



भारत सरकार
रेल मंत्रालय (रेलवे बोर्ड)
Government of India
Ministry of Railways
(Railway Board)



No. 2022/RS(G)/779/7 (E3390005)

नई दिल्ली New Delhi Dated: 26.10.2023

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

Sub.: Handling of Warranty Rejections

Ref: Railway Board's letter of even number dated 17.10.2022

Vide letter under reference, the consolidated policy instructions on warranty rejection handling including an Online Integrated Warranty Management System over IR was issued for implementation.

In view of the experience gained with the implementation of the policy, it is decided to make amendments in the above referred policy circular as enclosed at Annexure-I..

CRIS shall make the system ready accordingly. Necessary action may be taken in this regard.

Encl: As above

(Chandan Kumar)
Director Railway Stores (IC)
Railway Board

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COFMOW, CORE, WPO/Patna and RWP/Bela
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Chief Commissioner, Railway Safety, Lucknow
Zonal Railway Training Institute, Sukadia Circle, Udaipur

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All AMs, PEDs & Executive Directors of Railway Board

Annexure-I

Para	Existing	Changed to
2(A)(v).	<p>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.</p>	<p>On getting “warranty rejection advice”, inspection agency shall take suitable action for any system improvements required to improve inspection process. Recovery of inspection charges from the concerned inspecting agency for the rejected item(s) shall be made by any Bill Paying Authority across IR only in case of Epidemic Failures after holding Joint Inspection when it is established that such rejection has taken place due to failure attributable to the Inspecting Agency as per its role under the Purchase Order. In such cases, after joint inspection, “Inspection Charges Recovery Advice” shall be issued by officer issuing “warranty rejection advice”. 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 “Inspection Charges Recovery Advice”; which shall specifically mention the name of inspecting agency and rate of inspection charges on pro-rata basis for the quantity rejected. 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.</p>
2(A)(vi).	<p>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</p>	Deleted

	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.	
2(A)(viii) (c)	New Para	Item/equipment supplied against a particular warranty claim should be used to close that warranty claim only. Any alternate use of the material can be done only with the written consent of the firm.
2(A)(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.	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. Record for the same shall be maintained by the system.
2(A)(x).	<p>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.</p> <p>In cases where firm fails to lift the rejected material within the time period mentioned in para 3203 of IRS Conditions 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</p>	<p>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 (i.e. 60 days from the date of Warranty Rejection Advice). After this time, ground rent shall be applicable.</p> <p>In cases where firm fails to lift the warranty rejected material within the time period mentioned in para 3203 of IRS Conditions of Contract (i.e. 3 months from the date of issue of warranty rejection advice by the gazetted officer), 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</p>

	shall apply.	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. However, in case the material under warranty rejection is not lying in Railway premises but is running online or being actively used by Railways, this clause shall not be applicable.
2(A)(xi).	<p>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</p>	<p>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. 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 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).</p> <p>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.</p>

	<p>in the “Centralized Recovery Register” for further recoveries from other Bill(s).</p> <p>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.</p>	
2(A) (xii).	<p>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 extent 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.</p> <p>However, there may be some cases against a Warranty Rejection Advice like:</p> <p>a. Fresh replacement supplies have been received before recovery but material taken into Ledger by user after recovery</p> <p>b. Re-inspection or Rectification allowed before recovery but material taken into Ledger by user after recovery</p>	<p>(a) Generally, there should not be any cases where warranty rejection is not disposed/settled/closed by the vendor within a period of 60 days. R-Note/CRN should be promptly issued in such cases within 60 days period only. Even if warranty is closed/disposed/settled at the fag end of 60 day period, efforts should be made to issue R-Note/CRN within 60 days period only so that no recovery is done.</p> <p>(b) Once recovery has been made by Accounts or the recovery amount has been deposited by vendor, replacement/rectification/re-inspection of the warranty rejected quantity should not be allowed after period of 60 days from date of issue of warranty rejection advice. While receiving fresh replacement supplies/allowing Re-inspection/Rectification 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 extent 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.</p> <p>(c) However, cases where due to extreme urgency affecting out-turn, operation etc it is in Railways’ own interest to allow replacement/rectification/re-</p>

<p>c. Amount deposited by vendor before recovery but details of such deposition entered by user after recovery</p> <p>d. Warranty Rejection Advice withdrawn altogether after recovery</p> <p>e. Any other incidence like Court /Arbitration Judgement/Order etc. after recovery</p> <p>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.</p> <p>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".</p>	<p>inspection after a period of 60 days from issue of warranty rejection advice, it may be permitted with the approval of SAG level officer of the officer issuing warranty rejection advice. In such cases "Recovery Refund Letter" should be issued by minimum JA Grade Officer of the office issuing Warranty Rejection Advice to the extent permission is granted and warranty rejection is disposed/settled/closed by the vendor. However, ground rent as per clause 2(A) (ix) above shall be applicable in such cases also.</p> <p>(d) "Recovery Refund Letter" shall also be issued by minimum JA Grade Officer of the office issuing Warranty Rejection Advice in the following cases:</p> <ul style="list-style-type: none"> i. If warranty is closed/disposed/settled within 60 day period and R-Note/CRN is issued after 60 day period ii. Amount deposited by vendor before recovery but details of such deposit entered by user after recovery; iii. Warranty rejection advice withdrawn altogether after recovery; and iv. In other instances like court/arbitration judgment/order, etc. after recovery. v. cases where, inspite of issue of warranty rejection advice, the item under warranty rejection has been actively running online or being actively used by Railways due to practical considerations. However, firm should be advised to close the warranty as early as possible. In the normal course, such situations should not arise and should be exception only. <p>(e) The vendor may submit his supplementary bill on the basis of "Recovery Refund Letter" to the concerned paying authority which has deducted the refundable amount online or offline depending upon the case whether the bill against which recovery has been made was submitted online or offline.</p> <p>(f) IPAS shall pass on information of such refunds against recovery refund order and</p>
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		<p>warranty rejection advice to IMMS/UDM so that this information can be made available to all stakeholders. Necessary checks and balances should be provided in IPAS to ensure that vendor is not refunded a recovery amount more than recovery amount or the amount mentioned in recovery refund order.</p> <p>(g) However, if the recovery amount has been transferred by recovering railway to the Railway issuing warranty rejection advice, such information shall be passed on to all stakeholders by IPAS including to the vendor also to claim his refund. In such cases Supplementary bill shall be submitted to the railway where amount has been transferred.</p>
2(A) xiv (a)	New para	<p>Warranty Rejection Advice (Claim) Withdrawal:</p> <p>In case Claim issued for incorrect quantity/value or issued on some other vendor incorrectly or when Warranty is not admissible due to any reason, warranty rejection claim shall be withdrawn and “Warranty Rejection Advice (Claim) Withdrawal Letter” by minimum JA Grade Officer of the office issuing Warranty Rejection Advice, shall be issued for withdrawal of Warranty Claim.</p>
2(A) xiv (b)	New Para	<p>The status of lodged warranty claims due to failures not admissible as warranty claim due to any reason must be reviewed by Zonal Railways (JAG level officer as per para 6(i)) regularly for early resolution and withdrawal.</p>
2(A) xiv (c)	New Para	<p>Zonal Railways/PUs shall nominate a SAG level officer from each of the concerned user departments to regularly monitor the status of pending warranty claims , timely closure of warranty claims in cases where user has already confirmed the closure and disputed warranty rejection cases and ensure that these disputes are decided timely.</p>