

should be demonstrated by the vendor/supplier/ Contractor on the item or its salvage, which should be available in vendor's Premises.

19. Case where L1 Bidder withdraws:

If the bidder, whose bid has been found to be the lowest evaluated bid withdraws Or whose bid 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, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

20.1. Technical Bid and Initial Price Offer:

- i) **Bidder will be simultaneously required to submit a Technical & Commercial Bid and Initial Price offer. Offers found eligible for bulk order shall be categorized as qualified for bulk order for the purpose of RA, offers found eligible for developmental order shall be categorized as Qualified for Development order for the purpose of RA.**
- ii) **Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for any order.**
- iii) **Initial Price Offer of only those bidders categorized as Qualified for Developmental Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extent instructions for tabulation shall apply for tabulation of Initial Price Offers.**
- iv) **Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest Initial Price Bid of the tenderer eligible for award of contract.**
- v) **After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and participating tenderers.**
- vi) **Bidders not be allowed to withdraw their last offer.**
- vii) **The final tabulation statement will include the initial price offer of a firm who has not participated in the RA process.**

2. Financial Bid: Financial Bid shall comprise of Final Price offer obtained through Reverse Auction.

Following conditions and procedure will be followed in selecting the bidders for conduct of Reverse Auction.

(a) Selection of vendors for Reverse Auction for award of bulk ordering in Stores tenders

Number of tenderers Qualified for Award of Contract/Bulk Order	Number of tenderers to be selected for Reverse Auction	Remarks
<3	NIL*	The bids disallowed from participating in the Reverse Auction shall be the highest bidder(s) in the tabulation of Initial Price Offer. In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of IREPS, shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50% of Vendors Qualified for Bulk Order/award of contract (rounded off to next higher integer).	

Note

*** “If the number of tenderers qualified for Bulk Order / Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).**

(b) In case of stores tenders, selection of vendors for Reverse Auction for developmental ordering:

- i) Offers qualified for development order, with initial price offer lower than the highest initial price offer of a vendor qualified for bulk order and selected for Reverse Auction after elimination. Shall be allowed to participate in RA.
- ii) However, for the items where it is considered essential to also consider the offers for placement of development order, from vendor categorized as qualified for development order whose received rates are higher than the rate applicable for offers categorized as Qualified for bulk order, all bids categorized as qualified for Developmental order shall be allowed to participate in Reverse Auction.

Suitable clause for applicability of one out of these two options for participation/elimination of vendors qualified for Development order shall be mentioned in the tender.

- (c) **Maximum time allowed for Reverse Auction, both for bulk ordering or developmental ordering shall be 05 days.**
- (d) **During Reverse Auction process, bidders shall not be allowed to bid a rate higher than their lowest Initial price offer.**
- (e) **MSE Criteria: All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Orders/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 20.2 (a) and 20.2(b) above, but are within the range of 15% of lowest Initial Price Offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per Para 20.2 (a) and 20.2(b) above. In this regard, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case all the bidders qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.**
- (f) **Make in India criteria: All bidders eligible for benefits under Public Procurement Preference to Make in India) Order 2017, found qualified for Bulk/Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 20.2 (a) and 20.2 (b) above. However, if all the bids qualified for bulk order as well as for developmental order (before applying elimination criteria) also qualify under “Make in India Order, 2017” criteria, this clause shall not apply.**

3. **Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website**

about the status of Reverse Auction, i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed

- 4. Developmental order upto 20% of NPQ can be placed by Zonal Railways/Pus on eligible vendors, Without waiting for capacity/capability assessment by nominated centralized agency. Capacity/Capability assessment by nominated centralized agency shall be done subsequent to placement of Developmental order, if not already done. In case a developmental order is placed prior to Capability/Capacity assessment by nominated agency developmental order shall be issued with a Condition that the developmental order is subject to outcome of Capacity/Capability assessment.**
- 5. Quantity to be covered on developmental orders shall be limited to 20% of the net Procurable Quantity. The quantity covered on developmental orders may be within or outside NPQ.**
- 6. After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of bidders which were eliminated from Reverse Auction in terms of Para 20.2 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies at the relevant time shall be applicable.**
- 7) Neither Railway nor CRIS can be held responsible for consequential damages such as no power supply, system problem, inability to use the system, loss of electronic information, power interruptions. UPS failure, etc.**
- 8) On any issue or area of material concern respecting Reverse Auction not specifically dealt within these Rules, the decision of the Railways shall be final and binding on all concerned.**
- 9) Procedure for conduct and reporting of R.A**
 - 1) The tendering authority shall solicit bids through an invitation to the electronic Reverse Auction to be published or communicated in accordance with the provisions similar to e-procurement.**
 - 2) Convener of the tender committee shall fix the following on case to case basis, depending upon the nature of item/work/service and complexity of case on hand. These shall be indicated in the tender for e-RA itself.**
 - a) Initial e-RA period: This shall be the initial time interval for e-RA shall be open for this duration.**

- b) Auto extension period: In case any offer is received in the time period equal to auto extension period before close of initial e-RA period, the e-RA shall be extended for time equal to auto extension period from the time of last bid. There shall be no upper limit on number of auto extensions. When no offer is received in the last auto extension period e-RA shall close.
 - c) Minimum decrement in percentage of value of the last successful bid.
 - d) Declaration regarding e-RA participation/elimination criteria for vendors categorized as Qualified for Development order for the purpose of e-RA as per clause 20.2(b) of the General Tender conditions and setting the matching option in e-RA application.
- 3) Date and time for start of e-RA shall be communicated to qualified tenderers by the convener after evaluation of the Technical Bids.
 - 4) After submission of the initial price bid, tenderers will not be allowed to revise the taxes and other levies.
 - 5) During auction period, identities of the participating tenderers will be kept hidden.
 - 6) Minimum admissible bid value will be last bid value minus minimum decrement as specified by the tendering authority before starting of reverse auction. Starting point for reverse auction shall be the lowest initial price bid of the tenderer eligible for award of contract.
 - 7) After close of the RA, tabulation of last (minimum) bids received from all the tenderers will be generated and made visible to Railways and participating tenderers.
 - 8) Railway users can also view the bidding history in chronological order.
 - 9) Bidders not be allowed to withdraw their last offer.
 - 10) L-1 will be defined as the lowest bid obtained after the closure of R.A. session for Goods, Works and Services tenders.

“HANDLING OF WARRANTY REJECTIONS”

**HANDLING OF WARRANTY REJECTIONS CONDITIONS IS SEPARATELY
UPLOADED IN IREPS DOCUMENTS.**

Special Tender Conditions-Implementation of GST

- 1.0** All the bidders/tenders should ensure that they are GST compliant and their quoted tax structure/rates are as per GST Law.
- 2.0** 1. All vendors should have GST Registration Number.
2. GST Act and Rules are applicable from time to time is applicable.
- 3.0(A)** “In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST Act, The railway shall deduct the applicable GST from his/her bills under reverse charge mechanism(RCM) and deposit the same to the concerned tax authority”.

(B) Addition to the General Tender Conditions

EVALUATION OF OFFERS UNDER NEW GST REGIME:

1. Purchaser may incorporate HSN number in the tender document. However it shall be the responsibility of the bidders to quote correct HSN number and corresponding GST rate.
- 2.i) The offers shall be evaluated based on the GST rate as quoted by each bidder and same will be used for determining the inter se ranking. While submitting offer, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN number.
- ii) Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.
- iii) Wherever the successful bidder invoices the goods at GST rate or HSN number which is different from that incorporated in the purchase order, payment shall be made as per GST rate incorporated in the purchase order or billed.
- iv) Vendor is informed that she/he would be required to adjust her/his basic price to the extent required by higher tax billed as per invoice to match the all inclusive price as mentioned in the Purchase order.
- v) Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number under SVC.

(C) Payment of GST on production of Documentary Evidence.

GST will be paid on production of documentary proof. All input credits should be passed on to Railways by the supplier. To this effect, the firm should give declaration that all input credits has been passed on to Railways while submitting the bills.

GST Declaration:

- i) Onus of correct classification and rate is on the firm.
- ii) GST will be paid on production of documentary proof.
- iii) The firm shall pass on (as per section 17(1) of CGST/SGST Act) any reduction in tax rate on supply of goods or any benefit of input tax credit to the Railway through a commensurate reduction in price without any undue delay. To the above effect the firm should give declaration that all the benefits accruing on account of change in tax rate and any additional input tax credit (ITC benefit) shall be passed on the Railway.
- iv) Any kind of reduction in prices obtained by the supplier due to implementation of GST is to be passed on to the purchaser as per Anti Profiteering clauses of GST Act at any point of time during the period of the contract.

4. The tenderers in their bids shall indicate the details of their Jurisdictional Assessing Officers (Designation, address & email Id)

5. Inclusion of IRS Clause 2500: Code of integrity in Public Procurement in GTC

“Attention is drawn to clause 2500 of IRS conditions of contract attached along with the tender document. Bidders found to have a conflict of interest shall be disqualified. A bidder may be deemed to have a conflict of interest with one or more parties in this bidding process if:

- a) They have common controlling partner(s)
- b) They have received any direct or indirect subsidy/financial stake from any of them.
- c) They share the same legal representative/agent for the purpose of this bid.
- d) The bidder participates in more than one bid in this bidding process for the same item/consignee. Participation of bidder through multiple bids for item wise-consignee wise evaluation will result in the disqualification of all bids involving the concerned parties. However, this does not restrict the inclusion of components /sub-assemblies from one bidding manufacturer in multiple bids.
- e) In cases of agents quoting in offshore procurement on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender inquiry. One manufacturer can authorize only one agent/dealer. Only one bid may be submitted by either.
 - 1. The manufacturer (OEM) directly or through one Indian agent on its behalf.
 - 2. An Indian/foreign agent on behalf of only one OEM.
- f) The bidder or any of its affiliates participated as a consultant in the

preparation of the design or technical specifications of the contract that is the subject of the bid.

- g) Multiple bids are received by different bidders from the same IP address for the same item wise-consignee wise evaluation.

Amendment IRS Condition of Contract-Para 2900 :-

Deleted since these clauses have been incorporated in “**Revised Indian Railway Standard(IRS) Conditions of Contract-September 2022 Version 1.0**” issued by Railway Board vide Railway Board Lr.No. 2022/RS/(G)/779/13(E3402809)dt.21.09.2022.

PROFORMA FOR WARRANTY GUARANTEE BOND

To
THE PRESIDENT OF INDIA
Acting through the Controller of Stores,
South Central Railway,
6th Floor, Rail Nilayam,
Secunderabad-500071

Sub: Guarantee No-----for------(Amount) Covering Machine(s)
Serial No-----supplied to (Consignee/s) ----- Ref:
Contract No-----dated-----Placed on M/ s -----

1. WHEREAS M/s ----- one of our constituents, hereinafter called the "Sellers" have agreed to sell to you (hereinafter referred to as the "Government") -----Nos. of ----- (give description) as per contract No ----- dated --- ----- (hereinafter called "the said contract").

2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a recognized Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for a period covering in full the Guarantee Period as per the Warranty clause of the said conditions of the contract, being the conditions attached to and forming part of the said contract.

3. AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in your favor for an amount representing 10 percent of the value of the contract which you have agreed to accept.

4. That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on demand and without any demur, any sum

upto a maximum amount of -----(Rs. ----- -) representing 10 per cent of the value of the Stores dispatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.

5. We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.

6. Government shall be at liberty, from time-to-time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.

7. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers in any suit or proceeding pending before any Court or Tribunal relating there to our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge to our liability for payment there under and the Sellers shall have no claim against us for making such payment.

8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel ----- vide Bill of Lading No. ----- dated ----- or R/ R No.----- dated ----- (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to ----- i.e. for -----months counted from the date of placing the stores in services, and shall continue to be enforceable for further six months i.e. upto ----- (date), hereinafter called the said date.

9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers

10. That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date -----Signature-----

Place -----Printed Name -----

Witness ----- (Designation)

(Banks common Seal)

.....

Annexure-I

LC/DA NO.-----
Dt. _____

DOCUMENT OF AUTHORIZATION

1. It is certified that Work job assigned in Contract No.....
Dated.....under Inland Letter of Credit No.....

Dated.....

Or

Goods received/Works order completed Stage-Phase 1/2/3/4/5.

2. The beneficiary of Letter of Credit M/s.....is entitled to
Receive payment aggregating INR..... out of a total LC amount of
INR.....against the first/second* commercial Invoice
No_____dated _____for INR raised against the above contract on the
strength of this certificate.

3. PAYMENTS ALREADY MADE:
1. Invoice No.
2. Invoice No.
3. so on Total
4. THIS PAYMENT:
5. LC BALANCE AFTER THIS PAYMENT.

Signature & seal of Applicant

(Railway Authority)

*As applicable

ANNEXURE - II

This letter of Authority should be on the Letter - Head of the manufacturing business concern and should be signed by a person competent and having the power of attorney to bind the Manufacturer.

PROFORMA FOR TENDER SPECIFIC AUTHORISATION FROM MANUFACTURERS

Ref No: _____

Date: _____

To,
THE PRESIDENT OF INDIA, acting through
THE PRINCIPAL CHIEF MATERIALS MANAGER,
SOUTH CENTRAL RAILWAY,
MINISTRY OF RAILWAYS,
SECUNDERABAD 500071, TELANGANA

Dear Sir,

Subject: South Central Railway e - tender no. _____ due
on _____ For supply of _____

We, _____ (full address with PAN number)
established _____ Manufacturer _____ of
_____ having factory / factories

at _____ do hereby authorize M/s.
_____ (Company's name, full address with PAN
number) to represent us, to bid, negotiate and conclude the contract on our
behalf with you against your the subject tender. _____

It is also confirmed that:

- No Company /Firm or individual other than M/s. _____ is authorized to represent us in regard to this business against this specific tender.
- Inspection by RITES/RDSO/Consignee/your authorized representative will be allowed at our manufacturing premises and not in the ware house /godown shop of the Dealer.
- Inspected and accepted material will be directly despatched from our manufacturing premises to Consignees of South Central Railway.
- We stand guarantee for the material supplied against each lot of supply.
- We stand guarantee for successful execution of the Contract.

Yours faithfully,
(Signature, Name & Designation)
For and on behalf of M/s. _____
(Name and address of the Manufacturer)

Annexure-III

Special Conditions to be incorporated in tender as special condition for inspection-

1. Attention of Tenderers/Bidders is invited to IRS conditions of contracts, which are the governing conditions of contract. Particular attention is invited to IRS conditions 0701, 1301 (a), 1301 (b) and 1301 (c), 1302 to 1309, 3400 to 3402.
2. In terms of IRS conditions of contract, following specific provisions shall apply in cases of supply of pre-inspected goods through empanelled TPI agencies:
 - 2.1. Unless otherwise stated in the tender schedule, goods procured are required to be pre-inspected before dispatch by the Third Party Inspection (TPI) Agency appointed by Railways at its sole discretion. The TPI Agency appointed shall be indicated in the Purchase Order. It is agreed that Railway's right to appoint TPI Agency of its choice is absolute. Railway also reserves the right to change the TPI Agency at any time through issue of modification advice against the Purchase Order.
 - 2.2 Online inspection call shall be placed by the Supplier on IREPS after the Goods are ready for inspection.
 - 2.3. In Purchase Orders requiring Stage Inspection, Suppliers shall place online inspection call for a particular stage after achieving readiness required at that stage duly mentioning the stage number. The Inspection for a particular stage shall be initiated only after Inspection has been carried out for all the previous stages, as may be applicable.
 - 2.4. The Third Party Inspection Agency appointed by Railways shall examine the online inspection call and may, within 48 hrs (excluding national holidays), seek additional information, if any, from the Supplier. The Supplier shall within one calendar day (excluding Sundays and national holidays) furnish the required information/documents to the TPI Agency to enable them to register inspection call. In case of incomplete information even after providing opportunity to Supplier to furnish information, the call shall not be registered and Supplier shall be advised of observations through the online system to address the observations and place fresh inspection call. The inspection call may also be rejected by TPI Agency if sufficient time for carrying out the inspection and release of IC before end of delivery period is not available.
 - 2.5. Supplier shall be allowed to withdraw inspection call placed, without any cost, before the inspection call has been registered by the Third-Party Inspection Agency. Once the inspection has been scheduled by the TPI Agency, withdrawal of inspection call shall not be permitted.
 - 2.6. Inspection fee/charges will be paid directly by Railways to Third Party Inspection Agencies.

2.7. However, charges/expenses specifically provided for in IRS Conditions of Contract, particularly in Para 1304, 1305, 1306 and 1400 of IRS conditions of contract, shall be borne by the Supplier.

2.8 Inspection charges paid or due to be paid by Railways to the TPI Agency shall be recovered from Suppliers in following cases:

2.8.1. In case of rejection of Goods during the pre-despatch inspection (including stage inspection rejection) by Third Party Inspecting Agency, the charges recovered shall be equal to inspection charges payable to inspecting agency as specified in Para 2.8.4 below.

2.8.2. When the Authorized Inspector of Third-Party Inspection Agency, on visit to Supplier premises for inspection, finds that Goods offered are not yet ready for inspection, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate. Similarly, in case of Stage Inspection, when the Authorized Inspector of Third Party Inspection Agency, on visit to Supplier premises for inspection, finds that readiness for Stage Inspection to be conducted has not been achieved, Inspection call shall be cancelled by Authorized inspector by issuing call cancellation certificate for Stage Inspection. The Call Cancellation Charges shall be recovered from Supplier as specified in para 2.8.4 below.

2.8.3. Inspection Certificate revalidation or re-inspection: If the Supplier fails to deliver the pre-inspected Goods as per the terms of the purchase order within the validity period of Inspection Acceptance Certificate, the TPI Agency, on request of Supplier, may, based on the merits of the case, decide to either re-validate the Inspection Acceptance Certificate or re-inspect the Goods against fresh inspection call to be placed by the Supplier. Decision of the TPI agency in this respect shall be binding on the supplier. In such cases, the revalidation or re-inspection charges (as applicable) to be recovered from Supplier shall be as specified in para 2.8.4 below.

2.8.4. To summarize, following charges shall be recovered from Supplier

Situation	Charges to be recovered from Supplier (plus GST extra)
At the time of physical visit call is cancelled due to: Goods are not ready for inspection OR Goods, raw materials, components or sub components, as the case may be, are not yet ready for inspection, in cases involving Stage inspection (Call Cancellation through issue of Call Cancellation Certificate)	Y/2, subject to a maximum of Rs 11000/-
Goods, raw materials, components or sub components, as the case may be, rejected in Stage Inspection excluding the final Stage, in cases involving stage Y inspection	Y
Goods rejected in final Stage, in cases involving stage inspection	2Y

Goods rejected in inspection, in cases without stage inspection	Y
Inspection Certificate revalidation or reinspection	<p>Scenario-1: Rs. 5000 or full inspection charges, whichever is lower for revalidation of inspection certificate.</p> <p>Scenario-2: In case re-inspection is done afresh, inspection charges to be recovered from Vendor shall be "Y"</p>

Where, $Y = X/100$ of total value of Goods inspected as per Purchase Order, Where X is the percentage inspection charges of the concerned PO Value slab for Product Inspection.

3. Applicable inspection charges in percentage of PO value and slab-wise is as under for information of Suppliers:

PO Value Slab	Inspection charges (X)
From Rs. 5 lakhs upto 1 Cr	0.5220 % + GST extra
Above Rs. 1 Cr up to 25 Cr	0.116 % +GST extra
Above Rs. 25 Cr up to 100 Cr	0.053 % +GST extra
Above Rs. 100 Cr up to 500 Cr	0.035 % + GST extra

Note-1: Purchase Order Value for the purpose of calculating the inspection charges shall mean total value of Goods ordered specifically indicated in the Purchase Order as total order value, and includes freight, packing, forwarding, taxes and duties etc. used in arriving at total order value but excludes any components or items not included specifically in calculation of total order value. The inspection charges shall be calculated using Value of Goods Inspected based percentage charges and GST applicable on inspection charges for the corresponding PO Value Slab. For avoidance of doubt and as an illustration, if the PO Value for 100 Nos of Item A is Rs. 50 Lakhs and a lot consisting of 25 nos. is offered for inspection. The inspection charges for the lot being inspected shall be = $(0.5220/100) \times (25/100) \times 50,00,000 = \text{Rs. 6525 only} + \text{GST Extra}$.

Note-2: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is below Rs. 5 lakh, the inspection charges in such cases will be those applicable for PO valuing Rs. 5 Lakhs.

Note-3: For inspection of Goods by Third Party Inspection Agency where Purchase Order value is above Rs 500 Cr, the inspection charges in such cases will be fixed separately by the purchaser subject to maximum of 0.035 % + GST extra

4. When pre-inspected Goods get rejected at consignee end joint inspection will be held as per procedure below. Moreover, in case of rejection of Goods on Joint Inspection, the replacement supply against the rejected lot of Goods shall normally be inspected by the same Third Party Inspection Agency, which inspected and passed the original supply, unless purchaser under special circumstances decides to get the lot inspected by some

other inspection agency/consignee and decision of purchaser in this respect shall be binding on supplier.

5. Procedure for Joint Inspection:

- (i) If Goods, pre-inspected by TPI Agency, gets rejected at consignee end after receipt by consignee, the material rejection advice/rejection memo will be sent by consignee through online system to all concerned i.e. Vendor, TPI Agency, Procuring Entity and Paying Authority and to such others as required.
- (ii) Before rejected goods are returned to the supplier, the consignee after or at the time of issue of rejection advice, at his discretion, shall call for a Joint Inspection between consignee, Vendor and TPI Agency. Such Joint Inspection shall be conducted at a place as mentioned in the notice for Joint Inspection.
- (iii) The joint inspection is to be carried out by the consignee with the representatives of the inspecting agency
- (iv) In case where either the firm or the representative of inspecting authority do not turn up for Joint Inspection, Joint Inspection shall be done with whosoever of the two is available. In case neither firm nor inspection agency attend, consignees' decision to accept or reject such goods shall be final and binding.
- (v) A Joint Inspection report shall be signed by the Party (ies) attending the Joint Inspection. Failure to attend Joint Inspection shall not be an excuse to dispute the findings of Joint Inspection.
- (vi) Irrespective of the outcome of Joint Inspection, the TPI Agency will not be entitled for any fee or charges, whatsoever, for attending such Joint Inspection. In case of rejection of Goods on Joint Inspection, the TPI Agency shall not be entitled for inspection charges for the quantity of Goods rejected. The inspection charges, if and to the extent already paid, shall be recovered from the TPI Agency.
