GOVERNMENT OF INDIA/Bharat Sarkar
MINISTRY OF RAILWAYS/Rail Mantralaya
(RAILWAY BOARD)

No. RS(S)/51/2018/7701/4/11942 **New Delhi, Dated: 28.06.2018**

M/s Kontinental Steel Korporation,
G.E. Road, Kumhari,
District - Durg,
Chhattisgarh - 490 042

Developmental Order

Dear Sirs,

Sub: Contract No. RS(S)/51/2018/7701/4/11942 dated 28.06.2018 for supply of Mild Steel Structural items.

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With reference to your offer and other references detailed in Clause 5 below, this is to advise you that the President of India is pleased to accept your offer for placing a Running Contract to the extent of quantities, specifications and prices shown in Clause 8. This Running Contract is issued on the terms and conditions detailed hereunder:

2. Purchaser	Executive Director, Railway Stores (S), Railway Board, on behalf of President of India.
3. Name & Address of the supplier	M/s Kontinental Steel Korporation, G.E. Road, Kumhari, District - Durg, Chhattisgarh -490042.
4. Purchaser's Reference	Ministry of Railways, Railway Board's e-Tender No. 2017IS196 opened on 14.11.2017.
5. Contractor Offer and other References	i. Your e-offer dated 14.11.2017. ii. Your letter No. KSK/Rly Board/Steel/Nego/18-19/19 dated 17.05.2018.
6. Inspecting Authority	M/s RITES, Western Region.
7. Paying Authority	PFA (RBC), Eastern Railway, Kolkata will maintain the account and arrange all payments against the contract.

8. **Particulars of Order:**

SN	TSN	Item	Size (MM)	Specification	Quantity (in MTs.)	Basic price (₹/MT)	Value Excl. GST (₹)
1.	8	ISA	125x75x8/10/12	IS:2062:2011 E250 "C"	316	43,000	1,35,88,000
2.	12	ISA	150x75x8/10/12	IS:2062:2011 E250 A Cu	300	45,900	1,37,70,000
Total					616		2,73,58,000

8.1 The contract prices are inclusive of cost of all tests, packing etc.

8.2 The contract prices are FOR station of dispatch Kumhari, Durg, Chhattisgarh.

8.3 **Validity of the contract:** The validity of the running contract is 12 months from the date of issue of the Contract and can be extended further with mutual consent.

9. **Option Clause:** The purchaser reserves the right to increase/decrease the total quantity ordered (so that changes in the requirement of different size/specification can be taken care of) by not more than 30% on the same price, terms and conditions during the currency of the contract.

9.1 **Total quantity**: 616 MTs (Six hundred sixteen MTs only)

9.2 **Total value**: ₹ 2,73,58,000/- (Rupees Two crore seventy three lakh fifty eight thousand only) excluding GST.

9.3 **Supply tolerance**: Supply tolerance of Plus/Minus 5% in quantities (item-wise) will be allowed against each supply.

10. **GST**: Will be reimbursed by purchaser as per actual. The current prevailing rate of GST is 18%.

10.1 The Purchaser will not, however, be responsible for the payment of GST/ or any tax made by the contractor under misapprehension of Law. The liability of the Purchaser to reimburse Taxes is limited to such sum as may be found legally due and leviable in respect of contracted goods after availing the full credit on all the inputs used in the manufacture of the finished products, irrespective of whether the Seller has in fact availed of the said credit or not.

10.2 Upon implementation of GST w.e.f. 01.07.2017, invoices by the firm would require GST details and following procedure should be followed for the same:-

(i) While preparing the invoices, the supplier shall mention the address of the paying Authority and GSTIN Number of the paying Authority (as per the contract) under the 'Bill to' column and address of the consignee and Railway's GSTIN Number of the State, where consignee is located, under 'Ship to' column.

(ii) The invoices shall be submitted by the suppliers to the Governing Paying Authority (as per the contract) and payment to the suppliers shall be released by the same paying Authority.

11. **Place of Manufacturing**: The material is to be manufactured in your works at Kumhari, Durg, Chhattisgarh.

12. **Inspection**: The material shall be inspected in terms of clause 1300 of the IRS Conditions of Contract, by the Inspecting Authority mentioned in para 6 above.

Note: (i) Test Certificate as prescribed in the specification such as Chemical Analysis, Tensile Test, Bend Test etc., are to be furnished along with the supplies.

(ii) On the original copy of the Inspection certificate the words "copy for payment" and on all other copies "Not for payment" shall be printed.

13. **Consignee & Dispatch Instructions:**

13.1 The consignee particulars along with length of the material shall be intimated by Director RS (I&S), Railway Board, Kolkata. No deviations in length (i.e. size) and tolerance shall be permitted.

13.2 **Mode of transport**: Material will be transported by Rail, in case rake load formation is feasible. However, considering the non-availability of piecemeal wagons, suppliers may be authorised by DRS(I&S), Railway Board, Kolkata to dispatch the material by road and claim road freight as per the contract.

13.3 **Freight charges:**

(a) Actual freight charges may be reimbursed to the supplier in case of transportation by Rail.

(b) In case of dispatches by Road transport, the actual road freights or calculated as per following rate schedule, whichever is lower, may be reimbursed.

Slab (Km)	Rate (₹/MT per km)
Upto 300	4.10
301 to 600	3.60
601 to 1000	3.00
1001 and above	2.70

For Calculation of distance between two destinations shortest rail distance for movement of rail traffic (freight) between them will be taken.

In case of road dispatch, date of receipt of material at the consignee end will be treated as the date of delivery. In case of dispatch by rail, date of RR will be treated as the date of delivery.

13.4 The stores shall, however, be dispatched to the consignees only after the Inspecting Officer has certified in writing that the stores have been inspected and approved by him. The contractor shall be responsible for all losses etc., in transit as per clause

1501 of the IRS Conditions of Contract and shall alone be entitled and responsible to make claims against the carrier. The supplier shall be responsible till the stores arrive in good condition at consignee's destination.

13.5 The contractor shall furnish by Registered Post to the Executive Director, Railway Stores (S), Railway Board, New Delhi by 10th of every month, a statement showing full particulars of stores dispatched during the preceding month.

13.6 The Purchaser reserves the right to alter consignee particulars and quantity of material as and when the necessity arises.

14. **Transit Insurance**: The Purchaser will not pay separately for transit insurance and the contractor shall be responsible till the stores contracted for, arrive in good condition at destination. However, in the event of any deficiencies in or damage to supplies in transit the contractor shall arrange free replacement, freight paid. The loss/damage, if any, will be notified by the consignee within 45 days of the receipt of the material.

14.1 Transit risk insurance cover while the material is in transit by road from the works of the contractor to the consignees would also be at the cost of the contractor.

14.2 Local charges/other incidental expenses involved in road movement will be borne by the contractor.

15. **PAYMENT TERMS:**

15.1 Payment against this Contract will be made by the Paying Authority on submission of Bills by the Contractor as follows:

(i) **<u>For dispatches by road to Zonal Railways:</u>**

(a) 98% of the value of the invoice will be made against inspection certificate and receipted documents signed by Gazetted officer of the consignee.

(b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the consignee on receipt of Consignment in good condition by him.

(ii) **<u>For dispatches by road to Wagon/Coach manufacturers:</u>**

100% of the value of the invoice will be made against inspection certificate and receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.

iii) **<u>For dispatches by rail to Zonal Railways:</u>**

(a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e. unqualified RR.

(b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the consignee on receipt of Consignment in good condition by him.

(iv) **For dispatches by rail to Wagon/Coach manufacturers:**

(a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e. unqualified RR.

(b) Balance 2% of the invoice value shall be paid against receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.

15.2 Declaration as per proforma given below be recorded on the bills while claiming payment:

"I/We have personally examined and verified and do hereby certify that goods in respect of which payment is being claimed have been actually dispatched under Lorry Challan Nos./RR Nos.----------dated----------and covered by Inspection Certificate No----------dated----------. I/We hold myself/ourselves personally responsible for the correctness of this statement."

15.3 No payment will be released by the Paying Authority unless it receives the Performance Guarantee Bond as per Para 22 below.

16. **DELIVERY PERIOD**: Supplies to commence within 30 days from the date of supply order. Monthly rate of supply will be as per supply orders placed by DRS(I&S), Railway Board, Kolkata. Delivery Period will be reckoned from the date of Supply Order.

16.1 Director, Railway Stores (I&S), Kolkata will place supply orders against this Running Contract as and when required during the validity of RGC.

16.2 Director RS (I&S), Railway Board, Kolkata is authorised to extend the delivery period against the supply order with LD.

16.3 Director RS (I&S), Kolkata is authorised to decide the priorities for the supplies.

16.4 However, considering that while placing supply orders in multiple tranches against these Running Contracts, sometimes minimum tonnage required for rolling in a particular section may not be ordered at a time resulting in delay in taking up rolling of that item without any fault on the part of the supplier, DRS (I&S), Railway Board, Kolkata is authorized to re-fix the Delivery Period in such cases within the overall validity of the RGC. Such situations may also come in play if the quantity ordered is less than a lorry load or to cater to urgent requirement of any particular consignee, when priority of earlier placed Supply Order is shifted downwards.

16.5 In case of dispatches by rail, the date of Railway Receipt will be taken as the date of delivery. In case of dispatches by road, date of receipt recorded by the consignees on the Lorry consignment Note/Challan will be taken as the date of delivery.

17. **FORCE MAJEURE CLAUSE**: Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts and freight embargoes. However, it should not be used by a party to effectively to escape liability for bad performance.

If there is delay in performance or other failures by the suppliers to perform its obligations under its contracts due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures.

If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty one days of occurrence of such event with reasonable evidence thereof. Unless otherwise directed by the purchase in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side.

There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization is to take up with the supplier on similar lines as above for further necessary action.

18. **ARBITRATION:** As per IRS Conditions of Contract.

19. **Jurisdiction of Courts:** The Delhi Courts only shall have exclusive jurisdiction over any dispute arising out in respect of this contract.

20. **Packing:** The stores shall be sufficiently and properly packed so as to ensure the stores being free from any loss or damage in transit on arrival at the destination. Packing conditions stipulated in the specifications should be strictly followed.

21. **Marking**: Marking will conform to relevant BIS Specification.

22. **PERFORMANCE GUARNTEE BOND:** The seller shall furnish Performance Guarantee Bond for 10% of the total value of the contract within 15 days of the receipt of the Contract to the Paying Authority in terms of clause 9 of the General Tender Conditions in respect of Tender No. 2017IS196. The original should be deposited with the Paying Authority and a Photostat copy of the same should be sent to the purchaser. The bond shall be initially valid for six months beyond the validity

of the Running Contract. The seller shall ensure full compliance of the provisions of clause 9 of the General Tender Conditions in respect of tender No. 2017IS196 in this regard.

23. This being a Running Contract, supplies will be made only against the Supply Orders released by Director (I&S), Kolkata.

24. The contract is also governed by the Indian Railways Standard Conditions of Contract, Terms and Conditions of the bid document of Tender No. 2017IS196 to the extent they do not contradict the terms and conditions contained in the preceding paragraphs.

25. This contract is issued by order and in the name of the President of India.

26. Please acknowledge receipt of this contract. Two copies of the contract duly signed on your behalf by an authorised person with your seal, duly witnessed by two persons, on each and every page should be returned to the undersigned for record within 15 days of receipt of contract. Copies of the same should be given to DRS(I&S), Railway Board, Kolkata and the Paying Authority.

Yours faithfully,

(SHIV SHANKER)
Deputy Director, Railway Stores (Steel)-I
For and on behalf of the President of India.

No. RS(S)/51/2018/7701/4/11942 **New Delhi, Dated: 28.06.2018**

Copy to:

1. PFA (RBC), Eastern Railway, Kolkata - Paying Authority.
2. PFA, All India Railways/PUs.
3. ADAI (Railways), Rail Bhawan, New Delhi.
4. Directors of Audit, All Indian Railways/PUs.

Bhola Kumar Das

For Financial Commissioner/Railways.

No. RS(S)/51/2018/7701/4/11942 **New Delhi, Dated: 28.06.2018**

Copy to:

1. The Director, RS (I&S), Railway Board, 3, Koilaghat Street, Kolkata- 700001.
2. Controller of Stores, All Indian Railways/PUs
3. DDF (S)-II, Railway Board.

(SHIV SHANKER)
Deputy Director, Railway Stores (Steel)-I