited with
its enclosures for necessary action.

Yours faithfully,

sd/-xxxx

For Under Secretary to
Government.

/True copy/

Copy of G.O.No.1344 dt: 27.9.1979 from the Finance (P&A)
Deptt. Govt. of Tamil Nadu addressed to all Corporations.

ABSTRACT

PUBLIC SECTOR UNDERTAKINGS - Exemption from payment of Earnest
Money Deposit, Tender Fees, etc., for tenders called for by
Government Deptt. Local Bodies and State owned Corporation Board
Orders issued.

FINANCE (P&A) DEPARTMENT

G.O.No.1344

dt : 27.9.78

G.O.No.1776, Industries (op. cl.) Deptt., dt. 10.10.73

DETAILS:

In the G.O. read above, the Tamil Nadu Small Industries Cor-
poration was exempted from payment of Earnest Money Deposit and
Security Deposit for tenders called for by Government departments
and Local Bodies. The question of extending this concession to
all the State-owned Corporations/Boards was examined by Government.
After careful consideration the Govt. Order direct that all the State
owned Corporation will be exempted from payment of Earnest
Money Deposit, Security Deposit, and tender fees, in respect of
tenders called for by the State Government departments, Tamil
Government Institutions and including local bodies and other state
owned Corporation/Boards. All the State owned Corporation and
statutory Boards will, however executive proper agreements
incorporating among other things, the following clauses:-

1. Through the public sector undertaking is exempted
from payment of Earnest Money Deposit Security
Deposit and tender fees the undertaking should pay
as penalty and amount equivalent to the amount fixed
as security deposit in the event of non-fulfillment of
non observance of any of the conditions stipulated
in the contract.

P.P.S.

2. In the event of any dispute arising out of the contract between a Government Department and public enterprise or between two public enterprises, the dispute should be sorted out at a meeting of the concerned Secretaries to Government. If they do not agree, the matter should be referred to the Second Secretary or the Chief Secretary for a final decision.

Sd/-
Secretary to Government.

/ True copy /

Copy of the Lr.No. 19588/Sia/9642, dt. 25.10.96 received from the Secretary to Govt. Small Industries Dept. Chennai-9 addressed to the Secretary to Government, M.S.P Dept. Chennai-9.

Sr,

Sub : Public Sector Undertakings - Tamilnadu Small Industries Corporation Ltd., - Exemption from payment of earnest money deposit, tender fee etc., for tenders called for by Government Departments, Local Bodies and State Owned Corporation/Bodies - Reiterated.

- Ref : 1. G.O. No. 1344, Fin.(PSC) Dept., dt. 27.9.79.
2. From the ch. & M.L. PMSI D.S. Lr.No. 19233/SIS/96, dt: 13.9.96.

I am directed to state that in G.O. No. 1344, Fin. (PSC) dt. 27.9.79 (Copy enclosed for ready reference) orders have been issued directing that all the State Owned Corporations will be exempted from payment of earnest money deposit, security deposit and tender fees, in respect of tenders called for by the State Govt. Departments/Local Govt. Institutions including Local Bodies and the State Owned Corporations/Bodies subject to certain clauses. The Chairman and Managing Director, Tamilnadu Small Industries Corporation Ltd., has reported that, at 10% it is found that even though Tamil Unit Officers produce the Copy of Govt. order, most of the Govt. Departments public sector Undertakings/Local Bodies are reluctant to come forward to accept the exemption from payment of Earnest Money Deposit/ security Deposit and cost of tender fees and as a result, Tamil is experiencing difficulties to fulfil the requirement after observing all the formalities laid down in the official procedure.

2. The exemptions in the G.O. first cited has been issued with a view to help the sick MSUs like Tamil to get orders from the Govt. Departments/MSU/Local Bodies Corporations etc., and function as viable units. Non co-operation of the procuring Departments in it is regard is not a healthy practice and will result to non-compliance of the Govt. orders in the matter. I am, therefore, to request that suitable instructions reiterating the orders issued in the G.O. cited may be issued to all officers under your control for strict adherence by all concerned.

