The Chief Admn. Officers (Const.)
All Indian Railways

Chairman-cum-Managing Director,
Rail Vikas Nigam Limited,
New Delhi

Sub:- Entering into contractual liabilities before land acquisition.

Instructions have been issued by the Board from time to time that Railways should not enter into contractual liabilities unless land has been acquired, the site is clear of all obstructions and all other formalities like finalization of plans and drawings have been completed. However, incidents have come to the notice of the Board wherein on some Zonal Railways, tenders for Earthwork and Bridges for New Lines projects have been awarded much before the physical possession of land. This reflects poor planning on the part of the Railways and lead to arbitration/litigation.

In view of the above, Board has decided that henceforth, the Railways should not enter into contractual liabilities in case of the New Line Projects unless the land required for completion/commissioning of project/identified section of the project over atleast 70% of the linear alignment has been acquired.

This has been issued in consultation with Finance.

Kindly acknowledge the receipt of this letter.

(V.P. Dudeja)
Executive Director (Works)
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