No. 2018/AC-II/1/57 (Pt.)

To,

As per list attached.


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1. In continuation to Railway Board’s letter under reference, kindly find enclosed herewith the format of Standard Novation Agreement for ongoing works contracts funded through Indian Railway Finance Corporation Limited, duly approved by Board (ME, MTR, FC).

2. The above Standard Novation Agreement has been finalized after Railway finance concurrence and legal vetting of Ministry of Law & Justice.

3. The Railways are therefore advised to incorporate the above Novation Agreement in all ongoing works contracts funded by IRFC, without any further legal and finance vetting at Zonal level.

4. Further, for all works tenders to be opened now onward for projects funded by IRFC, the tender documents may also be suitably modified to incorporate the provisions of Standard Novation Agreement.

5. This issues with the concurrence of Finance Directorate of Ministry of Railways.

Please acknowledge receipt.

No. 2018/AC-II/1/57 (Pt.)

Copy forwarded for information to:

1. The FA & CAOs all Indian Railways.
2. The Deputy Comptroller and Auditor General of Indian (Railways), New Delhi.

For Financial Commissioner/Railways
LIST FOR DISTRIBUTION (Letter No. 2018/AC-II/1/57 (Pt.) dated ....03.2020)

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad.
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Chief Vigilance Officers, All Indian Railways

(A)

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. CAO, Diesel Locomotive Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge’s Court Road, Anta Ghat, Patna-800001, Bihar

(B)

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarswati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

(C)

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

Copy to:

1. Concerned PSO for kind information of CRB, ME, MTR, MRS, FC, MS, MST, MMM.
2. DG(RHS), DG(RPF), AM/Revenue, AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), PED(Accounts), PED/SDE, PED(Bridges), PED(Vigilance), PED/Transformation, EDCE(G), EDCE(P), EDTK(M), EDTK(MC), EDTK(P), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED/SDE, ED(PSU), EDVE, ED(Safety), ED(Sig. Dev.), ED(Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., EDFB & RM, ED/MTP, JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf), JD(Accounts), DD/FeX of Railway Board.
3. Managing Director, Indian Railway Finance Corporation Limited, Regd Office: UG-Floor, East Tower, NBCC Place, Bhishmah Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi 110 003.
NOVATION AGREEMENT

Articles of agreement made on this day ___________ in the year Two Thousand and Twenty between the President of India, acting through the _______________ <Zonal Railway> Administration having its office at __________________ hereinafter called the ‘Railway’ of the first part and <____ Name of Contractor ____> hereinafter called the ‘Contractor’ of the second part and Indian Railway Finance Corporation Limited hereinafter called the ‘IRFC’ of the third part having its office at ____________________________________________ with GSTIN ______________ <GSTIN of billing unit (IRFC)>.

First part, second part and third part collectively hereinafter called the ‘Parties’.

Whereas the party hereto of the second part executed an agreement with the party hereto of the first part being agreement no. ______________ dated ______________ with contract cost of Rs. ______________ for performance of ______________ hereinafter called the ‘Principal Agreement’.

Now it is hereby agreed by and between the parties that Indian Railway Finance Corporation shall be made an additional party to the Principal Agreement executed between Railway and Contractor with effect from date of this agreement.

It is agreed by and between the parties that Railway shall continue to be held responsible for all obligations, risk and liabilities, whatsoever, arising out of or in connection with the Principal Agreement and this Novation Agreement, whether during the progress of the work or after its completion.

It is further agreed and understood by and between the parties that IRFC shall be the owner of assets, if any, arising out of execution of works as defined in the Principal Agreement, except the land whose ownership shall continue with Railway. Accordingly, the invoices shall be issued by capturing GSTIN of contractor (as the supplier) and GSTIN of IRFC (as the bill-to party). Also, the contractor shall submit the invoice, issued in the name of IRFC, to Railway for processing payment by Railway to Contractor subject to applicable TDS under the Income Tax, GST or any other applicable laws.

It is further agreed by and between the parties that IRFC shall be responsible to comply with Income Tax and GST laws in relation to filing of returns.

It is further agreed and understood by and between the parties that, except for the amended obligations as mentioned above, the terms of the Principal Agreement for all kind of contractual/performance and legal obligations shall remain in full force and effect.

All the communication in relation to the Principal Agreement and said Novation Agreement, would only be between party hereto of first part and second part.

_________________________
Pravin Sagar
20/03/2020
For and on behalf of the
President of India
Witness of the Signature
1. ____________
2. ____________
Address: ____________

For and on behalf of the
Indian Railway Finance Corporation
Witness of the Signature
1. ____________
2. ____________
Address: ____________

Signature of Contractor
<Name of Authorised Signatory>
Witness of the Signature
1. ____________
2. ____________
Address:

[Signature]
20/03/2020

[Signature]