

**GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAILWAY BOARD**

**No.F(X)II-2004/PW/7**

New Delhi, dt. 14/9/2004

**The General Managers, All Indian Railways  
Including CLW, DLW, ICF, RCF & Rail Wheel Factory.  
Metro Railway, Kolkata.**

**The General Manager (Const.),  
N.F. Railway, Guwahati.**

**CAOs (Constn), All Indian Railways (except NF Railway)**

**The Director General, RDSO, Lucknow.  
The General Manager,  
Central Organisation for Rly. Electrification, Allahabad.**

**CAO, MTP/Mumbai, Chennai & Delhi.**

**CAO/Diesel Loco Modernization Works, Patiala and  
COFMOW, New Delhi.**

Sub: Delegation of powers for entering into contracts - inclusion of  
Excise Duty and Sales Tax etc.

Attention is invited to Board's letter no.F(X)II-91/PW/3, dt. 13/12/1991 wherein it was clarified that while deciding the acceptability of tenders/contracts, the Excise Duty, Sales Tax and Quantum of 'Option Clause' should not be included in the value of the tenders.

2. The matter has been reviewed by Board and it has now been decided that Excise Duty, Sales Tax and all statutory levies may be included in the value of the tender for determining the level of competency of acceptance. However, the quantum of 'Option Clause' will continue to be excluded from the value of tenders. This would be applicable to Tender Committees of all levels covering both Stores Tenders and Works Tenders.

3. This disposes of FA & CAO/Const., Northern Railway's letter no.2004/Const/A/Cs/SI/Policy dt. 27/8/2004.

  
**( Sanjay Lavania )  
Director Finance (Exp.)  
Railway Board.**