



INDIAN RAILWAY  
OFFICE OF PRINCIPAL CHIEF MATERIALS MANAGER  
(STORES DEPARTMENT)  
CHITTARANJAN LOCOMOTIVE WORKS  
CHITTARANJAN-713331 (WEST BENGAL)

No. HQ/Policy/25-26


Dtd: 11.06.2025

**Sub: Operation of (+) 30% Option Clause, Lower Rate Imposition & Finance  
concurrence in DP extension of Regular & Developmental POs**

With reference to above mentioned subject, fresh policy circular in regard to operation of (+) 30% Option Clause, Delivery Period Extension of Regular Orders, Delivery Period Extension of Developmental Orders (within NPQ) and Delivery Period Extension of Developmental orders (outside NPQ) jointly signed by PFA and PCMM (copy enclosed) is circulated for implementation with immediate effect. This supersedes earlier policy circulated vide letter No: HQ/Policy/22-23 dated 22.09.2022.

This is issued with the approval of GM/CLW.

Enclosure: Policy Circular jointly signed by PCMM and PFA.

  
(Sanjay Verma)  
CMM/HQ

**Copy to**

- Secy. To GM: for kind information of GM please.
- PFA, PCMM, PCEE, PCME: for kind information please.
- All Accounts and Stores Officers: for information and necessary action.



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CHITTARANJAN LOCOMOTIVE WORKS  
CHITTARANJAN-713331 (WEST BENGAL)

No. HQ/Policy/2024-25

Dated: 10.06.2025

Policy Circular

Sub: Operation of 30% option clause, Lower rate imposition and finance concurrence in DP extension of Regular and Developmental Purchase orders.

1.0 Operation of (+) 30% Option clause.

The following option Clause as stipulated in Railway Board letter No. 2021/RS(G)/779/5 dated 04.03.2022 shall be followed:

"Option Clause may be operated only where there is clear demand for additional quantities and benefits accrue to Railways in terms of existing contractual rates being reasonable/lower than newly opened tendered rates, if available".

2.0 Lower rate imposition and finance concurrence in Delivery Period extension of Regular/bulk Purchase orders.

In DP extension cases for regular purchase orders, where lower rates have been received in subsequent tenders of CLW, the DP extensions will be given with lower rates, with finance concurrence.

3.0 Lower rate imposition in extension of Delivery Period of Developmental purchase orders (within NPQ).

In case lower rates have been received in subsequent tenders of CLW from a regular/developmental vendor, then the DP extension will be given to the firms with lower rates, with finance concurrence.

4.0 Lower rate imposition in extension of Delivery period of Developmental Purchase orders (outside NPQ).

While granting DP extension against Developmental purchase orders (outside NPQ), no lower rate clause shall be applicable, irrespective of the fact that lower rate has been received from regular vendors or from any developmental vendor.

No condition/clause of lower rate of future tenders shall be kept in Modification Advises issued for Option clauses/ DP extensions.

3/11/2025  
A. K. Meshram  
PCMM

10/06/2025  
Krishna Kant Goyal  
PFA