

Copy of letter No.10571/Devt.1/2001-12 dated 13-7-2004 from Small Industries (DEVT.1) Department, Chennai-9 addressed to all the Govt. Departments.

Sub: SMALL INDUSTRIES - Concession to Small scale industries- Exemption from payment of Earnest Money Deposit- (EMD) instructions issued.

Ref: G.O.Ms No. 387 Finance(BPE) Department dated 3-8-1998

In the G.O cited, the Government have issued orders that the Small scale industrial Units located within the State and registered with the Tamil Nadu Small Industries Development Corporation or the National Small Industries Corporation or holding holding the permanent Registration certificate from the Director of Industries and Commerce will be exempted from payment of Earnest Money deposit in respect of those items for which their Registration certificate has been obtained. Rule No 14(1) of the Tamil Nadu Transparency in Tenders Rules 2000 provides that the tender documents shall require all tenderers without exception to pay an earnest money deposit ordinarily not exceeding one per cent of the value of the procurement by means of a demand draft, banker's cheque, specified small savings instruments or where the procuring entity deems fit, irrevocable bank guarantee in a prescribed form. The tender documents shall clearly state that any tender submitted without the earnest money deposit in the approved form be summarily rejected provided that any category of tenderers specifically exempted by the Government from the payment of earnest money deposit will not be required to make such a deposit. According to the above provisions in the Rules and the Government order cited all Small scale industries are exempted from payment of earnest Money Deposit as provided in the Government Order Act and Rules. However, in remittance of security deposit for cost of tender documents should be made as provided in Rule 14 and rule 16 of TNTIT Rules 2000. The above concessions are brought to the notice of all concerned for strict compliance.

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for Secretary to Government

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