

RB/CE/2/2003

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

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ESO No.16**No. 94/CE-1/CT/4 (Pt.II).****New Delhi, dated 6.5.2003.****Addressed to : As per list attached**

**Sub:- Submission of Income Tax Clearance
Certificate (ITCC) by contractors/tenderers.**

**Ref :- (i) Letter of Ministry of Finance & Company Affairs,
Department of Revenue, Central Board of Direct Taxes
(TPL Division) F.No.153/191/2002-TPL dt. 13-2-2003.**

(ii) Board's letter No.F(X)I-2003/24/1 dated 24-4-2003.

(iii) Board's letter No.69/W1/CT/38 dated 18-9-1969.

(iv) Board's letter No. 94/CE-I/CT/4 dated 17-10-02.

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Ministry of Finance & Company Affairs vide their letter referred to at (i) above have decided that "No Income Tax Clearance Certificates shall be required to be furnished by any person while filing a tender for the purpose of obtaining commercial contracts etc." A reference was also made to Ministry of Finance by the Finance Dte. of Railway Board in regard to release of payment without insisting on ITCC. It has been clarified by Ministry of Finance that no ITCC would be issued by the Income Tax Department to persons obtaining commercial contracts for any purpose. In this connection, instructions issued vide Finance Dte. of Railway Board, referred to at (ii) above, may also please be connected. Board have further decided that :-

- (1) The instructions issued vide Board's letter No.69/W1/CT/38 dated 18-9-1969, as referred to at (iii) above, are no longer applicable and the submission of a copy of valid ITCC for the purpose of tender or for the purpose of making payment to the contractor for the work carried out or the material supplied under the contract by the contractor may not be insisted upon.

(2) Clause 3 of the Minimum Eligibility Criteria contained in Para 2.3.4.1, issued vide Board's letter No. 94/CE-I/CT/4 dated 17-10-02 and referred to at (iv) above, is modified as given below :-

Present Clause

Total contract amount received during the last 3 years as per current ITCC :

should be a minimum of 150% of advertised tender value of work.

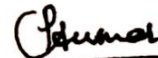
Clause as amended now

Total contract amount received during the last 3 financial years and in the current financial year :

should be a minimum of 150% of advertised tender value. Tender Committee would satisfy themselves about the authenticity of the certificates produced by the tenderer(s) to this effect which may be an attested certificate from the employer/client, audited balance sheet duly certified by the Chartered Accountant etc. The details about the certificate to be accepted in regard to the turnover may, however, be notified alongwith the minimum eligibility criteria while advertising/issuing the tender notice by the competent authority.

This issues with the concurrence of Finance Dte. of Railway Board.

Hindi Version will follow.



(Parmod Kumar)

Executive Director Civil Engineering (General.)
Railway Board.