# सतर्कता बुलेटिन २०२३

# VIGILANCE BULLETIN 2023




**भ्रष्टाचार का विरोध करें :**
**राष्ट्र के प्रति समर्पित रहें**

## रेल डिब्बा कारखाना, कपूरथला

## RAIL COACH FACTORY, KAPURTHALA

अंक - 24

ISSUE - 24



# Sardar Vallabh Bhai Patel

**(31.10.1875-15.12.1950)**

सतर्कता जागरूकता सप्ताह का आयोजन
सरदार वल्लभ भाई पटेल के सम्मान में किया जाता है।

यह हर एक नागरिक की जिम्मेदारी है कि वह यह अनुभव करे
कि उसका देश स्वतंत्र है और उसकी स्वतंत्रता की रक्षा
करना उसका कर्तव्य है।



सत्यमेव जयते

राष्ट्रपति
भारत गणतंत्र

**PRESIDENT**
**REPUBLIC OF INDIA**

# MESSAGE

I am pleased to know that the Central Vigilance Commission is observing Vigilance Awareness Week, 2023 from 30th October to 5th November, 2023 on the theme:

"भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें"
"Say no to corruption; commit to the Nation"

Bringing about transparency and accountability in governance is one of the most important factors in ensuring all-round growth and development of the country. It is the collective responsibility of all the citizens of the country to fight for the ideals of ethics and integrity.

I solicit the participation of all the citizens of the country in joining the Central Vigilance Commission in this initiative. This year, CVC has also undertaken a three-month campaign on preventive vigilance measures.

I am sure that all these efforts will go a long way in spreading awareness and promoting the ideals of ethics and integrity in public life.

**(Droupadi Murmu)**

**New Delhi**
**October 12, 2023**

सत्यमेव जयते

**प्रधान मंत्री**
**Prime Minister**

# MESSAGE

I am happy to learn about the initiative taken by the Central Vigilance Commission (CVC) to hold the Vigilance Awareness Week from October 30 to November 5, 2023. It is befitting that this is observed in the week of Sardar Vallabhbhai Patel's Jayanti - his life's message is about service and integrity.

The theme of the Week - 'Say no to corruption, commit to the nation' reflects one of the foremost priorities of eliminating corruption.

CVC's efforts in combating corruption and its contribution to the nation's socio-economic development are commendable. The Commission's manifold initiatives, including a three-month campaign on measures for preventive vigilance measures bolster its anti-corruption efforts.

For the development of any country or any state, it is necessary to eliminate corruption and ensure transparency in governance. Our commitment to maintaining zero-tolerance towards corruption is unwavering. Over the last 9 years, a number of steps have been taken to curb corruption, as well as to institutionalise honesty.

The people, especially youngsters, have a crucial role in strengthening the fight against corruption. Raising awareness is a particularly important way of catalysing a mass movement in this direction.

All our efforts are aimed at building a New India, which stands for pro-people progress and corruption-free governance. I firmly believe that when the country celebrates 100 years of freedom in 2047, India will be a developed nation. Anti-corruption initiatives play an important role in making this happen.

Best wishes for making Vigilance Awareness Week celebrations a huge success. May these efforts go a long way in enhancing transparency and probity in public life.

**(Narendra Modi)**

New Delhi
कार्तिक 05, शक संवत् 1945
27th October, 2023

सत्यमेव जयते

केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्प्लैक्स,
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023/VGL/035

सं./No.....

दिनांक / Dated.....25.10.2023

**MESSAGE**

**Vigilance Awareness Week (30th October to 5th November, 2023)**

Central Vigilance Commission is observing Vigilance Awareness Week, 2023 from the 30th October to the 5th November, 2023. Every year. Vigilance Awareness Week is observed as an outreach measure to create greater awareness about the importance of integrity and ethics in public life. The theme for this year is :

"Say no to corruption; commit to the Nation,
**भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें"**

As a prelude to Vigilance Awareness Week 2023, the Commission has sought the participation of all Central Government authorities/organisations to undertake a three- month campaign (16th August to 15th November) on preventive vigilance activities as focus areas. As a means of eliciting public participation while also disseminating information on vigilance matters, the Commission has launched a quiz on vigilance matters.

The Commission is also issuing three publications: (i) Best Practices in Vigilance Administration, (ii) Increasing transparency through the use of technology, and (iii) Public Procurement: Challenges and Way Forward. The idea behind these is to disseminate information regarding effective and innovative initiatives undertaken by different organizations to serve as a point of reference and a way forward.

The Commission solicits the participation of all the citizens to come together in bringing about transparency and accountability in public administration.

(Arvinda Kumar)
Vigilance Commissioner

(Praveen K. Srivastava)
Central Vigilance Commissioner

# सत्यनिष्ठा प्रतिज्ञा

मेरा विश्वास है कि हमारे देश की आर्थिक, राजनीतिक तथा सामाजिक प्रगति में भ्रष्टाचार एक बड़ी समस्या है। मेरा विश्वास है कि भ्रष्टाचार का उन्मूलन करने के लिए सभी संबंधित पक्षों जैसे सरकार, नागरिकों तथा निजी क्षेत्र को एक साथ मिलकर कार्य करने की आवश्यकता है।

मेरा मानना है कि प्रत्येक नागरिक को सतर्क होना चाहिए तथा उसे सदैव ईमानदारी तथा सत्यनिष्ठा के उच्चतम मानकों के प्रति वचनबद्ध होना चाहिए तथा भ्रष्टाचार के विरूद्ध संघर्ष में साथ देना चाहिए।

अत:, मैं प्रतिज्ञा करता हूँ कि :

- जीवन के सभी क्षेत्रों में ईमानदारी तथा कानून के नियमों का पालन करूँगा;
- ना तो रिश्वत लूँगा और ना ही रिश्वत दूँगा;
- सभी कार्य ईमानदारी तथा पारदर्शी नीति से करूँगा;
- जनहित में कार्य करुँगां;
- अपने निजी आचरण में ईमानदारी दिखाकर उदाहरण प्रस्तुत करूँगा;
- भ्रष्टाचार की किसी भी घटना की रिपोर्ट उचित एजेन्सी को दूँगा।

# INTEGRITY PLEDGE

I believe that corruption has been one of the major obstacles to economic, political and social progress of our country. I believe that all stakeholders such as Government, citizens and private sector need to work together to eradicate corruption.

I realise that every citizen should be vigilant and commit to highest standards of honesty and integrity at all times and support the fight against corruption.

I, therefore, pledge:

- To follow probity and rule of law in all walks of life;
- To neither take nor offer bribe;
- To perform all tasks in an honest and transparent manner;
- To act in public interest;
- To lead by example exhibiting integrity in personal behaviour;
- To report any incident of corruption to the appropriate agency.

**Shobhana Bandopadhyaya**
**Principal Executive**
**Director (Vigilance) &**
**Chief Vigilance Officer**

सत्यमेव जयते

भारत सरकार
रेल मंत्रालय, (रेलवे बोर्ड)
रेल भवन, नई दिल्ली-110001
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)
RAIL BHAWAN, NEW DELHI-110001



## MESSAGE

Vigilance Awareness Week is celebrated every year to highlight the importance of morality and uprightness in public life. This year, Vigilance Awareness Week is being celebrated from 30th October to 05th November, 2023. The theme chosen by Central Vigilance Commission this year i.e "Say no to corruption; commit to the Nation " भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें " appears to be true as corruption being a public evil is proving harmful to the health of the economic and technological richness of the nation.

I would also like to mention here that CVC has also emphasized and directed for taking certain preventive vigilance activities as a focus area and asked to initiate 03 month's campaign starting from 16th August 2023 to 15 November, 2023. Accordingly all the units must be doing needful to achieve the systematic objectives. I am of firm belief that besides taking various preventive measures along with creating awareness among Railway employees and citizens, it is possible to eliminate/reduce corruption in the organization.

I also feel that Indian Railways has a strong prospective of getting rid of corruption if everyone works in unanimity, pledges not to take or give bribe and also initiate some stern measures for tooth and nail eradication of this menace. I therefore extend my greetings to all those associated in this movement and convey my wishes for a successful Vigilance Awareness Week.

**Shobhana Bandopadhyaya**

**Arun Kumar Jain**
General Manager (IC),
Rail Coach Factory,
Kapurthala

सत्यमेव जयते

## MESSAGE



The Central Vigilance Commission has chosen “Say no to corruption; commit to the Nation” (भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें) as the theme of this year's 'Vigilance Awareness Week'. Corruption is the misuse of public property, position, power and authority for fulfilling the selfish purposes to gain personal satisfactions. It affects social, economical and political growth and development of the nation. The corruption in any sector could be effectively controlled by working on improving transparency and accountability.

RCF is organising the Vigilance Awareness Week from 30th October to 5th November, 2023 to stress upon our relentless commitment to encourage integrity, honesty and sincerity. As such, I call upon all Railwaymen of RCF to participate and contribute to achieve the theme of Vigilance Awareness Week 2023.

Vigilance department of RCF is relentlessly engaged in educating the employees of RCF to make honesty and integrity a part of their work ethos. I am happy that Vigilance Organization of RCF has published their 24th Vigilance Bulletin. It is full of informative Case studies on various matters and contains Dos & DON'Ts, Flow Charts on important areas and important Circulars. I am hopeful and confident that this Bulletin will be useful for sensitizing our Railwaymen of RCF to avoid irregularities in their day to day working.

I convey my best wishes to the Vigilance Organization for taking purposeful efforts in spreading the message of integrity, honesty and sincerity amongst Railwaymen.

**Jai Hind**

RCF/Kapurthala
25th October, 2023

**R.K. Verma**
Chief Vigilance Officer
Rail Coach Factory,
Kapurthala

## FOREWARD



This year the Vigilance Awareness Week from 30th October to 5th November 2023 has been organized on the theme of "Say no to corruption; commit to the Nation" (भ्रष्टाचार का विरोध करें; (राष्ट्र के प्रति समर्पित रहें). Corruption is a great evil of society and this evil should be quickly eliminated from society. However deep rooted, the corruption might be, it could be successfully eliminated with willpower and public awareness. Vigilance function is the responsibility of all Railway officials. Together, let us make RCF Kapurthala, the living example of भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें by committing ourselves to being vigilant in every aspect and say no to corruption.

On this occasion, 24th issue of the Vigilance Bulletin is being brought out by RCF Vigilance. This Bulletin contains topics on irregularities noticed during various checks and System Improvements so suggested by Vigilance Organization of RCF. In addition to this, DOs and Don'ts and Guidelines issued by CVC & Railway Board on some important areas have also been incorporated in this Bulletin. This bulletin will be quite useful in regular working.

I hope that this issue of Bulletin, like previous issues, will also be helpful in providing right information to all Railwaymen of RCF to help them in carrying out their duties efficiently, fearlessly and honestly.

**Jai Hind**

**(R K Verma)**

**RCF/Kapurthala**
**25th October, 2023**

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## DISCLAIMER

*The Booklet is only indicative and is by no means exhaustive. Nor it is intended to be a substitute for rules, procedures and existing instructions/guidelines on the subject. The provisions herein do not in any way supersede the rules contained in any of the Railway Codes, manuals and the circulars referred to herein should be read both individually and in conjunction with other relevant policy circulars for proper appreciation of the issues involved. This booklet also should not be produced in any Court of Law and wherever necessary, references should always be made to the original rules/instructions on the subject.*

## घोषणा

यह पुस्तिका सांकेतिक है, न कि विवरणात्मक और न ही इसका उपयोग नियमों, प्रक्रियाओं तथा वर्तमान अनुदेश/दिशा–निर्देश के स्थान पर किया जा सकता है। यहाँ दिए गए प्रावधान किसी भी प्रकार से रेलवे कोड, मैन्युअल और परिपत्रों का अतिक्रमण नही करते। मौजूदा मामलों के लिए इन्हें सम्बंधित नीतिगत प्रपत्रों के साथ अलग–अलग पढ़ा जाए। इस पुस्तिका में दिए गए किसी भी प्रकरण आदि को अदालत में प्रस्तुत नहीं किया जा सकता। जहाँ कहीं भी आवश्यक हो सम्बंधित विषयों पर मूल नियमों/अनुदेशों को ही संदर्भित किया जाना चाहिए।

RAIL COACH FACTORY, KAPURTHALA

# सतर्कता जागरूकता सप्ताह

30th October to 5th November 2023

## PUBLIC INTEREST DISCLOSURE & PROTECTION OF INFORMER RESOLUTION, 2004 (PIDPI)

### WHAT IS PIDPI?

- PIDPI is a resolution of Government of India.
- Identity of the complainant is kept confidential for all complaints lodged under it.

### HOW IS PIDPI COMPLAINT FILED?

- The Complaint should be addressed to Secretary, CVC and the envelope should be superscribed as “PIDPI”.
- Name and Address of the complainant should NOT be mentioned on the envelope but in the letter inside in a closed cover.

### GUIDELINES TO ENSURE IDENTITY OF COMPLAINANT REMAINS CONFIDENTIAL

- Complaints that are personally related to the complainant or addressed to other authorities may lead to disclosure of identity.
- Complaints should not be sent in open condition or on public portal.
- Documents that reveal identity should not be enclosed or mentioned in the complaint. Eg: documents received under RTI.
- Name and Address should be mentioned on the letter inside the envelope for confirmation purposes.
- Complaints where confirmation is not received are closed.
- Anonymous/ pseudonymous letters are not entertained.

**VIGILANCE AWARENESS WEEK 2023**

For more details, visit https://www.cvc.gov.in

**Brief Summary of the cases and System Improvements**

**Suggested for Implementation**

**1.0 Selection for promotion of Jr. Clerk cum Typist against 16.67 % matriculation quota of Gr. D staff**

A preventive check was conducted in promotion of 02 reserved posts (01 SC & 01 ST) of Jr. clerk cum typist Pay scale Rs. 5200-20200 + GP 1900 of All office Khalasis other than store department and Accounts Department against 16.67% matriculation quota of Group 'D' Staff working in grade Rs 5200-20200 + GP 1800

i) Notification was issued for promotion of 02 reserved posts (01 SC & 01 ST) with the following eligibility criteria

a) Selection of Jr. Clerk-cum Typist against 16.67% quota having Matriculation qualification of Group 'D' Staff.

b) All office Khalasis of other than Store and Accounts Department working in Pay scale Rs. 5200-20200 + GP 1800.

c) Should have completed 03 years of regular service and having matriculation qualification in terms of Railway Board letter no. E (NG) I-2003/CFP/2, dated 22.02.2003.

d) It was mentioned that the condition of 03 year regular service does not apply to Schedule Caste and Schedule Tribe candidates.

e) Empanelled candidates to pass the typing test within 02 years from the date of promotion and if they failed to qualify the typing test within this period, they will be liable to be reverted.

ii) During the investigation it was observed that eligibility criteria used in the Notification was actually for 33.33 % quota as per RB letter no. E(NG) I-2003/CFP/2 dated September 22, 2003, Advance Correction Slip No. 155 and not for 16.67% quota.

iii) The correct Eligibility criteria for the instant selection

of 16.67 % quota should have been as RB letter no. E(NG) I-2003/CFP/2 dated September 22, 2003 Advance Correction Slip No. 154, 16 2/3 % by promotion entirely on merit of matriculate group D employees from eligible categories, as specified by zonal railways for (ii) above, with a minimum of 2 years regular service in the concerned seniority list on the basis of competitive exam consisting of written test and record of service of 85 and 15 marks respectively.

iv) Fact is that, there is no mention of relaxation for minimum 02 years regular service in concerned seniority list for SC/ST candidates for selection under 16 2/3 % matriculation quota.

v) Due to the wrong eligibility criteria used in the instant selection, a candidate who didn't complete minimum 02 years of regular service was got promoted to Jr. Clerk cum Typist.

vi) Later on the candidate was then transferred to other Railway without conducting the typing test. The pendency of the Typing Test was also not mentioned in the relieving letter.

In view of the irregularities observed, Action under D & AR is




**Railway Jobs are not for sale**
**Beware of unscrupulous elements**

being proposed against officials involved in the instant selection for promotion.

**2.0 Running private business without prior sanction of Competent Authority:**

A complaint was received wherein it was alleged that RCF personnel is entered into lease of triple storey building for business. He is doing private business in the complex. Case is filed against him to evacuate the complex as he is not paying the rent. Investigation on a complaint was done and following irregularities on part of Railway personnel were observed

1) Running private business without prior sanction of Competent Authority of RCF.
2) No prior intimation of entering into as lease agreement of Building for business purpose to RCF administration.
3) Absconding from duty place for running private business.
4) High value Bank transactions not informed to RCF administration.
5) Not informing RCF administration regarding OD/OCC (loan) for doing business by him, being a liability at the time of appointment.
6) Supervisors found helping the alleged Railway personnel in running private business by allowing him absconding during official working hours.

In view of the irregularities observed, disciplinary action under D & AR has been initiated against officials involved.

Following system improvement are suggested to streamline the system and prevent reoccurrence:

For Electric department:

i) Establishing a mechanism of ensuring the attendance &

presence of the group D staff/Trainees twice in a day before lunch and after lunch and same should be ensured by the concerned supervisors in the attendance register.

ii) Ensuring proper training of the trainees who are deputed by TTC and properly maintaining training record viz. Work/activity allotted and its completion.

For Personnel Department :

'Promptly apprise Vigilance department whenever information about any employee regarding breach of service conduct Rules is received, conduct departmental fact finding enquiry at appropriate level and take suitable action accordingly. Also apprise the information so received regarding breach of service Rules by employee to Vigilance department'.

**3.0 Preventive Check of Acceptance, accountal, Rectification and Quality Control with regard to Venetian Windows for Tejas Coaches:**

Fixed Venetian and Emergency Venetian Windows were procured for TEJAS coaches with condition of approval of Pilot sample prior to Bulk supply. Pilot sample Inspection of Fixed Window was done in QC lab. It was observed that proper Inspection & Testing of Emergency Venetian Windows not done by Quality Control Lab during the process of approval of Pilot sample. Part supply of Fixed and Emergency Venetian Windows was received and got fitted in the coaches. Following are some irregularities observed during the Acceptance, accountal & Rectification work of Fixed type and Emergency type Venetian windows by Stores department :

i) After rejection of Fixed Venetian Windows by Quality Control Lab, its Rejection memo of part amount instead of full amount was approved for full recovery of payment made to the Supplier against the part supply.

ii) Part Bulk supply of Emergency Venetian Window received without prior approval of Pilot sample.
iii) Processing for approval of rectification of rejected windows before full recovery of the amount.
iv) Proper record of rectification of rejected material not maintained.

It was observed that during final Quality Control inspection, these Venetian windows were not properly checked and inspected for proper functioning and Tejas Coaches with defective Venetian Windows were dispatched to zonal Railway after clearance from Quality Control final Inspection. Zonal Railway lodged the warranty complaint (as Windows were under warranty period) that the Venetian Windows of the rake, so received, were found not functional on arrival of coaches. Fixed windows & Emergency Venetian windows of another make were procured on emergency basis and defective windows were replaced. It was found that the warranty complaint was closed after almost 09 months without ensuring proper attention of complaint by the Supplier. Supplier neither repaired nor replaced defective windows. No action was taken against the Supplier regarding the warranty claim or recovery of amount against replaced defective windows. The warranty complaint of defective Venetian Windows was not handled by the Quality Control (Servicing) as per laid down procedure.

In view of irregularities observed during investigation, disciplinary action under D &AR against responsible officials has been initiated.

Following System Improvements were issued for Stores department:

i) Detailed procedure be prepared, inline with extant policy, rules, instructions issued by competent authorities, regarding receipt of material wherever sample approval is required and same be suitably communicated to all

concerned in the Stores Depot and implementation be regularly monitored for necessary corrective and preventive action in event of deviation so observed/reported. The procedure so prepared be amended promptly whenever any amendment(s) is issued by competent authority time to time.

ii) Detailed procedure be prepared, inline with extant policy, rules, instructions issued by competent authorities, regarding rectification of rejected pre-inspected material and same be suitably and same be suitably communicated to all concerned in the Stores Depot and implementation be regularly monitored for necessary corrective and preventive action in event of deviation so observed/reported. The procedure so prepared be amended promptly whenever any amendment(s) is issued by competent authority time to time. Further, after rectification of material it should be offered for inspection/testing to the inspection agency to ascertain its compliance to specs etc.

Following System Improvement was issued for Quality Control department:

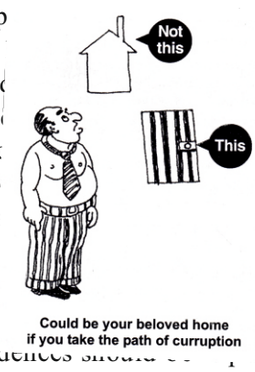
Suitable mechanism/system/check be available and put in place to ensure that all necessary and planned parameters/ specification/requirements for ascertaining the Quality of material are checked before dispatching of coaches from RCF.

**4.0 Performing outstation duty without any official work**

Complaint was received against a Railway official in which it was alleged that he misguided higher authorities and twice got approved the outstation duty to attend hearing at Hon'ble CAT and performed the outstation tour despite the subject case was not listed during his out station duty period. Furthermore, he claimed the TA/DA for the aforesaid outstation duty.

During the investigation, it was informed by Railway official that Railway advocate have communicated

telephonically regarding dates, which was found not substantiated with any facts and evidence. After conducting the investigation, it was found that official had fraudulently p ...on duty twice by misguiding his ...received the TA/DA for the aforesaid ... Disciplinary a... has been initiated against the offic... Following Syst... uggested to Personnel depa... currence :

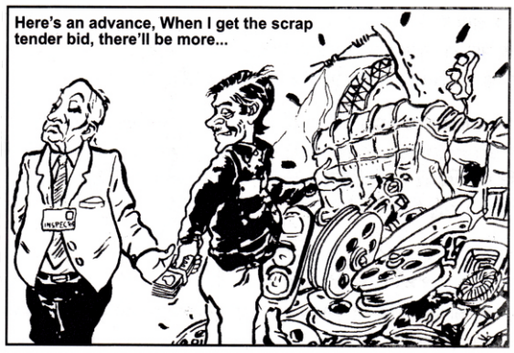



1. All comm... ction with Railway Advocate... d be done through correspon... s telephonic. Such correspondences should ... as record for future references. Preservation of such record should be done as per extant policy.
2. For any outstation duty to be performed by CLA, prior approval of Law Officer and Personnel Officer be obtained with clear mentioning of purpose of the outstation duty in suitable record. Preservation of such record should be done as per extant policy.
3. After attending the hearing in Hon'ble Court, CLA must put up the proceedings and progress on such hearing to Law Officer for his perusal and to take further necessary action as deemed fit.

**5.0 Securing employment in RCF using fraudulent means**

A complaint was received against a railway employee wherein it was alleged that he fraudulently got the employment in RCF on the basis of land paper in the name of other person. During investigation it was found that the alleged official submitted Affidavit of a person, of same name as of his father, claiming that his land got acquired and has no objection that his son (mentioning name of alleged person) be given employment in RCF as displaced person. It was found that the alleged employee obtained false affidavit from the aforesaid person for getting the employment in RCF under oustee quota. Fact is that no land of the alleged employee or his family was acquired for RCF and thus not entitled for securing employment on basis on displaced person. Thus he forged the document and fraudulently secured his employment in RCF.

In view of above, disciplinary action under Major penalty has been initiated against the official. Furthermore, it was also observed that some of the documents essentially to be maintained in the Service Record were not available with the personnel department. Due to lack of monitoring mechanism to ensure the preservation of records/documents as per extant policy, following system improvement was suggested for implementation:




**Don't indulge in or encourage corruption**
**It is a sin**

Suitable monitoring mechanism should be put in place to ensure that updated Record Retention policy is provided to all concerned staff and regular checks be conducted by Controlling officer(s) to ensure that all record/documents are being preserved as per extant guidelines/policies.

**6.0 Irregularities in Scrap Disposal**

A complaint regarding shortage of 06 scrap items, worth Rs. 26.35 lakhs approx., was received. Investigation was conducted and following shortcomings/irregularities were observed:

i) Shortage of 06 scrap items, worth Rs. 26.35 lakhs approx., was observed.

ii) Process of handing over/taking over charge of Scrap items in Scrap Yard was not followed among various incumbents.

iii) No stock verification of aforesaid 06 shortfall scrap items was conducted by the Shell Depot after detection of the shortage/non traceability.

iv) No stock sheet was prepared against the shortage of the aforesaid 06 Scrap items after detection of the shortfall.

v) Before the process of the disposal of the aforesaid 03 non traceable Scrap items, no witness was kept in order to verify the traceability of items.

vi) No details about the shortfall of the items were mentioned in the survey sheets before put up the sheet to survey committee.

vii) Multiple reminders were sent to Store depot by Vigilance (during the period from 08/11/2017 to 09/09/2019) but no proper response was submitted. It was quite unusual on part of Shell depot that being a Vigilance matter no intimation was given about traceability & disposal of scrap items in question.

Administrative action against responsible officials have been recommended.

In order to avoid any manipulation/irregularities, following system improvements were suggested for

implementation in Scrap Yard:

i) There should be immediate Stock verification by Store depot if any item is detected as non traceable in the Scrap Yard.
ii) Process of handing over/Taking over charge of Scrap items in Scrap Yard should be followed among various incumbents, in order to fix the responsibility.
iii) A proper stock sheet should be prepared against the shortfall quantity.
iv) When non traceable items become traceable in the scrap yard, proper witness from the Security, Account and ward in charge from the depot must be taken in a defined manner.
v) Delivery of all scrap material to contractor in scrap yard should be done under CCTV surveillance.
vi) If any matter is under Vigilance investigation, Department should always take Vigilance advice before processing the case further. Reply to Vigilance observations should be given in the earliest possible time.

**7.0 Preventive check of accountal of HSD in Diesel Filling Station of Workshop area of RCF**

During the check following irregularities were observed:-

i) Substantial variation was found in Ground balance of HSD oil with the Book balance on the day of check.
ii) Checking & recording of variation was not being done daily basis.
iii) Para 4.4 of JPO issued by Rly Bd (vide letter No. 2006/fuel/282/5 pt. dated 09/03/2010) was not being followed at Diesel Pump in RCF, Kapurthala.
iv) On the date of check, variation of 1686.43 liters of HSD oil was found between Book balance and Ground balance. However, stock verification by Stock Verifier of Account was not done the preceding month only, whereas stock of HSD oil was accepted as correct without verification by the Stock Verifier. Therefore, it was clear that stock verification by Stock Verifier was not being carried out properly.

Integrity with out knowledge is weak and useless, knowledge with out integrity is dangerous and dreadful

In view of above following System Improvement were

# IMPORTANT DO'S and DON'Ts

## A. LOCAL PURCHASE

**DOs**

1. Ensure that every time, sealed quotations are obtained.
2. Where bearer quotations are called, ensure separate acknowledgement of receipt of quotations from all the suppliers, to whom the tenders are sent.
3. Ensure that the Officer-in-charge of local purchase should nominate the Railway employee by name for collection of quotations from the local market wherever the quotations are collected per bearer.
4. The nominated employee shall be required to sign each cover of the quotations and subsequently on opening by the officer-in-charge each quotation in token of his having collected it personally.
5. The officer-incharge of purchase shall specify the firms from whom quotations for a particular item should be obtained. The employee, however, may suggest names of new firms coming to his notice to the purchase officer, who could consider including them for subsequent purchases" .
6. Ensure that quotations are obtained from genuine firms, who can also quote competitive rates.
7. Ensure that enquiries are sent by rotation to registered local suppliers.
8. Critically examine the reasonableness of rates and record the reasons for accepting the rate. The lowest rate may not be a reasonable rate.
9. The reasonableness of the offers should be properly- verified by the stores officials in the case of stock items. For non-stock items indentors should give a realistic estimate of the rate and the last purchase rate wherever available.
10. Materials should be carefully inspected by the consignee before

certifying suitability.

**DON'T's**

1. Do not split indents to bring the purchase within local purchase powers.
2. Do not issue an enquiry unless the existence of the firm has been checked.
3. Do not entertain open quotations or quotations, which are unsigned or appear to be corrected on terms involving financial implications without being attested by the tenderer.
4. Do not entertain indents with unattested corrections.
5. Do not accept the offer without verifying the reasonableness of rates, especially for the branded items.
6. The practice of collecting more than one quotation from a single shop for making local purchases should not be resorted to.

## B. SCRAP SALES

**SENDING SCRAP TO STORES**

**DOs**

1. Ensure competent authority's approval is obtained to condemn before sending the material to Stores Department.
2. Ensure proper assessment of quantity to avoid abnormal shortage or savings at the time of delivery.
3. Avoid alterations/over writings/scoring on DS-8.
4. Insist on early acceptance of DS-8 by Depot Officers.
5. Check the quantities dispatched and acknowledged by Depot. Officers.
6. Ensure that scrap is returned to Stores in segregated condition.

**ACCOUNTAL AND LOT FORMATION**

**DOs**

1. Ensure all DS-8 are entered promptly in DS-8 register and RO Nos. are assigned within reasonable time.
2. Check the material for quality and quantity received along with DS-8.

3. Try to indicate the location of dumping of received materials in the receipt register.
4. Ensure that purchaser does carry fresh receipts while delivery.
5. Ensure that lots of distinct nature are made as separate lots to avoid picking and choosing at the time of delivery.
6. Ensure survey of lots wherever required before inclusion in auction catalogue.
7. Avoid forming too big or too small lots, which hampers competition.
8. Ensure that lot inspection is properly done and lot number is painted on the lot before inclusion in the auction.
9. Ensure that lots are maintained in such a way that cannot be changed by unauthorized persons before the delivery is completed.

**DON'Ts**

1. Do not allow fresh arising to get mixed-up with lots already surveyed and ready for sale.
2. Do not allow the scrap merchants or other unauthorized persons to enter the scrap yard except strictly on business and under proper authorization.

**DELIVERY OF SCRAP TO PURCHASERS**

**DOs**

1. Ensure that the delivery order is properly released in all respects i.e. quantity, payment of balance sale value, free delivery period etc.
2. Ensure that ground rent is paid, wherever necessary before effecting delivery.
3. Ensure that delivery is effected in presence of all witnessing officials.
4. Ensure that all weighments and deliveries are correctly recorded in the relevant register.
5. Ensure that materials being delivered is exactly the same as sold in the auction.
6. Ensure that no other material other than sold is delivered to the

purchaser.

7. Ensure that the purchaser does not disturb the nearby material while taking delivery of sold lot.
8. While giving installment delivery, ensure that the quantity being delivered is in proportion to the amount paid and that no extra material is delivered.
9. Ensure that all the excluded items are collected from the purchaser, before giving delivery of condemned rolling stock.
10. Bring to the notice of Depot Officer, if the contents of lot to be delivered are found to be significantly different from the description shown in the delivery order.
11. Ensure that delivery is made in the permitted hours of working. Ensure 'ZERO' on weighing machine every day before commencement of delivery by weighment.
12. Ensure that witnessing officials are accompanying the loaded trucks whenever outside weighment is allowed.

**DON'Ts**

1. Do not allow delivery of different lots by same batch of witnessing officials simultaneously at the same time.
2. Do not club different lots having different materials while taking delivery on the pretext that transportation is convenient.
3. Do not allow purchaser to pick and choose while arranging delivery of the sold materials.
4. Do not allow sold materials to get out of the depot except under proper issue notes and gate passes.

## C. WORKS CONTRACT

**TENDER EVALUATION STAGE; DOs**

1) Ensure that tender committee meeting minutes contain date, time and venue and the dated signatures of all the members.
2) Ensure that equal opportunity is given to all the bidders at all the stages of the tendering.
3) TC should go through the Comparative Statement, Briefing Note and tender papers carefully before proceeding on tender committee deliberation.

4) Under no circumstances any of the members of the tender committee should refer the case to any officer/staff under him or to anyone also for scrutiny and /or comments.
5) Ensure consideration of reasonableness of rates in the tender committee minutes on the average of last accepted rates for similar type of works under similar completed work for judging technical eligibility criteria.
6) Deliberate on all the conditions made by the tenderer along with tender offer and specific recommendation in respect of those conditions must be recorded in the TC minutes.
7) Recommend and conduct negotiation only in exceptional cases and not as a matter of routine. Negotiation is allowed only with lowest valid eligible and technically acceptable tenderer who would have been otherwise considered for award of contact directly if the rates were not unreasonably high. Ensure proper call letter for negotiations. Ensure that negotiation has been held in presence of all TC members and signed by all members of TC. Ensure to give sufficient time to bidder to analyse and resubmit their negotiated (sealed) offers.
8) TC should also examine and comment on following aspects:
   a) Examine the items with correct LAR.
   b) Ensure satisfaction of eligibility stipulated.
   c) Examine the rates critically including vitiation aspects.
   d) Is the response adequate?
   e) Is ring formation suspected?
9) Treat the tender committee recommendations with dissent notes carefully & record reasons for disagreement.
10) Recommended to call for fresh tendering if the TC comes to learn that there is significant change in scope of work.
11) Ensure to accept TC recommendation within validity period. If not possible, extension of validity should be sought well in advance.
12) Ensure observations raised in briefing notes have been duly replied by TC.
13) Ensure to finalize tender before expiry of validity and delay if

any should be explained in TC.

14) TAA should ensure that acceptance of recommendation is within his powers.

15) TAA should take the decision in a reasonable period of time. Unavoidable delays should be explained.

**CONTRACT AWARD STAGE – DON'Ts**

1. Don't change the tender committee once constituted, without the approval of the competent authority. Reason for the change should be recorded.
2. Don't treat the recommendation of the tender committee with the dissenting note of one or more members as unanimous recommendations. Take an objective view of the dissenting note before arriving at final decision.
3. Don't delay the finalization of tender necessitating extension of validity of offer.
4. Don't award work to the second lowest bidder if the lowest bidder withdraws.
5. Don't consider tenders unaccompanied by the requisite earnest money.
6. Don't consider reject the offer/tenders on account of poor performance while awarding another work to the same bidder in other cases/adjacent areas.
7. Do not take part in the tender committee if any of your relative is among the bidder.
8. Don't order negotiation on the repeated advice of the TC to invite fresh tenders, particularly where response to call for negotiation is poor.
9. Don't delay refund of Earnest Money to the unsuccessful tenderers after the tenders are finalized or TAA has accepted recommendations for negotiation with L-1 bidder.
10. Don't award contracts for work unless all drawings and estimate duly approved /sanctioned by competent authority and there is no hitch to hand over the site to contractor.

**EXECUTION STAGE; DOs.**

1. As per Railway Board's letter No. 97/CE-I/CT/42 dated 04.07.1997, officer in charge of work has to specify the

items/location for which the test check is conducted. Many a time, only " 20% test checked" is being mentioned by concerned officer in measurement book without specifying the actual items test checked and their location.

2. In case of consignee inspection, the availability of inspection certificate containing the tested parameters duly signed by concerned officer should be ensured. Inspection of supply items and issue of corresponding inspection certificates before installation is necessary because after installation and commissioning, many times it is not practically possible to conduct required acceptance test.
3. Copy of contract agreement, along with all its annexures should be made available with supervisor incharge of work and officer in-charge of work, to avoid improper execution, improper receipt of material, non compliance of inspection of clause and payment clause as per contract agreement.
4. Ensure prior approval of the Competent Authority before allowing additional quantity.
5. Ensure that the bank guarantee submitted is genuine and valid for requisite time. Also ensure that validity of BG remains life after extension of DOC
6. Ensure that advances e.g. mobilization & machinery etc. are released against bank guarantees.
7. Maintain proper record of day to day consumption of cement, steel etc. irrespective of whether the items are procured by the contractor or supplied by Railways.
8. Ensure the tests of materials and other prescribed tests during the work execution as per the agreement. Special attention may be paid to the tests of hidden items. Maintain day to day record of actual progress of work, cement and steel consumed and labour employed by the contractor. Keep proper accountal of material issued to contractor at site of work.
9. Record measurement on machine numbered MBs only issued by the Division or HQ office. Maintain proper register for MBs.
10. Ensure recovery of water/electricity charges and rental for space if provided by Railways.

11. Completion certificates are issued only on successful completion of the work fully meeting the contracted specifications and end purpose.
12. Ensure timely payment to contractor as per contract conditions.
13. Ensure execution of work on the basis of approved plans by competent authority.
14. Ensure proper passing and testing of material as per BIS codes or as specified in the tender. Ask for internal testing report of manufacturer. Check embossing of correct IS code on supply.
15. While passing the material ensure testing of material as per BIS codes or as specified in the tender. Ask for internal testing report of manufacturer. Check embossing of correct IS code on supply.
16. Ensure recovery of cost of material supplied by Railways, hire charges for tools & plants etc. from the contractors running bills immediately after their use.
17. Ensure deputation of qualified engineer at site from contractor side as per stipulated conditions.
18. Ensure up to date calibration of all testing machines and measuring equipments from authorized agency.
19. Ensure compliance of various laws such as contract labor (Regulation and abolition) Central Rules 1971, payment of wage act and minimum wage act etc.
20. Record measurements/levels on machine numbered measurement books/level book issued from authorized office only.
21. Process bills of contractors for payments at various levels as per laid down time schedule.
22. Carryout prescribed test checks for payments at various levels as per laid down time items.
23. Recording the date of test check below signatures by officer concerned while recording abstract of measurement and bill as per Para 1320 of Engg. Code should be ensured.
24. Before release of payment against final bill, the availability of "completion Certificate" issued by Engineer and "No Claim

Certificate" issued by contractor as per tender stipulation should be ensured.

25. Ensure proper delivery challan, test report, guarantee certificate of Original Equipment Manufacturer (OEM)/Authorized Dealer while receiving the material.
26. Maintain a proper record of all released material and ensure proper accountal to avoid misappropriation/ loss of such released material. Ensure dispatch of released material to Store Depot regularly through Advice notes.

**DON'TS**

1. Don't endorse a test certificate without putting dated signatures against individual identifiable items of works. There should be enough evidence to show that tests were actually carried out.
2. Don't allow execution of works without sanctioned work order and beyond sanction quantities.
3. Don't allow the contractor to first execute only those items considered more profitable by him at his discretion so that contractor's interest in completing the whole work doesn't get dismissed.
4. Don't permit use of substandard material. Ensure that materials used are of specified specification and tested as per laid down procedures.
5. Don't pay long leads without physical verification and prepare a lead diagram for this purpose.
6. Don't allow execution of earth work without taking initial levels.
7. Don't allow recoveries to be accumulated on account of use of departmental machinery by contractors up to the final bill.
8. Don't accept the materials or brands/make, which are not stipulated in the Contract.
9. Don't allow or temper the seal of electrical meters provided to Contractor.
10. Don't record measurement of steel in separate register in place of measurement books.
11. Do not allow verbal /telephonic instructions regarding change

**Integrity is telling yourself the truth, and honesty is telling others the truth.**

# IMPORTANT RAILWAY BOARD CIRCULARS

No. 2022/RS(G)/779/7(3390005) Dated: 17.10.2022

The General Managers, All Indian Railways/PUs, NF(C), CORE DG, RDSO/Lucknow, NAIR/Vadodara
PCAO, PLW/Patiala, COFMOW CAO, WPO/Patna, RWP/ Bela

**Sub: Handling of Warranty Rejections**

**Ref: Railway Board's letter No.2000/RS(G)/379/2 dated 07.08.2015 and 18.01.2018.**

**Background**

Consolidated instructions on handling of warranty rejections were issued vide Railway Board's letter no.2000/RS(G)/379/2 dated 07.08.2015 and 18-01-2018. These instructions primarily stipulate linking of warranty rejections to the concerned supplying stores depot and relevant purchase orders by the user and arrange for warranty replacements duly conducting joint inspections with pre-inspection agency and the firm.

Review of Warranty Management system indicated practical difficulties in efficient handling of several of warranty issues, centralized database, monitoring of warranty settlement, resultant deterrent actions and system improvements. The system of handling warranty rejections is largely manual and whatever computerization is there, it is on separate systems which are not fully equipped to handle warranty rejections end-to-end, and are not integrated. Also, the policy did not cater for many scenarios which are encountered while dealing with the warranty rejections e.g. warranty rejections of components of Rolling Stocks supplied

by Private/Govt/Railway units, cases where PO/stores depot/User depot is not linked, epidemic failures, inefficient marking on the items for linking of items to vendor/purchase orders, warranty claims by users, communication of warranty period to end user ertc

Under this background, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR, covering entire warranty management landscape to include all types of warranty failures, including epidemic failures, keeping in view practical field conditions for implementation are being issued in this circular. This circular supersedes earlier circulars on the subject.

**1. Digitisation of Warranty Management System**

i. The entire Warranty Management System shall be digitized and made paperless.

ii. The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. shall be integrated with UDM/ IMMS/IREPS for seamless transfer of required data. A provision shall be made on these platforms to facilitate end uses to register warranty complaints. Duplicate feeding on UDM is to be avoided. All systems dealing with warranty rejection of vendor and their response should have provision of uploading/attaching documents.

iii. Provision shall be made on IREPS for the vendors to input dispatch details such as batch number, serial number, major sub component of the item, date of manufacturing (in MM/YYYY), expiry date (wherever applicable), manufacturer's marking, make/Brand, etc. against the Purchase Orders for each consignee. These details would be passed to iMMS/UDM and reflected in DRR/R-Note/CRN

generated on iMMS/UDM and for indicating the same while issuing the materials through Issue Notes. Inspecting Agencies shall also indicate these details explicitly in the Inspection Certificate. End Consignee receiving the material from the vendor will verify these details at the time of receipt of material and explicitly indicate the same in iMMS/UDM.

iv. Warranty period shall be captured in digital form as stated in Para 4 of this letter.

v. Centralized Recovery Register shall be digitized & maintained in IPAS and linked with iMMS/UDM for seamless both-ways data flow between these applications for recovery.

vi. The Warranty Rejections of vendors and their responses shall be linked with Unified Vendor Approval Module (UVAM). Cognizance of these warranty rejections of vendors shall be taken for reviewing the Approval of vendors by vendor approving authorities.

vii. Cognizance of these warranty rejections of vendors shall be taken by the procuring authorities in deciding the tender cases.

2. Materials are rejected under warranty in the following situations:

(A) Material rejected was issued to the user (shop/shed etc) from its attached Stores Depot or attached User Depot (both Stock & Non-stock).

(B) Material rejected was received from a PU or a Stores Depot or a User Depot which is not the attached depot of the end user including that received directly through centralized procurement (both Stock & Non-

stock).

(C) Material was rejected in the field and was fitted at some other Workshop/Shed/Depot. Material either received or fitted through Supply Contract, Works Contract or Service Contract or any other type of contracts (both Stock & Non-stock).

(D) Failure of components of Rolling Stocks received from Railway PUs/ PSUs/ Workshops/ Private Manufacturers

The Methodology of handling these rejections are dealt with
below:

**(A) For Warranty rejection in Shop/Shed etc where rejected material was issued from its attached Stores Depot or attached User Depot (both Stock and Non-stock items)-**

i. In case the material was accounted for in Stores Depot in iMMS after receipt from vendor, end- user shall register the warranty complaints with reasons and other details, as required, on the systems like CMM/FMM/WISE/SLAM/MU etc. available with them & electronically transfer such data to UDM through integrated system or shall register the warranty complaints directly in UDM (as convenient and practical for the end-user) and issue "Advice Note" of returned stores on UDM with the approval of competent authority (Gazetted Officer) to return the rejected material to attached Stores Depot for issuing "Warranty Rejection Advice" (i.e. warranty claims lodging) by attached Stores Depot.

However, in case the material was accounted for in User Depot in UDM after receipt from the vendor, there is no need for issuing "Advice Note" & to return the rejected

material to attached Stores Depot.

"Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end consignee of attached Stores Depot/ User Depot (depending upon where rejected material was accounted for after receipt from vendor) on iMMS/UDM after getting the warranty rejected material from end-user.

Before, issuing the "Warranty Rejection Advice", the concerned user of iMMS/UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and ensure that other details including reason(s) for warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract. This should be decided within 15 days.

ii. Rejected material shall be taken out from the ledger of Stock-Holder in iMMS/UDM (as the case may be). The "Warranty Rejection Advice" shall be issued on iMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract- without fail.

iii. In the Warranty Rejection Advice, the vendor shall be called upon for replacement of rejected stores or for deposition of equivalent amount of rejected material, within a period of 60 days from the date of Warranty Rejection Advice. Date of issue of Warranty Rejection Advice by gazetted officer to be taken as date of Warranty Rejection Advice.

iv. It shall be ensured that initiation of warranty complaint by user and issue of Warranty Rejection Advice in UDM/iMMS is not delayed by concerned officials/officers and warranty rejection advice should be issued within 15 days of detection of warranty complaint. However, if the warranty complaint is detected within warranty period, the "Warranty Rejection Advice" must be issued within warranty period.

On issue of "Warranty Rejection Advice", the "Warranty Rejection Register" should automatically get updated.

v. On getting the "Warranty Rejection Advice", the inspecting agency shall take suitable action against the inspecting officials and ensure necessary corrective actions; duly informing the Officer who has approved the "Warranty Rejection Advice". Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR on pro-rata basis for the quantity and as per the rate of inspection charges for the inspection agency. Claim for recovery of inspection charges against the concerned 3rd party inspecting agency (like RITES etc.) shall automatically get noted into "Centralized Recovery Register" maintained in IPAS on the basis of "Warranty Rejection Advice"; which shall specifically mention the name of inspecting agency. After recovery of inspection charges by any Bill Paying Authority, "Centralized Recovery Register" w.r.t. recovery of inspection charges to be automatically updated in IPAS to that extent so as to avoid multiple recoveries of inspection charges by different Railways and communicate the recovered amount to iMMS/UDM.

vi. Any Bill Paying Authority across IR shall withhold the

payment of equivalent amount of rejected material through "Centralized Recovery Register" from firm's Bill(s) at the earliest, till the full amount is withheld and the same shall be released only after disposal/closure/settlement of the warranty claim or deposition of equivalent amount of rejected material or after recovery, whichever is earlier. After withholding of amount by any Bill Paying Authority, "Centralized Recovery Register" to be automatically updated in IPAS to that extent so as to avoid multiple withholdings by different Railways and communicate the withheld amount to iMMS/ UDM.

vii. Firm shall be allowed to collect the rejected materials only after deposition of payments already made by Railway (if any) to them or after recovery of equivalent amount by Accounts or against replacement quantity. Rejected material should be suitably defaced before handing-over to the firm to avoid re-use and necessary provision about digital capturing in respective modules may be done.

viii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made to the end consignee at the Stores Depot/User Depot which received the original supply from the firm.

b. The warranty quantity replacement will be supplied and accounted for in iMMS through R/Note & RO if "Warranty Rejection Advice" has been issued through iMMS. However, where "Warranty Rejection Advice" has been issued through UDM, the warranty quantity replacement will be supplied and accounted for in UDM through CRN. R-Note/CRN should be clearly marked as "Warranty Replacement CRN/R-Note, Not

for Payment".

ix. Replaced/rectified material shall have warranty for the replaced/rectified goods till the original warranty period plus the time from the warranty rejection advice to material replacement/rectification.

x. Vendor would be permitted to lift the rejected material (subject to clause 2(A)(vii) above) "free of cost" within the period mentioned in Para 2(A)(iii) above. After this time, ground rent shall be applicable.

In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Condition of Contract, at the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions in the Indian Railways Standard Conditions of Contract relating to the 'rejection of goods' and 'failure' and 'termination' add and Clause 3100-02 shall apply.

xi. In case disposal/closure/settlement of the Warranty Rejection Advice is not done by firm within the period of 60 days, Recovery Advice of equivalent amount of rejected material for which Warranty Claim has not been disposed/closed/settled shall be automatically sent from iMMS/UDM (depending upon from where Warranty Rejection Advice has been issued) to IPAS and the "Centralized Recovery Register" of IPAS shall be automatically updated for recovery. If any amount is already withheld against the "Warranty Rejection Advice", the same shall be treated as recovered amount and adjusted accordingly. For balance amount, any Bill

Paying Authority across IR shall recover the amount mentioned in "Centralized Recovery Register" from firm's

Bill(s), if any. Paying Authorities should not delay the recovery and ensure recovery expeditiously. Even if the payable amount against a Bill and withheld amount are not enough for the full recovery against a Warranty Claim, the Paying Authority should proceed with partial recovery to the extent of payable amount against that Bill and balance recovery amount will remain in the "Centralized Recovery Register" for further recoveries from other Bill(s).

After recovery, the "Centralized Recovery Register" should be automatically updated immediately to avoid multiple recoveries by different Railways and communicate the recovered amount to IMMS/ UDM.

xii. Generally, no rejected quantity replacement/rectification should be allowed once recovery has been made by Accounts or the recovery amount has been deposited by vendor. While receiving fresh replacement supplies/allowing Re-inspection/Rectification/Amount deposition by vendor against Warranty Rejection Advice after the period of 60 days, user in IMMS/UDM must ensure that these activities are allowed only to the extant the Claim amount has not been recovered by Railways. Once recovery of the warranty claim amount is made in IPAS/deposition by the firm, user will not be allowed to initiate process of receipt of fresh replacement supplies / Re- inspection / Rectification to the extent recovery of the Warranty Claim amount has been completed in IPAS/deposited by firm against Warranty Rejection Advice.

However, there may be some cases against a Warranty Rejection Advice like:

a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery

b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery

c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery

d. Warranty Rejection Advice withdrawn altogether after recovery

e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery

In such cases, in all fairness; equivalent amount recovered has to be refunded to the vendor In case of (a) to (e) above, recovered inspection charges shall also be refunded to the inspection agency.

For such cases, the officer approving the Warranty Rejection Advice, with the approval of his officer next in hierarchy (minimum JA grade officer), can issue "Recovery Refund Letter" on iMMS/UDM on advice of the Stock Holder which shall be visible to all stake-holders including IPAS as well as vendor. Vendor may submit his Supplementary Bill on the basis of "Recovery Refund Letter" to the concerned Paying Authority which has deducted the refundable amount on-line or off-line; depending upon the case whether the Bill against which recovery has been made was submitted on-line or off-line. IPAS will pass-on information of all such refunds against a

"Warranty Rejection Advice" to iMMS/UDM so that this information can be made available to all stake-holders. Necessary checks & balances should be provided in IPAS to ensure that vendor is not refunded the recovered amount more than the actual recovered amount or the amount mentioned in "Recovery Refund Letter".

xiii. **Inspection of Replacement Supply**- In line with IRS Conditions of Contract clause 0703, Vendor shall bear all cost of such replacement including freight, cost of inspection and inspection charges to inspecting agency, if any, on such replacing and replaced stores but without being entitled to any extra payment on that or any other account.

The replacement supply shall normally be inspected by the same inspection agency which inspected and passed the original supply. However, inspection clause for replacement of quantity rejected under warranty can be changed from 3rd Party Inspection (RITES/RDSO etc.) to Consignee Inspection with the approval of minimum JA grade level officer of the office issuing Warranty Rejection Advice, duly considering practicability of the case due to low quantity/value, criticality of the item, quality issues involved etc.

**(B) For Warranty rejection in Shop/Shed etc of the material received from a PU or a Stores Depot or User Depot which is not the attached Depot of the end user including that received directly through centralized procurement (both Stock and Non-stock items)-**

i. In such cases it may not be convenient for the end user to either return the material or communicate to the Stores Depot/User Depot (where the accountal of supply received

from vendor was originally made). Thus, in all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty complaints with reasons and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them and electronically transfer such data to UDM through integrated system or shall register the warranty rejections directly in UDM (as convenient and practical for the end-user). "Warranty Rejection Advice" (i.e. warranty claims lodging) shall be issued to the firm with the approval of gazetted officer of the end user on UDM after linking with PO, R/Note/CRN/Accountal Details.

Before, issuing the "Warranty Rejection Advice", the concerned user of UDM & gazetted officer shall satisfy himself about the availability of the rejected material, correctness of PO and applicability of warranty period and ensure that other details including reason(s) of warranty rejection are genuine as per specification, drawing and terms and conditions of the Contract

ii. The Warranty Rejection Advice shall be issued on UDM by End User to all concerned i.e. firm, purchaser, pre-inspecting agency (if known), vendor approving agency, paying authority etc without fail.

| SN | Type of Rolling Stocks | Manufactured by |
|---|---|---|
| 1 | Wagons | Private Manufacturers, Railway PSU, Railway Workshop |
| 2 | Coaches | Railway PUs/PSUs/Private Manufacturers |
| 3 | Locomotives | |
| 4 | Train-Sets | |
| 5 | MEMU, DEMU, EMU etc. | |

iii. Warranty Quantity Replacement-

a. Replacement of rejected quantity shall be made at the end of end user.

b. The warranty quantity replacement will be supplied and accounted for in UDM through CRN. The CRN should be clearly marked as "Warranty Replacement CRN, Not for Payment".

iv. Other provision shall be as per sub-Para (iii) to (xiv) of

ii. Manufacturing Units of Rolling Stocks should provide the following details of all components/sub- assemblies used/fitted in that rolling stock to inspecting agency as well as consignee railway/end user. Inspecting agency, during inspection of Rolling Stock shall ensure digital capture/entry of this data into the respective digital platform.

a. Rolling Stock Number

b. Name of the Rolling Stock supplier

c. Contract number & Date against which Rolling stock supplied to Railway

d. Contact details of Rolling Stock Supplier

e. Name and address of component manufacturer and/or supplier.

f. Date of manufacture of component (MM/YYYY).

g. Inspecting agency for the component.

h. Inspection details of component

i. Warranty of component in months.

j. Vendor Approving agency of the component.

k. Batch/Product Marking, serial number etc of component.

l. Any further details to facilitate complete identification of the supplier of component by end user

iii. For individual components, all Rolling Stock Manufacturers/ Suppliers shall be responsible to honour the warranty claims on the basis of warranty period of individual components instead of the entire rolling stock.

iv. The warranty settlement will be processed as per procedure ~~a~~s under

a. **Rolling stock is supplied by a private manufacturer or Railway/other PSUs-**

Warranty claim shall be lodged against Rolling Stock supplier.

This shall be same case as 2(B) above except that in case of items appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agencies.

Rolling Stock Supplier shall be the interface between Railway and component supplier. He has to organize the complete warranty settlement. Any action by the component supplier shall be at the specific direction and authority of Rolling Stock supplier.

b. **Rolling stock supplied by Railway PUs, Workshop-**

In all such cases, the warranty rejected material shall be kept in safe custody of the end user. End User shall register the warranty rejections with reasons of rejection and other details, as required, on the system like CMM/FMM/WISE/SLAM/MU etc. available with them & transfer such data to UDM or shall register the warranty rejections directly in UDM (as convenient and practical for the end-user).

The concerned Railway PU or Workshop shall replace the rejected component within 60 days from warranty rejection registration date at the end of concerned end User registering the warranty rejection either as a fresh supply by Railway PU/workshop or get it replaced/rectified through the component manufacturer/supplier whose supplies have been rejected.

Simultaneously, the Railway PU/Workshop shall raise the warranty claim by issuing "Warranty Rejection Advice" on UDM on concerned component manufacturer/supplier separately from their end as per the process detailed in Para 2(B) above.

**3. Rectification of the rejected stores-**

i. In case the vendor requests for rectification/repair of rejected stores in terms of Para 2, rectification/repair to be permitted in exceptional circumstances and only if the item can be effectively rectified/repaired at the user end and with specific prior approval of the officer next in hierarchy (minimum JA grade officer) to the gazetted officer issuing Warranty Rejection Advice. At the option of the Depot Officer/ officer of end-user (depending upon who has issued the "Warranty Rejection Advice"), rectification/repair of rejected stores by the firm shall be permitted within railway premises only.

ii. If firm requests to rectify/repair the rejected stores at its own premises, same shall be allowed only if the item has unique traceability to ensure that the rejected item cannot be supplied to any other consignee/user and if supplied, it can be traced. For taking out the rejected quantity for rectification/repair, equivalent value of rejected item shall be deposited by the firm.

iii. However, the rectification activity shall have to be completed within timelines given in sub- Para iii of case 2(A) from the date of issue of "Warranty Rejection Advice." After this, process for recovery shall be initiated.

**4. Linking the rejected stores with PO, R/note, warranty period etc –**

i. Marking of stores has been mandated as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract, which must be ensured.

ii. Specification/drawing of the item should include conditions for marking of the item for establishing unique traceability of the item, accountability and performance monitoring of the item/supplier. Marking should be with manufacturer's name, lot/batch number, serial number, month and year of

manufacture (in MM/YY format). If possible, Railways' purchase order number and date, consignee code, suppliers' IREPS vendor code and warranty period in number of months may also be included to have complete traceability. Drawing/specification must specifically indicate the types of acceptable marking mechanism/method. Marking method selection should be based on factors like item function, item geometry, type of surface, item size, operating environment, age/ life, criticality, cost, etc. Marking method prescribed in the drawing/specification should be good enough to ensure that unique traceability is possible for the lifecycle of the product and if not possible, at least up to the warranty period of the item.

iii. Direct Part Marking (DPM) for items shall be done based upon the criticality/cost/feasibility to have DPM of the item. The criticality/cost/feasibility shall be decided by the concerned Railway Board Directorates depending upon the nature of the item or/and its end use. This scheme will help in pin-pointing the responsibility, shall improve traceability, accountability and performance monitoring of the item and that of the supplier. Part Marking should be part of specification and should at least indicate manufacturer's name, lot/batch/item No., month, and year of manufacture in MM/YY format. If possible, Purchase Order number and date, consignee code, IREPS vendor code and warranty period in number of months may also be included. It shall be responsibility of the firm to develop a unique coding scheme/mechanism for ensuring traceability of its product. The firm shall intimate the same to the purchaser at the time of supply. In case it is not possible to have these details as part marking on the item, alternate marking scheme and its implementation may be decided by the concerned Directorates.

iv. Onus of marking and traceability as per purchase order shall be on vendor

v. The record of fitment of item shall be captured digitally on UDM and/or other applications / Maintenance Modules like CMM/FMM/SLAM/WISE/MU etc.

vi. Capturing Warranty Period digitally in unambiguous terms:

a. In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004:

(i) Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.

(ii) Wherever it is considered necessary to have Warranty Clause in technical specifications at variance with Warranty Clause in IRS conditions of contract, then technical department, while submitting the indents, and while providing the specifications, will advise clearly about applicable Warranty Clause for procurement to avoid problems at post contract stage.

(iii) While procuring the material, it should be ensured that the applicable Warranty Clause is specified in tender documents clearly and in unambiguous terms.

b. Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and shall supersede warranty clause of IRS conditions of contract.

Else it should be mentioned in tender conditions that warranty as per IRS conditions of contract is applicable. Both should never be included in the tender.

c. A field of Warranty period for the item under procurement may also be indicated on IREPS while floating tender for the same

d. Data of warranty period should be captured in digital

form in terms of number of months and should get reflected in tender, contract, Inspection Certificate and R/Note in digital form and should be known to the end-user.

e. During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.

vii. While issuing the stores, "Issue Note" should be linked with warranty period in months, RO number, PO number/date and Depot Code as well, so that supply details and exact warranty period is known to consignee/end user.

viii. IMMS and UDM systems should be able to provide the complete supply details i.e. PO No./ Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.

ix. Online provision shall be made for entering the complete details of item as per Para 1 (iii) above by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.

5. All efforts should be made to link the warranty rejected item with P.O. However, if it is not possible to link the PO, warranty period mentioned in drawing/specification shall be taken into consideration or if not mentioned therein, it shall be as per IRS conditions of Contract. In such cases the warranty period shall be applicable from the end of month next to manufacturing month mentioned on material (assuming that stores are supplied after inspection after 30/45 days from the actual date of manufacture).

5.1 The Warranty settlement in such cases shall be as per

para 2(B) above, except following-

a. As PO details shall not be available, details of PO, R Note, CRN etc may not be included in Warranty Rejection Advice and other communications.

b. The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.

c. If Inspecting Agency of the rejected store is not known, warranty rejection advice shall not be sent to inspecting agency and para 2(A)(v) shall not be applicable.

d. If Inspecting Agency of the rejected store is not known, the inspecting agency for the replacement supplies shall generally be as per the inspection policy followed for normal procurement or as per Para 2 (A-xiii) above.

**6. Authority to adjudicate the disputed warranty cases and authority to decide appeal-**

i. For all warranty rejection cases, the controlling officer of minimum JAG level of the office issuing 'Warranty Rejection Advice" shall be adjudicating the disputed cases. His decision shall be binding on all the parties.

ii. All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice".

**7. Handling Epidemic Failures-**

Any recurring/large scale rejections from a particular lot will lead to epidemic failure.

i. Whenever the quantity rejected anytime during the warranty period exceeds 5% of the total supplied lot against a particular contract, it will be considered as Epidemic Failure. However, in case of failures related to items which are extremely critical from safety consideration

(like critical components or sub-parts of air brake system, wheel discs, axles, propulsion system etc.), RDSO/PU may pre-define a lower percentage for considering the occurrence of epidemic failure. This condition should be declared in the tender document for procurement of such items.

ii. Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot should be rejected. Even if some quantity of such lot has been used/fitted, the same may also be identified and called back from service, to the extent possible, by the concerned technical department for issuing warranty rejection.

iii. Joint Inspection shall be conducted as per extant provisions.

iv. In case warranty rejection is established in joint inspection, the vendor shall replace entire lot (as available, refer point ii above) duly inspected by inspecting agency as per contract on his own expenses.

v. Replacement supply should be inspected by the same agency which has previously inspected the supplies.

vi. Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/Inspecting agency accordingly.

vii. Concerned Inspection /Quality monitoring/Vendor approving agencies should conduct root cause/failure analysis of the failure and QAP of vendor shall have to be re-validated. They should also suggest improvement in inspection methodology/ Quality Assurance Plan to avoid failures.

8. In case the vendor disputes the Warranty Rejection as per Warranty Rejection Advice, representation from vendor should be sent through IREPS system to the officer issuing

Warranty Rejection Advice within 7 days from the issue of Warranty Rejection Advice. In such case a joint inspection shall be organised by the officer issuing Warranty Rejection Advice for the grounds of warranty rejections mentioned in the Warranty Rejection Advice.

9. In all cases of warranty rejections where items are appearing in the approved vendor list of vendor approving agencies, information about such cases shall also be shared with vendor approving agency as per Para 1 (vi) above for performance monitoring and capability/capacity assessment/delisting/down gradation of the vendor and review of the design/ specifications/STR if required. If required, based on merit of the case, Vendor approving agencies may take appropriate decision on suspension of inspection

10. Data of the warranty rejections shall be analysed item-wise and vendor-wise by the Quality monitoring/vendor approving agency to identify the areas for improvements in systems, processes and design/specification.

11. The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.

12. Since complete process is being considered for digitisation, procurements (including Railway Board procurements) which are not being done through iMMS, should also be done through iMMS and Contracts issued through iMMS.

**NOTE:**

For ease of understanding, a sample flow chart for case 2(A) is enclosed. Other cases (Case 2(B) to 2(D)) involve only minor modifications of the same. In case of any difference between this circular paras and flow chart, the circular para shall prevail.

(Chandan Kumar)
Director Railway Stores/IC
Railway Board
No.: 2017/Trans/01/Policy Dated: 17.11.2017

**Sub: Process Reforms–Improving Delivery & Performance: Contracts**

Indian Railways is the lifeline of the nation and it needs to serve the people of the country safely & efficiently. Field officials have to be empowered and instilled confidence in order to take decisions in the best interest of work, within the broad framework of rules. Following contract related matters have been considered, to simplify and streamline the decision making process.

1. Discharge of tenders in the event of lowest (L1) bidder withdrawing from the procurement process.

(a) There are several instances where tenders have to be discharged and fresh tenders invited because of L-1 bidder's withdrawal. Finalizations of tenders get delayed. As per the instruction from CVC vide letter No. 98/ORD/1 dated 24.08.2000 the current practice being followed on IR is "if L-1 Party backs out, there should be re-tendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender, is so justified in the interest of work and take a decision on the basis of lowest tender".

(b) However, as per para 7.5.11 (i) f of the Manual for procurement of Goods 2017 Ministry of Finance, Department of Expenditure Chapter-7, following procedure is to be adopted for dealing with cases where L-1 bidder withdraws.

"If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bide has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the Procuring Entity shall cancel the procurement process. Provided that the Procuring Entity, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons to be recorded in writing, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder."

It has been decided to follow the latest guidelines of MOF mentioned above in cases of Stores and Services (other than Consultancy) tenders.

2. Delay in deposition of performance guarantee in the works contracts with the stipulated period of 60 days.

At present, difficulties are normally experienced in the field where the selected bidder is not able to submit the

performance guarantee within the stipulated period of 60 days and tender is discharged even if the delay is by one day.

Based on due deliberations, it has been decided to modify the relevant Clause 16 (4) (a) of GCC with the new clause as under:

"The successful bidder shall have to submit a Performance Guarantee (PG) within 30 (thirty) days from the date of issue of Letter of Acceptance (LOA). Extension of time for submission of PG beyond 30 (thirty) days and upto the date of submission of PG from the date of issue of LOA may be given by the Authority who is competent to sign the contract agreement. However, a penal interest of 15% per annum shall be Extension of time for submission of PG beyond 30 (thirty) days and upto the date of submission of PG from the date of issue of LOA may be given by the Authority who is competent to sign the contract agreement. However, a penal interest of 15% per annum shall be charged for the delay beyond 30 (thirty) days. i.e. from 31st day after the date of issue of LOA in case the contractor fails to submit the requisite PG after 60 days from the date issue of LOA, a notice shall be served to the contractor to deposit the PG immediately (however not exceeding 90 days from the PG even after 90 days from the date of issue of LOA, the contract shall be terminated duly forfeiting EMD and other dues, if any payable against that contract. The failed contractor shall be debarred from participating in re-tender for that work."

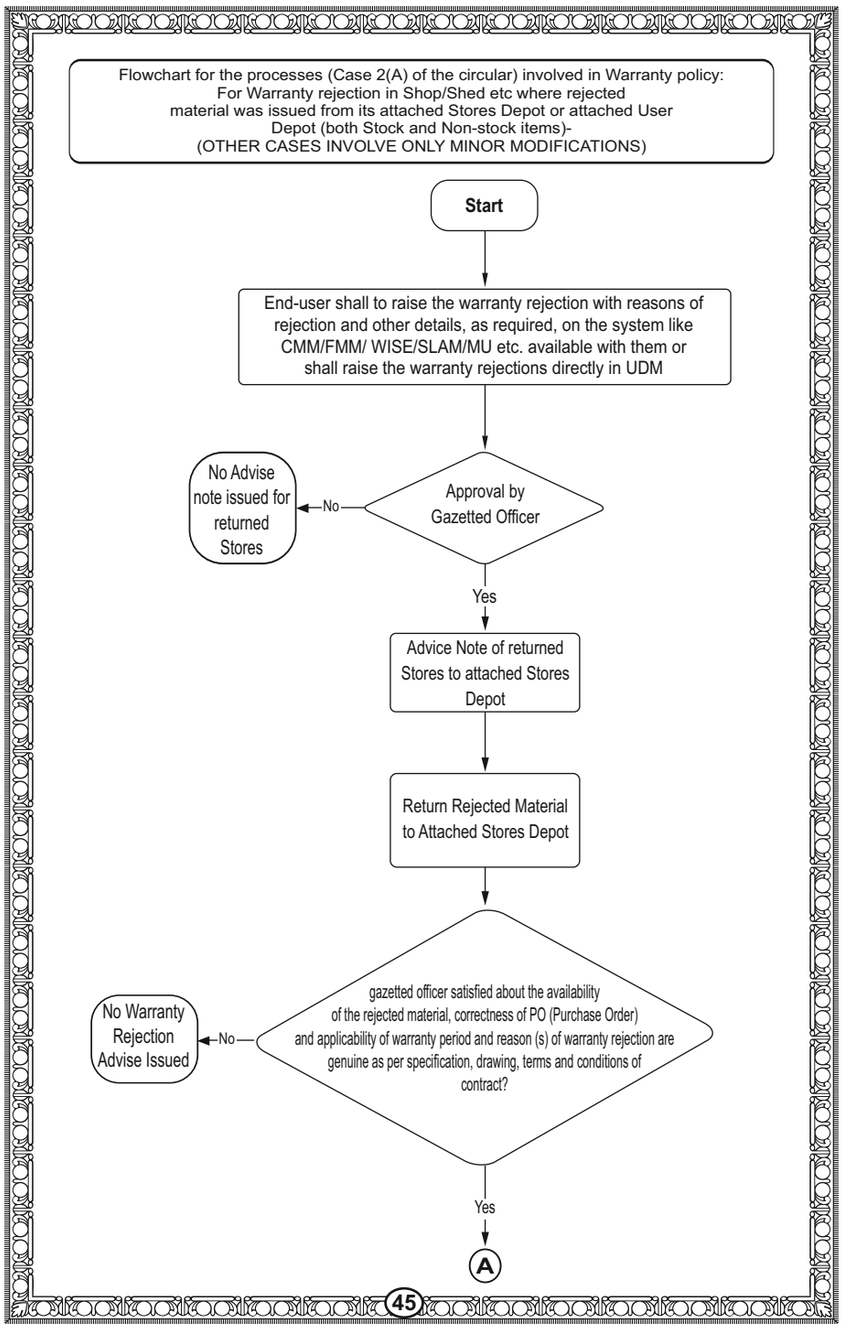
3. Variation in Contracts

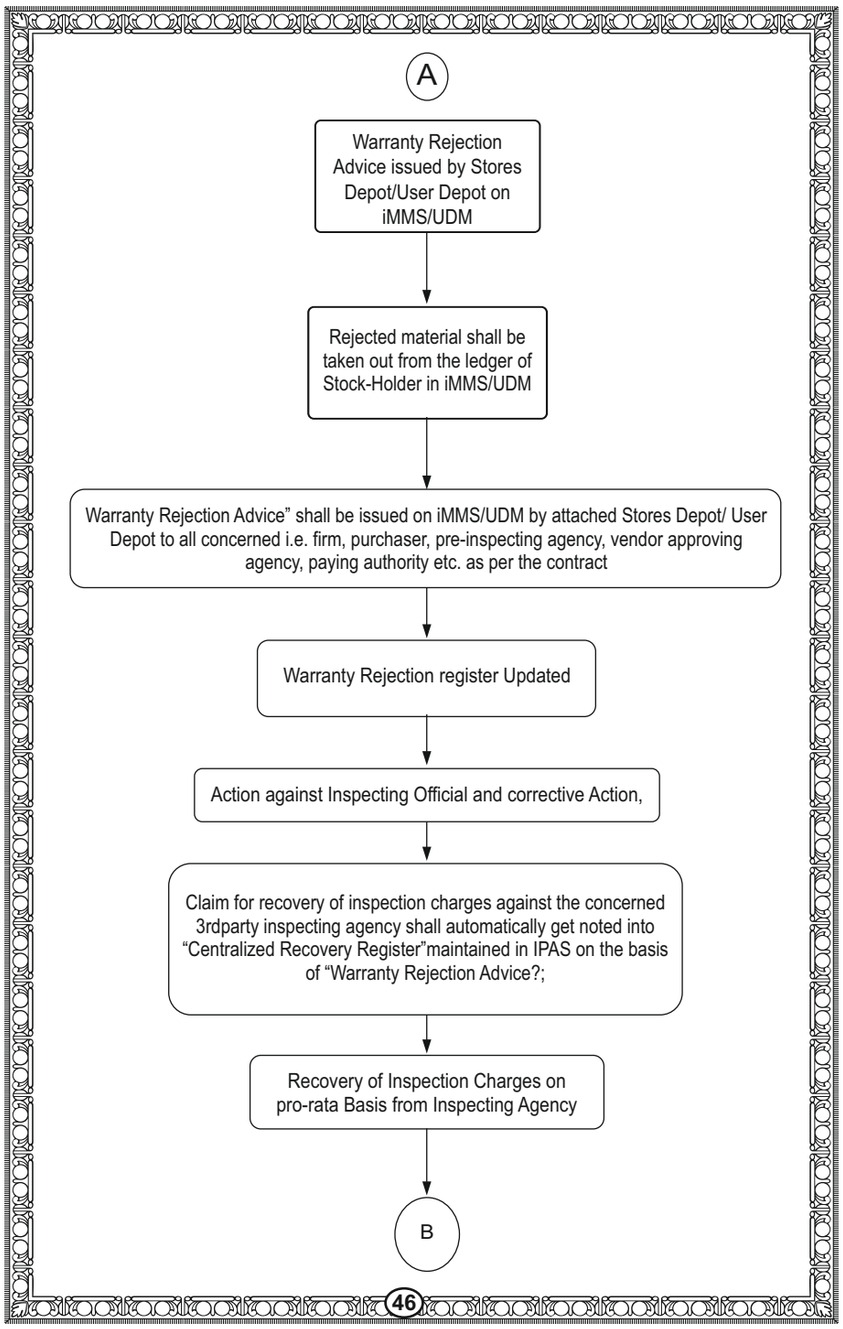
In quite a number of cases while the contract is in operation, variations are resorted to in accordance with the terms and conditions of the contract. Field officers are generally afraid of taking risk despite the variation being a reasonable option in the given situation.

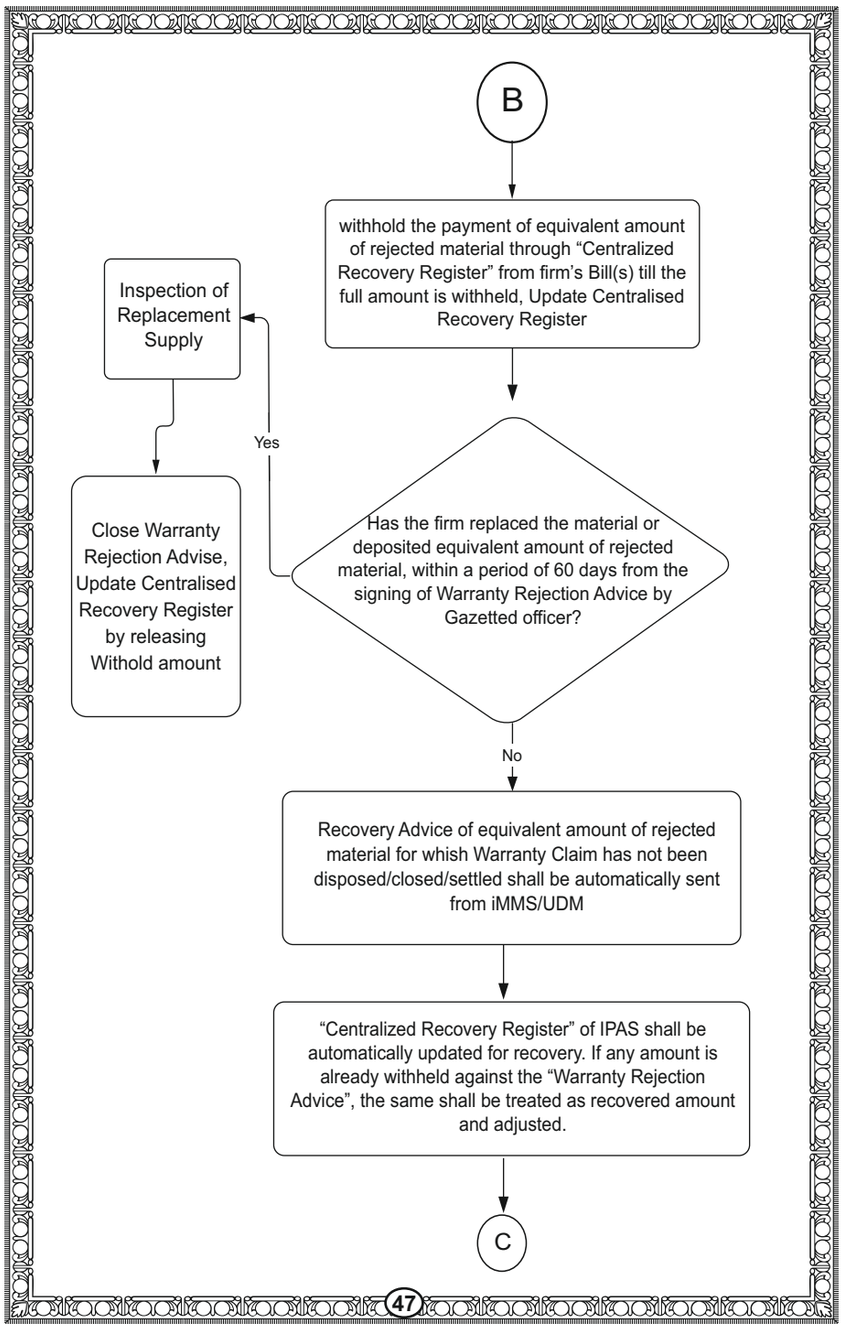
Regarding Variations as defined in Para 1265 of Engineering Code following clarification is issued:

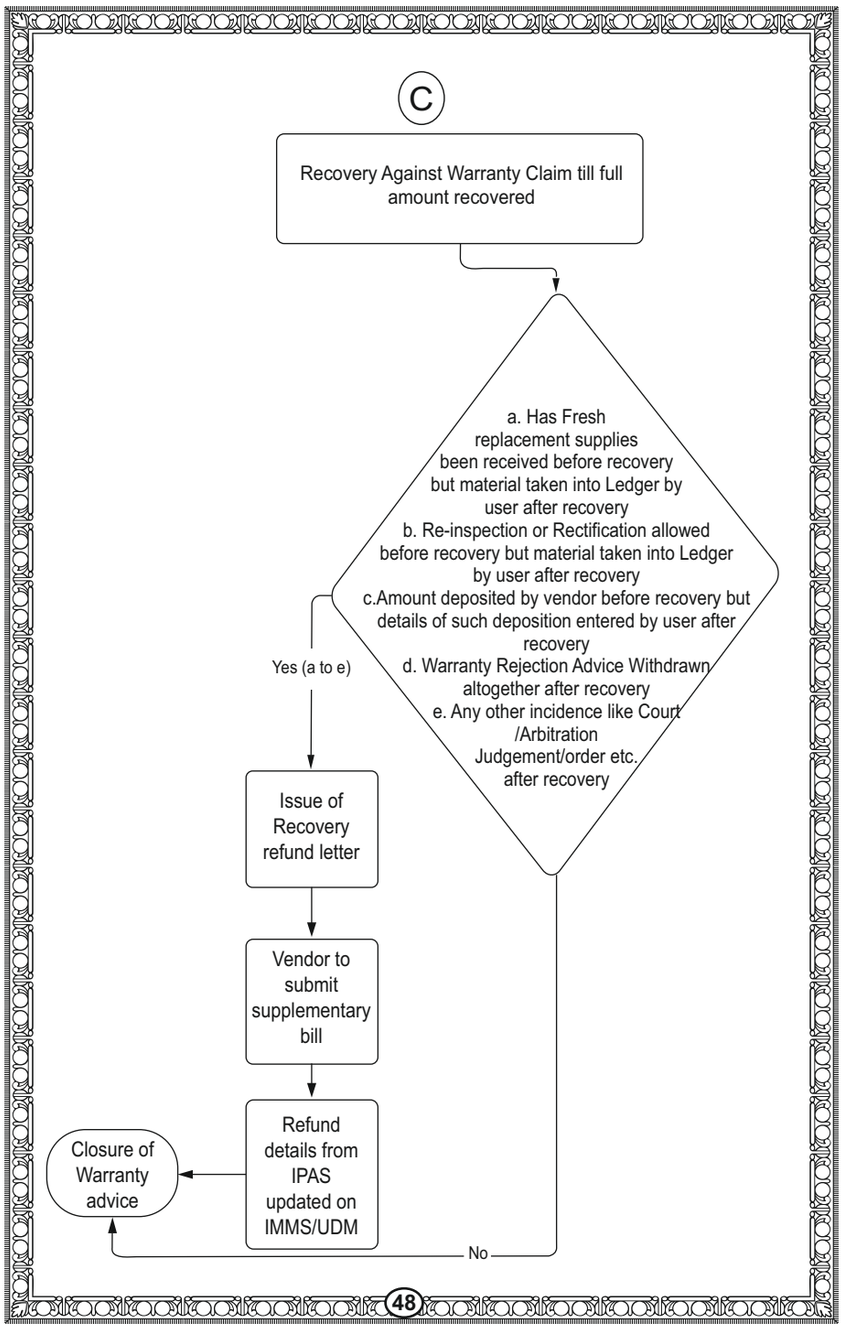
"Contracts are a means of execution of works and as an executive, our primary role is to achieve the desired performance. It is seen that the executives are becoming

देश की विकास दर को बढ़ाना है,
तो भ्रष्टाचार को हमें मिटाना है

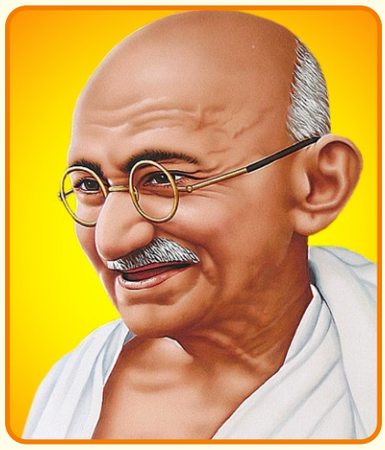

Flowchart for the processes (Case 2(A) of the circular) involved in Warranty policy:
For Warranty rejection in Shop/Shed etc where rejected
material was issued from its attached Stores Depot or attached User
Depot (both Stock and Non-stock items)-
(OTHER CASES INVOLVE ONLY MINOR MODIFICATIONS)
Start
End-user shall to raise the warranty rejection with reasons of rejection and other details, as required, on the system like CMM/FMM/ WISE/SLAM/MU etc. available with them or shall raise the warranty rejections directly in UDM
Approval by Gazetted Officer
No
No Advise note issued for returned Stores
Yes
Advice Note of returned Stores to attached Stores Depot
Return Rejected Material to Attached Stores Depot
gazetted officer satisfied about the availability of the rejected material, correctness of PO (Purchase Order) and applicability of warranty period and reason (s) of warranty rejection are genuine as per specification, drawing, terms and conditions of contract?
No
No Warranty Rejection Advise Issued
Yes
A


A
Warranty Rejection Advice issued by Stores Depot/User Depot on iMMS/UDM
Rejected material shall be taken out from the ledger of Stock-Holder in iMMS/UDM
Warranty Rejection Advice" shall be issued on iMMS/UDM by attached Stores Depot/ User Depot to all concerned i.e. firm, purchaser, pre-inspecting agency, vendor approving agency, paying authority etc. as per the contract
Warranty Rejection register Updated
Action against Inspecting Official and corrective Action,
Claim for recovery of inspection charges against the concerned 3rdparty inspecting agency shall automatically get noted into "Centralized Recovery Register"maintained in IPAS on the basis of "Warranty Rejection Advice?;
Recovery of Inspection Charges on pro-rata Basis from Inspecting Agency
B


B
withhold the payment of equivalent amount of rejected material through “Centralized Recovery Register” from firm’s Bill(s) till the full amount is withheld, Update Centralised Recovery Register
Has the firm replaced the material or deposited equivalent amount of rejected material, within a period of 60 days from the signing of Warranty Rejection Advice by Gazetted officer?
Yes
Inspection of Replacement Supply
Close Warranty Rejection Advise, Update Centralised Recovery Register by releasing Withold amount
No
Recovery Advice of equivalent amount of rejected material for whish Warranty Claim has not been disposed/closed/settled shall be automatically sent from iMMS/UDM
“Centralized Recovery Register” of IPAS shall be automatically updated for recovery. If any amount is already withheld against the “Warranty Rejection Advice”, the same shall be treated as recovered amount and adjusted.
C


C
Recovery Against Warranty Claim till full amount recovered
a. Has Fresh replacement supplies been received before recovery but material taken into Ledger by user after recovery
b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery
c.Amount deposited by vendor before recovery but details of such deposition entered by user after recovery
d. Warranty Rejection Advice Withdrawn altogether after recovery
e. Any other incidence like Court /Arbitration Judgement/order etc. after recovery
Yes (a to e)
Issue of Recovery refund letter
Vendor to submit supplementary bill
Refund details from IPAS updated on IMMS/UDM
Closure of Warranty advice
No

## Seven Principles of Public Life



- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership







# NARROW GAUGE PANORAMIC COACH KALKA-SHIMLA

