

भारत सरकारBHARAT SARKAR
रेल मंत्रालयMINISTRY OF RAILWAYS
रेलवे बोर्डRAILWAY BOARD
नई दिल्लीNew Delhi

No.2020/RS(G)/11/5

Dated 09/06/2020.

The General Manager, All Indian Railways/PUs, NF(C), CORE
The DG/RDSO/Lucknow, NAIR/Vadodara and all other CTIs,
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NDLS, RCF/RBL/NDLS
CMDs of PSUs, RVNL, KRCL, MRVC, MCF/Bela

Sub.: Force Majeure Condition arising out of COVID-19: Expiry of RITES Inspection Certificates.

Ref.: Ministry of Finance letter no. F.18/4/2020-PPD dated 19/02/2020.

1. Vide letter referred above, Ministry of Finance has clarified that the disruption of supply chain due to spread of corona virus pandemic should be considered as a case of natural calamity.
2. The pandemic had and continues to result in complete/ partial lockdown of various activities across the globe. Supply chain of Indian Railways has been affected at various levels including third party inspection.
3. Expiry of validity of Inspection Certificates (IC) issued by RITES, due to non-dispatch/non-delivery of material on account of lockdown has been highlighted by various Railways. There is a standard procedure with RITES for re-validation of expired IC. However, in current situation the number of cases requiring re-validation of IC is expected to be enormous. In the existing situation of partial/ complete lockdown, the revalidation of all the ICs shall take muchtime.
4. It has therefore been decided, as a special measure in view of and relating to COVID-19 situation only, that:
 - i. Railways may accept the material inspected by RITES, which was otherwise fully and completely acceptable but for expiry of validity of the IC issued by RITES, on the basis of expired RITES IC without seeking revalidation of the IC except for chemicals, perishable and shelf life items. Validity extension of ICs for chemicals, perishable and shelf life items shall be requested to RITES.
 - ii. All such accepted cases shall be reported to ED/QA/RITES. RITES shall honour such acceptances as deemed extension of validity and honour such acceptances for the purpose of joint inspections and other contract related activities and accordingly participate in these activities, as is done in case of normal IC. Such information shall be given by consignee to all agencies whom the copy of IC is given by RITES as a normal practice. Endorsement of this effect shall also be done by consignee on R/Note for stock items and on verified bill for Non-stock items.
 - iii. The powers shall be delegated to PCMM/PCE/PCMD of Railway Unit for items being procured by respective departments, who may on the basis of need assessment, delegate the power to subordinate purchase/ depot officers/ consignees but not below JA grade officer.
 - iv. These powers shall only apply in case the dispatch/delivery of goods was delayed on

account of COVID-19 situation. The supplier shall give a request for acceptance of material beyond validity of IC alongwith a declaration, declaring that the delivery in time was not possible only because of COVID-19 situation.

- v. Above delegation of powers to Railway Units (to PCMM/PCE/PCMD and any further sub-delegation) shall apply to RITES IC issued between 01/03/2020 (1st March, 2020) and 31-05-2020 (31st May, 2020.) and material delivered before 30/06/2020 (30th June, 2020).
- vi. Acceptance of material using these special powers shall not impact other conditions of contract, including consignee's right to reject the material.

This is issued with the concurrence of the Finance Directorate of Railway Board.


(Praveen Kumar)
Jt. Director Railway Stores/G
Railway Board

No.2020/RS(G)/11/5

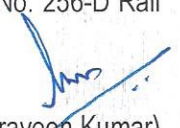
Dated 09/06/2020

- 1. PFAs, All Indian Railways & PUs
- 2. The ADAI(Railways), New Delhi
- 3. The Director of Audit, All Indian Railways.


for Financial Commissioner/Railways

Copy to:

- 1. PCMMs, PCEs, PFAs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela
- 2. Sr. Prof. (Material Management), NAIR, Vadodara, Executive Director (Stores), RDSO, Lucknow
- 3. MD, CRIS, Chanakya Puri, New Delhi
- 4. MD, RITES, RITES Bhavan, Sector-29, Gurugram
- 5. Director, Iron & Steel, 3, KoilaGhat Street, Kolkata
- 6. Chief Commissioner, Railway Safety, Lucknow
- 7. Zonal Railway Training Institute, Sukadia Circle, Udaipur
- 8. The Genl. Secy., AIRF, Room No. 248, & NFIR Room No. 256-C, Rail Bhavan
- 9. The Secy. Genl., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA, Room No. 256-D Rail Bhavan.


(Praveen Kumar)
Jt. Director Railway Stores/G
Railway Board

Copy to:- Sr. PPSs / PPS / PS to :

- 1. MR, MoS(R)
- 2. CRB, FC, ME, MTR, MRS, MS, MT, SECY., DG (RHS), DG (RPF)
- 3. All AMs, PEDs & Executive Directors of Railway Board

No.F.18/4/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

Room No.512, Lok Nayak Bhavan,
New Delhi dated the 19th February, 2020.

OFFICE MEMORANDUM

Subject: Force Majeure Clause (FMC)

Attention is invited to para 9.7.7 of the "Manual for Procurement of Goods, 2017" issued by this Department, which is reproduced as under:

*A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like **anatural calamity**) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.*

2. A doubt has arisen if the disruption of the supply chains due to spread of corona virus in China or any other country will be covered in the Force Majeure Clause (FMC). In this regard it is clarified that it should be considered as a case of natural calamity and FMC may be invoked, wherever considered appropriate, following the due procedure as above.


(Kotluru Narayana Reddy)

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To,

Secretaries of all Central Government Ministries/ Departments