Addressed to:
As per list attached.

**Sub:** 'Mobilisation Advance' in works contracts - Correction Slip to Engineering Code.

**Ref:**
(i) Board's letter no. 2007/CE-I/CT/18, dated 07.03.2008.

In partial modification to the provisions of Para 1264E of Engineering Code regarding 'Mobilisation Advance' in Works Contracts, Railway Board (ME & FC) have approved as under:

1. The rate of interest on 'Mobilisation Advance' is revised from existing 12% per annum to 4.5% per annum above the Base Rate of State Bank Of India, as effective on the date of approval of payment of Mobilisation Advance by the Competent Authority.

2. The Mobilisation Advance Clause shall be restricted only for high value tenders of Rs. 25 crore and above.

3. The Mobilisation Advance shall be against an irrevocable Bank Guarantee of value 110% of the sanctioned advance amount. The Bank Guarantee shall be from a Nationalised Bank in India or State Bank of India, all Scheduled Banks in India, National Savings Certificate etc.

4. The interest rate on Mobilisation Advance as per item-1 above shall also be applicable to other advances extended by Railways to contractors as per extant rules and in terms of instructions in reference (iii) above.

The Correction Slip to Para 1264E of the Engineering Code shall follow.

This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

(आलोक कुमार)
कार्यकारी निदेशक/सिविल इंजीनियरिंग(जी)/रेलवे बोर्ड

**Copy forwarded for information to:**
1. The FA&CAOs, All Indian Railways.
2. The Deputy Comptroller & Auditor General of India (Railways), Room No 224, Rail Bhawan, New Delhi.

New Delhi, Dated 12.04.2012

For Financial Commissioner/Railways