

/Confidential/



दक्षिण रेलवे  
SOUTHERN RAILWAY

प्रधान कार्यालय,  
Head Quarters Office,  
सतर्कता शाखा/Vigilance Branch  
7-वां मंजिल, सीएन ऑफिस कॉम्प्लेक्स,  
7th Floor, CN Office Complex,  
एगमोर, चेन्नै-600 008.  
Egmore, Chennai-600 008.

VO/PC/L/2022/12/00752

Date: 29.08.2024

**PCEE/SR**

Sub: System Improvement in Deferred payment clause for LED luminaries and BLDC fans - Reg.

Ref : PCEE/SR ltr no: E.252/1/8/G dt 06.01.2016.

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During a preventive check conducted in Electrical General Service Depot in one of the division, it has been observed that, the LED luminaries and BLDC fans supplied and commissioned under works contracts by a contractor failed during the warranty period. On further investigation, it was found that the contractor has failed to rectify the warranty failures, even after repeated follow up.

It has been observed that, there is deferred payment clause for LED luminaries issued vide the Reference above, has not been followed in works contract and payment has been made to the contractor after commissioning in many contracts.

Moreover, most of the warranty failure item values are found to be 25% or higher of its total schedule value. Also, the failure rate of BLDC fans procured through works contract found to be high which needs to be included in the deferred payment clause.

In view of above, it is advised to review the deferred payment clause in PCEE/SR guidelines,

**Existing guidelines:**

- 70% of the accepted contract value after supply of LED luminaries.
- 5% of contract value after erection, testing and commissioning of luminaries.
- 25% at the rate of 5% at the end of every year of warranty period of 5 years.

**Guidelines to be review as:**

- 70% of the accepted contract value after supply of LED luminaries and BLDC fans.
- 5% of contract value after erection, testing and commissioning of luminaries and BLDC fans.
- 25% at the rate of 5% at the end of every year of warranty period of 5 years for LED luminaries and BLDC fans.



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These conditions issues by PCEE/SR office and to be included in all the works tenders to ensure the proper warranty claim.

This issues with the approval of SDGM & CVO/S.Rly.

Compliance in this regard may be sent to this office at the earliest.

*1.29/8/24*  
(Sugind Surendran)  
Dy.Chief Vigilance Officer/Elect.  
for Chief Vigilance Officer/S.Rly