

## **“HANDLING OF WARRANTY REJECTIONS”**

Para No	TENDER CONDITIONS
<b>1</b>	<b>Digitisation of Warranty Management System</b> <i>(As Para No.1 of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022 &amp; 17.10.2022)</i>
i)	The entire Warranty Management System is digitized and made paperless.
ii)	The existing maintenance Applications viz CMM, FMM, WISE, SLAM, PUs local system, etc. are integrated with UDM/ IMMS/IREPS for seamless transfer of required data. A provision has been made on these platforms to facilitate end users to register warranty complaints. Duplicate feeding on UDM is to be avoided. All systems dealing with warranty rejection of vendor and their response should they 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 is captured in digital formas 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.
<b>2</b>	<b>Materials are rejected under warranty in the following situations:</b> <i>(As Para No.2 of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022 &amp; 17.10.2022)</i>
(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.

Signature Not  
Verified

Digitally signed by  
BHAYANKARAM RAM  
KUMAR PRATHIVIA  
Date: 2024.11.13 17:00:53 IST  
Reason: IREPS-CRIS  
Location: New Delhi

**LOPO No.09/2024 Dt: 12/11/2024 of Stores Department)**

Page 1 of 15

**The Methodology of handling these rejections are dealt with below:**

<b>A</b>	<b>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) -</b>
(i)	<p>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 &amp; 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.</p> <p>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” &amp; to return the rejected material to attached Stores Depot.</p> <p>“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.</p> <p>Before, issuing the “Warranty Rejection Advice”, the concerned user of iMMS/UDM &amp; 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.</p> <p><u><i>(As para No.2(A)(i) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</i></u></p>
(ii)	<p>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</p> <p><u><i>(As Para No.2(A)(ii) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</i></u></p>
(iii)	<p>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</p> <p><u><i>(As Para No.2(A)(iii) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</i></u></p>
(iv)	<p>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.</p> <p>On issue of “Warranty Rejection Advice”, the “Warranty Rejection Register” should automatically get updated.</p> <p><u><i>(As Para No.2(A)(iv) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</i></u></p>

(v)	<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 <b>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”</b> 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 <b>“Inspection Charges Recovery Advice”</b>; 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> <p><a href="#"><u>(As Para No.2(A)(v) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
(vi)	<p><b>DELETED</b></p> <p><a href="#"><u>(As para No.2(A)(vi) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
(vii)	<p>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.</p> <p><a href="#"><u>(As per para No.2(A)(vii)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt.29.11.2022, 17.10.2022)</u></a></p>
(viii)	<p><b><u>Warranty Quantity Replacement:-</u></b></p> <p>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.</p> <p><a href="#"><u>(As per para No.2(A)(viii)(a) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt.29.11.2022, 17.10.2022)</u></a></p> <p>b) The warranty quantity replacement will be supplied and accounted for in iMMS through R/Note &amp; RO where “Warranty Rejection Advice” has been issued through iMMS. Where “Warranty Rejection Advice” has been issued through UDM, the warranty quantity replacement is to 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”.</p> <p><a href="#"><u>(As per Para No.2(A)(viii)(b) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt.29.11.2022, 17.10.2022)</u></a></p> <p>c) 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.</p> <p><a href="#"><u>(As Para No.2(A)(viii)(C) (NEW PARA) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>

(ix)	<p>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. <b>Record for the same shall be maintained by the system.</b></p> <p><a href="#"><u>(As para No.2(A)(ix) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
(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 (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 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.</p> <p><a href="#"><u>(As para No.2(A)( x) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
(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. 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><a href="#"><u>(As para No.2(A)( xi) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
xii)	<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><a href="#"><u>(As para No.2(A)( xii)(a) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></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 Reinspection/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><u><i>(As para No.2(A)( xii) (b) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</i></u></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-inspection after a period of 60 days from issue of warranty rejection advice, it may be permitted with the approval of <b><u>Gazetted Officer Of Minimum JAG level</u></b> of the officer issuing warranty rejection advice.</p> <p>In such cases "Recovery Refund Letter" should be issued by <b><u>Gazetted Officer</u></b> 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) (vii) above shall be applicable in such cases also.</p> <p><u><i>(As para No.2(A)( xii) (c) of Rly Bd's Lr.No. 2022/RS(G)/779/7(E 3390005) dt. 21.08.2024)</i></u></p>
	<p>(d) "Recovery Refund Letter" shall also be issued by Gazetted Officer of the office issuing Warranty Rejection Advice in the following cases:</p> <ul style="list-style-type: none"> <li>i) If warranty is closed/disposed/settled within 60 day period and R-Note/CRN is issued after 60 day period</li> <li>ii) Amount deposited by vendor before recovery but details of such deposit entered by user after recovery;</li> <li>iii) Warranty rejection advice withdrawn altogether after recovery; and</li> <li>iv) In other instances like court /arbitration judgment/order, etc. after recovery.</li> <li>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.</li> </ul> <p><u><i>(As para No.2(A)( xii) (d) of Rly Bd's Lr.No. 2022/RS(G)/779/7(E 3390005) dt. 21.08.2024)</i></u></p>



	<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><a href="#"><u>(As Para No.2(A)( xii) (e) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
	<p>(f) IPAS shall pass on information of such refunds against recovery refund order and 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><a href="#"><u>(As Para No.2(A)( xii) (f) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></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> <p><a href="#"><u>(As Para No.2(A)( xii) (g) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 26.10.2023)</u></a></p>
(xiii)	<p><b><u>Inspection of Replacement Supply-</u></b> 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.</p> <p>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.</p> <p><a href="#"><u>(As per Para No.2(A)(xiii) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022&amp; 17.10.2022)</u></a></p>
(xiv)	<p><b><u>Warranty Rejection Advice (Claim) Withdrawal:</u></b></p> <p>(a) 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> <p><a href="#"><u>(As Para No.2(A)( xiv)(a) (NEW PARA) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005)dt. 26.10.2023)</u></a></p> <p>(b) 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> <p><a href="#"><u>(As Para No.2(A)( xiv)(b) (NEW PARA) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005)dt. 26.10.2023)</u></a></p>

	<p>(c) 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> <p><u><a href="#">(As Para No.2(A)(xiv)(c) (NEW PARA) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005)dt. 26.10.2023)</a></u></p>
(xv)	<p><b><u>New para:-</u></b></p> <p><b><u>Timely issue of warranty replacement CRN / R-Note and recovery refund letter are essential for efficient warranty management. Therefore following timelines shall be adhered to:</u></b></p> <p>i) Recovery Refunds letter, wherever required, shall be issued simultaneously with warranty replacement CRN / R-NOTE</p> <p>ii) Warranty replacement CRN/ R-Note and recovery refund letter (Wherever required) shall be issued within 10 working days of compliance of warranty obligation by the supplier.</p> <p><u><a href="#">(As Para No.2(A)( xv) (NEW PARA) of Rly Bd's Lr.No. 2022/RS(G)/779/7(E 3390005) dt. 21.08.2024)</a></u></p>
(B)	<p><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)-</b></p> <p><u><a href="#">(As per Para No.2(B) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</a></u></p>
(i)	<p>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.</p> <p>Before, issuing the "Warranty Rejection Advice", the concerned user of UDM &amp; 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.</p> <p><u><a href="#">(As per Para No.2(B)(i) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</a></u></p>
(ii)	<p>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.</p> <p><u><a href="#">(As per Para No.2(B)(ii) of Rly Bd's Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022).</a></u></p>

(iii)	<b>Warranty Quantity Replacement:-</b>  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”.  <i><u>(As per Para No.2(B)(iii) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>															
(iv)	Other provision shall be as per sub-Para (iii) to (xiv) of Para 2(A) above, except Para (viii) of 2(A).  <i><u>(As per Para No.2(B)(iv) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022).</u></i>															
(C)	<b><u>For Warranty rejections in the field where material rejected was fitted at some other Workshop/Shed/Depot- Material either received or fitted through Supply Contract or Works Contract or Service Contract (both Stock and Non-stock items)-</u></b>  <i><u>(As per Para No.2(C) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>															
(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 account of supply received from vendor was originally made) or to the concerned Workshop where items were fitted.  <i><u>(As per Para No.2(C)(i) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>															
(ii)	Such case shall also be dealt as per Para 2(B) above.  <i><u>(As per Para No.2(C)(ii) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>															
(D)	<b>Warranty rejections of Rolling Stocks received from Railway Pus/ PSUs/ Workshops/Private Manufacturers and their components :-</b>  <i><u>(As per Para No.2(D) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>															
(i)	Rolling Stocks are manufactured by following agencies: <table><tr><th>S.No</th><th>Type of Rolling stocks</th><th>Manufactured by</th></tr><tr><td>1</td><td>Wagons</td><td>Private Manufacturers, Railway PSU, Railway Workshop</td></tr><tr><td>2</td><td>Coaches</td><td rowspan="4">Railway PUs/PSUs/Private manufacturers</td></tr><tr><td>3</td><td>Locomotives</td></tr><tr><td>4</td><td>Train-Sets</td></tr><tr><td>5</td><td>MEMU, DEMU, EMU etc.</td></tr></table> <i><u>(As per Para No.2(D)(i) of Rly Bd’s Lr.No. 2022/RS(G)/779/7(3390005) dt. 29.11.2022, 17.10.2022)</u></i>	S.No	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.
S.No	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.															



(ii)	<p>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.</p> <ul style="list-style-type: none"> <li>a. Rolling Stock Number</li> <li>b. Name of the Rolling Stock supplier</li> <li>c. Contract number &amp; Date against which Rolling stock supplied to Railway</li> <li>d. Contact details of Rolling Stock Supplier</li> <li>e. Name and address of component manufacturer and/or supplier.</li> <li>f. Date of manufacture of component (MM/YYYY).</li> <li>g. Inspecting agency for the component.</li> <li>h. Inspection details of component.</li> <li>i. Warranty of component in months.</li> <li>j. Vendor Approving agency of the component.</li> <li>k. Batch/Product Marking, serial number etc of component.</li> <li>l. Any further details to facilitate complete identification of the supplier of component by end user.</li> </ul> <p><i>(As per Para No.2(D)(ii) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022, 17.10.2022)</i></p>
(iii)	<p>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.</p> <p><i>(As per Para No.2(D)(iiI) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022, 17.10.2022)</i></p>
(iv)	<p>The warranty settlement will be processed as per procedure as under:</p> <p><b><u>a. Rolling stock is supplied by a private manufacturer or Railway/other PSUs-</u></b></p> <p>Warranty claim shall be lodged against Rolling Stock supplier.</p> <p>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.</p> <p>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.</p> <p><i>(As per Para No.2(D)(iv)(a)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.22 &amp;17.10.22)</i></p>

	<p><b><u>b. Rolling stock supplied by Railway PUs, Workshop :-</u></b></p> <p>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 &amp; transfer such data to UDM or shall register the warranty rejections directly in UDM (as convenient and practical for the end- user).</p> <p>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.</p> <p>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.</p> <p><i>(As per Para No.2(D)(iv)(b) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022, 17.10.2022)</i></p> <p>Closure of the warranty rejection shall be done by the end user. The office issuing warranty rejection advice shall be intimated of closure and action taken by end user and vendor. The intimation shall be through UDM/ IREPS/IMMS.</p> <p>CRN/ Recovery Refund Letter shall also be issued by the end user.</p> <p>Competency of approval for permitting rectification beyond 60 days, as mandated in para 2 (A) (xii) (c), shall be with gazetted officer not below JAG level of the office of end user. The "Recovery Refund Letter" shall also be issued by a gazetted officer of the end user.</p> <p>Timely issue of Warranty replacement CRN/ R-Note and Recovery Refund Letter are</p> <p><i>(As para No.2(D)(iv) (b) of Rly Bd's Lr.No. 2022/RS(G)/779/7(E 3390005) dt. 21.08.2024)</i></p>
<p><b>3</b></p>	<p><b><u>Rectification of the rejected stores:-</u></b></p> <p>(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/repared 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.</p> <p><i>(As per Para No.3(i) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022, 17.10.2022))</i></p>
	<p>(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.</p> <p><i>(As per Para No.3(ii) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>

(iii)	<p>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.</p> <p><i>(As per Para No.3(iii)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022, 17.10.2022)</i></p>
4	<p><b><u>Linking the rejected stores with PO, R/note, warranty period etc-</u></b></p> <p>i) Marking of stores will be as per Clauses 1103, 1302, and 2704 of IRS Condition of Contract and specification/ drawing, which must be ensured.</p> <p><i>(As per Para No.4(i)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
(ii)	<p>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</p> <p><i>(As per Para No.4(ii)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
(iii)	<p>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.</p> <p><i>(As per Para No.4(iii)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
(iv)	<p>Onus of marking and traceability as per purchase order shall be on vendor.</p> <p><i>(As per Para No.4(iv)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
(v)	<p>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.</p> <p><i>(As per Para No.4(v)of Rly Bd’s Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>

<b>(vi)</b>	<p><b>Capturing Warranty Period digitally in unambiguous terms.</b></p> <p>a. In terms of RB letter No. 78/RS(G)/777/1 dated 07/05/2004:</p> <p>i) Warranty Clause specified in the tenders should normally be same as that in IRS conditions of contract.</p> <p>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.</p> <p>iii) While procuring the material, it should be ensured that the applicable Warranty Clause is specified in tender documents clearly and in unambiguous terms</p> <p><i>(As per Para No.4(vi)(a) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
	<p>b) Warranty clause if at variance with IRS conditions of contract shall be a specific clause in the tender/PO and shall supersede warranty of IRS conditions of contract.</p> <p>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.</p> <p><i>(As per Para No.4(vi)(b) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
	<p>c) A field of Warranty period for the item under procurement may also be indicated on IREPS while floating tender for the same.</p> <p><i>(As per Para No.4(vi) (c) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p>
	<p>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.</p> <p><i>(As per Para No.4(vi)(d) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022)</i></p> <p>e) During inspection/receipt of the item, inspecting Agency and material accepting authority shall ensure marking as per purchase order.</p> <p><i>(As per Para No.4(vi)(e) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022).</i></p>
<b>vii)</b>	<p>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.</p> <p><i>(As per Para No.4(vii) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022&amp; 17.10.2022).</i></p>

viii)	<p>IMMS and UDM systems will provide the complete supply details i.e. PO No./ Date, Vendor Name, Challan No./Date, warranty period etc. for the consignment to be rejected.</p> <p><i>(As per Para No.4(viii) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022).</i></p>
ix)	<p>Online provision shall be made for entering the complete details of item by the vendor at the time of dispatch and that should be captured on iMMS/UDM while accepting the material.</p> <p><i>(As per Para No.4(ix) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022).</i></p>
5	<p>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).</p> <p><i>(As per Para No.5 of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022).</i></p>
5.1	<p><b><u>The Warranty settlement in such cases shall be as per para 2(B) above, except following</u></b></p> <ol style="list-style-type: none"> <li>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.</li> <li>The value of rejected materials shall be decided on the basis of rate of component as per latest PO available.</li> <li>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.</li> <li>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.</li> </ol> <p><i>(As per Para No.5(i) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
6	<p><b><u>Authority to adjudicate the disputed warranty cases and authority to decide appeal-</u></b></p> <ol style="list-style-type: none"> <li>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.</li> </ol> <p><i>(As per Para No.6(i) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
ii)	<p>All the disputes, legal matters, etc. arising out of warranty claim shall be handled directly by the office issuing the "Warranty Rejection Advice".</p> <p><i>(As per Para No.6(ii) of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>

7	<p><b><u>Handling Epidemic Failures-</u></b></p> <p><b>Any recurring/large scale rejections from a particular lot will lead to epidemic failure.</b></p> <p>(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.</p> <p><i>(As per Para No.7(i)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(ii)	<p>Same steps as mentioned at para 2, as applicable, to be followed. However, instead of rejecting only defected quantity, entire lot will 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</p> <p><i>(As per Para No.7(ii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(iii)	<p>Joint Inspection shall be conducted as per extant provisions.</p> <p><i>(As per Para No.7(iii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(iv)	<p>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.</p> <p><i>(As per Para No.7(iv)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(v)	<p>Replacement supply should be inspected by the same agency which has previously inspected the supplies.</p> <p><i>(As per Para No.7(v)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(vi)	<p>Epidemic failure is essentially considered as very poor quality performance and should be reflected on the performance of vendor/Inspecting agency accordingly.</p> <p><i>(As per Para No.7(ii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
(vii)	<p>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.</p> <p><i>(As per Para No.7(ii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>



<b>8</b>	<p>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.</p> <p><i>As per Para No.8 of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
<b>9</b>	<p>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.</p> <p><i>As per Para No.3(iii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
<b>10</b>	<p>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.</p> <p><i>As per Para No.3(iii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
<b>11</b>	<p>The recovered amount from the vendor should be credited in the same allocation of the end use in which the item was originally procured.</p> <p><i>As per Para No.7(ii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>
<b>12</b>	<p>Since complete process is being considered for digitization, procurements (including Railway Board procurements) which are not being done through iMMS, should also be done through iMMS and Contracts issued through iMMS.</p> <p><i>As per Para No.3(iii)of Rly Bd's Lr.No.2022/RS(G)/779/7(3390005) dt 29.11.2022 &amp; 17.10.2022)</i></p>

**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.

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 attachedStores Depot or attached User Depot (both Stock and Non-stock items)-  
(OTHER CASES INVOLVE ONLY MINOR MODIFICATIONS)

